Climate & Nature Report

FY26

This climate and nature report has been prepared to comply with the requirements and recommendations of:

- ISO 14064:2018
- Transition Plan Taskforce (TPT)
- Task Force on Climate-Related Disclosures (TCFD)
- Taskforce for Nature-related Financial Disclosures (TNFD)

The report is updated annually. The carbon procedures and data within this report relate to the reporting period April 2025 – March 2026, while the remainer of the report covers the reporting period July 2025 – June 2026.

Person(s) responsible for this report: Kier Group Climate Manager / Kier Group Sustainability Director

KIER



Climate and nature as drivers of business value

Climate and nature matter to Kier because they are increasingly shaping client demand, infrastructure investment, business resilience and long-term growth.

The UK's transition to a low-carbon, climate-resilient and nature-positive economy is transforming the infrastructure, buildings and services required by our clients. As a leading provider of construction, infrastructure and property services, Kier is helping to deliver this transition while creating long-term value for shareholders, customers, communities and the environment.

Climate and nature are not only environmental considerations. They influence the markets in which we operate, the risks and opportunities we face, and the solutions our clients increasingly require. From enabling the UK's energy transition and improving resource efficiency to delivering climate-resilient infrastructure and nature-positive outcomes, these challenges are creating opportunities for sustainable growth and innovation.

Our approach is therefore driven by business value as well as responsibility. We integrate climate and nature considerations into strategy, investment, risk management and project delivery to strengthen resilience, improve operational performance and enhance competitiveness. This helps us anticipate changing client needs, unlock new market opportunities and continue delivering infrastructure that is vital to the UK's future.



Investors

Greater confidence in Kier's resilience, risk management, and long-term value creation



Customers

Confidence that we are providing solutions that help meet our customers goals



Supply chain

Highlighting collaboration opportunities across our value chain



Our people

Empowering our people to contribute and be proud of the difference we are making



Local communities

Delivering social value and providing valuable assets in the spaces we work



Environment

Delivering long-term environmental benefit across our operations

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Company overview

We are a leading infrastructure and construction group, committed to leaving lasting legacies in communities across the UK by delivering the economic and social infrastructure people need. Working with our clients and supply chain, our business divisions play their part in enabling the transition to a low-carbon future that is resilient to the effects of climate change. Their contribution to creating a more sustainable built environment is summarised here.

Infrastructure

What we do

We deliver economic infrastructure across the UK. Working with government, regulated industries and other customers, we bring specialist expertise and end-to-end capability to complex infrastructure. Our work spans the design, construction, maintenance and operation of assets across water, energy, defence and transport.

Why it matters

Our projects incorporate climate adaptation measures and nature-based solutions to strengthen resilience, protect communities, and restore natural habitats. By creating greener, safer infrastructure and enhancing environmental stewardship, we generate lasting social value through improved connectivity, job creation, and stronger, more resilient communities for generations to come.

Construction

What we do

We deliver vital social infrastructure across the UK. Our teams create and maintain the places that support everyday life, including hospitals, schools and public buildings. We combine national capability with local knowledge and relationships to deliver for our customers and the communities we serve.

Why it matters

Through a focus on net zero carbon emission design, modern methods of construction, and whole-life environmental performance, we help our clients meet their sustainability goals. We create healthier environments for learning, healing, rehabilitation, and national security. Our work also supports wider social aims, enhancing community wellbeing, creating local jobs, and building long-term resilience into public services.

Property

What we do

We are focused on delivery of our existing mixed-use commercial and residential urban regeneration, last mile logistics and sustainable office portfolio. In line with the Group's strategic priorities, there will be no further investment in new development opportunities. This process will be managed in a controlled way to balance timing and value, with capital to be realised in line with existing development schedules.

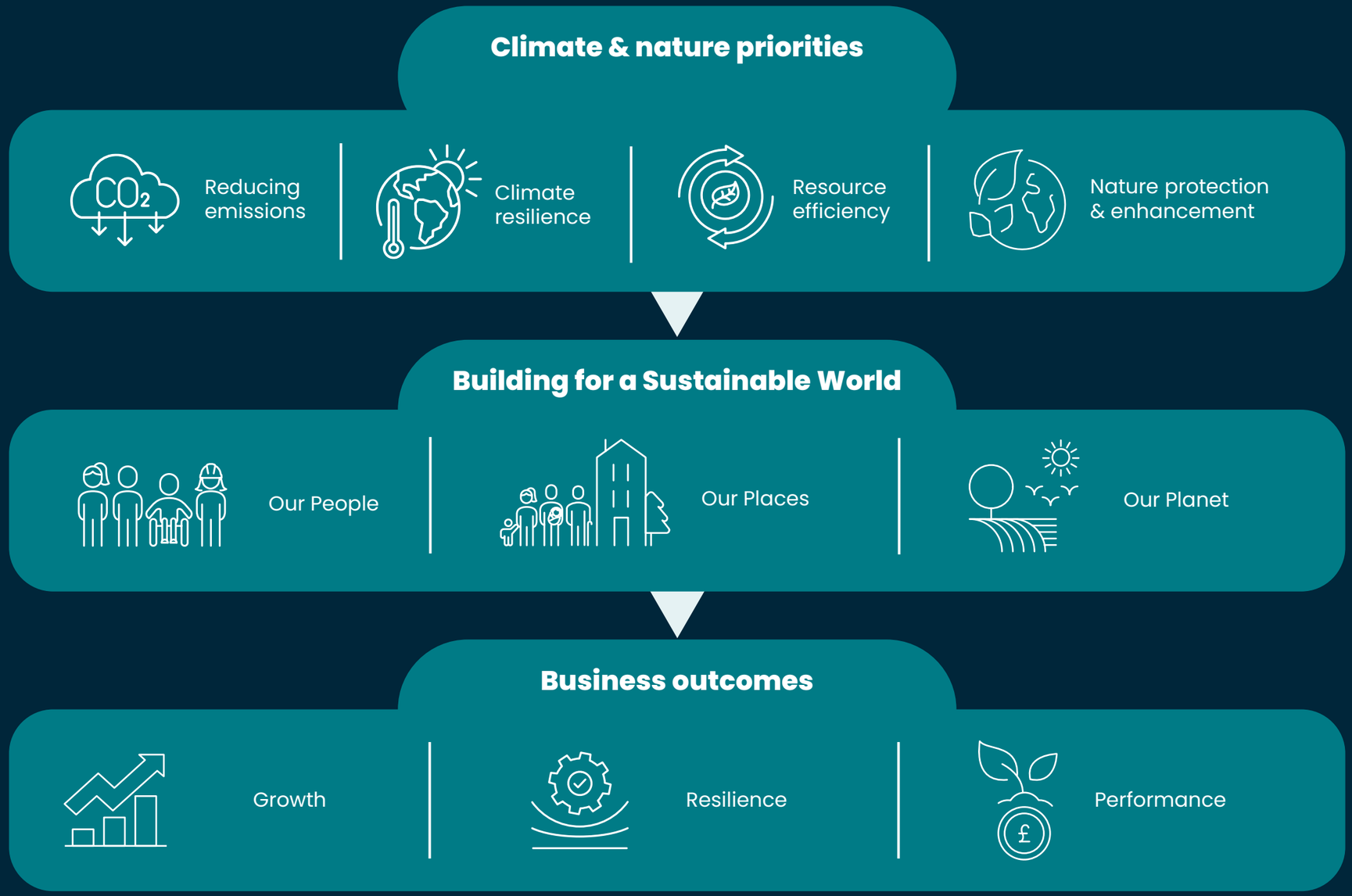
Why it matters

Our existing developments continue to support urban regeneration, lower-carbon places and long-term social and economic value. By progressing these schemes responsibly, we can deliver their planned environmental, social and economic benefits while realising value and capital in line with existing development schedules.



Our sustainability strategy

Our approach is designed to create value at multiple levels. Actions taken on climate and nature help deliver long-term value for Our People, Our Places and Our Planet. These outcomes contribute directly to business priorities, including managing risk, improving performance, meeting client expectations and supporting long-term growth.



Building for a Sustainable World

Building for a Sustainable World (BFASW) is our sustainability framework which defines our strategic approach to address sustainability holistically and comprehensively, focusing on the three areas where we can have the greatest impact: Our People, Our Places, and Our Planet.

BFASW was initially launched in FY20 and evolved in FY23. The current strategy period runs from FY24 to FY28, and a midpoint review was conducted in FY26.

The development of BFASW has been informed through a double materiality assessment and analysis against the United Nations Sustainable Development Goals (SDGs).



Integration with our business strategy

Our business strategy is focused on delivering sustainable growth through operational excellence, strong customer relationships, disciplined risk management and long-term value creation. BFASW compliments these priorities by helping us identify and manage sustainability-related dependencies, impacts, risks and opportunities that may affect our business, while also strengthening our ability to meet the evolving needs of clients, investors, employees, communities and supply chain partners.

BFASW is not a standalone sustainability programme, but a core enabler of our overall business strategy, helping us create long-term value for our shareholders while delivering lasting benefits for our customers, employees, communities and the environment.

Sustainable Development Goals alignment

We aligned our Building for a Sustainable World framework with 10 applicable UN Sustainable Development Goals (SDGs) as part of our double materiality assessment process.

Strong governance underpins this approach. The Board retains ultimate accountability for overseeing delivery of our climate and nature ambitions, supported by governance structures that embed these considerations into strategy, risk management and operations. See pages 10-18 for further information on the governance of our sustainability strategy.

Our people also play a critical role. We seek to ensure employees understand how climate and nature relate to their roles and are empowered to contribute through innovation, collaboration and day-to-day decision-making. See page 14 for further information on employee engagement.



Double materiality assessment

To comprehensively assess sustainability topics in the context of our organisation, we conduct double materiality assessments.

Double materiality assessments cover two perspectives:

- Financial materiality: the sustainability issues that impact Kier and our ability to create long-term value for the organisation and society
- Impact materiality: the impact that Kier has on the environment and society

Our initial double materiality assessment was conducted in FY23 and informed the evolution of our BFASW strategy. During FY26 we conducted a midpoint review of the assessment to ensure its continued suitability.

Our double materiality assessment was conducted over 3 phases:

1 Analysis

Develop a long list of potentially material sustainability topics

2 Engagement

Gain insights from stakeholders across the value chain to inform long list prioritisation

1,603 survey responses
44 interviews and focus groups conducted

3 Prioritisation

Analyse topics according to their place on an impact materiality vs financial materiality matrix

15 material themes assessed

The output of this process is a materiality matrix which highlights the most material sustainability issues for Kier, including topics and enablers.

Topics: sustainability issues or opportunities
Enablers: actions and activities to contribute to a topic

FY26 midpoint review

At the halfway point of our current BFASW strategy period, we have conducted a midpoint review of our double materiality assessment and BFASW strategy. The review comprised a three-phase approach:

1. Analysis: Benchmarking material topics against sustainability standards, ESG trends and risk indices
2. Engagement: smaller scale survey with internal and external stakeholders
3. Reassessment of materiality matrix

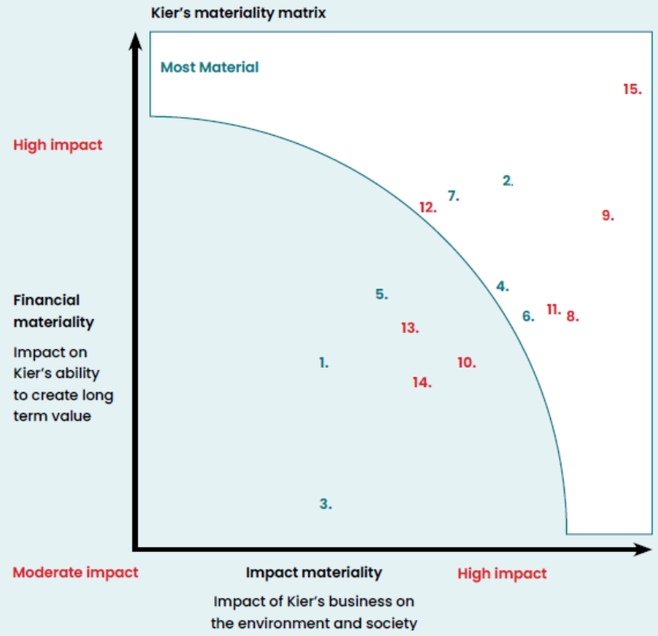
As a result of the review, we have made minor changes to our materiality matrix, reflecting evolving requirements and changes within our material topics. Our BFASW framework remains suitable to address our most material topics and the only changes made have been minor wording and measure updates to align with wider business goals and respond to feedback from our survey.

Our latest materiality matrix is presented below.

Key

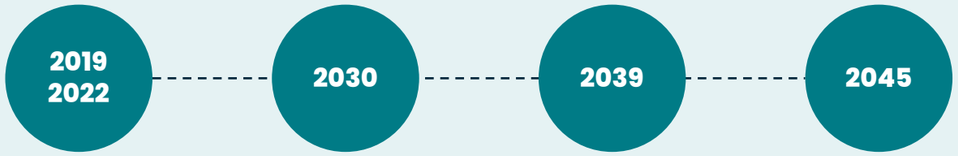
1. Project legacy
2. Social value
3. Community relations
4. Sound governance and ethical behaviour
5. Project design and lifecycle management
6. Supply chain collaboration and procurement
7. Building a workforce for the future
8. Labour exploitation
9. Health, safety and wellbeing
10. Fair and inclusive workplace
11. Natural environment
12. Water and wastewater management
13. Material use and innovation
14. Waste management
15. Climate action

Topics
Enablers



Climate and nature targets

Carbon reduction and net zero targets



Our base years
FY19: scope 1 & 2
FY22: scope 3

Near-term carbon reduction targets
Scope 1: 71.5%
Scope 2: 98%
Scope 3: 42%

Net zero scope 1 & 2

Net zero scope 3

Since 2023, our near-term carbon reduction and net zero targets have been validated by the Science Based Targets initiative (SBTi), ensuring that our targets are in alignment with the aim of the Paris Climate Agreement to limit global warming to 1.5°C.

Further details on the base years used for our carbon reduction and net zero targets can be found in appendix A.

Our reduction targets are based on absolute emissions (not normalised by revenue or any other metric) to help us better track our actual impact on the climate and ensure that we decouple business growth and environmental impact.

Our scope 2 targets are market-based (using the emission factors specific to the tariffs we source) to help us understand the impacts of our energy sourcing practices. Although our targets are market-based, we also monitor and report our location-based emissions.

Our net zero targets require a minimum reduction in emissions of 90% from the base year with a maximum of 10% being neutralised through offsetting. This ensures we prioritise actions which reduce our impact and that any net zero claims we make are credible.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Green revenue

At least 50% of our revenue to be derived from projects delivering a net environmental benefit every year.

Since 2022, we have been assessed by the London Stock Exchange (LSE) against the Green Economy Mark (GEM). This involves classifying our projects to determine the environmental impact they deliver.

We classify our projects to sectors and micro-sectors following the FTSE Russell Green Revenue Classification System (GRCS). The GRCS maps the micro-sectors to "tiers" of environmental benefit as defined below. Our target allows both tier 1 and tier 2 derived revenue.

- Tier 1: clear and significant environmental benefits
- Tier 2: limited but net positive environmental benefits
- Tier 3: some environmental benefits but overall net neutral or negative

GREEN ECONOMY MARK
LONDON STOCK EXCHANGE

We also monitor revenue aligned with climate change adaptation and with biodiversity. Although targets are not in place for these metrics, monitoring this breakdown helps us better understand market trends.

Land use change

Develop a reporting boundary and methodology for monitoring land use change.

This new objective has been introduced in recognition of our role in shaping landscapes and the importance of minimising our impacts on biodiversity, carbon stocks and natural ecosystems. Within the reporting year we will agree a reporting boundary and methodology in alignment with relevant standards. This will be used to calculate a baseline and determine the materiality of this topic for Kier.

Climate milestone plan

To support the delivery of our carbon reduction and net zero targets, each year we update our climate milestone plan, setting out measurable actions that we prioritise over the near term.

At the end of 2026/27, we will update this milestone plan, which will include a review of the actions for 2027/28 based on the progress made during the year and any emerging strategic focus. These actions are therefore subject to change.

2025/2026

Operations

- Sustainable HVO sourcing and roll out to operations
- Commercial vehicle electrification roadmap development
- Trials of zero-carbon energy solutions, e.g. solar, hydrogen
- Internal carbon pricing strategy development
- Appointment of new utility broker

Value chain

- Enhanced data quality and analysis for purchased goods and services
- Responsible sourcing guidance development
- Options appraisals for high carbon materials (steel and concrete)
- Introduce climate and sustainability contractual clauses

2026/2027

Operations

- Identification of sustainable fuels beyond HVO
- Implement LCV electrification roadmap
- Roll out of early grid connections initiative
- Develop electricity procurement roadmap
- Delivery of ESOS Phase 4

Value chain

- Identify software solution for supply chain data
- Continue options appraisal for key materials
- Enhanced controls for solar PV procurement

Adaptation

- Expand systems and controls for extreme weather
- Explore PAS 3090 alignment

Skills

- Develop training for commercial and procurement
- Roll out of business-wide carbon basics training

2027/2028

Operations

- Trial other off-grid energy solutions (biofuels, hydrogen, solar, etc)
- Continue LCV electrification roadmap implementation
- Implement electricity procurement roadmap
- Implement ESOS Phase 4 recommendations

Value chain

- Commence roll out of software solution for supply chain data
- Develop roadmap for key materials

Certification & disclosure

- Re-validation of near-term and net zero carbon targets with Science Based Targets Initiative

Interaction with nature milestone plan

Nature milestone plan

To support the delivery of our nature recovery and biodiversity enhancement goals, each year we update our nature milestone plan, setting out measurable actions that we prioritise over the near term.

At the end of 2026/27, we will update this milestone plan, which will include a review of the actions for 2027/28 based on the progress made during the year and any emerging strategic focus. These actions are therefore subject to change.

2025/2026

Operations

- Sustainable HVO sourcing and roll out to operations
- Surface water management controls enhanced
- Soil and aggregate sourcing and management controls updated
- SoilFlo software mobilised for materials management plans

Value chain

- Enhanced data quality and analysis for purchased goods and services
- Responsible sourcing guidance development

Certifications & disclosure

- Complete first TNFD disclosure
- Join ReBuilding Nature

2026/2027

Operations

- Identification of sustainable fuels beyond HVO
- Land use change baseline assessment
- Development of AI driven nature and climate assessment tool
- Mobilise SoilFlo for Digital Waste Tracking compliance

Value chain

- Identify software solution for supply chain data
- Timber sourcing controls updates

Adaptation

- Launch climate resilience and nature design assessment for all design works over £100,000
- Explore PAS 3090 alignment, including nature-based solutions
- Expand systems and controls for extreme weather

Skills

- Develop training for commercial and procurement
- Develop ISEP operational environmental training

2027/2028

Operations

- Trial other off-grid energy solutions (biofuels, hydrogen, solar, etc)
- Biodiversity Net Gain delivering for NSIP projects
- Expand nature-based solutions offering through design and operations

Value chain

- Commence roll out of software solution for supply chain data
- Develop roadmap for key materials

Certification & disclosure

- Publication of updated action plans for nature and circularity

Interaction with climate milestone plan

Effective governance of our sustainability strategy

Through strong governance and collaboration, we embed climate and nature considerations across our business to manage risk, realise opportunities, and create long-term value for our stakeholders and the planet. A summary is provided here with further detail included on the following pages.

Oversight

Our governance structure ensures oversight of our sustainability strategy at both Board and management level.

See page 11.

Supply chain engagement

We work in partnership with our supply chain, supporting one another to collaboratively implement our sustainability strategy.

See page 17.

Industry collaboration

We participate in external engagement forums to gain insights and collectively progress towards sustainability objectives.

See page 18.



Skills, competencies & training

We ensure those involved in the development, monitoring and implementation of our strategy hold the necessary competencies.

See page 13.

Culture & engagement

We engage with our employees to embed a sustainability mindset and drive participation in our sustainability strategy.

See page 14.

Incentives & recognition

We recognise and reward our employees for their contribution towards our sustainability strategy.

See page 16.

Governance of our sustainability framework

We integrate ESG matters, including climate-related risks and opportunities, into the Group's governance, operational decision-making and risk management framework through our principal risks and uncertainties (PRUs) and operational risk processes.

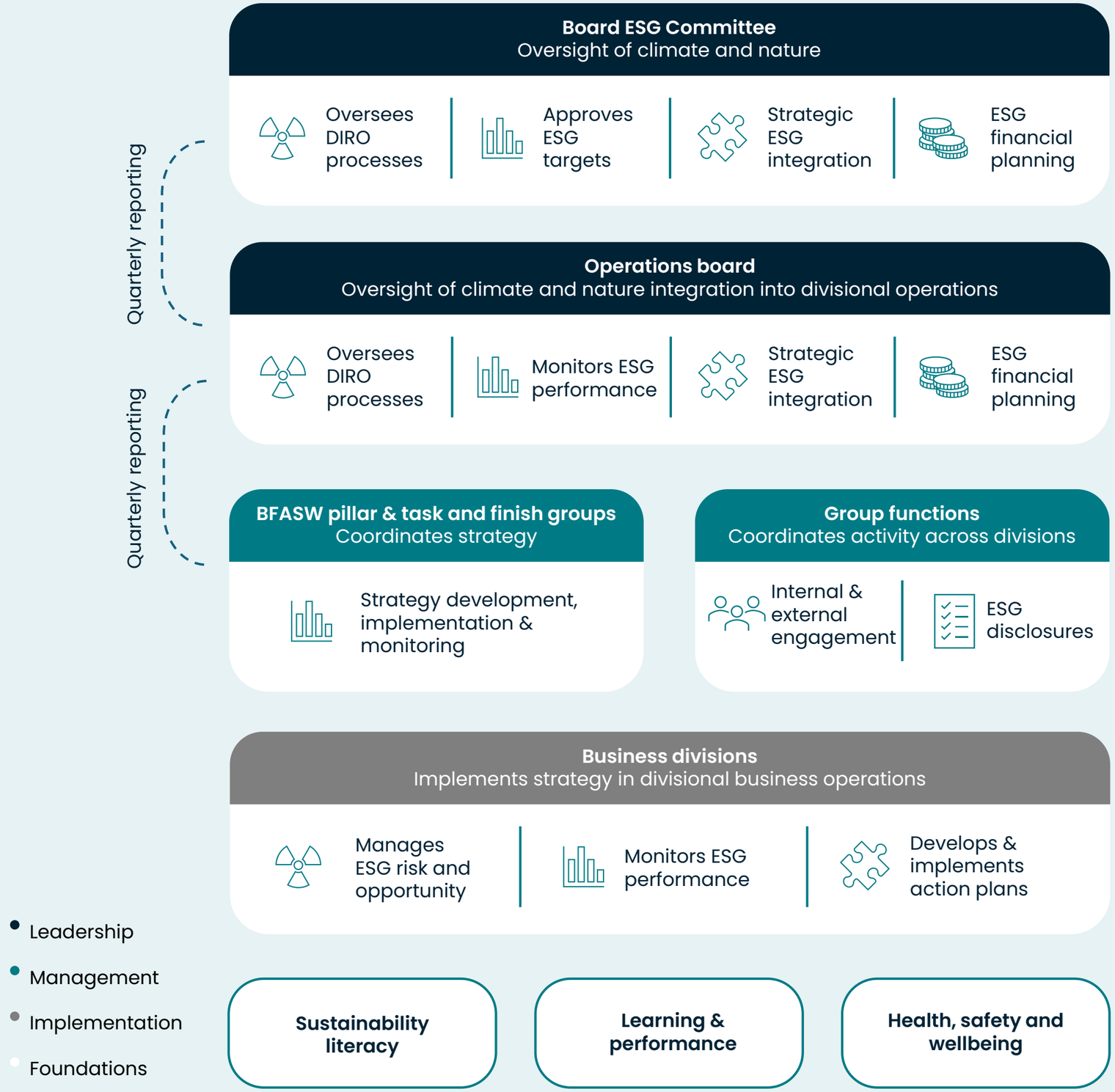
This reflects our Building for a Sustainable World approach, recognising that both environmental and social sustainability are intrinsically linked to our operations and should be managed holistically to mitigate risks and realise long-term opportunities.

Our sustainability governance is aligned to the AA1000 AccountAbility Principles and is supported by transparent reporting of performance and progress.

The Board (via the Board ESG Committee) maintains ultimate responsibility for ESG matters, and is supported by a governance structure across leadership, management, implementation, and foundation levels as shown here.

This structure is further supported by other forums such as the remuneration committee (Rem Co) and the risk management and audit committee (RMAC), both of which also address ESG as part of their core agendas. The details of these committees can be found within our Annual Report and Accounts.

The details of each forum can be found on the following pages.



Governance committees, forums and teams

Board ESG Committee

Meeting frequency:
At least three times per annum

Chair:
Non-Executive Director

Competency:
The committee has access to training and professional advice on any matter within the terms of reference

Responsibilities:

- Oversees all ESG matters, including risks and opportunities
- Advises on strategic direction
- Embeds ESG priorities into strategic decisions and objectives
- Embeds ESG priorities in the annual budget process

Operations board

Meeting frequency:
Quarterly

Chair:
General Counsel

Responsibilities:

Monitors, challenges and provides direction on all Building for a Sustainable World topics

Pillar groups & task and finish groups

Meeting frequency:
Quarterly

Chair:
Member of senior sustainability leadership team

Responsibilities:

- Coordinate strategy, activity and innovation within the respective strategic pillar of the group
- Explore and action specific focus areas to support our continued improvement in performance across ESG topics

Group functions

Responsibilities:

- Provide business-wide co-ordination and direction for ESG strategy
- Chair management meetings
- Ensure cross-divisional collaboration
- Corporate ESG reporting and disclosure
- Relationship management with internal and external stakeholders

Business divisions

Responsibilities:

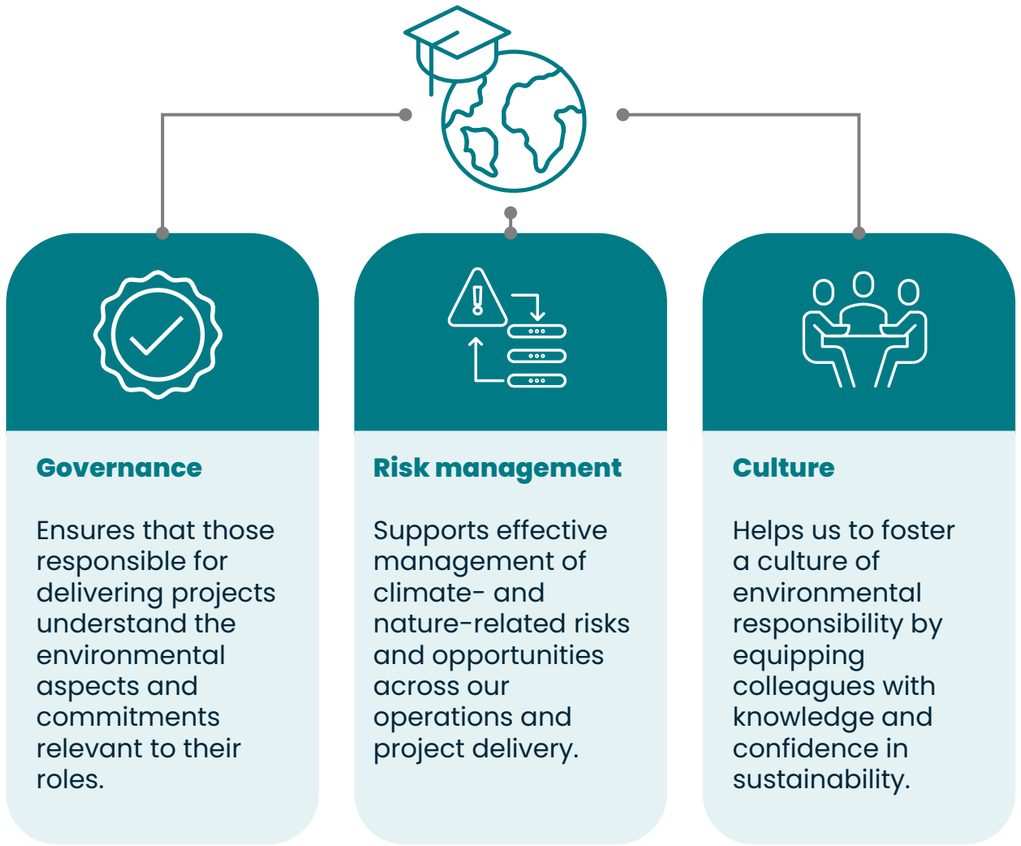
- Implementing action plans to address sustainability pillar topics.
- Monitoring performance against divisional ESG targets.
- Mitigating sustainability-related risks across operating locations.

Skills, competence and training

Sustainability literacy

In collaboration with the Institute of Sustainability and Environmental Professionals (ISEP), we developed two ISEP approved environmental and sustainability training programmes to build capacity across our teams. Our environmental awareness programme is delivered to our operational teams and aligned with our environmental management system; and the emerging talent programme introduces participants to real-world construction and infrastructure sustainability challenges at the start of their careers at Kier. Both programmes are aligned to our business processes and sustainability strategy.

These programmes form a core part of colleague onboarding and professional development, helping to embed environmental considerations into day-to-day decision-making and supporting the effective delivery of our climate and nature objectives.



Governance

Ensures that those responsible for delivering projects understand the environmental aspects and commitments relevant to their roles.

Risk management

Supports effective management of climate- and nature-related risks and opportunities across our operations and project delivery.

Culture

Helps us to foster a culture of environmental responsibility by equipping colleagues with knowledge and confidence in sustainability.

During FY26

542

Operational employees have completed the ISEP-approved environmental awareness course

9,507

Hours of sustainability training delivered

23

ISEP approved trainers within the business

Carbon basics training

Delivering our climate strategy requires action across the business. We therefore aim to ensure all colleagues understand our climate impacts, targets and the role they can play in reducing them.

To support this, we have developed a Carbon Basics e-learning course, which is being rolled out across all functions of the organisation and is being assessed for ISEP approval. The training helps build a consistent understanding of climate change, carbon emissions and Kier's climate commitments and targets, supporting informed decision-making and embedding climate considerations into everyday activities.

Board & Management Level Competency

The Board receives regular updates on climate- and nature-related risks, opportunities, regulatory developments, stakeholder expectations and progress against strategic objectives, supporting informed decision-making and oversight.

Executive leadership is supported by specialists in sustainability, carbon management, environmental compliance, biodiversity and sustainability reporting, helping integrate climate- and nature-related considerations into strategy, risk management and operational leadership decisions.

Board and management teams also draw on internal and external subject matter experts to inform decision-making on emerging issues, including transition planning, nature-related risks and evolving reporting requirements. Targeted briefings and training support the continued development of leadership competency, complementing wider capability-building initiatives such as our ISEP-approved sustainability training programme.

Culture and organisational engagement

Climate and nature management at Kier is not only influenced by governance structures and policies, but also by the behaviours, values and engagement of employees across the business.

Your Voice

Through our regular Your Voice employee engagement surveys, colleagues across all levels of the organisation are invited to provide feedback on a range of business topics, including sustainability. This feedback helps us assess how effectively our climate and nature strategy is understood and embedded across the business, while identifying potential barriers, risks and opportunities that may not be evident through formal governance and reporting processes. Insights from these surveys support continuous improvement and help inform the ongoing development of our sustainability programmes and initiatives.

Employee Engagement Initiatives

We engage colleagues through regular communications, awareness campaigns and sustainability-focused events designed to increase understanding of climate and nature issues and encourage participation in delivering our sustainability objectives.



Moving through May

Kier's Moving through May challenge encourages colleagues and supply chain partners to connect with nature through outdoor activity. Supporting both the Kier Foundation and colleague wellbeing, the initiative promotes the benefits of spending time outdoors while encouraging engagement with the natural environment.



Kier in Bloom

Kier in Bloom encourages teams to create more nature-friendly workplaces, supporting pollinators and biodiversity while promoting teamwork, wellbeing and innovation. Participating teams can win funding for a wellbeing or team-building activity, helping to drive engagement across the business.



Volunteering

Employees can take up to two paid volunteering days each year to support community, environmental and charitable initiatives. Activities range from biodiversity and environmental restoration projects to volunteering with schools and community groups. In FY26, colleagues completed 1,524 Kier-supported volunteering days, helping to strengthen local communities and environmental outcomes.

Our colleagues, their families, members of the public, our client and suppliers volunteering together to plant reeds at the Thorpe Hesley mine water treatment scheme.



Environmental management across the project lifecycle

Since 2005, our ISO 14001-certified environmental management systems (EMS) have provided the framework through which we deliver our environmental commitments and create long-term value for clients, communities and the environment. Through site-specific controls, mitigation measures, environmental emergency preparedness and response arrangements, and nature-based solutions, we help protect ecosystems, enhance climate resilience and improve resource efficiency across our operations.

100% of our operations are managed under ISO 14001-certified environmental management systems, either through Kier's certified EMS or, where we operate under the control of another Principal Contractor, through their certified EMS. The systems help ensure environmental risks and opportunities are considered throughout the project lifecycle and underpin delivery of the three priorities within the Our Planet pillar of Building for a Sustainable World:

- Climate Action: reducing emissions and strengthening climate resilience;
- Nature Recovery: protecting and enhancing biodiversity and natural capital;
- Resource Efficiency: reducing water use and waste, supporting circular economy outcomes and improving resource productivity.

Supported by 178 sustainability professionals, our EMS helps turn these priorities into practical actions and measurable outcomes across the projects and services we deliver.

100%

of projects where Kier act as principal contractor managed under ISO 14001-certified environmental management systems

178

sustainability professionals supporting project delivery

Lifecycle approach

from planning through to operation and legacy



Plan & prepare

- Environmental pre-start assessments
- Biodiversity and ecological risk reviews
- Water stress and water resource assessments
- Climate resilience and pollution risk assessments
- Stakeholder and regulator engagement
- Environmental emergency preparedness planning



Design for better outcomes

- Circular economy and resource efficiency
- Sustainable procurement
- Waste prevention and reuse
- Water-efficient and resilient design
- Low carbon and climate resilient
- Biodiversity protection and enhancement



Deliver responsibly

- Pollution prevention and environmental protection
- Waste reduction, reuse and recycling
- Hazardous and chemical waste management
- Water stewardship and efficiency
- Environmental emergency preparedness/response
- Environmental inspections, monitoring & compliance
- Training and a competent workforce



Leave a positive legacy

- Nature recovery and biodiversity gains
- Climate resilience and adaptation
- Sustainable water management
- Resource efficiency and circular economy outcomes
- Long-term environmental and community benefits
- Improved asset performance in operation

Incentivisation and remuneration

Executive remuneration

Kier's remuneration framework is designed to support the delivery of the Group's strategy, align executive interests with those of shareholders, and promote long-term sustainable value creation.

To reinforce accountability for our climate and environmental commitments, sustainability performance remains a component of the Executive Long-Term Incentive Plan (LTIP). Performance against these measures is reviewed by the Remuneration Committee and forms part of the assessment of long-term executive performance.

The sustainability performance measure is aligned with the emissions reduction trajectory required to achieve Kier's SBTi-validated Scope 1 and Scope 2 near-term targets, ensuring that executive incentives support delivery of the Group's climate transition strategy and emissions reduction objectives.

By linking a proportion of executive remuneration to climate performance, we strengthen accountability for the implementation of our transition plan and the achievement of our decarbonisation commitments.

Reward and recognition

The Pride of Kier Awards play an important role in supporting a culture of sustainability across the Group. Open to all employees, projects and teams, the awards recognise individuals and teams whose actions contribute positively to our customers, communities, colleagues and the environment.

The “Building a Better World” category specifically recognises those who have demonstrated leadership in delivering environmental and social outcomes, helping create a lasting positive legacy where we work. By recognising and celebrating these achievements, we reinforce the behaviours, accountability and culture required to deliver our climate, nature and wider sustainability commitments.

Additionally, we run a quarterly Kier Stars awards programme, in which individuals and teams can be nominated for having gone above and beyond in support of the business and its goals.

Pride of Kier 2026 Winner: Carbon Collective

In our most recent Pride of Kier Awards, the “Carbon Collective” was the winner in the “360 in Action” category (Chief Executive’s Award), recognising their contribution to furthering climate action across the business.

Representing all divisions across the Kier Group, the Carbon Collective places collaboration at its core. By visiting sites nationwide to learn from each division’s decarbonisation innovations, and by engaging with leading suppliers to explore emerging low carbon products, the team has built significant expertise. We’ve been able to use this knowledge to help customers unlock greater decarbonisation opportunities within their projects.



Supply chain engagement

Sustainable procurement is a cornerstone of our commitment to sustainability. We recognise the significant influence our supply chain has on environmental, social, and economic outcomes. We are committed to working with suppliers who share our values and help us deliver high-quality, ethical, and low-impact projects.

Supporting our Supply Chain

Over 50% of our supply chain spend is with SMEs and VCSEs, reflecting their important role in our delivery model and in supporting resilient local economies. We work closely with these suppliers to build sustainability capability through guidance, resources and collaborative opportunities.

Supply Chain Sustainability School (SCSS)

As a founding partner and board member of the SCSS, we work with industry peers to build sustainability capability across our shared supply chains. Through the SCSS, suppliers can access free training on topics including carbon, biodiversity, modern slavery and circular economy. We also play an active role in SCSS working groups, participating in the climate group and chairing the nature group to help drive industry-wide collaboration and best practice.



Supported by our Supply Chain

We require suppliers to meet our standards for health and safety, environmental management, quality, equality and diversity, and modern slavery.

- **Build UK Common Assessment Standard**
  Delivered through Constructionline, providing a consistent approach to assessing supplier competence, compliance and sustainability performance.
- **UK Real Living Wage Employers**
  Suppliers are required to be accredited employers, or have a clear pathway towards accreditation, supporting fair pay across our value chain.
- **Strategy for Responsible Procurement**
  Sets out the sustainability expectations and objectives that our supply chain partners are expected to support.

Emissions Data

We work with around 8,000 suppliers each year, including many SMEs and VCSEs, making supply chain engagement a key part of our approach to delivering positive climate outcomes.

We work closely with our suppliers to support their decarbonisation journeys and strengthen climate capability across our value chain. Recognising that suppliers are at different stages of maturity, we prioritise engagement where emissions impacts are greatest and where additional support can help build understanding, confidence and capability. Through this engagement, we have increased the use of supplier-specific emissions data, helping us better understand emissions across our value chain while supporting suppliers to develop their own measurement and reporting capabilities.

Through our SCSS engagement, we collaborate with peers across our industry to share best practice and help develop common approaches to sustainability. Through this collaboration, we are working to improve consistency in information requests and guidance, reducing complexity and making it easier for suppliers to engage, respond and take action.

Industry and government engagement

Addressing climate and nature challenges requires collaboration across industries, value chains and sectors. We actively participate in external working groups, industry forums and professional networks to share knowledge, contribute to the development of best practice, and help shape the transition to a more sustainable built environment.

Through these engagements, we strengthen our understanding of emerging risks, opportunities, regulation and stakeholder expectations, while ensuring our climate and nature strategy remains informed by leading industry practice.

Alignment with our strategy

Our climate and nature strategy is built on collaboration. By actively participating in industry leadership groups, nature recovery initiatives and sustainable finance programmes, we help shape sector-wide solutions while strengthening Kier's understanding of emerging risks, opportunities, policy developments and stakeholder expectations

These collaborations help us anticipate future market needs, influence the development of industry best practice, strengthen our climate and nature disclosures, and identify opportunities to create value through resilient, low-carbon and nature-positive infrastructure.

	Engagement type	Purpose	Benefit to Kier	Benefit Kier provides
Supply Chain Sustainability School (SCSS)	Board representation (Kier Sustainability Director); founding partner; working group representation	To improve sustainability knowledge, skills and collaboration across the built environment value chain.	Supports delivery of our sustainability objectives through stronger supplier capability, industry collaboration and market insight.	Kier helps shape industry guidance, training and best practice by contributing strategic leadership, real-world project experience and technical expertise.
Construction Leadership Council (Green Construction Board / CO2nstruct Zero)	Board representation (Kier CEO); partner	Industry-government collaboration to accelerate climate action, resource efficiency and nature recovery across construction.	Provides early insight into emerging policy, regulation and market expectations, helping shape Kier's climate and nature strategy while strengthening relationships with government, clients and industry leaders.	Kier helps shape industry action through the Green Construction Board and CO2nstruct Zero, contributing leadership and practical delivery insights to accelerate sector-wide progress on net zero, nature and circularity.
Rebuilding Nature	Member	Supporting development of a strategic nature network connecting priority habitats and landscapes.	Improves understanding and targeting of landscape-scale nature recovery opportunities and priorities.	Provides infrastructure sector expertise and experience delivering habitat enhancement.
Green Finance Institute (GFI)	Working group member	Developing Nature Positive Pathways and guidance for integrating nature into transition planning and disclosure.	Strengthens TNFD reporting, transition planning and nature-related disclosure.	Our participation helps shape built environment guidance and identify sector-wide priorities for action.
Financial Reporting Council (FRC)	Member of the UK Sustainability Disclosure Technical Advisory Committee (nature-related disclosures)	To provide recommendations to government on nature-related sustainability disclosure.	Gains early insight into emerging sustainability disclosure requirements and regulatory developments.	Provides practical built environment expertise to help inform the development of future sustainability disclosure requirements.

Building resilience into our sustainability strategy

To ensure our climate and nature strategies effectively respond to the needs of our stakeholders, we follow the procedures outlined in this section. A summary is provided here with further detail included on the following pages.



We identify the natural, social and economic systems our business depends on, and the positive and negative impacts our activities have on climate and nature.

See page 20.

We assess how these dependencies and impacts may create financial, operational, strategic and reputational risks and opportunities for the business.

See pages 21-29.

We use these insights to shape our climate and nature strategy and governance framework, ensuring our approach reflects emerging risks, opportunities and stakeholder expectations.

See pages 4-18.

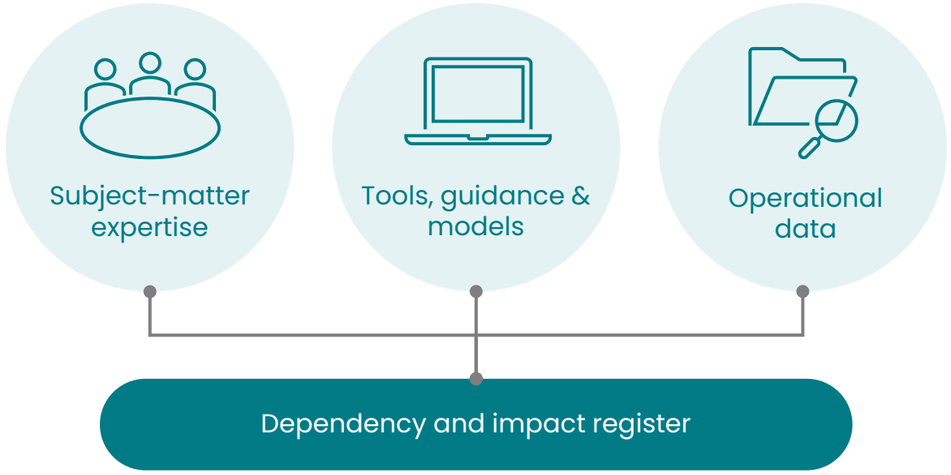
We set targets that support a low-carbon, climate-resilient and nature-positive future. We monitor progress to evaluate effectiveness and drive continual improvement.

See page 7.

Dependencies and impacts

Understanding our physical and transition dependencies on nature (ecosystem services) and climate (physical regulation and market transition) and the impacts of our activities is fundamental to delivering our climate and nature strategy, building long-term business resilience and supporting the transition to a low-carbon, nature-positive economy.

Recognising the strong interdependencies between climate change and nature loss, we undertake an annual assessment of our climate and nature-related dependencies, impacts, risks and opportunities through an integrated approach that combines TNFD's LEAP (Locate, Evaluate, Assess, Prepare) framework with our TCFD-aligned climate risk assessment process. This assessment draws upon external tools, including the GHG protocol, UKCP18 climate projections and ENCORE and SBTN guidance, alongside operational data, environmental assessments and internal subject-matter expertise.



The assessment enables us to identify where our activities are most dependent upon ecosystem services and natural capital, and where our operations, supply chain and projects may have positive or negative environmental impacts. The outputs are used to inform our sustainability strategy, risk management processes, target setting and the prioritisation of actions within our climate and nature transition plan.

The results are documented within our dependency and impact register and reviewed annually. Our most material dependencies and impacts are summarised opposite.

	Dependency	Impact	Management
Technology & material innovation & availability Climate & nature	We rely on available, scalable lower-carbon renewable materials, construction methods and machinery to support a more sustainable built environment.	Slow innovation or disrupted supply can delay decarbonisation and limit delivery of low-carbon, climate-resilient buildings and infrastructure.	Kier Design supports projects with climate-resilience and nature health checks and low-carbon design expertise.
Renewable energy infrastructure Climate	We rely on sufficient, reliable renewable electricity and lower-carbon fuels—including hydrogen and transition fuel HVO—to meet energy demand.	Insufficient renewable capacity can prolong fossil-fuel use and associated emissions, slowing our and our subcontractors' transition to net zero.	With our energy broker, we are improving renewable-electricity quality and exploring PPAs. We also trial hydrogen and secure high-quality HVO supply and pricing.
Government policy Climate & nature	We rely on clear, consistent policy, regulation and incentives to support timely climate and nature action.	Stronger policy can increase demand for low-carbon, climate-resilient design, nature-based solutions and biodiversity net gain; uncertainty can delay investment and progress.	We engage government and industry bodies to shape and anticipate policy, supporting timely investment and alignment with climate and nature goals.
Data quality Climate & nature	We rely on accurate, decision-useful climate and nature modelling and data to assess opportunities and risks, set targets, guide decisions and track performance.	High-quality data analysis strengthens action and accountability; poor data weakens decisions, target delivery and confidence among clients and investors.	We use AI-enabled environmental reporting to automate data capture and work with suppliers to improve data insights and assurance

Risk and opportunity assessment

We undertake an annual assessment of climate and nature-related risks and opportunities, supported by an external specialist consultant. Material dependencies and impacts (see page 20) are used as a key input into this process.

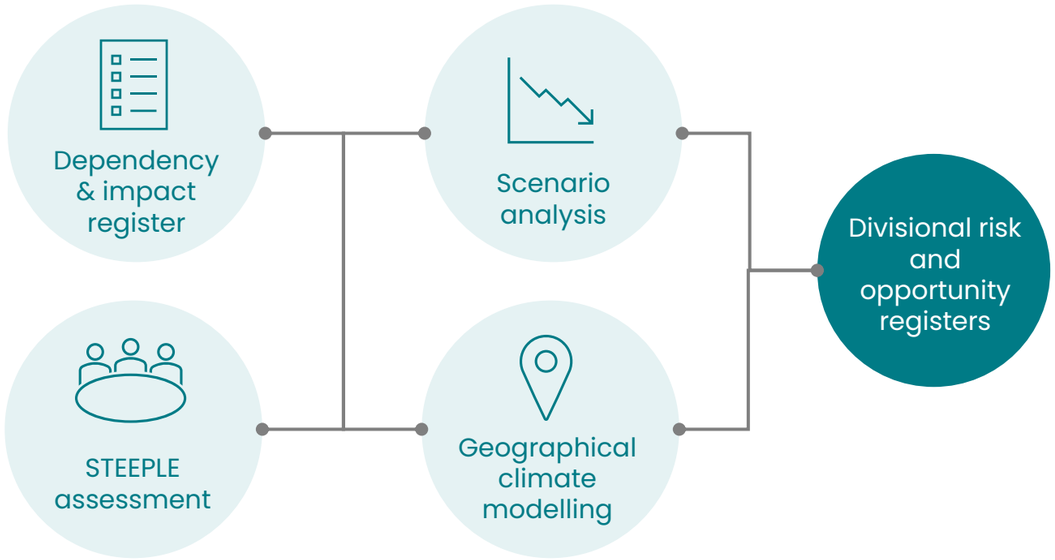
Assessments are conducted across our divisions using a STEEPLE (Social, Technological, Economic, Environmental, Political, Legal and Ethical) framework and involve sustainability, commercial, operational and risk management teams.

Through this process, we identify existing and emerging risks and opportunities associated with both the transition to a low-carbon, climate-resilient and nature-positive economy and the physical impacts of climate change.

We assess transition and physical climate risks and opportunities across short-term (2026-2030), medium-term (2031-2040) and long-term (2041-2050) time horizons, considering potential financial impacts and business implications.

Location-specific climate modelling and scenario analysis are used to evaluate the potential impacts of both transition and physical risks and opportunities under a range of future climate pathways, allowing us to test the resilience of our strategy. Details of the scenarios used are shown opposite.

The outputs are captured within divisional risk and opportunity registers and used to inform our climate and nature strategy, transition plan, target setting and broader risk management processes.



	Low Challenge (SSP1)	Medium Challenge (SSP2)	High Challenge (SSP3)
Temperature alignment (by 2100)	Less than 2°C	2°C-3°C	3°C-4°C
Associated models	• CMIP6 mean model, World Meteorological Organisation (RCP 2.6) • UKCP18 RCP 2.6 • IMAGE 3.0	• CMIP6 mean model, World Meteorological Organisation (RCP 4.5) • UKCP18 RCP 4.5 • MESSAGEix-GLOBIUM	• CMIP6 mean model, World Meteorological Organisation (RCP 6.0) • UKCP18 RCP 6.0 • AIM/CGE
Description	A gradual shift to sustainable, inclusive development within environmental limits. Strong global mitigation slows the rise in physical risks relative to other scenarios.	Development and income growth remain uneven. Moderate global mitigation limits some impacts, but physical risks intensify over time, especially by 2100.	Nationalism and security concerns drive fragmented action and little global mitigation. Disruptive physical impacts emerge earlier and are substantially more severe by 2100.
	Assumptions by 2050		
Carbon price	$99.97/tCO2e	$12.32/tCO2e	$28.59/tCO2e
Energy consumption per capita	17.8 MWh	19.5 MWh	15.7 MWh
Global GDP per capita	$34.1k	$25.2k	$17.2k

Climate-related risks

The table below details the climate-related risks we have identified with the greatest potential to impact our business.

	R1: Carbon pricing mechanisms	R2: Development and availability of low carbon materials and technology	R3: Geopolitical volatility and market uncertainty	R4: Supply chain disruption due to extreme weather events	R5: Climate impacts on productivity
Time horizon	Medium term	Medium term	Long term	Long term	Long term
Magnitude	Medium	Medium	Medium	High	High
Type	Transition (policy & legal)	Transition (market)	Transition (market)	Physical (acute)	Physical (chronic)
Area	Upstream / direct operations	Upstream	Downstream	Upstream	Own operations
Description	Carbon-pricing regulation, including CBAM and potential UK ETS changes, is expected to strengthen over the medium term. This could increase emissions-related procurement costs, particularly for fossil fuels and other applicable goods, where contract budgets do not reflect those costs.	Meeting regulatory and client sustainability requirements depends on low-carbon materials and technologies becoming available at scale, supported by resilient supply chains. Supply or readiness constraints could delay projects, increase procurement costs, and undermine delivery performance and stakeholder confidence.	Policy and disclosure frameworks drive demand for low-carbon construction, particularly in the public sector. Political uncertainty or inconsistent policy could delay investment, weaken demand across core markets, and slow the realisation of low-carbon opportunities.	Acute events such as storms, floods and wildfires could disrupt operations and supply chains, particularly in less resilient regions. Impacts on key materials could reduce or interrupt the availability of essential goods.	Rising temperatures, water scarcity and other climate impacts could disrupt our operations and supply chain, affect workforce health and productivity, and expose the business to higher mitigation costs or lost revenue.
Mitigation	We are reducing exposure to carbon taxation by moving away from fossil fuels and engaging priority suppliers on carbon hotspots. We are also trialling internal carbon pricing and use advance notice of policy changes to plan and budget.	We collaborate with suppliers, peers and clients to accelerate decarbonisation and strengthen supply resilience. Actions include contracting to secure HVO supply and assessing whether priority suppliers should obtain SBTi validation.	Diversified sector exposure and long-term frameworks reduce sensitivity to demand shifts. We monitor revenue from projects with a net environmental benefit and balance low-carbon construction with adaptation and resilience work.	We use UKCP18, market-specific scenario analysis and supplier data to assess regional risks and material dependencies. FY26 bowtie assessments and Kier Design's work help embed climate resilience and disruption controls across projects.	We integrate weather and climate risk into project design and delivery schedules. Our ISO 14001-certified environmental management system supports consistent assessment and management of environmental risks.
Primary financial impact	Indirect procurement costs	Increased procurement costs	Reduced revenues	Increased procurement costs	Reduced revenues
Associated metrics	Carbon emissions	Carbon emissions	Green revenue	Significant Environmental Incident Rate (SEIR)	Significant Environmental Incident Rate (SEIR)

Climate-related opportunities

The table below details the climate-related opportunities we have identified with the greatest potential to impact our business.

	O1: Resource efficiency	O2: Market growth for climate resilience and adaptation	O3: Market growth for climate mitigation	O4: Enhanced reputation	O5: Resilience to fossil fuel market volatility
Time horizon	Short term	Medium term	Long term	Short term	Short term
Magnitude	Medium	High	High	Medium	High
Type	Resource efficiency	Market	Market	Reputation	Market / resource efficiency
Area	Own operations	Downstream	Downstream	Downstream	Own operations
Description	Embedding energy and resource efficiency in design and delivery reduces fuel, energy and material use. This cuts operating costs and waste while strengthening competitiveness and meeting growing regulatory and client demand for cost-effective, low-carbon solutions.	More frequent climate impacts are increasing UK demand for resilient infrastructure, from flood defences to highway and rail repair. Kier's established capabilities and market presence position it to grow as investment in adaptation accelerates.	Activity in "green" sectors, covering low-carbon buildings and sustainable transport, continues to make up a significant proportion of Kier's revenue under the FTSE Russell classification. Increasing demand, combined with Kier's established track record, creates a clear opportunity for further revenue growth.	Leadership on climate, delivery beyond regulation and value-chain decarbonisation can differentiate Kier. A strong reputation supports growth, talent attraction, supplier relationships and access to capital as clients and investors increasingly prioritise climate performance.	Expanding on-site renewables and lower-carbon energy sources, including biomethane, HVO and PPAs, can reduce emissions and long-term energy costs. It also limits exposure to fuel-market volatility, supporting more stable margins and operational continuity.
Realisation	Our ISO 14001-certified EMS drives efficient resource use, waste reduction and environmental protection. Kier Design helps remove carbon-intensive materials, improve construction efficiency and reduce lifecycle costs, while our Supply Chain Sustainability School partnership builds supplier capability and spreads low-carbon practice.	Climate resilience is embedded in the Planet pillar of our Building for a Sustainable World framework, informed by double materiality. Kier Design integrates resilience into project design and delivery, while green-revenue tracking highlights performance and emerging demand.	PAS 2080 certification across Construction and Infrastructure embeds lifecycle sustainability in project design and delivery. Kier Design adds integrated, scalable sustainable-design expertise, enabling a faster and more efficient response to demand for low-carbon buildings and infrastructure.	Compliance with statutory and voluntary disclosure frameworks supports transparent reporting. CDP A List status for climate and water, leading sector rankings and strong ESG ratings reinforce Kier's credibility, competitive differentiation and access to capital.	We are strengthening energy procurement through REGO-backed electricity, wider use of PPAs and on-site generation. Supplier agreements secure lower-carbon fuels such as HVO from approved sources, reducing emissions, price exposure and supply risk.
Primary financial impact	Reduced direct costs	Increased revenues	Increased revenues	Increased revenues	Reduced direct costs
Associated metrics	Energy consumption, waste generation	Green revenue	Green revenue	CDP scores	Carbon emissions



Balancing climate resilience and carbon mitigation

Construction and infrastructure are essential to the UK's transition to a low carbon economy, but they are also hard to abate. For Kier, this means our transition is being delivered through various, often complex projects where carbon reduction, climate resilience, cost, technical performance and programme must be balanced in real time.

Toddbrook Reservoir
Infrastructure

R2: Availability of low carbon materials & technology

O2: Market growth for climate resilience and adaptation

Following the 2019 Toddbrook Reservoir incident, when extreme rainfall led to the partial collapse of the spillway and the evacuation of residents from Whaley Bridge, Kier has been working with the Canal & River Trust to restore and strengthen the reservoir. The project will improve long-term resilience, enabling the reservoir to safely manage a 1-in-10,000-year flood event while reducing future flood risk for local communities.

Delivering this resilience also brings short-term carbon impacts. The project requires extensive pumping to maintain safe water levels during construction, alongside significant volumes of concrete and more than 500 piles to support the new spillway structure.

This illustrates the complex trade-offs involved in transitioning a hard-to-abate sector. While the project enhances climate resilience and protects communities from future extreme weather events, the solutions currently available still carry embodied and operational carbon impacts. As lower-carbon materials and technologies continue to develop, we are working to adopt them where they can meet the performance, safety and reliability requirements of critical infrastructure.

Nature-related risks

The table below details the nature-related risks we have identified with the greatest potential to impact our business.

	R6: Pollution	R7: Protected and invasive species	R8: Increasing protection for nature	R9: Community objections
Time horizon	Short term	Medium term	Medium term	Medium term
Magnitude	Medium	Low	Medium	Low
Type	Physical	Physical	Market	Market
Area	Upstream / own operations	Own operations	Own operations	Own operations / downstream
Description	Extreme rainfall, flooding and high winds can overwhelm site controls, releasing silt, contaminants or debris into air, water, soil and habitats. Ecosystem damage may increase costs and lead to penalties.	Construction can disturb protected species or spread invasive species, damaging habitats and creating regulatory exposure, including potential penalties.	Stronger habitat and species protection, including Biodiversity Net Gain, can constrain land or material availability. This may reduce project opportunities and revenue while increasing procurement costs.	Loss of green space or insufficient local compensation can increase community exposure to flooding, storms and erosion, reduce wellbeing and prompt objections to development.
Mitigation	Our ISO 14001 EMS identifies and controls pollution risk throughout the project lifecycle. Environmental specialists, ISEP-approved training and project-specific measures support delivery; SEIR tracks significant incidents.	ISO 14001 processes and over 100 environmental specialists identify species risks from bid to completion. Trained teams apply project-specific controls, with SEIR used to monitor significant incidents.	Broad market coverage limits concentration, while permissions are generally secured before Kier's involvement. Experience in sensitive locations, ISO 14001 controls and Group Tender Review Committee oversight of significant environmental risks support risk-based decisions.	Pre-start environmental assessments inform resilient design and local mitigation. Kier engages clients, partners, communities and affected stakeholders to address concerns and adapt project delivery.
Primary financial impact	Increased procurement costs / penalties	Penalties	Reduced revenues / increased procurement costs	Reduced revenues
Associated metrics	Significant Environmental Incident Rate (SEIR)	Significant Environmental Incident Rate (SEIR)	Green revenue	Significant Environmental Incident Rate (SEIR)

Nature-related opportunities

The table below details the nature-related opportunities we have identified with the greatest potential benefit to our business.

	O6: Low carbon and climate resilience expertise	O7: Providing community access to nature	O8: Land remediation and material reuse
Time horizon	Short term	Medium term	Short term
Magnitude	Medium	Medium	Medium
Type	Markets	Markets	Resource efficiency
Area	Downstream	Own operations / downstream	Own operations
Description	More frequent climate impacts are increasing demand for low-carbon, climate-resilient buildings and infrastructure. Kier can support clients' transition priorities through repair, adaptation and nature-based solutions, creating downstream growth opportunities.	Creating and improving green space supports biodiversity and provides flood attenuation, erosion control, urban cooling, amenity and wellbeing benefits. Strong delivery can improve work winning, talent attraction and Kier's nature-positive reputation.	Remediating brownfield and contaminated land reduces pollution and makes sites safe for development. Reusing materials can avoid waste, raw-material imports, land-use change and habitat compensation, lowering project costs and environmental impacts.
Realisation	Our ISO 14001 EMS identifies and manages environmental opportunities. Over 100 environmental professionals and internal design and consultancy teams combine low-carbon design, green infrastructure, ecology, water and adaptation expertise to deliver client solutions.	ISO 14001 processes and environmental specialists help identify opportunities early. Design and consultancy teams work with clients and communities to integrate accessible green infrastructure and nature-based solutions into project delivery.	Our ISO 14001 EMS and environmental specialists integrate remediation and material reuse into project planning and delivery. Internal technical expertise helps identify cost-effective solutions while managing pollution, waste and habitat impacts.
Primary financial impact	Increased revenues	Increased revenues	Reduced costs
Associated metrics	Green revenues	Green revenues	Waste generation

Blackburn Wastewater Treatment Works (WWTW)
Infrastructure

O8: Land remediation and material reuse

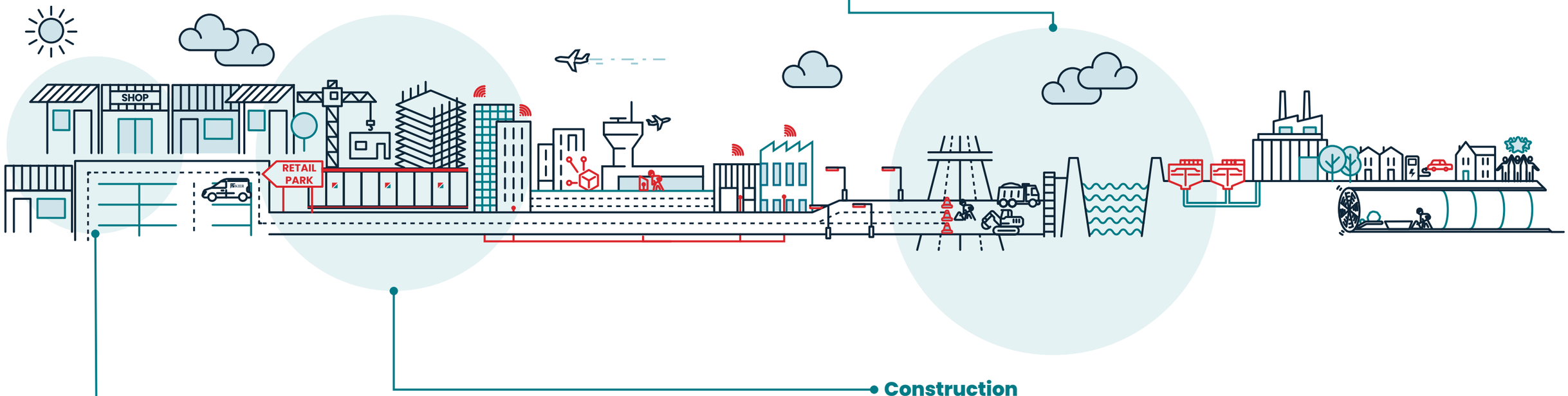
Blackburn WWTW treats over 168 million litres of sewage each year. We're working for United Utilities to remove outdated equipment in preparation for new technology infrastructure to convert treated sewage by-products into renewable green energy.

The demolition resulted in the arising of c.194,000 tonnes of material. Through early and proactive engagement with the client, this material was reused on site, avoiding c.20,000 wagon movements and c.1,700 tCO2e.



Divisional risks and opportunities

We have also identified the most substantive climate-related risks and opportunities for each of our divisions. These are summarised below.



Infrastructure

Risks	Opportunities
Increased expenditure on low carbon technology	Growth in climate mitigation markets
Climate impacts on productivity	Growth in climate adaptation markets
Service disruption due to extreme weather	Reputational gains due to performance and transparency
Disruptive carbon and energy related regulation	Commercial savings through resource efficiency

Property

Risks	Opportunities
Market uncertainty impacting demand for products	Growth in climate mitigation and adaptation markets
Disruptive carbon and energy related regulation	Reputational gains due to performance and transparency
Damage to assets due to physical impacts of climate change	

Construction

Risks	Opportunities
Supply chain disruption due to extreme weather	Growth in climate mitigation and adaptation markets
Climate impacts on productivity	Commercial savings through resource efficiency
Insufficient development and scaling of low carbon materials and technologies	Resilience to volatility in energy markets through use of renewable energy

Physical risk and opportunity exposure

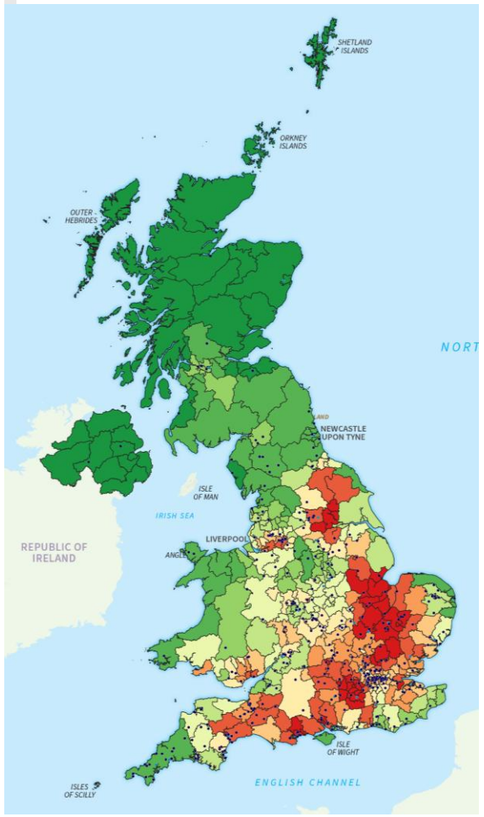
Extreme weather events

Associated risks and opportunities with these physical impacts:

- Supply chain disruption (R4)
- Service disruption (R5)
- Market growth (O2 & O3)

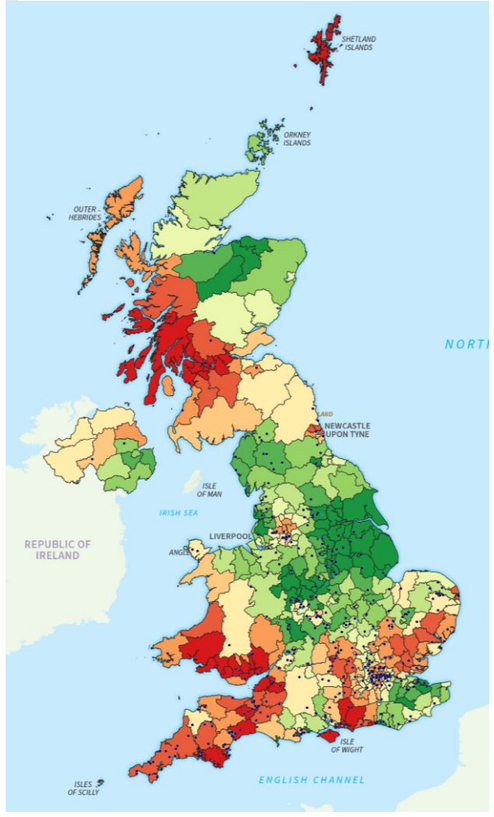
Heatwaves

By 2036 we expect to see an 18% increase in exposure to heatwaves across our operations, with the most significantly impacted sites being those in the southeast.



Extreme rainfall

We expect to see a 12% increase in exposure to record rain events, with the most significantly impacted areas being in the west.



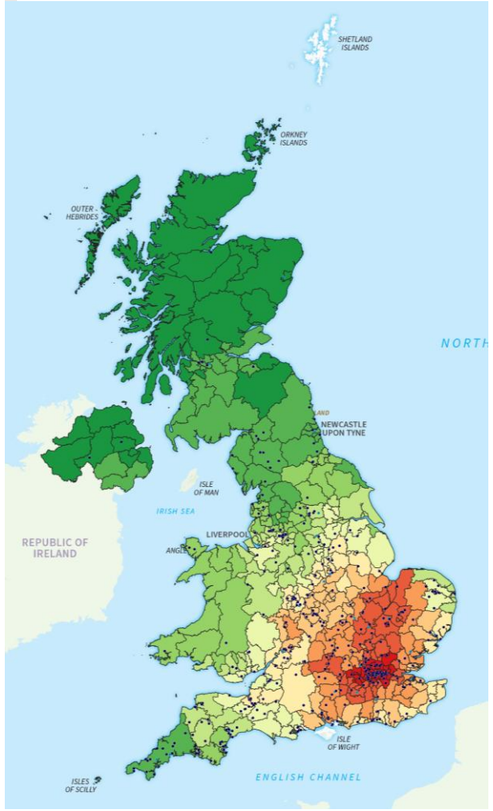
Climate impacts on infrastructure

Associated risks and opportunities with these physical impacts:

- Supply chain disruption (R4)
- Service disruption (R5)
- Market growth (O2 & O3)

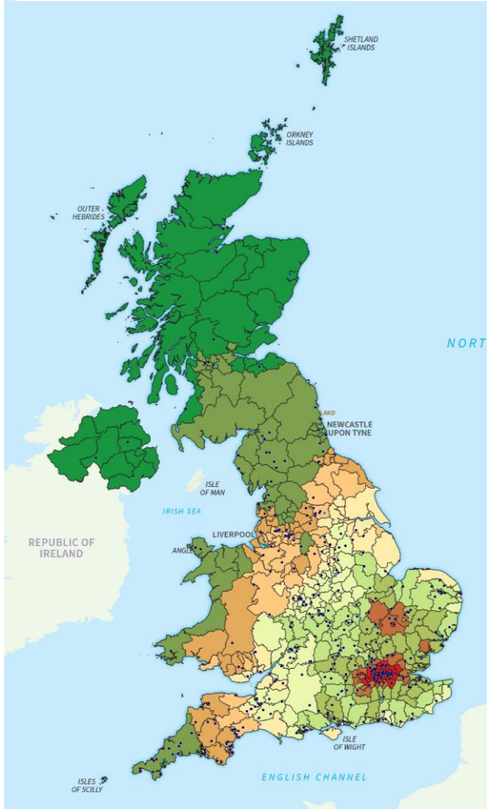
Rail temperatures >30°C

By 2036 we expect to see a 21% increase in frequency of days where rail temperatures exceed 30°C in the areas we currently operate.



Road melt risk >25°C

By 2036 we expect to see a 12% increase in road melt risk (above 25°C) in the areas we currently operate.



Physical risk and opportunity exposure

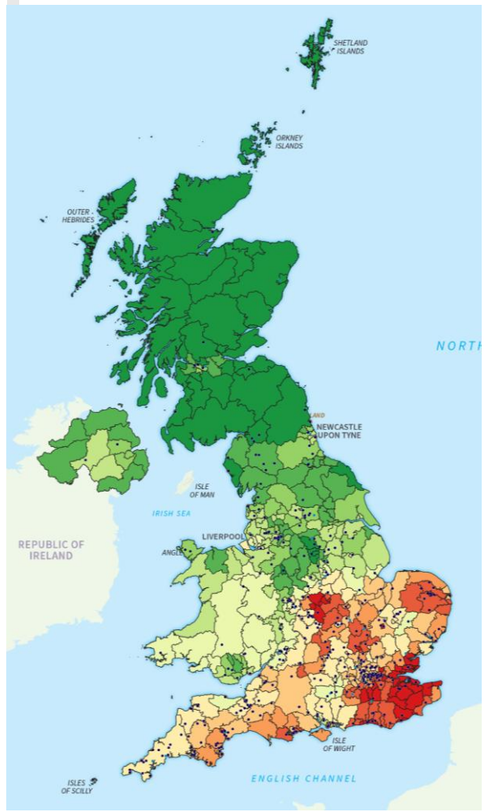
Exposure to water-related impacts

Associated risks and opportunities with these physical impacts:

- Supply chain disruption (R4)
- Service disruption (R5)
- Pollution (R6)
- Market growth (O2 & O3)

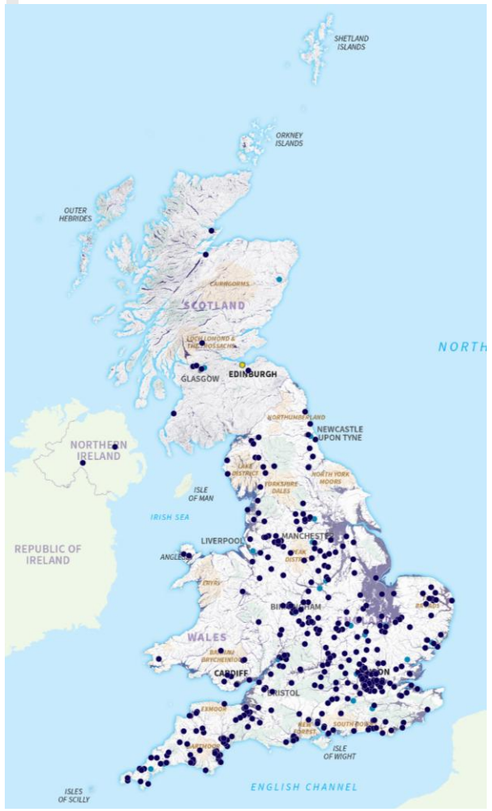
SPEI drought index

Approximately 22.0% of our sites are assessed as in drought conditions greater than 10% of the time, this is expected to increase to 72.4% by 2036.



Flood risk zones 2 & 3

13.6% of our sites are located in flood zone 2 or 3, limiting exposure of construction operations to river and surface water flood risks.



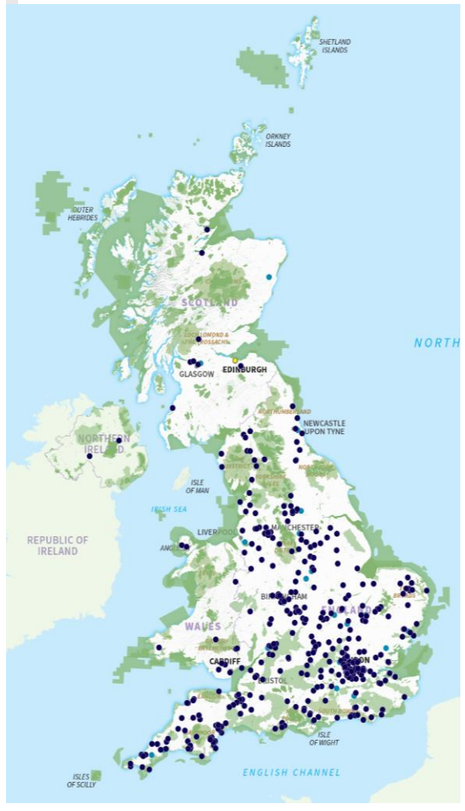
Interactions with nature

Associated risks and opportunities with these physical impacts:

- Protected areas (R8)
- Land remediation (O8)

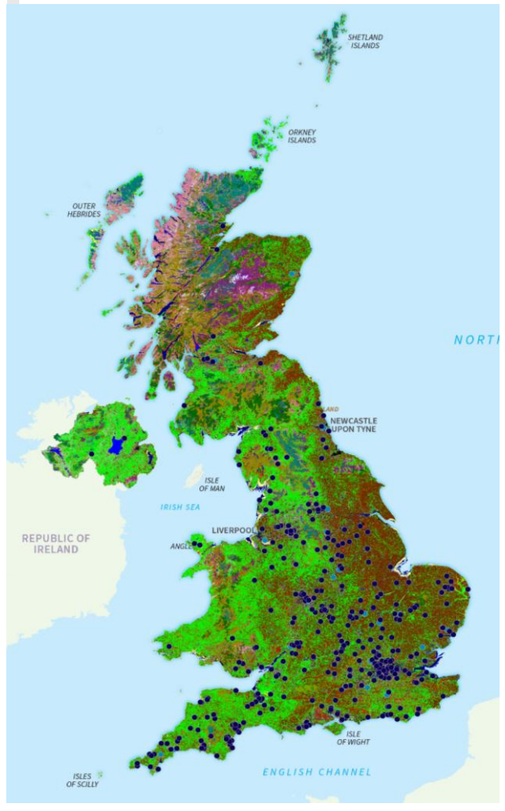
Protected areas

Approximately 4% of our sites are located within protected areas, specifically Areas of Outstanding Natural Beauty (AONBs) and National Parks.



Land classification

98% of our operations are within urban or suburban areas.



Our Performance

Greenhouse Gas Performance
Scope 1 & 2

80.8%

Reduction since base year, equating to an 81.9% reduction in emissions intensity.

34.0%

Reduction since last year, equating to a 37.7% reduction in emissions intensity.

Operational changes

In the first few years, our emissions dropped significantly due to operational changes, including the completion of some carbon intensive projects.

Governance & validation

We saw an increasing drive for carbon reduction by strengthening our governance around climate management, including SBTi validation, ISO 14064 verification, and the introduction of a carbon metric in our executive long-term incentive plan.

Alternative fuels

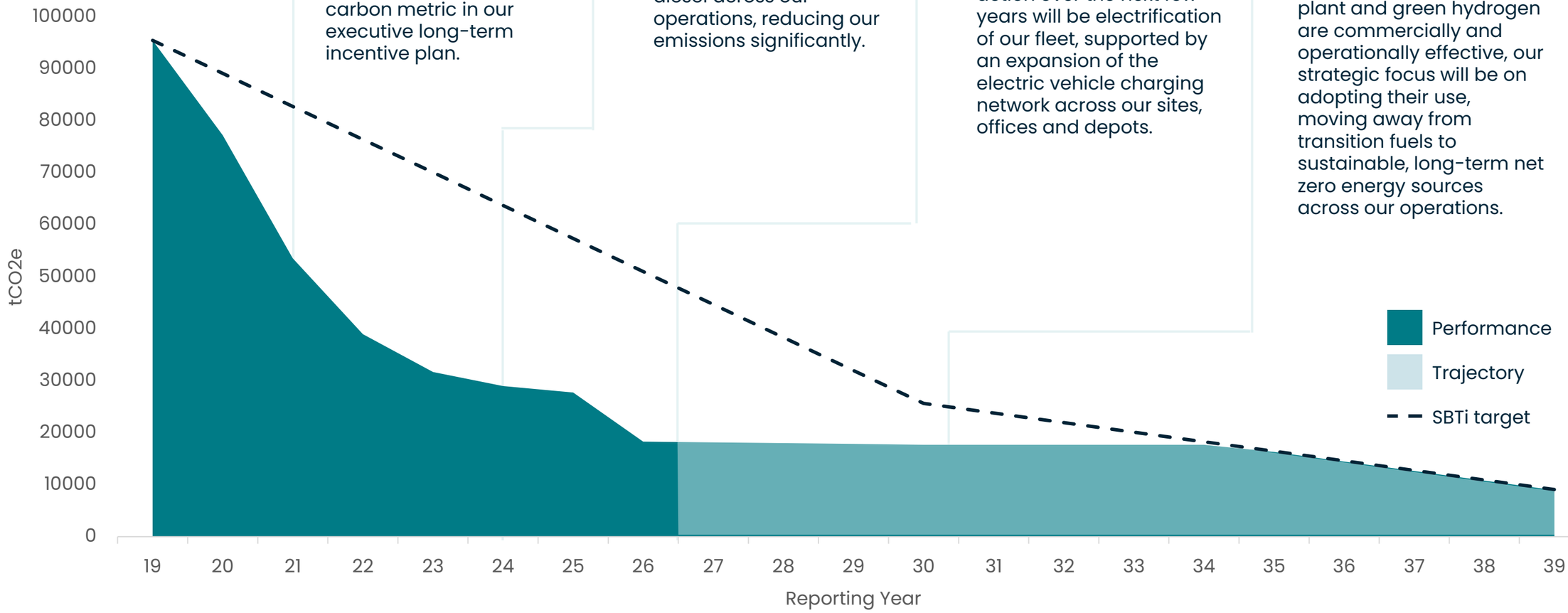
As we scale up and support development of longer-term electric and other net zero solutions, we have adopted lower-carbon biofuels to replace diesel across our operations, reducing our emissions significantly.

Fleet electrification

As of this year, our commercial vehicle fleet is the largest source of emission source. The key action over the next few years will be electrification of our fleet, supported by an expansion of the electric vehicle charging network across our sites, offices and depots.

Electrification & net zero fuels

Once net zero solutions such as large electric plant and green hydrogen are commercially and operationally effective, our strategic focus will be on adopting their use, moving away from transition fuels to sustainable, long-term net zero energy sources across our operations.



Greenhouse Gas Performance
Scope 3

Governance & validation

We strengthened our governance around climate management, including obtaining SBTi validation, ISO 14064 verification, and PAS 2080 building a robust baseline and target trajectory.

Data quality & supplier engagement

To build greater insight into our emissions hotspots we have conducted a targeted engagement exercise with our suppliers. This has included engagement via the Supply Chain Sustainability School and direct engagement, making our data requests proportionate but actionable.

Sustainable design & delivery

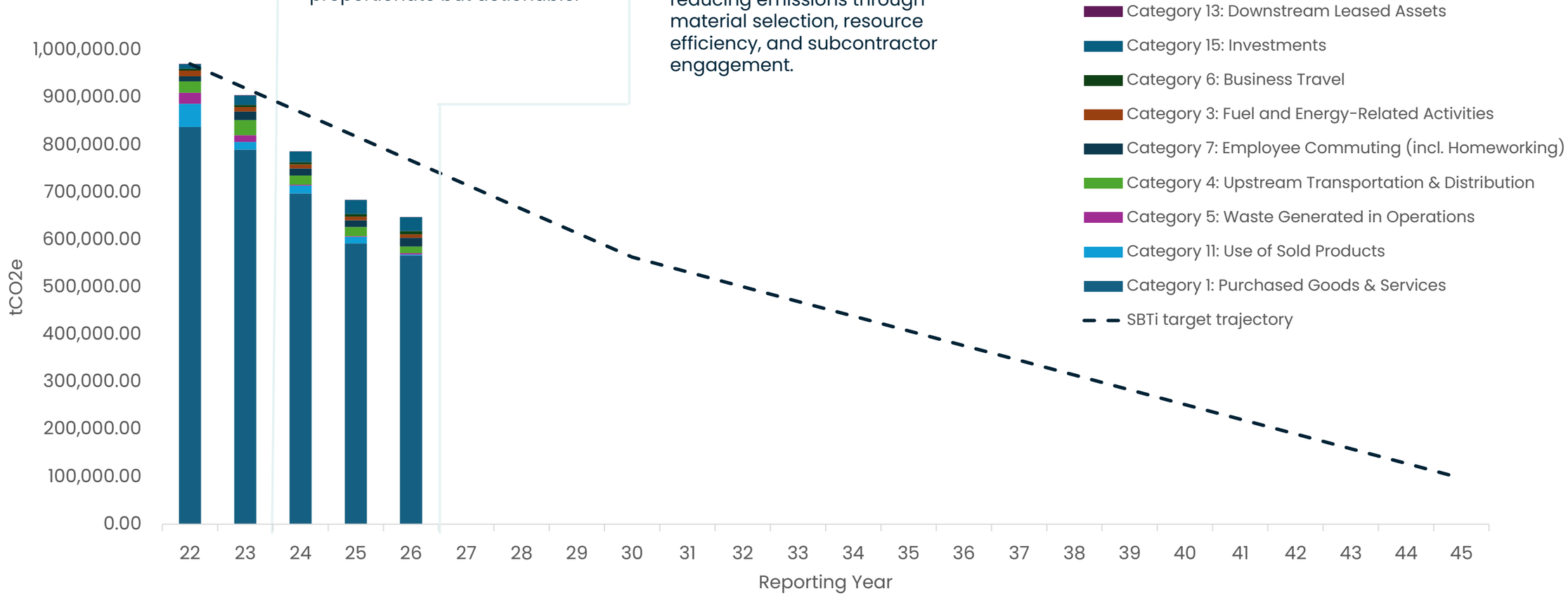
Utilising our PAS 2080 certified processes and our newly established Kier Design team, our current focus is to embed sustainability into our design and delivery processes, reducing emissions through material selection, resource efficiency, and subcontractor engagement.

33.2%

Reduction since base year, equating to a 49.1% reduction in emissions intensity.

5.3%

Reduction since last year, equating to a 10.0% reduction in emissions intensity.



Greenhouse Gas (GHG) Inventory

The table opposite details our absolute GHG emissions for:
- Our scope 1 & 2 base year (FY19)
- Our scope 3 base year (FY22)
- Our most recent year (FY26)
- Two previous years (FY24-25)

Emissions here are presented in tonnes carbon dioxide equivalent (tCO_2e).

No GHG removals have occurred in FY26, therefore removals are not reported.

The reporting methodology and other technical reporting detail for this data can be found in Appendix A, and other versions of this inventory, including a breakdown by GHG and a breakdown by division can be found in Appendix B.

Emissions marked with an asterisk (*) have been third party verified to ISO 14064 in line with the Verification Opinion Statement in Appendix C of this and previous climate and nature reports.

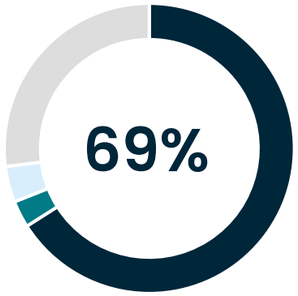
Note that emissions associated with capital goods are included within the total emissions for purchased goods and services for all years and therefore is not recorded as a separate row.

Category	Greenhouse gas emissions (tCO_2e)				
	FY19 Apr 18 – Mar 19	FY22 Apr 21 – Mar 22	FY24 Apr 23 – Mar 24	FY25 Apr 24 – Mar 25	FY26 Apr 25 – Mar 26
Scope 1: Direct GHG Emissions	**89,490**	**38,643**	**28,853***	**26,873***	**17,571***
Stationary combustion	84,070	17,237	12,408*	13,815*	6,452*
Mobile combustion	5,420	20,424	16,445*	13,057*	11,119*
Biogenic emissions	0	3	3,405	4,456	11,848
Scope 2: Indirect emissions from imported energy	**5,970**	**324**	**115**	**860***	**723***
Purchased electricity (location based)	7,170	4,569	2,521*	2,266*	1,915*
Purchased electricity (market based)	5,970	324	115	860*	723*
Scope 3: Indirect emissions from value chain	**-**	**971,314**	**787,008**	**684,479***	**648,399***
Transportation	**-**	**38,243**	**39,585***	**38,957***	**39,334***
Upstream transportation & distribution	-	23,740	19,108*	19,172*	14,016*
Business travel	-	3,817	5,329*	5,509*	6,983*
Employee commuting	-	10,686	15,148*	14,277*	18,335*
Products purchased	**-**	**873,722**	**708,370***	**602,140***	**577,474***
Purchased goods and services	-	838,152	697,937*	592,492*	566,996*
Fuel & energy related activities	-	12,137	8,242*	7,917*	7,315*
Waste generated in operations	-	23,433	2,191*	1,731*	3,162*
Associated with the use of products	**-**	**59,349**	**39,053**	**43,382***	**31,592***
Use of sold products	-	49,059	16,389*	13,602*	1,828*
Downstream leased assets	-	794	358*	318*	342*
Investments	-	9,496	22,306*	29,461*	29,422*
Total scope 1 & 2 (market based)	**95,460**	**38,967**	**28,968**	**27,733**	**18,294**
Total scope 1, 2 & 3 (market based)	**-**	**1,010,281**	**815,976**	**712,212**	**666,693**

Green revenue alignment

In line with the target detail set out on page 7, our revenue-generating activities are classified against micro-sectors in line with the FTSE Russell Green Revenue Classification System, which in turn is classified against a 'tier' of environmental benefit.

In FY26, 69% of our revenue was derived from activities resulting in a net environmental benefit (tiers 1 & 2).



66% Tier 1: clear and significant environmental benefits

3% Tier 2: limited but net positive environmental benefits

4% Tier 3: some environmental benefits but overall net neutral or negative

Adaptation and nature benefits

To improve the analysis of our 'green revenue', we have further categorised our revenue-generating activities to determine whether they contribute to climate adaptation and nature. These are presented below as percentages of our total revenue.

49% Contributing to climate adaptation

12% Contributing to nature

Non-qualifying revenue

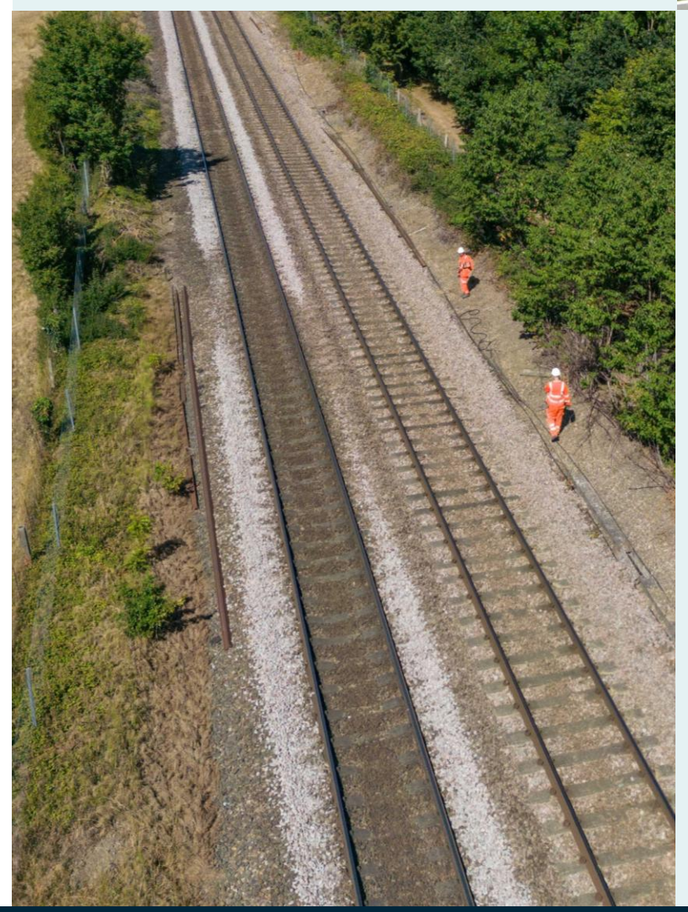
27% of our revenue derives from activities that do not align with the FTSE Russell GRCS, including the construction of buildings which are not BREEAM certified and the construction and maintenance of highways infrastructure. Some of these projects may deliver environmental benefit despite not falling within this classification methodology, for example highways infrastructure improvements to reduce congestion and improve local air quality.

Deyes High School

Micro-sector: Buildings & Property (Integrated) (General)
Green tier: 1

Kier partnered with the Department for Education and Lydiate Learning Trust to deliver a new secondary school for 1,300 pupils in Maghull, Liverpool. The project met Net Zero Carbon in Operation standards, with strong energy performance, a BioSolar roof, hybrid ventilation, air source heat pumps, green roofs, and other biodiversity enhancements.





Wigan to Bolton Electrification

Micro-sector: Railway (Infrastructure) (General)
Green tier: 1

On behalf of Network Rail, Kier delivered the electrification of 9km of railway between Wigan and Bolton, facilitating longer electric trains, providing a lower-emission and quieter travel option to support the UK Government's 2050 target of a net zero railway.

The £100m upgrade project involved electrifying the route and carrying out necessary infrastructure improvements and modifications.

Green Economy Mark classification

The table below details the breakdown of our green-aligned revenue. This is categorised in accordance with the FTSE Russell Green Revenue Classification System.

		Revenue (£000)				Percent of total
Green Tier	**Micro-Sector**	**Construction**	**Infrastructure**	**Property**	**Total**	
1	EM.01.0 Buildings & Property (Integrated) (General)	£1,512,810.21	£34,184.64	£18,865.50	£1,565,860.35	
	TE.02.1 Railway (Infrastructure)	£853.69	£882,862.08	£0.00	£883,715.77	
	WI.06.0 Water Infrastructure (General)	£0.00	£410,639.68	£0.00	£410,639.68	
	EM.08.0 Smart & Efficient Grids (General)	£0.00	£31,575.60	£0.00	£31,575.60	
2	WP.07.0 Waste Management (General)	£6,381.63	£0.00	£0.00	£6,381.63	
	ES.03.0 Smart City Design & Engineering (General)	£0.00	£3,782.14	£0.00	£3,782.14	
	WI.03.0 Flood Control (General)	£0.00	£120,944.38	£0.00	£120,944.38	
	WI.07.0 Water Treatment (General)	£0.00	£7,412.13	£0.00	£7,412.13	
3	EQ.07.0 Nuclear (General)	£0.00	£167,761.12	£0.00	£167,761.12	
Non-qualifying revenue		£468,151.16	£680,213.52	£43,769.50	£1,192,134.18	
Total tier 1 & 2		**£1,520,045.53**	**£1,491,400.65**	**£18,865.50**	**£3,030,311.68**	**69%**
Total		**£1,988,196.69**	**£2,339,375.29**	**£62,635.00**	**£4,390,206.98**	
Revenue contributing to climate change adaptation		£1,519,191.84	£608,538.57	£18,865.50	£2,146,595.91	49%
Revenue contributing to biodiversity		£0.00	£542,778.33	£0.00	£542,778.33	12%

Other environmental metrics

Our TNFD and TCFD disclosures highlight other environmental metrics which allow us to monitor our management of climate- and nature-related risks and opportunities. Our performance against these metrics is set out here.

Please note that the metrics presented on this page cover our financial year July 2025 – June 2026.

Metric	Performance	Unit	Target	Scope	Status
Biofuel compliance	100%	% of supplied volume	100% compliance	RFAS Renewable Fuel Declaration (RFD) plus supply chain certification (e.g. ISSC)	
Considerate Constructors Scheme performance	44	Average score out of 50	Maintain excellent performance	Registered sites average score, assessing worker wellbeing, community relations & environmental impact	
Landfill Diversion*	98.1%	% diversion from landfill	Maintain at least 95% diversion from landfill	Excludes hazardous and wastes where disposal is legally required	
Construction waste intensity*	9.5	Tonnes per £1m revenue	Maintain performance	All construction waste included	
Significant Environmental Incident Rate*	7	Significant Incidents / 100,000 hours	5% reduction below 3 year rolling average	Defined by internal threshold: major pollution, regulatory breach, or public harm.	
Sustainability Literacy	9,507	Employee hours	Performance monitored	Engagement, and training supporting practical and informed sustainability decisions	
Water withdrawal intensity*	18.8	m^3 per £1m revenue	Performance monitored	Includes directly supplied water where Kier is the bill payer	

* Limited ISAE 3000 third-party assurance

Further details on our ESG performance, including social and environmental metrics, can be found in our ESG databook.

Initiatives and offsetting

When mitigating our potential environmental impact, we follow the hierarchy as shown opposite.

Reduce and substitute

Our climate and nature initiatives are designed to address the most significant impacts, dependencies, risks and opportunities identified through our assessment processes. Initiatives are selected based on their ability to support delivery of our climate transition plan, reduce greenhouse gas emissions, enhance climate resilience, improve nature outcomes and create long-term value for stakeholders.

Progress is monitored through established governance processes and measured using recognised methodologies, including our ISO 14064-aligned greenhouse gas inventory. Performance indicators are reviewed regularly to assess effectiveness, support continual improvement and inform future investment decisions.

Compensate

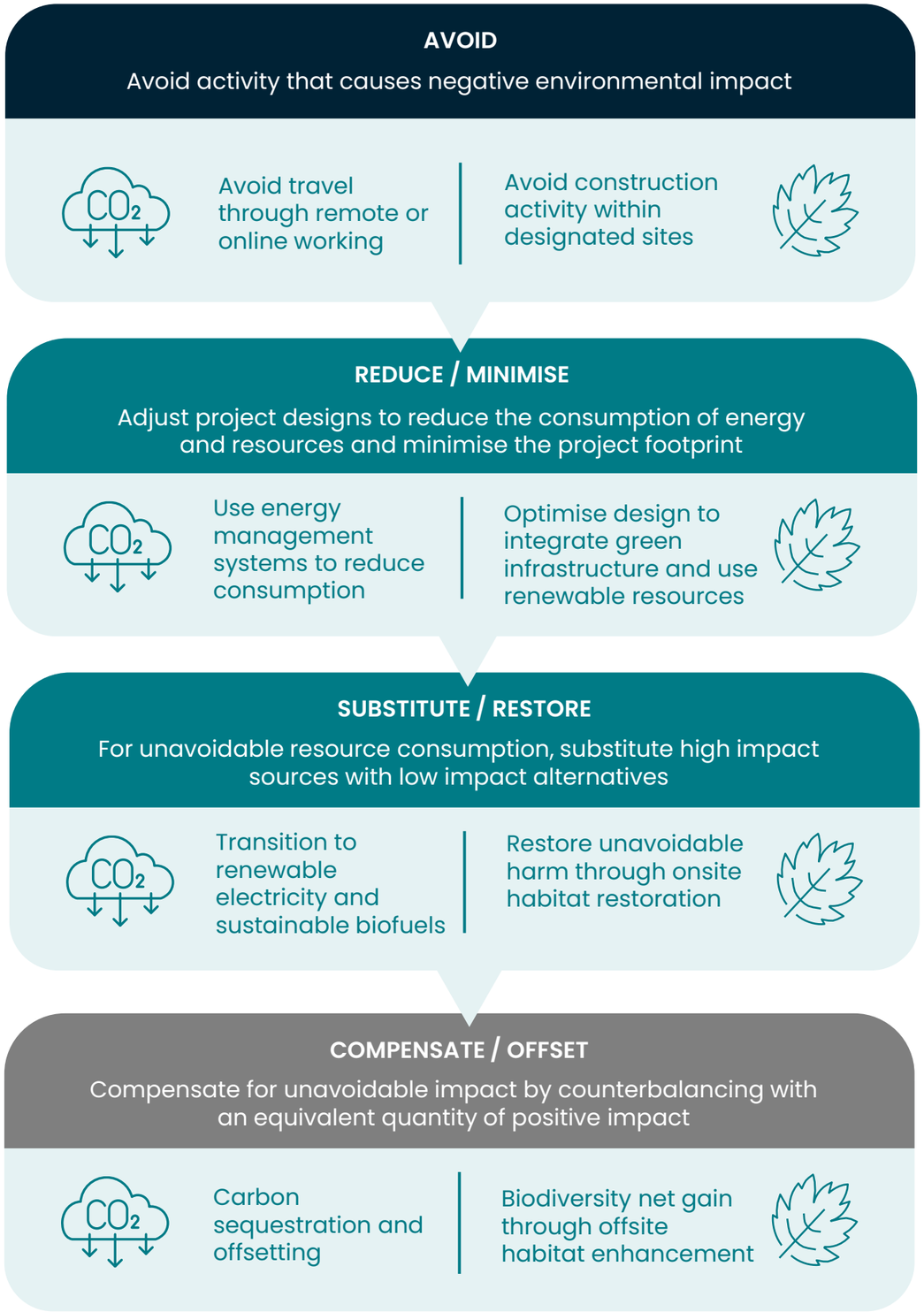
Compensation activities, including direct activity and the purchase of carbon and biodiversity credits, have a role to play within our strategy. Although activities to reduce our impact are always prioritised, it's vital that we have a robust process to compensate for unavoidable impact.

For carbon, we will use offsetting activity that counterbalances residual emissions to achieve our net zero target, and we are reviewing the use of offsetting to take responsibility for ongoing emissions as we progress towards these targets.

During FY26, Kier did not undertake any carbon offsetting initiatives.

For nature, we apply the mitigation hierarchy, led by Kier Design. From our appointment and across the project lifecycle we aim to deliver net positive sustainable outcomes for clients and communities.

Where offsite compensation is required, we work with local and national BNG unit providers to maximise positive outcomes for nature, communities and ecosystem resilience.



Climate & nature initiatives

	Fleet electrification roadmap	Alternative fuels transition	Climate resilience stage gate process	Climate & nature contractual clauses	AI Enabled Environmental Assessment Tool
Strategic alignment	Climate: scope 1 reduction and net zero target	Climate: scope 1 reduction and net zero targets	Climate: adaptation Nature: nature-based solutions	Climate: scope 3 reduction Nature: protection	Climate: adaptation Nature: enhancement
Objective	Reduce fuel consumption by transitioning to 100% PHEV/EV LCVs by 2030	Reduce emissions by transitioning to lower carbon alternative fuels for plant, equipment and fleet	Enhance our service delivery for climate adaptation and NBS to meet emerging client demand	Reduce supply chain impacts by specifying targets and requirements	Streamline and simplify environmental assessment processes to identify risks and opportunities
Relevant risks	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9	1 2 3 4 5 6 7 8 9
Relevant opps	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8	1 2 3 4 5 6 7 8
FY26 actions	• Develop and implement a roadmap to electrify commercial vehicle fleet • Appoint a supplier for home-charging solutions for LCV drivers	• Secure contract for sustainable HVO • Supplier workshops to identify longer term alternatives • Alternative fuels control standard development	• Develop a stage gate process setting specific climate & nature considerations to be implemented at various project stages	• Assess potential impact of proposed requirements • Increase supply chain data collection to determine baseline	• Produce an environmental assessment tool for use throughout the project lifecycle to improve design, planning and delivery of projects
FY26 status	Implementation	Implementation	In development	Under consideration	Under testing
Duration	4 years (target 2030)	9 years (target 2035)	1 year	To be confirmed	To be confirmed
FY26 avoided tCO2e	**1,099**	**9,252**	**-**	**-**	**-**
Explanation	The emissions reduced since FY25 as a result of fleet electrification. Note that further reductions are expected over coming years which are not included in this total.	Emissions avoided by using HVO instead of diesel, calculated as [FY26 HVO consumption – FY25 HVO consumption] x [diesel conversion factor – HVO conversion factor]	Emissions avoided as a result of this service are calculated on a case-by-case basis. As the process is implemented across the business, we will monitor the impact.	No emissions avoided in year as initiative is still in development, however expected emissions reduction when requirements introduced	Reduce time and resource, improve consistency and quality of data and output documents, improve early understanding of environmental constraints
Future focus	Implementation of electrification roadmap	Identification and trials of longer-term alternative fuel options	Implementation of stage gate process	Development and consultation on proposed requirements	Test at various stage gates

Appendices

Appendix A:
GHG Accounting Methodology Technical Detail

Our approach to GHG reporting is aligned to the Greenhouse Gas Protocol Corporate Accounting Standard, including direct emissions (scope 1), indirect emissions through purchased or acquired electricity (scope 2), and indirect emissions (scope 3).

Organisational Boundary

Consolidation approach

Kier applies a financial control consolidation approach, meaning we account for 100% of emissions from assets and activities over which we have financial control.

Joint ventures

For joint ventures we account for our share, as determined by percentage total revenue, of total GHG emissions from the joint venture project or contract.

- Where Kier's equity share is greater than 50%, we have financial control. We therefore report our equity share of emissions under scopes 1, 2 and 3 in the relevant categories.
- Where Kier's equity share is less than or equal to 50%, we do not have financial control. We therefore report our equity share of the scope 1 & 2 emissions of the contract only under scope 3, category 15 (investments).

Reporting Boundaries

Greenhouse gases (GHGs)

Emissions are reported for all categories in carbon dioxide equivalent (CO_2e). For scope 1 & 2 emissions only, emissions are also subdivided into GHGs (carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6), and nitrogen trifluoride (NF_3)).

Operational boundary

All business operations over which Kier has financial control are included within our operational boundary. We include all emission sources within this boundary unless an exclusion applies, allowing for a maximum exclusion limit of:

- 5% of scope 1 & 2 emissions
- 33% of scope 3 emissions

Details of our excluded emission sources can be found on page 42.

Reporting Cycle

Our GHG emissions and removals are reported in alignment with the financial year April-March. The data presented in this report covers the period April 2025 – March 2026 inclusive.

Emission Sources

Kier's direct emission sources are UK-based.

We operate at c.400 locations at any one time, and our emission sources include:

- Our vehicles (electricity and fuels)
- Our sites (electricity and fuels)
- Our offices and depots (electricity and fuels) Our supply chain (material production, subcontractor energy usage, waste treatment, and transportation of goods)
- Our clients (operational energy)
- Our employees (remote working, commuting)

Assurance

We run three lines of data assurance on the data presented in this report:

Group-level assurance (ongoing)
Data is reviewed at Group level to ensure quantities from raw data reports equal quantities in our GHG reports and to identify significant anomalies and/or data gaps.

Divisional-level assurance (quarterly)
Data is reviewed at divisional level to identify and investigate anomalies and/or data gaps at a localised level.

Third-party verification (annually)
Data is reviewed by a third party in line with ISO 14064 in order to achieve reasonable assurance for 100% of our GHG inventory.

Quantification methodology

To maximise data quality, our methodology prioritises raw data with greater accuracy and less uncertainty. These approaches are detailed below in order of priority. In these examples, the 'unit' refers to the quantitative value of the emission source (e.g., litre of fuel, kWh of electricity), and the 'factor' refers to the GHG emissions associated with one unit (e.g., tCO2e per litre).

- Physical unit, supplier specific factor
- Physical unit, generic factor
- Spend unit, generic factor
- Estimated unit, generic factor

Where generic factors are used, we use publicly available datasets to ensure consistency with our peers, auditability, and to limit uncertainty.
The following datasets are used:

- UK Government Conversion Factors: used in all cases except Purchased Goods & Services and Upstream Transportation & Distribution
- UK Government EEIO factors, adjusted for inflation using the average CPI rates published by the ONS: used for Purchased Goods & Services and Upstream Transportation & Distribution

Details of the conversion factors used are shown in Kier's ESG Databook.

Exclusions

Emission sources may be excluded from Kier's GHG inventory for various reasons, namely in cases where data availability is poor or the data collection efforts are disproportionate, where there is limited direct control or influence over the emission source, or where the emission source is immaterial.

We limit our total exclusions to a maximum of 5% of scope 1 & 2 emissions and 33% of scope 3.

The table on page 42 details the categories that are excluded from our GHG inventory, and those that are not relevant to our operations.

Quantification of biogenic emissions

The only current source of biogenic emissions within our inventory is biofuels, specifically HVO. Quantification of emissions from HVO aligns with the UK Gov GHG Conversion Factors for Company Reporting: Methodology Paper, whereby only CH_4 and N_2O emissions contribute to the CO_2e. CO_2 expelled during the burning of the fuel is cancelled out by the CO_2 absorbed by the feedstock, and this is reported separately for applicable scopes. The conversion factors set out in the methodology paper are applied to HVO volumes to calculate emissions.

Base year selection

Kier currently use a base year of Fiscal Year (FY) 19 (April 2018 – March 2019 inclusive) for scope 1 & 2, and a base year of FY22 (April 2021 – March 2022 inclusive) or scope 3.

FY19 has been selected as the base year for scope 1 & 2 because, at the time of setting our net zero targets, it was the most recent complete reporting year which would not have been skewed by any impacts of the COVID-19 pandemic.

FY22 has been selected as the base year for scope 3 as it was the first year in which Kier calculated and reported scope 3 emissions. The reporting methodology for certain scope 3 categories could not be backdated to FY19, therefore separate base years have been used.

Kier's base years shall remain fixed for as long as they remain representative of our current operations and align with our current methodology to ensure a continuous like-for-like comparison.

Following structural change e.g. acquisition, change in methodology including emission factors or discovery of an error/s that amount to a change of at least 5% to Kier's emissions, the representativeness of the base year shall be reviewed in line with our restatement approach defined in our internal standards.

Ongoing improvement

We are committed to ongoing improvements in data quality in order to reduce uncertainty and improve accuracy. Specific improvement measures we aim to implement include:

- Removal of exclusions
- Adoption of physical unit methodologies
- Adoption of supplier-specific factors

Changes in the reporting year

To improve emissions data quality, we implemented two methodological enhancements during the reporting year, as described below. As the resulting change in reported emissions was less than 5%, our restatement threshold was not met.

Purchased goods and services

In FY25, we began implementing a hybrid methodology, incorporating supplier-provided physical unit data alongside spend-based data for remaining suppliers. In FY26, we expanded supplier engagement to increase data coverage and collected supplier-specific emission factors through the Supply Chain Sustainability School (SCSS) Carbon Calculator, replacing generic spend-based factors where available.

Wastewater (reported under waste generated in operations)

Historically, wastewater emissions were calculated using a spend-based methodology. Improved access to physical activity data from our utility broker enabled the introduction of a hybrid approach, combining physical unit and spend-based data. This has enhanced data quality by increasing the use of activity-based data and improving spend-based estimates through more granular wastewater cost information.

Uncertainty

Uncertainty has been qualitatively assessed in the table on the following page, and the definitions of low, medium and high for each source of uncertainty are provided opposite:

Emission Factors

Low: Official factor source used
Medium: Bespoke factor for Kier used (auditable)
High: Unofficial factor source used

Mitigation: Where third-party factors are used, we use official, recognised sources such as the UK Government conversion factors. We prioritise use of supplier-specific factors and adjust spend-based factors for inflation.

Activity Data

Low: Automated data capture and/or data subject to robust management / assurance processes
Medium: Manual data capture and/or data subject to some assumptions
High: Estimated data or data subject to high level of assumptions

Mitigation: Where possible, activity data is derived from sources which avoid manual data entry or already benefit from existing management, administration and assurance processes.

Quantification Methodologies

Low: Physical unit methodology
Medium: Spend-based methodology
High: Estimation-based methodology

Mitigation: We apply a hierarchy of data management to limit estimation / assumptions, prioritising actual data where possible.

Category & Description	Unit type	Factor type	Uncertainty rating	Uncertainty assessment	Estimated % of emissions	Justification for exclusion
Stationary combustion	Physical	Generic	Low	Factors: Low Raw data: Low	-	-
Mobile combustion	Physical	Generic	Low	Factors: Low Raw data: Low	-	-
Operation of facility	Excluded	Excluded	-	-	<0.1%	Calculations demonstrate this emissions source is relatively minor and is therefore excluded based on materiality.
Imported electricity	Physical	Supplier-specific	Low	Factors: Low Raw data: Low		
Purchased goods and services	Spend / Physical	Supplier-specific/ Generic	Medium	Factors: Med Raw data: Low		
Capital goods	Spend	Generic	Medium	Factors: Med Raw data: Low		
Fuel and energy related activities	Physical	Generic	Low	As per scopes 1 & 2		
Upstream transportation & distribution	Spend / estimation	Generic	Medium-high	Factors: Low Raw data: High		
Waste generated in operations	Physical	Generic	Low-medium	Factors: Low Raw data: Med		
Business travel	Physical	Generic	Low	Factors: Low Raw data: Low		
Employee commuting	Estimation	Generic	Medium	Factors: Low Raw data: Med		
Upstream leased assets	Excluded	Excluded	-	-	c.0.1%	Based on an estimation of materiality using scope 1 & 2 energy use and number of leased assets, this category is estimated to be a small emission source and is therefore excluded based on materiality and influence.
Downstream transportation & distribution	N/A	N/A	-	-		Not relevant to Kier's operations
Processing of sold products	N/A	N/A	-	-		Not relevant to Kier's operations
Use of sold products	Physical	Generic	Low-medium	Factors: Med Raw data: Low		
End of life treatment of sold products	Excluded	Excluded	-	-	c.0.2%	Based on estimations using the LETI Climate Emergency Design Guide, this category is expected to be a relatively small emission source and is therefore excluded based on materiality and influence.
Downstream leased assets	Physical	Generic	Low	Factors: Low Raw data: Low		
Franchises	N/A	N/A	-	-		Not relevant to Kier's operations
Investments	Physical	Generic	Low	As per scopes 1 & 2		

Appendix B:
Additional GHG Inventory Tables

To transparently document our performance against our carbon reduction and net zero targets, this appendix includes tables which set out additional detail to the GHG inventory published in the main body of this report.

Greenhouse gas breakdown

Our emissions broken down by greenhouse gas are calculated for scope 1 and scope 2. This breakdown is reported in both tCO_2e and t of gas in the table below. The global warming potential values used in this calculation are taken from the IPCC Sixth Assessment Report (AR6).

Category	CO_2 tCO_2e	N_2O tCO_2e	CH_4 tCO_2e	CO_2 tCO_2	N_2O tN_2O	CH_4 tCH_4
Scope 1	**17,187**	**375**	**8**	**17,187**	**1**	**0**
Stationary combustion	6,203	245	3	6,203	1	0
Mobile combustion	10,984	130	5	10,984	0	0
Scope 2	**714**	**5**	**4**	**714**	**0**	**0**
Purchased electricity (LB)	1,892	13	10	1,892	0	0
Purchased electricity (MB)	714	5	4	714	0	0
Total	**17,901**	**380**	**12**	**17,901**	**1**	**0**

Divisional breakdown

Our emissions broken down by business division in the table opposite. All emissions in this table relate to the financial year FY26 (April 2025 – March 2026) as per the reporting period of this report.

Other

Further data relating to Kier's GHG emissions can be found within our ESG Databook on our website.

Category	Greenhouse gas emissions (tCO_2e)			
	Construction (incl. Kier Places)	Infrastructure	Property	Group / Unallocated
Scope 1:	**2,640**	**14,806**	**1**	**124**
Stationary combustion	1,182	5,183	0	87
Mobile combustion	1,458	9,622	1	37
Scope 2:	**411**	**183**	**0**	**128**
Purchased electricity (LB)	1,122	547	0	245
Purchased electricity (MB)	411	183	0	128
Scope 3:	**367,959**	**244,926**	**16,834**	**18,680**
Transportation	**13,676**	**23,473**	**268**	**1,916**
Upstream transp. & dist.	4,044	9,850	118	3
Business travel	4,034	2,563	46	340
Employee commuting	5,598	11,060	104	1,573
Products purchased	**352,454**	**192,032**	**16,224**	**16,764**
Purchased G&S	349,095	185,003	16,223	16,674
Capital goods	-	-	-	-
FERA	1,665	5,564	0	86
Waste generated in operations	1,693	1,465	0	4
Use of products	**1,829**	**29,421**	**342**	**0**
Use of sold products	1,828	-	-	-
Downstream leased assets	-	-	342	-
Investments	1	29,421	-	-
Total scope 1 & 2 (MB)	**3,051**	**14,989**	**1**	**252**
Total scope 1, 2 & 3 (MB)	**371,011**	**259,914**	**16,835**	**18,932**

Appendix C:
Verification Opinion Statements

ISO 14064

The verification opinion statement (VOS) shown here covers the GHG data for FY26 with reasonable assurance.

The VOS refers to a GHG report titled “Climate & Nature Report FY26 V2” which is an older version of this climate report. Changes made since the issue of the VOS have not included any amendments to the calculation methodology, uncertainty assessment, or data.

Verification Opinion

Verified with Comments	
Based on the process and procedures conducted, the GHG statement contained in the GHG Report ‘Climate & Nature Report FY26 V2’ produced by Kier Group Plc:	• Is materially correct and is a fair representation of GHG data and information. • Has been prepared in accordance with ISO14064-1:2018 and its principles.
With the following caveats	• Commuting estimated and extrapolated based on survey responded by 33% of employees. • The deliveries of unknown purchased materials that could not be categorised have been excluded from upstream transport and distribution. • Emissions for the use of sold products have only been calculated for those assets in which Kier has design responsibilities and can therefore influence energy demands. • Emissions for Joint Ventures (investments) have been calculated for scope 1 and 2 of JV projects and allocated according to equity share percentage.
The following improvements were raised in relation to future reporting:	Consider improving the methodology for data treatment in relation to dates.
Lead Verifier	Mahivi Vazquez Tarducci
Independent Reviewer	Catherine Williams
Signed on behalf of BSI	Matt Page, Senior Vice President, EMEA Assurance
Issue Date	22/07/2026
BSI Assurance UK Ltd, Kitemark Court, Davy Avenue, Milton Keynes, MK5 8PP, UK	

NOTE: BSI Assurance UK Ltd is independent to and has no financial interest in Kier Group Plc. This 3rd party Verification Opinion has been prepared for Kier Group Plc only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Assurance UK Ltd has assumed that all information provided to it by Kier Group Plc is true, accurate and complete. BSI Assurance UK Ltd accepts no liability to any third party who places reliance on this statement.

Verification Opinion Reference: CFV 796274 22072026

1

Verification Engagement

Organization	Kier Group Plc
Responsible party	Kier Group Plc
Verification Objectives	To express an opinion on whether the organizational GHG Statement which is historical in nature: • Is accurate, materially correct and is a fair representation of GHG data and information. • Has been prepared in accordance with ISO14064-1:2018 and its principles.
Materiality Level	10%
Level of Assurance	Reasonable
Verification evidence gathering procedures	• Evaluation of the monitoring and controls systems through interviewing employees, observation & inquiry. • Verification of the data through sampling recalculation, retracing, cross checking, and reconciliation.
Verification Standards	The verification was carried out in accordance with ISO 14064-3:2019, ISO 14065:2020 and ISO 17029:2019.

NOTE: Kier Group Plc is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI Assurance UK Ltd is responsible for expressing an opinion on the GHG statement based on the verification.

2

Verification Opinion Statements

ISAE3000

The verification opinion statement (VOS) shown here covers our Sustainability KPIs conducted with limited assurance and 'Verified as Satisfactory'.

bsi.

INDEPENDENT ASSURANCE OPINION STATEMENT

To the Directors of Kier Group PLC,

Holds Statement No: BSIV 828278

The British Standards Institution **(BSI)** has conducted a limited assurance engagement on the sustainability information (described in the "Scope") for Kier Group PLC.

Scope

The scope of engagement agreed upon with Kier Group PLC includes the following KPIs and related data:

- Total quantity of construction waste generated
- Tonnes of construction waste/millions of GBP revenue
- Total water m3
- Total wastewater generation m3
- Total consumption m3
- Significant environmental incident rate
- Significant Environmental Incident reporting in compliance with guidance
- Percentage of apprentices as a total of Kier's workforce; Percentage of total workforce in training and development programmes, such as the 5% club
- Number of people trained in recognising modern slavery; Percentage of total workforce with valid training in recognising modern slavery
- Percentage score in HM Government's annual Modern Slavery Assessment Tool
- % of total spend with SME's and VCSE's and the associated social value delivered
- Number of beneficiaries from community or educational outreach

For locations under assessment, please refer to Appendix A in this independent assurance opinion statement.

Opinion Statement

We have conducted a limited assurance engagement on the sustainability information described in the "Scope" above **(Sustainability Information).**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that there are any material errors within the organisational data for waste, water, significant environmental incident rate, percentage of workforce with a valid certificate in Modern Slavery Training, HM Government's Annual Modern Slavery Assessment Tool score, total spend with SMEs and VCSEs data, beneficiaries of education and community outreach data, and percentage of workforce in training and development programs.

The outcome of this process was 'Verified as Satisfactory'.

The following improvements were raised as part of this verification:

- Not a material error, however it was noted that brokers can make adjustments in their portals any time after data has been exported to Rio, and for most brokers there is no process in place to alert Kier to when these

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adjustments have taken place, so they can make the necessary amendments in Rio. Consider working with brokers to set up an automated alert system to flag up when adjustments have been made, so Rio can be manually amended.

- Not a material error, however it was noted that due to previous functionality of Rio, data imported from broker Ecofficiency for November 2025 was doubled, as duplicates hadn't been removed when data overwriting occurred. Consider strengthening the control system in this area to ensure any such errors would be picked up and manually adjusted as required.
- Evidence inputs were sampled to confirm the KPIs related to beneficiaries data. Here it was seen that the evidence of benefits was substantiated (narrative claim check), but the method of gathered numbers that feed into the KPIs could be improved, as these were often assumption based. In most instances the reported figures were seen to be conservative, but an improvement opportunity was raised as a result of this.
- The training % figures for modern slavery were confirmed as correct versus the reported totals in the summarised data seen. However, it was noted that when tracing the summary data back to the raw data tabs there were small discrepancies in the total figures. These differences were not material, but an improvement opportunity was raised on the traceability of inputs across datasets.

For numerical specifics related to these KPIs, please refer to the verification report, which documents these metrics in more detail.

Methodology

Our assurance engagements were carried out in accordance with ISAE3000 (Revised). Our work was designed to gather evidence on which to base our conclusion.

We undertook the following activities:

- Assessment of organization's control over the data recording processes at various plants, checking the ESG software logs, approval levels and data management.
- Consolidation of ESG information: KPIs covered under material topics.
- Assessment of the organization's reporting and management processes concerning this reporting against the principles of relevance, completeness, reliability, neutrality, understandability.
- Data verification on limited level sampling.
- Interviews with staffs involved in sustainability management, ESG report preparation, Materiality analysis, ESG data management and calculation of final numbers.
- Document review of relevant systems, policies, and procedures wherever available.
- Review of supporting evidence for claims made in the reports.
- Traceability of information from the origin and testing at site for measurement procedures.

Responsibility

Kier Group PLC is responsible for the preparation and fair presentation of the sustainability information and report in accordance with the agreed criteria. BSI is responsible for providing an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Independence, Quality Control and Competence

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