KIER

Responsible Sourcing Guide

Responsible Sourcing Guide

Foreword

At Kier, responsible sourcing is fundamental to how we operate and how we deliver for our customers, our people and the communities we serve. As a major contractor with a broad and dynamic supply chain, we recognise the responsibility we carry and the opportunity we have to influence positive change across our industry.

This Responsible Sourcing Guide sets out our expectations clearly, but it is more than a compliance document, it reflects who we are as a business and the values that guide every decision we make.

It demonstrates collaboration, by promoting open communication and partnership with suppliers to raise standards and drive continuous improvement. It strengthens trust, ensuring transparency accountability and ethical practices. It shows our commitment to being focused, making well-informed, risk-aware procurement decisions that protect people, safeguard human rights and reinforce strong governance. It underlines our pledge to be sustainable reducing environmental impact, supporting a low-carbon future and ensuring all labour within our supply chain is safe, fair and free from exploitation.

Our supply chain is an extension of Kier and the actions taken by our partners have a direct impact on our performance, reputation and long-term success. As global expectations around sustainability, human rights and ethical conduct continue to grow, responsible sourcing is not simply best practice it is essential. This guide provides a consistent framework to help our supply chain partners understand what we expect, how we assess risk and how we will work together to deliver responsible, ethical, and environmentally conscious outcomes. By following these guidelines, we aim to reduce risks, drive positive impact across our supply chain and contribute to a more sustainable future and build resilient supply chains.

Thank you to all our supply chain partners for your commitment to working responsibly and for your role in helping Kier deliver safe, high-quality and sustainable projects. Together, we can lead by example and create lasting value for people, the planet and the communities we build for.

Tracey McNamara - Group Procurement Director, March 2026

Version 2	
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1. Introduction

Kier is a leading provider of construction, infrastructure and property developments in the UK, with a commitment to leaving lasting legacies in the communities we serve. Every day, our 10,000 colleagues across our sites and offices are working to deliver infrastructure which is vital to the UK.

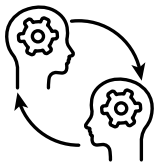
At the core of our purpose, our mission is to sustainably deliver infrastructure which is vital to the UK. For nearly 100 years, we have served communities across the nation, and now, more than ever, our commitment to sustainability is paramount. Recent years have brought considerable change, with a cost-of-living crisis and the growing climate and nature emergencies affecting our daily lives. As a responsible business, we recognise the need to adapt to these changing conditions to achieve success and contribute to a sustainable world. To make sure we address the issues that are most important to us and our stakeholders and to ensure we have the greatest impact, we have evolved our existing sustainability strategy, 'Building for a Sustainable World'. Our enhanced framework focuses on building on the good work that we have previously undertaken in the environment and the creation of social value in the communities we work in.

2. Guiding principles

Reducing the impact of our activities on the environment and use of natural resources on our projects and in the supply chain.

We are committed to fair and equal treatment across our workforce and value chain, protecting human rights in our business, projects and supply chain by taking steps to prevent, mitigate, identify and remedy risks in line with our Modern Slavery Statement.

We help our supply chain grow through upskilling, development and continuous improvement, while maintaining our founding membership in the Supply Chain Sustainability School.



Building a diverse supply chain that values collaboration and drives innovation, ensuring products meet our requirements now and in the future, designing for circularity and climate adaptation.

We use a risk and opportunity-based approach to due diligence, following our Responsible Sourcing Guide and promoting transparency and traceability across the value chain.

3. Purpose

At Kier, we are committed to ensuring that our supply chain reflects our core values of sustainability, ethical practices and social responsibility, as reflected in our three pillars: Our People, Our Places, Our Planet. This guide has been developed to provide our suppliers, partners and stakeholders with clear expectations to ensure that materials, labour and services provided to us are sourced ethically, sustainably and responsibly. It outlines the standards and practices we expect from our suppliers to help us drive positive environmental, social and ethical outcomes across our value chain.

We believe that responsible sourcing is not just about meeting legal and regulatory requirements but about creating long-term value for both our business and the planet. By working with suppliers who share our commitment to these values, we can build a more resilient supply chain. We encourage all our suppliers to review the guide carefully and align with the expectations it outlines.

While we recognise that supply chains can be vast and complex, we ask that you actively manage the risks within your supply chain and raise any concerns as needed.

https://www.kier.co.uk/media/ipscpa0p/pol-gr-018-whistleblowing-policy.pdf

4. Scope

This Responsible Sourcing Guide applies to all areas of the supply chain, covering:

- Infrastructure
- Construction
- Property
- Group Procurement (Direct & Indirect)

We urge our tier one suppliers to cascade the requirements of this guide with their own supply chain. This approach helps extend the impact of responsible sourcing, improving working practices, ethical standards and sustainability efforts across the wider supply chain.

5. Sustainable Procurement

Suppliers can expect the priority areas identified in this document to be evaluated during the procurement process and for relevant Key Performance Indicators (KPI's) to be reflected in contracts, with a greater focus on sustainability factors in our contract management meetings. For those suppliers already in contract with Kier (legacy contracts), we will collaborate with you to ensure we can collectively meet our sustainability goals.

6. Supporting Small, Medium and Micro Enterprises (SMEs)

We recognise the value of working with SMEs and the positive impact this has on the local communities in which we operate. Kier can support SMEs by simplifying procurement processes, offering smaller work packages and committing to prompt payment. Providing training, mentoring and support with certifications helps build SME capability. Engaging local SMEs through directories and events boosts community impact, while embedding SME support into procurement policy ensures long-term integration. Tracking spend and promoting SME success stories further strengthens relationships and demonstrates Kier's commitment to inclusive, resilient supply chains.

7. Resources available to our suppliers

Supply Chain Sustainability School

As a long-standing partner of the School, we use this platform to help build capability, raise standards and drive consistent learning across our workforce and supply chain. We encourage suppliers to onboard their teams and make full use of the free training available. You can set up tailored learning pathways for your organisation, covering areas such as sustainability, modern slavery, carbon reduction, equality and behavioural safety. Ensuring your workforce completes these pathways helps us achieve shared standards, improve performance and embed best practice across every project we deliver together.

We have developed a modern slavery learning pathway which is mandatory for all group preferred supplier list suppliers to complete. The training is free and takes less than 30 minutes to complete. There are four modules for suppliers to complete via the Supply Chain Sustainability School. For those who are not yet members, this is a great opportunity to register. The relevant training pathways have already been allocated to our PSL list. The training is to raise awareness of the indicators of modern slavery. Link to pathway.

Training modules:

1. Modern Slavery - Sustainability Short -Modern Slavery - Can you spot the signs?
2. Introduction to Modern Slavery-Modern Slavery and the impacts it can have on your supply chain.
3. Modern Slavery Due Diligence Checklist- What should you have in place to help combat modern slavery
4. Unseen – Beyond the Shadows.

8. What we expect from our supply chain

a) **Strategic suppliers:** will be required to deliver on the commitments in our Responsible Sourcing Guide, and through our ongoing communication, we will work with you to promote best practice and ensure compliance with our commitments, requesting data against relevant KPIs appropriate to the products and services you provide.

b) **Existing and renewing suppliers:** We will apply a heat map prioritisation to our existing suppliers based on relevance of our commitments to the products and services you provide us. You will be required to align on delivering on the commitments in our Responsible Sourcing Guide in line with this prioritisation.

c) **New suppliers:** You will be expected to deliver on the Guide's commitments before commencing work with us through our supplier onboarding process.

9. Relevance and proportionality

Kier will endeavour to collaborate with small and medium sized enterprises (SMEs). This includes instances when smaller, local organisations can offer key benefits such as enhanced local knowledge, the provision of local employment or benefits to the local community. Kier uses the EU definition of SME enterprises; A medium-sized enterprise has fewer than 250 employees and a turnover of up to €50 million, or a balance sheet total of up to €43 million. Small enterprises have fewer than 50 employees and a turnover or balance sheet total of up to €10 million. Micro-enterprises have fewer than 10 employees and a turnover or balance sheet total of up to €2 million.

The sustainability priority areas we identify will not be relevant to every procurement or existing contract. The Heat Map exercise will lay out where we consider there may be an opportunity or risk for each priority area, mapped against our categories of spend. The priorities highlighted are more likely to be considered as factors within the tender assessment or areas we may wish to explore with existing suppliers. Each procurement and existing contract is different, and the Heat Map is intended as a guide.

10. Roles and accountability for ensuring implementation:

Roles	Accountability
Kier's Responsible Sourcing Manager & wider sustainability team	Will provide clarity on the guide and other policies related to sustainability, ensuring that both suppliers and internal teams are supported when queries arise. This includes instances where we need to go beyond the guide to find appropriate solutions or guidance. Additionally, we will support the Head of Procurement with evidence to assist in decision-making for any additional sign-offs.
Kier's Buying team and Commercial teams	Requesting the outlined questions of suppliers for spot buys.
Kier's Category Managers	Ensuring suppliers have received and understood the guide. Discussing the requirements with suppliers in regular meetings to ensure compliance.
Kier's Suppliers and subcontractors	Read and share the guide with colleagues when needed. Raise any concerns with the requirements of this guide or other policies. Suppliers and subcontractors are to implement the requirements across their businesses and sites where applicable.
Kier's Group Procurement Director or the Head of Procurement Indirect/ Direct	Sign off processes for occurrences outside of this guide or policies.

Supply Chain Expectations:

1. We expect our suppliers and sub contractors to comply with all applicable sustainability requirements, as per contractual obligations.
2. Suppliers and subcontractors must ensure their supply chain also comply with these requirements (with relevance and proportionality applied).
3. In providing, goods, works and services they must demonstrate forward progress on climate resilience, the lowest possible whole-life carbon impacts and deliver year-on-year reductions in carbon footprint and energy intensity.
4. Devise and offer innovative solutions.
5. Manage and reduce waste by applying circular economy and circular procurement principles.
6. Sustainability training and education will be encouraged for all suppliers and sub contractors, to train and upskill their employees and other relevant stakeholders.
7. We expect our suppliers and subcontractors to complete modern slavery learning pathway on the supply chain sustainability school.
8. We expect our suppliers and subcontractors to be proactive in identifying, preventing, managing and mitigating modern slavery risks.

Our Commitment:

We will work closely with our supply chain to deliver lasting sustainable benefits. In practice this means we will:

1. Be accountable for our own impacts on society the economy and the environment.
2. Be transparent in those decisions and activities that impact on the environment, society, and the economy.
3. Behave ethically and promote ethical behaviour throughout our supply chains.
4. Respect, consider and respond to the interests of stakeholders impacted by procurement activities.
5. Buy only what is needed and seek more sustainable alternatives wherever available
6. Ensure that sustainability is integrated into all existing procurement practices to maximise sustainable outcomes.
7. Work towards continually improving our sustainability practices and outcomes and encouraging organisations in our supply chains to do the same.

11. Kier initiatives

PEOPLE: Real Living Wage

We are committed to ensuring that our employees and those within our supply chain receive the Real Living Wage (RLW) and where applicable the London Living Wage(LLW). We also encourage our suppliers to adopt this principle as part of their own employment practices. More details on the real living wage can be found here - https://www.livingwage.org.uk/what-real-living-wage

PEOPLE: Disability confidence

Kier are Disability Confident Leaders (level 3). This scheme run by the Department of Work and Pensions (DWP) encourages disability inclusion in the workplace, with 3 levels on the journey to becoming a Leader. The scheme provides a structured framework to support businesses to raise awareness and opportunities for disabled people. As a Leader, Kier can support the accreditation of other organisations starting their Disability Confident journey. For more information contact inclusion@kier.co.uk

PEOPLE: Making Ground

Kier support people with lived experience of the Criminal Justice System (CJS), through engagement and employment opportunities on release from custody. This programme is core to our positive action programme and offering. Our Diversity and Inclusion (D&I) team are able to provide support and guidance for businesses that may wish to create their own offering for people with CJS experience. Email inclusion@kier.co.uk for more information.

PEOPLE: Military recruitment

Working with people who are part of the wider military community includes service leavers, veterans, cadet force adult volunteers and reservists. We are an Employer Recognition Scheme Gold Award holder and have signed the Armed Forces Covenant. We can support other businesses to start their military recruitment journey, please email inclusion@kier.co.uk for more information.

PLACES: Kierriculum

In **FY24 we engaged with c.24,000 students** to promote careers within the construction industry via careers fairs, site visits and using our Kierriculum resources. To make this a reality, we've developed Kierriculum—a comprehensive educational resource designed to show students just how exciting and rewarding a career in construction can be. Kierriculum is a fun and practical tool that demonstrates how school subjects directly relate to the construction industry, making it more accessible and appealing to young people.

PLACES: Open Doors

Kier is a partner for Open Doors, an annual event run by Build UK. The event goes 'behind the site hoardings' to showcase the range of careers available in the construction industry with projects ranging from tunnels to skyscrapers, as well as a wide range of virtual experiences. Each year we open sites across the country, and welcome hundreds of visitors from local schools, colleges and communities. Open Doors is a great opportunity for us to break down some of the stereotypes associated with the construction industry and encourage people into a possible career. The events are open to anyone with an interest in finding out more, but we focus on targeting schools, colleges and underrepresented groups to inspire the next generation of apprentices and graduates.

PLANET: Biochar

Biochar is a carbon-rich material derived from organic waste. Our laboratory trials replicated potential approaches to treat runoff water, with successful outcomes, demonstrating that even the lowest biochar/filter stone mix was effective at removing microplastics, resulting in significant improvements in runoff water quality. Following an award-winning laboratory demonstration, we are moving to real world trials within our A417 project to further demonstrate the potential of biochar in this application. Additionally, the biochar itself sequesters carbon, contributing to carbon footprint reduction. This project not only enhances environmental sustainability but also showcases Kier's commitment to innovation and incorporating sustainability solutions into our projects

12. Our approach to sustainability impacts, risks, opportunities (IRO)

Our approach to sustainability IROs within our supply chain is fourfold:

a) **Annual ESG materiality:** Every year, Kier undertake a Group-wide Environment, Social and Governance (ESG) based workshop with its key internal stakeholders from across the business to understand the material IROs for our business. This exercise is viewed from a procurement standpoint, to have better visibility of our higher supply chain risks. It ensures we understand how these risks relate to our business, which areas are most prone to risk via materials and labour - identify hot–spots and help prioritisation of resource. We then identify improvements in our control and agree clear actions and owners and a framework for managing the delivery of them. This annual workshop helps drive procurement strategy and materials standards for the different categories analysed in the workshop. And from an ESG perspective, this enables us to determine which suppliers and supply chains contribute most significantly to each issue, allowing these relationships to be prioritised when developing policies and strategies, undertaking due diligence, and conducting procurement activities.

b) **Responsible Sourcing Protocols for priority categories:** having undertaken the ESG exercise, we ensure to produce guidance for our teams, to tackle the categories with the highest sustainability risks such as Solar Photovoltaics (PV), Hydrotreated Vegetable Oil (HVO), Labour, Batteries, and Timber. These are Control Standards applicable to all Divisions and business units procuring these categories.

c) **Preferred Suppliers List (PSL):** Kier manage a PSL for materials and plant hire, which has been analysed for the ESG/Sustainability due diligence for the categories of spend. As part of our supplier due diligence process, we assess human rights and environmental risks through a structured set of questions within the Pre-Qualification Questionnaire (PQQ) process. We also review suppliers' Modern Slavery Statements, where applicable. In addition, suppliers are subject to audits, which include dedicated sections covering sustainability and Modern Slavery criteria.

d) **Heat Mapping (Granular level Risk and Opportunity analysis for procurement spend categories):** based on the identified ESG materiality, the heat mapping workshops will dive further into what the specific ESG risks and opportunities are for a particular spend category, how severe each risk or how great each sustainability opportunity is for the selected spend categories and therefore what PQQ, Invitation to tender (ITT) questions and contract KPIs need to be included for those categories in the procurement process. The Heat Mapping will provide the core reasoning and evidence base for why suppliers are asked certain questions, and contracts focus on particular aspects of sustainability and key themes for questioning and engaging with the supply chain (market engagement).

13. Supplier Risk Assessment

Suppliers may be risk assessed to determine their categorisation of high or low risk and audit frequency. We review our suppliers based on a risk and opportunity criterion to categorise suppliers as high, medium or low risk. This is done by reviewing the supplier's financial health, past performance issues, geopolitical risks, any worker demographic data we may have and other external NGO data such as Unseen data point. Group Procurement will review criteria as part of an annual review. Group Procurement will prioritise suppliers for audit based on their risk ratings. For more information on our approach to risk and due diligence please visit https://www.kier.co.uk/who-we-are/corporate-governance/group-policies-and-documents/

14. Utilities Management – Responsible Sourcing Approach

Managing utility supply contracts through a group-level, fully managed service provides a clear and controlled approach to utilities ordering, supplier management, bill validation and compliance assurance.

It reduces fragmentation across projects and sites, improves visibility of issues and costs and supports a more consistent operating model across the business.

Procurement Shared Service Centre performs a role that individual business units cannot readily replicate because it can aggregate demand and consumption across the Group to secure economies of scale and apply consistent control.

Supplier and supply point queries are handled centrally, reducing disruption to site teams and enabling issues such as changes of responsibility, meter discrepancies and contract disputes to be resolved more quickly and consistently.

Bill validation is embedded within the service so that invoices are checked against agreed contract terms before payment, reducing the risk of billing errors, overpayments and unmanaged debt.

Utilities are also managed through a controlled Procure-to-Pay (P2P) process from contract set-up to invoice payment, improving coding accuracy and exception handling.

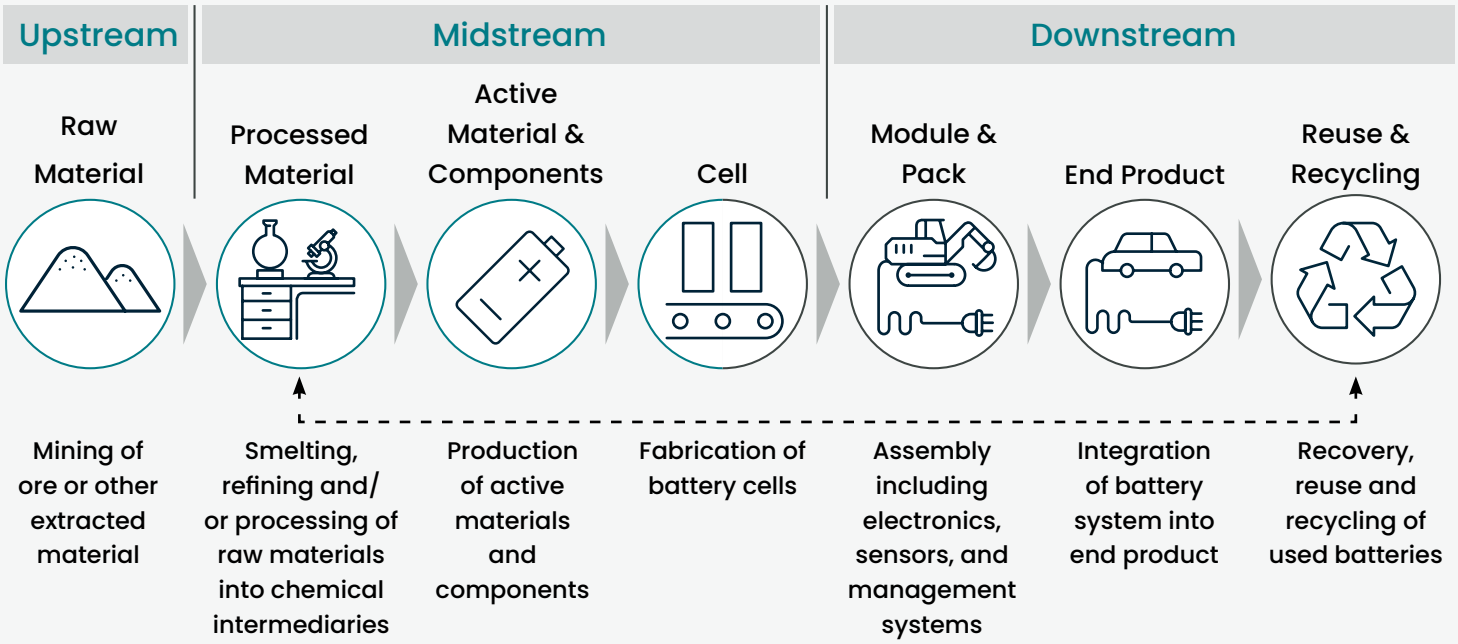
In addition, Group Procurement of REGO-backed electricity provides evidence of renewable electricity consumption to support ESG commitments, carbon reporting and audit requirements.

15. Material-Specific ESG Risks and Procurement Expectations

The materials listed below are recognised as having a high risk of environmental and human rights impacts, primarily due to how they are sourced and processed.

A) Lithium batteries:

SUPPLY CHAIN OVERVIEW



Sourcing lithium batteries presents a number of challenges, particularly as demand for electric vehicles (EVs), renewable energy storage and portable electronics continues to rise. The main ESG concerns associated with the lifecycle of a lithium battery are community displacement, child labour, forced labour, labour exploitation, health and safety risk, air pollution, water pollution and scarcity, toxic waste, biodiversity loss and carbon emissions. Below outlines some of the key risks to be considered:

- **Lithium Extraction:** The process of extracting lithium, typically from salt flats or hard rock deposits, can have significant environmental consequences. For example, large amounts of water are often used in lithium extraction from salt lakes, which can lead to water scarcity in already arid regions. Additionally, mining activities can lead to habitat destruction and soil contamination.
- **Carbon Footprint:** The mining, processing and transportation of the mineral components of lithium batteries such as nickel, lithium and cobalt can contribute to greenhouse gas emissions, particularly when fossil fuels are used in the energy-intensive extraction processes.

- **Labour conditions:** Components such as lithium, nickel, graphite and cobalt which is needed in lithium batteries is largely sourced from mines in high-risk geographies such as the Democratic Republic of Congo where child labour and poor working conditions have been found. In addition, there are forced labour and child labour risks associated with battery disposal.
- **E-Waste and Disposal:** Improper disposal of lithium batteries can lead to environmental contamination. The growing volume of discarded batteries is creating challenges in managing electronic waste (e-waste), with concerns about the release of toxic substances into landfills or water systems.

Call to Action (CTA)

- Suppliers to Kier should provide details where possible on battery composition, supply chain information and an overview of due diligence activities (in line with expectations set in the EU Battery Passport scheme).
- Suppliers should be familiar and adhere where relevant to the responsible mining standards such as the Initiative for Responsible Mining Assurance (IRMA) or Responsible Minerals Initiative (RMI).

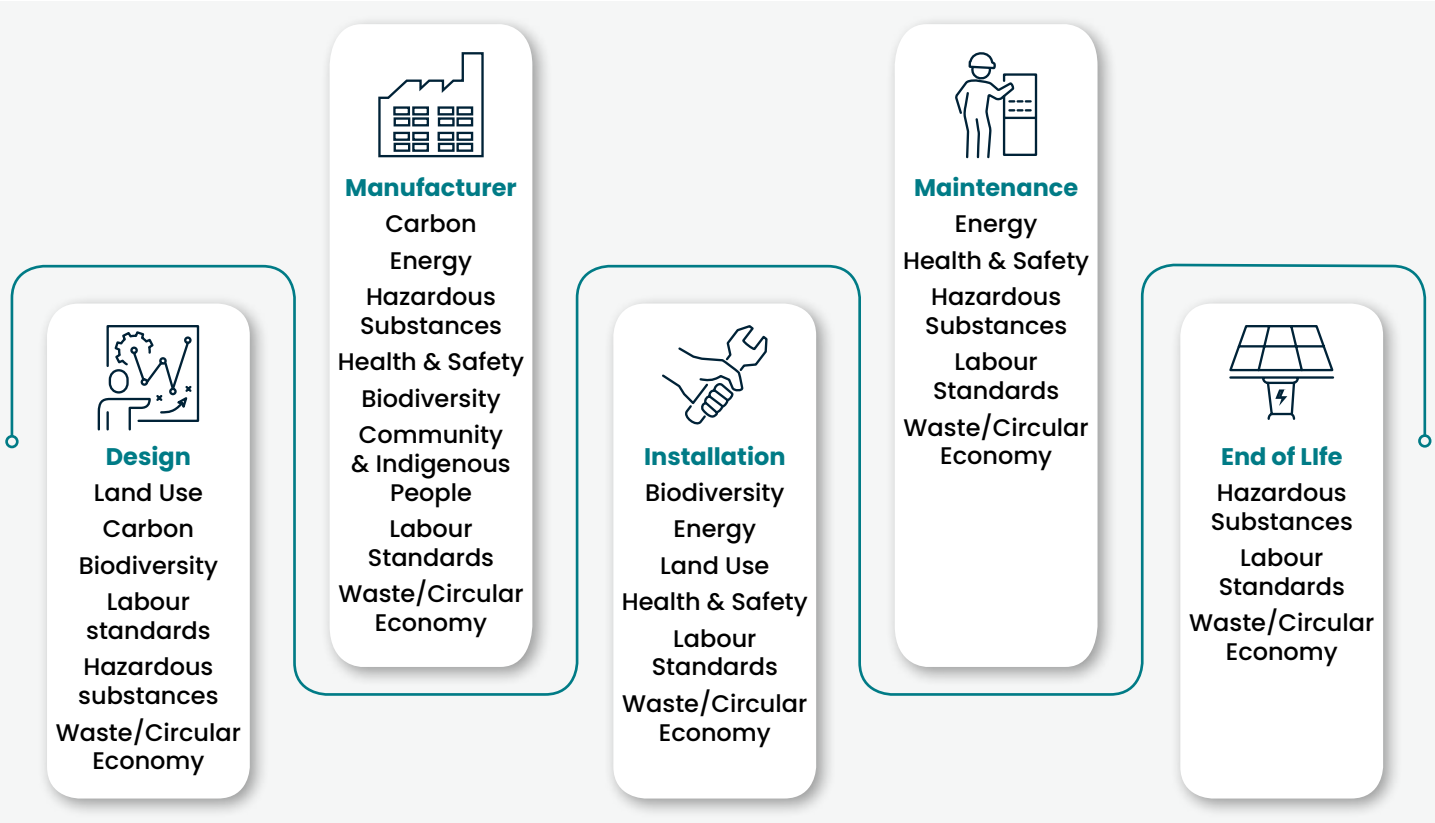
B) Solar Photovoltaic (PV) panels:

With global temperatures increasing and the effects of climate change becoming apparent in all corners of the world, the transition to a low-carbon economy is more urgent than ever. Solar PV technology is vital in enabling this transition: it captures solar energy effectively, producing low carbon electricity and significantly reducing greenhouse gas emissions and dependence on fossil fuels. This shift to renewable energy is urgent, but all factors involved in this transition must address the negative impact of human rights violations linked to the sector.

Around 35% of global solar grade polysilicon comes from China's Xinjiang Uyghur Autonomous Region (XUAR), where research and investigations link to allegations of state imposed forced labour. Forced labour risks exist across the whole PV supply chain, not just in XUAR, e.g. in Malaysia, India, Vietnam and other areas of China.

Solar PV

The figure below provides an overview of these key sustainability considerations throughout the lifecycle of solar PV.



Kier recognises that the human rights of workers engaged in the Solar PV panels supply chain are at risk of exploitation and particularly so in the Xinjiang Uyghur Autonomous Region (XUAR) of China. The main drivers for these are increase in import bans of products tainted with forced labour, increase in global diligence legislation affecting international supply chains, the stockpiles of Solar PV seized at the USA border through the Uyghur Forced Labor Prevention Act (UFLPA).

This may take various forms, such as slavery, servitude, forced or compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another person or state to exploit them for personal or commercial gain.

Kier has set standards for ethical and responsible procurement to provide lower impact products and services compliant with relevant industry standards. We commit to working with supply chain partners that share our standards and support Kier to achieve the objectives in Kier's strategy.

Further Guidance/Reference:

For clarity, these requirements do not apply to manufacturers of Solar PV panels produced in other jurisdictions, PROVIDED that the manufacturer provides auditable evidence of the source of the polysilicon base material, ingots, wafers and cells; and that said source is located outside of China.

Further practical guidance on addressing the risks in solar PV supply chains is available on the website or our Partners at the Supply Chain Sustainability School.

Call to Action (CTA)

Suppliers to Kier should:

- Ensure that all permanently installed solar photovoltaic panels installed on our projects, be sourced from a manufacturer that is a member of the Solar Stewardship Initiative (SSI).
- Ensure that said panels are sourced from a manufacturer that is both a member of the SSI and that the manufacturing site has been certified to the SSI's Supply Chain Traceability Standard.
- Be aware that from 1st June 2027, the scope will be extended to include non-permanent solar photovoltaic panels brought temporarily to Kier projects, for example on temporary site accommodation, lighting and CCTV towers, hybrid power generation installations and the like.
- Commit to transparency, traceability (providing a mapped supply chain), and continuous improvement.
- Conduct social audits by 3rd parties and share results and corrective actions.
- Consider alternatives to polysilicon, but recognise due diligence will still be required, as well as consideration of wider environmental risks.
- Offer closed-loop solutions to extend the life of critical components.
- Favour low-carbon production methods.
- Ensure all manufacturers from China must be members of the SSI prior to supplying to Kier for more information please refer to the standard- CS09-GR-017.

C) Hydrotreated Vegetable Oil (HVO):

What is HVO? HVO is a biofuel alternative to conventional (white) diesel. It can be made from a range of feedstocks of vegetable oil and animal fat in origin which can be first generation or second generation. First generation feedstocks are those that are grown specifically to make biofuels and include palm and sunflower oils. Second generation feedstocks are oil and fat wastes that come from sectors including food production and catering. While HVO is generally made from second generation feedstocks, you should always check the HVO you are buying is from this source and is certified as sustainable.

Use:

Often referred to as a 'drop-in' fuel, HVO can be used in any diesel combustion engine without modifications and stored in existing diesel tanks without flushing. It performs almost exactly the same as conventional fossil fuel diesel. Indeed, if often has better properties in terms of operating at lower temperatures and not being affected by damp and mould.

Environmental & Safety Considerations:

HVO from certified, second-generation feedstocks provides benefits in terms of carbon emission reduction, reducing climate change impacts. This is delivered by the balance between combusting the fuel and the carbon sequestration (absorption) during plant growth used to produce the HVO. However, HVO has only limited benefits in terms of air quality emissions at the tailpipe. Some tests have shown benefits in older Euro V or earlier engines, but it is a case-by-case situation depending on the age and maintenance of the engine, the usage and operator behaviour, as well as ambient temperature conditions.

Approved equipment:

Not all suppliers have approved the use of HVO in their equipment; therefore, you must check before using, as used in unapproved machinery may cause damage and additional cost to Kier.

Subcontractors:

No subcontractor procured HVO can be used by Kier operations or equipment. All subcontractor procured HVO must meet the outlined Kier standards, with records available upon request for audit by Kier Sustainability teams.

Call to Action (CTA)

Suppliers to Kier should provide the following evidence:

Renewable Fuels Assurance Scheme (RFAS) Renewable Fuel Declaration (RFD) plus associated supply chain certification (e.g. ISSC), providing evidence that:

- Only second-generation biofuels made from waste feedstocks (as outlined on the RTFO website) have been sourced.
- Only RFAS Accreditation approved HVO should be used on Kier sites.
- Carbon footprint information is available in the RFAS Fuel (RFD) that accompanies every HVO production batch supplied.
- Carbon data should be used in carbon accounting, as it is specific to the batch of fuel to hand and the feedstock used.
- Carbon 14 testing is undertaken and provided at a quarterly frequency including at least 1 random sample for each supplier/producer.
- Suppliers are required to immediately notify Kier of non-compliance with the standards outlined within this document and advise of mitigation and remediation taken to prevent recurrence.

Further Guidance/Reference:

Further information on the responsible sourcing of HVO can be found on the website of our Partners at the Supply Chain Sustainability School

D) Timber

Kier recognises that it has a responsibility to ensure that all timber and timber-based products, such as doors, windows, roof trusses, flooring, fencing, furniture and plywood used on their projects and premises are derived from legally harvested trees, grown in sustainably managed forests. Sourcing timber presents key ESG risks, which are explained below. Failing to manage these risks can lead to legal penalties, reputational damage and disruption to supply chains:

1. **Environmental Risks:** Deforestation, particularly in High Conservation Value Forests, Biodiversity loss and damage to natural habitats, climate impacts due to forest degradation or illegal harvesting.
2. **Social Risks:** Exploitation of indigenous communities or violation of land rights, unsafe or unfair labour practices in logging operations, involvement in unsanctioned or informal forestry sectors.
3. **Governance Risks:** Non-compliance with timber legality laws (e.g. UKTR, FLEGT), weak supply chain traceability or mislabelling of certified products, reputational damage from association with illegal or unethical sourcing.

Procurement Requirements (Kier Standard CS01-GR-017)

- Kier is committed to sustainable and responsible timber sourcing in line with our Environmental and Sustainability policies. All timber must:
  - Be Forest Stewardship Council® (FSC®) and/or the Programme for the Endorsement of Forest Certification (PEFC) or Grown in Britain certified
  - Comply with the UKTR – UK Timber Regulation (UKTR) and FLEGT – Forest Law Enforcement, Governance and Trade requirements
  - Have full chain of custody documentation
  - Avoid sourcing from:
    - Non-certified High Conservation Value Forests
    - Inappropriately cleared or degraded forests
    - or recycled timber wherever practicable

Implementation Tips:

- **Supplier Onboarding:** Include timber requirements in all PQQs and contracts.
- **Data Collection:** Standardise formats for collecting certification, origin and compliance data.
- **Training:** Ensure procurement and site teams understand Forest Stewardship Council® (FSC®) and/or the Programme for the Endorsement of Forest Certification (PEFC) labelling and UKTR obligations.

Call to Action (CTA)

4. Contractual obligations for suppliers

- Direct Suppliers must provide:
  - Quarterly/annual certification and country of origin data
  - FSC/PEFC Chain of Custody Certificates
  - Evidence of recycled timber content
  - Delivery notes/invoices referencing chain of custody numbers and applicable certification
  - Immediate reporting of risks or non-compliances
- Indirect Suppliers must:
  - Confirm adherence to Kier's timber sourcing requirements
  - Provide evidence upon request as outlined above

Derogations to these requirements must be formally documented and approved per Kier's derogation procedure.

Further Guidance/Reference:

Further information on the EU Timer Regulation (EUTR) is available at www.gov.uk/guidance/eu-timber-regulation-guidance-for-business-and-industry

Here are some free resources and webinars from PEFC: Events - Sustainable Forest Management

E) Sandstone & stone

At Kier, we recognise that sandstone presents a number of sustainability, environmental and ethical challenges. Quarrying can lead to significant environmental impacts, including habitat destruction, land degradation and water contamination. In some sourcing regions, unregulated mining may also expose workers to unsafe conditions, the risk of exploitation and harmful silica dust.

As sandstone continues to grow in popularity across the UK, responsible sourcing becomes increasingly important. India remains one of the largest global producers of sandstone and ensuring ethical, environmentally responsible and legally compliant supply chains is essential. Because sandstone production is highly labour intensive, understanding suppliers' labour practices is a critical part of our due diligence. We must be confident that workers are treated fairly, work in safe conditions and that production does not negatively impact local communities.

Below are the key risks we consider when conducting due diligence for sandstone sourcing:

1. Environmental risks

- **Habitat destruction:** Quarrying can destroy habitats, leading to soil degradation, erosion, and reduced biodiversity, which can make it difficult for ecosystems to regenerate.
- **Pollution:** The extraction and cutting of sandstone creates large amounts of dust, which contributes to air pollution. Wastewater from processing can also contaminate groundwater.
- **Resource intensity:** The processing of sandstone requires significant amounts of water and fuel, such as diesel.
- **Overexploitation:** The high demand for sandstone can lead to overexploitation of local and regional natural resources, especially in areas with weak regulations.

2. Social and health risks

- **Worker exploitation:** In regions where regulations are weak, the rule of law is poorly enforced and corruption is prevalent, mine workers - particularly those from migrant or marginalised communitites - may be vulnerable to exploitation by mine owners and operators.
- **Health risks:** The dust from cutting sandstone, particularly fine silica dust, can cause serious respiratory illnesses like silicosis, affecting quarry workers' health.
- **Child labour:** Child labour has been reported as a prevalence in the industry in some regions, which interferes with education and violates ILO conventions.

3. Challenges in assessing sustainability

- **Life Cycle Assessment (LCA) complexity:** Accurately calculating the "embodied carbon" of sandstone is difficult. Challenges include data scarcity, variability in extraction methods, transportation distances, and a lack of standardised LCA methodologies.
- **Lack of transparency:** There is a lack of transparency regarding the source and conditions under which some imported sandstone is produced, making it difficult for consumers to make informed choices.

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Key sourcing Considerations: for suppliers from high-risk countries such as China, India, Brazil and Egypt. Suppliers should:

- Understand where the stone is coming from and look at risk information to determine if it is a high-risk country.
- If it is deemed as being sourced from a high risk sourcing country, suppliers should:
- Demonstrate their practices in accordance with either the Ethical Trading Initiative (ETI) or Fairstone to ensure ethical labour practices.
- **Sustainable Quarrying:** Follow environmentally responsible extraction methods, reducing habitat destruction and excessive water use.
- **Waste Management:** have practices in place for minimising quarry waste and recycling stone offcuts.
- Waste water management during quarrying (dust suppression) the stone and for stone processing (cutting, grinding and polishing the stone).
- **Certifications:** ISO 9001 (quality management) and ISO 14001 (environmental management) certifications.
- Provide supply chain audits and traceability reports to track the stone's origin, this could be covered by a third-party social audit.
- Suppliers should ensure they have relevant certifications or undergo social audits to promote best practices and safeguard worker welfare at their sites to demonstrate commitment to ethical labour conditions, transparency and accountability in their operations.
- Where quarrying or primary stone processing is undertaken in a high-risk country, suppliers are expected to have third-party ethical labour audits or certifications in place, such as **Sedex Members Ethical Trade Audit (SMETA) or Social Accountability Standard (SA8000).**

F) Bricks:

At Kier, we recognise that one of the main sustainability challenges associated with brick manufacturing is its highly energy intensive production process, which generates significant carbon emissions and other pollutants. Additional challenges include waste generation and the technological barriers that still exist in reducing or eliminating process related emissions. While the EU and the UK continue to strengthen environmental regulations and invest in low carbon manufacturing technologies, achieving fully zero emission brick production remains a long term goal.

Sourcing bricks from outside the EU can also introduce further environmental and human rights risks. Wherever possible, we recommend working with a preferred supplier. Where this is not feasible, prioritising suppliers that manufacture within the EU is advisable, as EU based production benefits from stronger labour protections and more robust environmental standards.

We also recognise that brick kilns in some regions of South Asia have been linked to severe labour rights concerns, including child labour and the exploitation of workers. Reports highlight instances where workers operate without basic protective equipment and in unsafe, hazardous conditions. Rigorous due diligence is therefore essential when sourcing bricks from these regions, both to ensure ethical labour practices and to prevent contributing to human rights abuses.

Key environmental sustainability risks

- **Energy intensity:** Firing clay bricks to over 1000 degrees C requires substantial amounts of energy, primarily from electricity and natural gas. Many South Asian countries still use traditional, outdated coal-fired burnt clay kilns. These emit greenhouse gases and pollutants, affecting climate, health and ecosystems.
- **Carbon and other emissions:** The high-temperature process results in significant greenhouse gas emissions. Clays also produce process emissions that are difficult to control.
- **Fluctuating market demand:** The efficiency of production is tied to market demand, which can fluctuate, impacting energy use and carbon emissions.
- **Raw material volatility:** The industry faces challenges from volatile raw material and energy costs, which can impact production expenses and product pricing.
- **Waste:** The manufacturing process generates waste, including clay dust, kiln slag, and packaging materials.

Key social and labour risks

- Many countries still rely on manual, unregulated production, where working conditions are harsh, and precarious.
- Workers often accept work with poor living and working conditions and no entitlements.
- Debt bondage, a form of modern slavery is also prevalent in this sector.

What to consider

- Location of the product being sourced.
- Do they meet the fire regulation standards?
- Assess the environmental impact of manufacturing processes, including water consumption and waste management.
- Social audit .

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- Suppliers should map their supply chains back to source to identify and mitigate potential social and environmental risks.
- Where sourcing from outside the EU, suppliers are expected to share relevant third-party audit reports-such as **SMETA, SA8000,** or equivalent standards-to demonstrate responsible sourcing practices.
- Suppliers are encouraged to share their due diligence documentation with Kier as part of our commitment to ethical and sustainable procurement.

G) Workwear and Personal Protective Equipment (PPE)

At Kier, all PPE is sourced through our single approved supplier, Arco, who is required to provide evidence of their due diligence processes. Sourcing PPE outside of our approved supplier route carries a heightened risk, as a large proportion of global clothing and PPE manufacturing occurs in countries identified as high-risk for worker welfare issues, including China, Vietnam, India, Thailand and Malaysia.

Sourcing PPE involves significant sustainability risks across its lifecycle, but also presents opportunities for innovation, cost savings, and positive environmental impact through strategic procurement. If there is a business need to consider an alternative supplier, the requirements set out in GP-GR-046 Personal Protective Equipment (PPE) must be followed.

Sustainability Risks:

The primary risks stem from the reliance on single-use, fossil-fuel-derived plastics and complex, global supply chains.

- **Waste Generation & Landfill:** Most single-use PPE (masks, gloves, gowns) is made of non-biodegradable plastics like polypropylene and ends up in landfill or incinerated as clinical waste. This generates millions of tonnes of waste annually and can take hundreds of years to decompose.
- **Plastic Pollution & Microplastics:** Improper disposal leads to widespread environmental contamination, with PPE waste accumulating in oceans and breaking down into harmful microplastics that enter the food chain and affect human and marine health.
- **High Carbon Footprint:** The production, transport, and disposal of traditional PPE contribute significantly to greenhouse gas (GHG) emissions. Manufacturing often relies on intensive energy, water, and chemical use. Sourcing from global manufacturing hubs, often in Asia, means extensive shipping (and sometimes air freight) that adds to the carbon footprint.
- **Resource Depletion:** The reliance on virgin, petroleum-based raw materials deplete non-renewable resources.
- **Supply Chain Vulnerability & Ethical Concerns:** Over-reliance on a few global suppliers can lead to supply chain disruptions during crises (as seen during the COVID-19 pandemic). Sourcing also carries social risks related to labour practices and human rights in manufacturing facilities.
- **Substandard Products:** In times of high demand, a rush to secure supply can increase the risk of procuring fake, sub-standard, or non-compliant goods, which compromises worker safety and leads to additional waste.

Sustainability Opportunities

Opportunities lie in adopting a circular economy approach and leveraging innovation to reduce environmental impact without compromising safety.

- **Shift to Reusable PPE:** Adopting durable, washable, and reusable options (e.g., gowns, certain masks, workwear) significantly reduces waste generation, energy consumption, and carbon emissions compared to disposables. Reusable items also often provide long-term cost efficiencies.
- **Innovative and Green Materials:** Sourcing products made from sustainable materials like bio-based polymers (e.g., from sugarcane or castor oil), recycled PET bottles, or natural fibres (e.g., bamboo viscose) can reduce reliance on fossil fuels.
- **Improved Waste Management and Recycling:** Implementing robust, closed-loop collection and processing systems for used PPE, including effective decontamination technologies (like vaporised hydrogen peroxide), enables safe recycling or upcycling into other valuable products (e.g., plastic composites for construction) or waste-to-energy conversion.
- **Enhanced Product Longevity and Quality:** Investing in higher-quality, durable PPE reduces the frequency of replacement, leading to less waste, lower overall costs, and improved safety compliance.
- **Supply Chain Transparency and Local Sourcing:** Partnering with suppliers who are transparent about their sustainability efforts (using frameworks like GRI – Global Reporting Initiative or ISO 14001 certification) and using local manufacturers can help reduce transportation emissions and build more resilient supply chains.
- **Policy and Procurement Integration:** Integrating sustainability criteria into procurement policies and public tenders encourages the development and adoption of environmentally friendly solutions across the market.
- **Worker Education and Awareness:** Training employees on the proper use, maintenance and disposal of PPE can extend product life, reduce unnecessary use and foster a more sustainable workplace culture.

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- Suppliers should provide copies of any social audits (e.g., SMETA, SA8000).
- Suppliers should provide details of any current allegations or concerns relating to labour practices, along with actions being taken to resolve them.
- Cotton production, for example, is resource intensive as it requires large amounts of water (especially in dry regions) and it is pesticide heavy. Suppliers to provide details of excessive water use and mitigation of pollution due diligence with their own supply chain, where feasible
- Suppliers are encouraged to adopt more sustainable practices, such as joining initiatives like the Better Cotton Initiative (BCI), which promotes responsible cotton farming practices that reduce environmental impact.

H) Labour, Human Rights and Modern Slavery:

Sourcing from areas of conflict

The United Kingdom has regulations that restrict the importation of goods from certain countries due to various factors such as sanctions, trade restrictions, and human rights concerns. These restrictions are often imposed by the UK government based on international law, including UN Security Council Resolutions, and the UK's own sanctions regime post-Brexit. Sanctions are subject to change, and the list may evolve based on shifting political situations or international agreements. Businesses need to check the latest UK government sanctions lists, which are regularly updated, to ensure they are compliant.

Our business is committed to operating in alignment with the United Nations Guiding Principles on Business and Human Rights. These principles form the foundation of our approach to responsible sourcing and ethical business conduct. We recognise our responsibility to respect human rights across all our operations and supply chains. This includes identifying, preventing and addressing any potential or actual adverse human rights impacts connected to our business activities. We expect all our suppliers, contractors, and business partners to uphold these same principles and to ensure that their own supply chains are managed in a manner consistent with the UNGPs. This includes maintaining effective due diligence processes, promoting transparency and providing access to grievance mechanisms for workers and affected stakeholders.

Development of Modern Slavery Indicator Dashboard and Reporting

Through our annual risk-mapping workshop, we identified groundworks on site as a higher-risk activity. This risk is primarily linked to roles that are typically low-paid, low-power and highly dependent, which can limit worker influence and increase vulnerability to exploitation.

In response, we have worked with our biometric partners to develop a Modern Slavery Indicator Dashboard. The dashboard collates workforce demographic data and identifies higher-risk sites based on key Modern Slavery indicators. This insight enables targeted reporting and triggers enhanced due diligence, ensuring appropriate mitigation measures and safeguarding practices are implemented where risk indicators are identified.

Modern slavery risk and regions: Modern slavery is an umbrella term used to describe severe forms of exploitation where a person cannot refuse or leave work because of threats, violence, coercion, deception, or abuse of power. It includes forced or compulsory labour, child labour, human trafficking, domestic servitude and forced marriage, where people are exploited and deprived of their freedom for another's gain. Modern slavery is one of the most severe forms of exploitation globally, affecting an estimated 50 million people worldwide (ILO, 2022). It undermines human dignity, violates international law, and contributes to: Unsafe working conditions, suppressed wages, loss of workers' rights, reputational, legal and commercial risk for companies.

Where Is It Found? Modern slavery is often hidden and can exist in both:

- Direct operations (e.g. subcontracted labour on construction sites).
- Deeper tiers of supply chains (e.g. production of bricks, garments, electronics, and raw materials).

It is commonly seen in the below areas

- High reliance on **low-paid or migrant labour.**
- Poor regulation or weak enforcement of labour laws.
- Complex, globalised, and **multi-tiered supply chains.**
- High demand for **cheap, fast, or flexible production.**
- Political instability, poverty, or corruption.

High-Risk Areas in Construction:

Some of the high risk areas that Kier have identified are: low-paid, subcontracted labour, labour providers, agency staff, migrant workers, materials such as bricks, sandstone, tiles Informal kilns or quarries in South Asia and China. Workwear and PPE, garment manufacturing from regions such as Bangladesh, Vietnam and China.

Solar and battery components link to forced labour in XUAR, child labour in Democratic Republic of the Congo cobalt mining.

Actions to Prevent Modern Slavery

Kier takes a proactive approach to identifying and mitigating modern slavery risk across our operations and supply chain. Our prevention measures may include but are not limited to, the following:

Training & Awareness

- Mandatory modern slavery training to employees and key suppliers.
- Access to the Supply Chain Sustainability School modules on ethical labour practices.
- Inductions and toolbox talks for site-based workers.

Whistleblowing & Reporting

- Confidential third-party grievance mechanism available to all workers
- UK Modern Slavery Helpline: 08000 121 700
- Encouragement to report suspicious behaviour, recruitment fees or worker coercion

Supplier Due Diligence

- Risk assessment of all suppliers (location, labour type, materials used)
- Ethical audit programme for high-risk suppliers
- Requesting audit evidence (e.g. SMETA, SA8000) for labour-intensive services and goods

Contracts & Standards

- Inclusion of modern slavery clauses in supplier contracts
- Supplier Code of Conduct outlining expectations for fair labour practices
- Requirement for suppliers to pass standards through their own supply chains

Remediation & Escalation

- Collaborative approach with suppliers to develop on action plans to address any issues identified
- Development of corrective action plans and re-audit where required
- Exit strategy in cases of persistent non-compliance
- Signpost victims to support charities

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Suppliers to consider and provide information:

- Up to which supply chain tiers does your organisation ensure that workers know their rights of employment.
- In which supply chain tiers does your organisation ensure that all workers have access to an anonymous grievance mechanism to report incidents or suspected incidents of modern slavery without any form of penalty?
- In which supply chain tiers does your organisation ensure that measures are in place to ensure migrant workers can report grievances and receive feedback in a language they understand?
- In which supply chain tiers does your organisation ensure that multiple communication channels are available to workers to report their concerns e.g. to a trade union representative?
- Train everyone regularly on the modern slavery landscape and on how to spot the signs of slavery and exploitation
- Engage with your agencies, recruiters, and subcontractors to understand the steps they are taking to ensure workers know how and why to raise concerns. Build in requirements for them to demonstrate and report on their progress through the contract management process.
- In which supply chain tiers does your organisation ensure that the effectiveness of this mechanism has been assessed with senior leadership engagement?
- Establish a reporting structure that allows people to raise concerns anonymously and confidentially, both within the organisation and externally. External reporting mechanisms could include the 24 hr Modern Slavery Helpline or the Unseen App
- Include your reporting hierarchy in all inductions and toolbox talks or similar
- Suppliers should consider displaying the Unseen whistleblowing poster across their sites and sharing it throughout their supply chains to raise awareness and support reporting mechanisms. https://www.unseenuk.org/materials/
- Supplier can utilise the SCSS toolkit which has guidance on page 10 for reporting concerns learn.supplychainschool.co.uk/local/resourcelib/catalogitem.php?id=10215

Category	Risk Type	Examples / Details	Risk Level	Required Action
Job Roles	Labour exploitation	General labourers, site cleaners, traffic marshals, scaffolders	High	Ethical audits, right-to-work checks, worker interviews
	Indirect/ subcontracted labour	Multi-tiered labour supply chains, agency staff	High	Labour provider due diligence, spot checks
	Skilled trades	Electricians, machine operators	Medium	Basic checks and worker feedback mechanisms
	Professional/ white collar	Architects, planners, managers	Low	Standard onboarding
Materials	Bricks	Imported from South Asia, kiln labour issues	High	Use EU suppliers or audit evidence required
	Sandstone / stone	Quarries in India, China, Brazil, Egypt	High	Social audit and traceability reports
	Timber	Tropical hardwoods, uncertified sources	High	FSC/PEFC only, CoC documents required
	Lithium batteries	Linked to cobalt from Democratic Republic of the Congo, child labour, e-waste issues	High	RMI/IRMA-aligned sourcing only
	PV solar panels	Polysilicon from XUAR, forced labour concerns	High	SSI membership, mapped supply chains
	Workwear (PPE)	Garment production in Bangladesh, Vietnam and China	High	SMETA/SA8000 audit evidence required
	HVO fuel	Feedstock traceability, sustainability claims	Medium	Use Kier PSL only

16. Responsibly exiting supply

At Kier we are committed to working and supporting our suppliers when performance issues are identified. If we do not see evidence of sufficient progress or corrective action plans to address concerns raised regarding any environmental social and governance risks, especially those that are mandated by legislation to be disclosed and rectified/or mitigated, we reserve the right to suspend the supply to Kier and to terminate the order/contract. This is sought as a last resort and if this occurs, the sustainable procurement team will clearly communicate to category managers and suppliers when this occurs. A mitigation plan will be developed with the category manager and relevant supplier(s).

Steps undertaken when a process Issue has been identified:

1. Set up B2B or/and audit with the supply chain partner depending on the severity of the issue identified. If the issue is a material breach of contract, move to the dispute resolution process (5.2)
2. Clearly communicate the issue identified to the supplier, gain feedback from supplier on issue.
3. Performance/corrective action plan established and monitored.
4. Timescales discussed and agreed on resolution of the issue.
5. If performance and engagement from supplier is not improved based on the above, Kier to initiate dispute resolution process.

    5.1 If progress and issue is resolved satisfactory continue supply.

    5.2 If progress is unsatisfactory develop exit plan and execute.

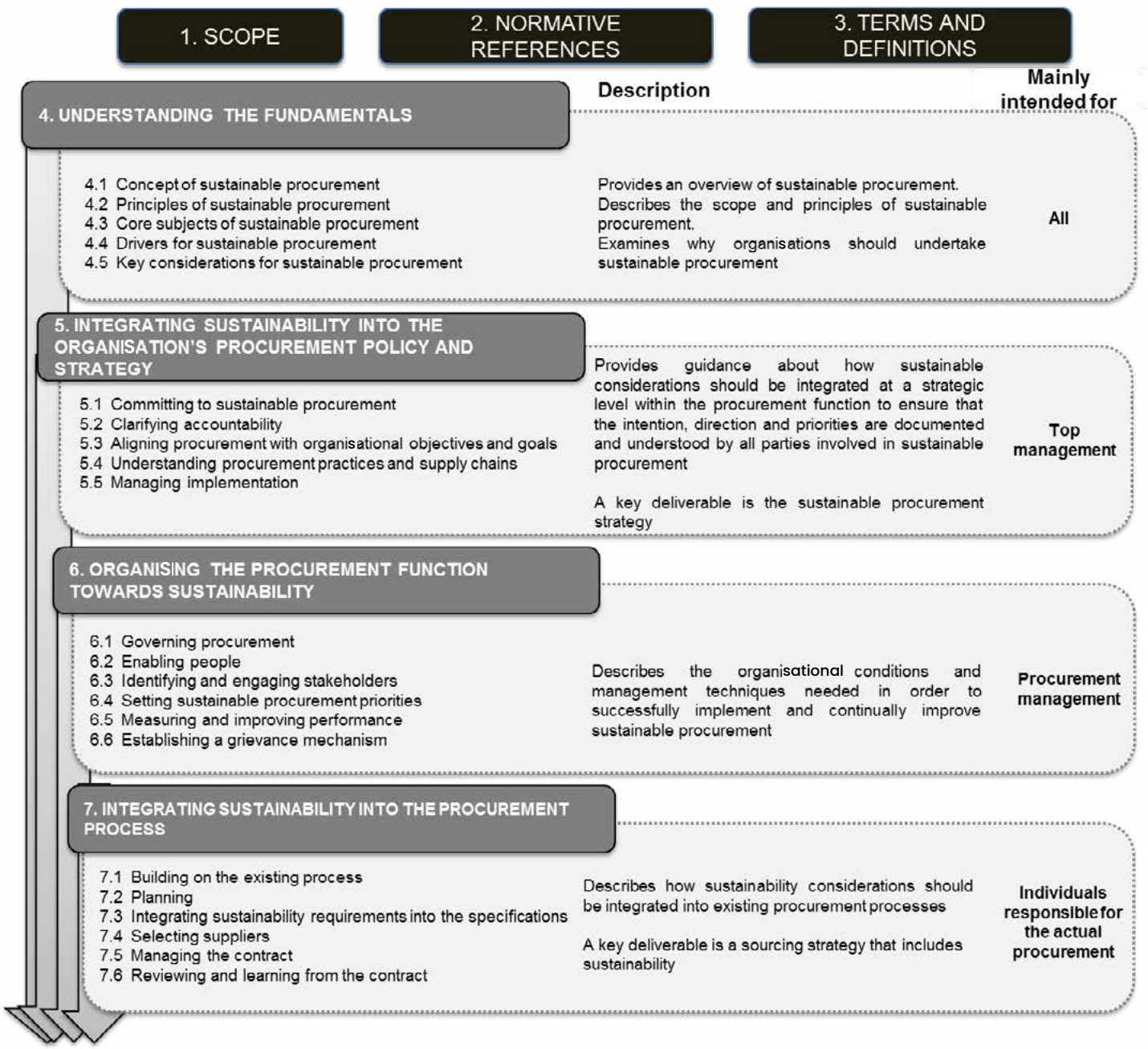
Where we determine it is necessary to cease working with a supplier, we will always honour any existing orders already in place to minimise disruption to the supplier's workforce and our business as much as possible.

17. Terms and abbreviations explained

Term	Explanation
BCI	Better Cotton Initiative
ESG	Environment, Social, Governance
ETI	Ethical Trading Initiative
EV	Electric Vehicles
FLEGT	Forest Law Enforcement, Governance and Trade
FSC®	Forest Stewardship Council®
GRI	Global Reporting Initiative
HVO	Hydrotreated Vegetable Oil
ILO	International Labour Organisation
IRO	Impacts, Risks and Opportunities
ITT	Invitation to Tender
KPI	Key Performance Indicator
LCA	Lifecycle Analysis
LLW	London Living Wage
NGO	Non-Governmental Organisation
PEFC	Programme for the Endorsement of Forest Certification
PET	Polyethylene Terephthalate
PSL	Preferred supplier list
PQQ	Pre-Qualification Questionnaire
PSSC	Procurement Shared Service Centre
RFAS	Renewable Fuels Assurance Scheme
RTFO	Renewable Transport Fuel Obligation
SA8000	The SA8000 Standard is the world's leading social certification programme
School	Supply Chain Sustainability School
SCSS	Supply Chain Sustainability School
SME	Small, Medium and Micro Enterprises
SMETA	Sedex Members Ethical Trading Audit
Solar PV	Solar Photo Voltaic Panels
UFLPA	Uyghur Forced Labor Prevention Act

UKTR	UK Timber Regulation
UNGP	United Nations Guiding Principles on Business and Human Rights
VCSE	Voluntary, Community, and Social Enterprises
XUAR	Xinjiang Uyghur Autonomous Region
FLEGT	Forest Law Enforcement, Governance and Trade

18. Appendix One: Schematic View of the ISO 20400 Guidance



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