Building for a Sustainable World

Kier’s Sustainability Framework
Introduction

An overview of our Sustainability framework

Framework governance

Environmental sustainability - critical actions

Our environmental milestones

Looking forward – our pathway to Net Zero

Our social value milestones

Our social value story so far...

Actioning our framework goals

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Message from the Chief Executive

Our sustainability framework, Building for a Sustainable World, sets out how, as a Group, we can all change our mindsets to embrace sustainability so that it becomes business as usual.

Building for a Sustainable World concentrates on two key components: environmental sustainability and social sustainability. It outlines that we are committed to preventing environmental and social harm, replenishing our natural systems and renewable resources and having a positive impact on the communities and environments in which we operate.

Our approach to sustainability aims to safeguard three vital features:

- a resilient environment;
- a resilient community (workforce, supplier and customer base) and;
- resilient profits.

The framework is about setting realistic goals and targets, and putting clear plans in place to achieve them. It aligns with our strategic plan and culture of Performance Excellence, by introducing a consistent approach to sustainability across the Group.

Being sustainable is more important than it’s ever been, and to have a sustainable business is to have a resilient, purpose driven business.

Andrew Davies
Chief Executive
October 2020
At Kier, Sustainability is a mindset that seeks to create a resilient, purpose driven business by safeguarding three vital features no business can operate successfully without:

- A resilient environment;
- A resilient community which includes our workforce, supplier and customer base; and
- Resilient profits.

Sustainability has two key components: environmental responsibility and social responsibility (also known as Corporate Responsibility or CR). When we maintain our legal environmental and social obligations and look for proactive ways to improve our performance in these areas, we create environmental and community resilience, which in turn creates resilient, sustainable profits.

To operate a sustainable business, we encourage all Kier employees to adopt this mindset and carry out their day-to-day operations in a way which keeps the three critical features: environment, community, and profitability, in balance.

Our “Building For A Sustainable World” framework sets a common direction of travel for the whole group and encompasses the two components of sustainability: Environmental Sustainability and Social Sustainability.

Across these two sections we have established ten pillars of action, to address our most pressing areas of environmental and social concern. Our ten pillars focus on where we can have the greatest impact through our operations. Our new sustainability targets include achieving Net Zero carbon across our own operations and supply chain by 2045, eliminating avoidable waste by 2035 and becoming single-use plastic free by 2030.

With support from Group our business units are responsible for developing their own individual strategies for delivering on our framework targets. To ensure good governance, we have established a number of cross functional Sustainability Leadership Forums, led by members of Kier’s senior leadership team.

Success will be measured not only through traditional volume metrics, but also through commercial performance indicators. The purpose of applying a commercial lens is to ensure that sustainable action within Kier is driven through our core business decisions.

**“Green is a trend, sustainability is a mindset.”**

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**An overview of our Sustainability framework**

**“Green is a trend, sustainability is a mindset.”**

![Diagram showing the interrelation between environment, community, and profits]

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Framework governance

Executive Committee Sustainability Lead
Andrew Davies
Chief Executive Officer

Group Sustainability Leadership Forum

CEO: Kier Foundation
Environment: HR

Fleet: Sustainability
Procurement: Kier Professional Services
Marketing & Communications: Corporate Responsibility

Purpose:
• Ensure the Group Sustainability framework is adopted and actioned within the business.
• Review and measure the business sustainability strategies, ensuring they fit for purpose and complement the Group Sustainability framework.
• Review outputs from the specialist working groups to identify innovations that can be implemented to deliver sustainable improvement.

Group Sustainability Leadership Forums

Construction: MD Regional Build Southern Group SLT Lead
Infrastructure: Commercial Director Group SLT Lead
Highways: MD Local Highways Group SLT Lead
Utilities & Rail: MD Kier Water, Energy & Rail Group SLT Lead
Living & Specialist Services: MD Group SLT Lead

Sustainability Manager Construction Group Chair
Sustainability Manager Infrastructure Group Chair
Sustainability Manager Highways Group Chair
Sustainability Manager Utilities & Rail Group Chair
Sustainability Manager Living Group Chair

Purpose:
• Establish across Kier a common understanding of sustainability and key concepts associated with the working group’s focus area.
• Establish across Kier a standardised approach to measuring and reporting on progress.
• Horizon scan for new innovations which will help the business achieve its action plans for sustainable progress.
• Support the business in developing and delivering action plans for sustainable progress.

Working Groups

Pollution Prevention Responsible Sourcing Carbon Impact Zero Waste Protection of Habitats & Natural Resources Social Sustainability (CR)

Purpose:
• Promote awareness of the Group Sustainability framework and seek to actively engage business leaders with the framework.
• Land executive and Group Function support to facilitate and enable the business and working group action plans for sustainable progress.
• Identify and appoint supply chain partners to support the business action plans for sustainable development.

Business Sustainability Leadership Forums

Construction Infrastructure Highways Utilities & Rail Living & Specialist Services

MD Regional Build Southern Group SLT Lead Commercial Director Group SLT Lead MD Local Highways Group SLT Lead MD Kier Water, Energy & Rail Group SLT Lead MD Group SLT Lead

Sustainability Manager Construction Group Chair Sustainability Manager Infrastructure Group Chair Sustainability Manager Highways Group Chair Sustainability Manager Utilities & Rail Group Chair Sustainability Manager Living Group Chair

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Environmental sustainability — critical actions

Pollution Prevention Responsible Sourcing Carbon Impact Zero Waste Protection of Habitats & Natural Resources

- Continue to effectively train, support and audit our projects to minimise the risk of pollution
- Develop a new set of commercial KPIs for measuring the true impact of pollution incidents
- Deliver on our avoidable pollution incident reduction targets
- Seek to employ innovation, new technology and best practice in pollution prevention
- Improve knowledge and use of sustainable materials taking a full life cycle approach
- Increase our spend on sustainable materials and with preferred suppliers
- Provide customers with comprehensive options for improving their use of sustainable materials based on a life cycle approach
- Actively source and promote materials which fit the circular economy model
- Widens our carbon reporting scope to include Scope 3
- Adopt and enhance the ENCORD protocol for mapping our Scope 3 activities
- Deliver on our carbon reduction targets in line with our pathway to Net Zero
- Continue to incorporate low carbon technologies, materials and ways of working into our operations
- Become our customers partner of choice for enhancing and delivering on their carbon reduction commitments
- Widens our reporting scope to include commercial KPIs for the direct and indirect cost of waste
- Implement the principles of Zero Avoidable Waste in Construction (Green Building Council) by preventing waste at every stage of a project’s lifecycle
- Integrate Circular Economy principles:
  - Design for disassembly
  - Prioritise closed loop recycling
  - Increase the percentage of recycled content in our building materials

- Adopt a comprehensive tool for measuring biodiversity net gain on our projects and delivering biodiversity benefit
- Advance our operational commitment to natural capital principles
- Develop performance excellence plans for reducing, reusing and recycling water
- Support and deliver on our customers commitments to habitat enhancement, restoration and protection

Economy principles:
- Integrate Circular Economy principles at every stage of a project’s lifecycle
- Preventing waste and reducing, reusing and recycling water
- Implement the ENCORD protocol for mapping our Scope 3 activities
- Adopt the principles of Zero Avoidable Waste in Construction (Green Building Council)
- Integrate Circular Economy principles:
  - Design for disassembly
  - Prioritise closed loop recycling
- Increase the percentage of recycled content in our building materials

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## Our environmental milestones

### Carbon Impact

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>We sat on the working group that developed the ENCORD Construction CO₂e Measurement Protocol. Our annual greenhouse gas reporting information was third-party assured for the first time.</td>
</tr>
<tr>
<td>2015</td>
<td>Following our initial voluntary submission in 2007, we continued to report annually to the Carbon Disclosure Project. We were named in the FTSE 350 climate disclosure leadership index (CDLI), scoring in the top 10% of businesses.</td>
</tr>
<tr>
<td>2016</td>
<td>We achieved a 27% reduction in carbon emissions intensity from the previous year, exceeding our 10% target.</td>
</tr>
<tr>
<td>2018</td>
<td>We launched our 30 by 30 strategy, aiming to reduce energy consumption by 30% by 2030.</td>
</tr>
<tr>
<td>2020</td>
<td>We achieved a 54% reduction in carbon emissions intensity since 2014.</td>
</tr>
</tbody>
</table>

### Zero Waste

<table>
<thead>
<tr>
<th>Year</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Having signed up to the Halving Waste to Landfill Commitment in 2008, we achieved the target, reducing the quantity of construction, demolition and excavation waste sent to landfill by 56%.</td>
</tr>
<tr>
<td>2015</td>
<td>We set a target to reduce the volume of construction waste generated by our activities by 30% by 2020.</td>
</tr>
<tr>
<td>2016</td>
<td>Our waste data was third party assured. We were one of the first contractors to achieve this.</td>
</tr>
<tr>
<td>2018</td>
<td>We won an award for our long-standing and successful implementation of the BRE’s SmartWaste tool, having implemented it in 2008.</td>
</tr>
<tr>
<td>2020</td>
<td>We achieved a 35% reduction in construction waste volume relative to turnover since 2015.</td>
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</table>

### Protection of Habitats & Natural Resources

<table>
<thead>
<tr>
<th>Year</th>
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</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>We were a founding member of the CIRIA Biodiversity Interest Group (BIG) and the first contractor to sign up to the ‘do one thing’ BIG Biodiversity initiative.</td>
</tr>
<tr>
<td>2015</td>
<td>We were the overall winner at the CIRIA BIG Biodiversity awards.</td>
</tr>
<tr>
<td>2016</td>
<td>We won a BIG Biodiversity award for the Greenburn Restoration project in Scotland.</td>
</tr>
<tr>
<td>2018</td>
<td>Our colleagues won the BIG Biodiversity ‘Champion’ award for the second year running.</td>
</tr>
<tr>
<td>2020</td>
<td>We have submitted nearly 150 entries to the BIG Biodiversity Challenge awards since 2014 and has sponsored the Client award every year.</td>
</tr>
</tbody>
</table>
Looking forward – our pathway to Net Zero

To champion a new decade of delivery for sustainable development, Kier has committed to achieving Net Zero carbon emissions across our own operations and supply chain by 2045. Our strategy for achieving this is to structure our activities under four critical pillars.

**REVIEW**
Root and branch review of our existing processes to ensure an accurate baseline and reporting structure.

**REDUCE**
Reduce our overall carbon emissions through:
- design, using whole life carbon assessment
- reduction in demand and consumption

**RENEW**
Adopt renewable energy technology and alternative fuels.

**REBALANCE**
Offset any residual carbon emissions using credible schemes.

**NET ZERO MANAGEMENT SYSTEM**
A systematic management approach to the delivery of the four pillars and their associated workstreams; to deliver the targets required for Net Zero and drive value out of the programmes of work undertaken.

*Image: Taxi Van - Incident Response Vehicle*
This range extended electric vehicle has a 31KWH battery powering a 148 BHP electric motor. The vehicle has integrated AC chargers providing a complete recharge in just 30 minutes.
Our social value milestones

**Supply Chain Engagement & Human Rights**

- **2012**: We were a founding partner of the Supply Chain Sustainability School and invested in online sustainability training and development for supply chain colleagues.
- **2019**: Kier colleagues completed 156 e-learning modules with the Supply Chain Sustainability School, and our supply chain completed 1161.
- **2020**: Over 396 members of our supply chain accessed resources on the Modern Slavery Act.
- **2020**: We committed to achieving a target of 80% spend with SMEs through our public sector frameworks. We achieved 95% SME spend on a number of key frameworks.
- **2017**: We enrolled in the 5% Club to promote the recruitment of apprentices and graduates to tackle the skills shortage and youth unemployment in the UK.
- **2018**: 47% of our graduate intake were women, improving our gender diversity.
- **2020**: We rolled out Mental Health and Thrive training throughout Kier.
- **2020**: We created and trained 700 Mental Health First Aiders.

**Wellbeing & Retention**

- **2013**: The Kier Foundation was launched.
- **2020**: We donated £2m since 2012 to support over 125 local and national charities through the Kier Foundation and match-funding scheme.
- **2020**: We trained 3000 employees in CPR.
- **2020**: We launched a new charity partnership with End Youth Homelessness.
- **2017**: We launched Shaping your World™, addressing shortages of employees in construction industry.
- **2018**: We achieved Social Value Quality Mark Level 1. We were the first construction company to achieve this, a stamp of approval for businesses committed to achieving positive social impact through their work.
- **2020**: We achieved Social Value Quality Mark Level 2. We were the first construction company to achieve this certification.

**The Kier Foundation**

- **2020**: We became a Contractor Partner in the Considerate Constructor Scheme (CCS).
- **2019**: We consistently achieved the “Certificate of Excellence” standard for CCS, indicating a high level of excellence, beyond statutory requirements, in the neighbourhood, the workforce and the environment.
- **2020**: We won 30 CCS National Site Awards throughout the country.

**Social Value**

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**Stakeholder Engagement**

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**Image: Christ the Word Catholic School, Rhyl**

A much-needed Catholic school for pupils from 3-16 years old – we were appointed to deliver the new project, as well as deconstruct the existing schools, all whilst working in a live environment.
Our social value story so far...

**Sustainable education**
The built environment offers a wealth of different job roles and career opportunities. Through our network of volunteer Kier ambassadors we work with schools from primary to higher education throughout the country. Our ‘Kieran’ and ‘Kiera’ Mascots support Health and Safety learning at Primary schools. Our Shaping Your World™ campaign provides awareness of the built environment to secondary schools and colleges, and Kier’s subject matter experts guest lecture at universities and support thesis research.

**Sustainable employment**
We recognise the importance of employment and the benefit this brings not only to the individual but to their family and the community. We offer work placements to help support individuals develop their skills and experience. These placements are offered to a diverse range of individuals, from those furthest away from employment needing a helping hand to become job ready, to others looking for their next career step. To achieve this we work closely with DWP, Princes Trust, Catch 22 and as of 2020, End Youth Homelessness. With over 2,000 different job roles at Kier, we actively seek to offer employment to local communities through our commitment to various schemes including:
- 2013 Armed Forces Corporate Covenant
- 2017 registered with the Ban the Box campaign
- 2018 Care Leaver Covenant
- 2019 Disability Confident Leader.

**Sustainable third sector**
We pride ourselves on working closely with local communities and utilising third sector services. One such example is Community Wood Recycling, an organisation we have supported since 2012. In 2020 this created 12 jobs, saw 30 people receive development training and over 900 tonnes of wood either recycled or reused. Our colleagues regularly volunteer and donate goods and materials to organisations such as the Trussell Trust, who protect some of our most vulnerable community members by supporting local food banks.

In 2012, the Kier Foundation was established as an independently registered charity. In 2018 the foundation raised £285,000 for 58 different charities. We also raise awareness of modern slavery and wellbeing through Mental Health First Aiders.

**Sustainable supply chain**
We work closely with our supply chain to share our skills and knowledge, and work with them to deliver social initiatives linked with our projects. We provide free access to training through our membership to the Supply Chain Sustainability School, and involve our supply chain with initiatives such as the Boots on for Building campaign, which raised almost £129,000 for 58 different charities. We also raise awareness of modern slavery and wellbeing through Mental Health First Aiders.

**Sustainable employees**
As detailed in our Performance Excellence programme we know our people have the biggest impact within our business, with our clients and within society. As an inclusive employer we value collaboration, and actively promote fairness, inclusion and respect through through our LGBT+ and Allies Network.

In 2019, we updated our Smart Working Policy and have various virtual and communication platforms to support employees throughout the company. We have over 7% of our employees undertaking formal training and have rolled out mental health first aid and resilience training through our Thrive initiative.

**Sustainable stakeholders**
At Kier, we are committed to delivering what we promise to our customers, investors, employees and community stakeholders. We actively collaborate with customers and suppliers throughout the duration of a project and have achieved a 92% customer satisfaction rate. Our internal health and safety, assurance and sustainability policies and processes are an important aspect of our stakeholder engagement.
Actioning our framework goals

Construction

Christ the Word Catholic School, Rhyl
Client: Denbighshire County Council
Christ the Word is a much-needed Catholic school for pupils from 3-16 years old. We were appointed to deliver the new project, as well as demolish the existing schools, all whilst working in a live environment.

Highways

Stover Country Park, Devon
Client: Highways England
Improvement of biodiversity and water quality at a country park on the edge of Dartmoor and adjacent to the A38 to prevent contaminants from vehicles impacting the wildlife at Stover Country Park, a Site of Special Scientific Interest (SSSI).

Infrastructure

River Camel Restoration – Grogley Weir
Client: Environment Agency
As part of returning the River Camel Valley and Tributaries Site of Special Scientific Interest (SSSI) to favourable condition and improving the integrity of the River Camel Special Area of Conservation (SAC), Kier was employed to carry out works over a 75m stretch of river.

Utilities

The Southern Strategic Support Main
Client: Bristol Water
The Southern Strategic Support Main (SSSM) is a new 31km water pipeline between Barrow and Cheddar. The pipeline passes through open countryside, towns and villages providing the opportunity for both biodiversity enhancement and community engagement.

“Kier delivered a new ‘All-through school for 3 to 16 year olds’ that was constructed safely, on time, within budget and to the very highest standard. We are delighted with our new school, which is an excellence example of a collaborative team approach.”
Sion Evans, Denbighshire County Council

“Well done to everyone who has worked on this project. A great example of collaboration and the wonderful work delivered through this contract.”
Dave Olorenshaw, General Manager, Southwest DSC

“I am delighted to see this river restoration work on the River Camel being delivered on time and very sensitively by Kier. It is an excellent project and is enabling even more fantastic work to be completed.”
Lesley Newport, Environment Programme Manager, Devon, Cornwall and the Isles of Scilly

“A big thank you from Bristol Water to the Kier Environment Team – working together on this project has enabled us to construct the foundations for a positive environmental legacy.”
Natasha Clarke, Environmental Manager, Bristol Water