Carbon Reduction Plan template

Supplier name	**Kier Group PLC**
Publication date	**November 2025**

Our Business

Kier's purpose is to sustainably deliver infrastructure which is vital to the UK. We are a leading provider of infrastructure services, construction, and property developments, and committed to delivering for communities and leaving lasting legacies through our work. At the core of our project delivery is technical excellence, using the latest building methods, innovations and technology to ensure we offer the best value for our clients.
The data, targets, and initiatives presented within this carbon reduction plan apply to and are structured in line with all business divisions within our organisational boundary. These divisions and their bidding entities are:

- **Natural Resources, Nuclear & Networks:** Delivers long-term contracts in maintenance and capital projects to the water, nuclear and energy sectors; and protection of habitats and communities in our natural environment and waterways
  Bidding entities: Kier Infrastructure and Overseas Limited, Kier Integrated Services Limited, McNicholas Construction Services Limited, Kier Construction Limited
- **Transportation:** Designs, builds and maintains infrastructure for the highways, rail, aviation, and ports sectors and delivers work for National Highways, Network Rail, Transport for London and HS2, as well as a number of local and combined authorities.
  Bidding entities: Kier Transportation Limited (formerly Kier Highways Limited), Kier Integrated Services Limited, Kier Infrastructure and Overseas Limited, Kier Transportal Limited (formerly Clearbox Limited)
- **Construction:** Comprises of our Regional Building, Strategic Projects, Kier Places (workplace solutions, residential solutions and building solutions), and International businesses. Kier is a leading UK national contractor, providing project delivery for the public and private sectors across a number of sectors including education, healthcare, defence, justice and borders, and commercial.
  Bidding entities: Kier Construction Limited, Kier Graham Defence Limited, Kier Business Services Limited, Kier Education Services Limited, Kier Services Limited, Kier Facilities Services Limited
- **Property:** Invests in and develops schemes and sites across the UK and concentrates on mixed-use commercial and residential development delivered through joint venture partnerships.
  Bidding entities: Kier Property Developments Limited, Watford Health Campus Partnership

Reporting Standards and Scope

The calculation of Kier's carbon footprint is in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Our current carbon footprint accounts for carbon emissions over which Kier has financial control.

Kier employs Energise as a climate consultant, providing accountancy services and support in strategy development and implementation. Energise undertake a series of quality assurance checks in line with industry best practice to ensure the Greenhouse Gas statements are as accurate as possible. The process follows the principles of ISAE 3410, Assurance Engagements on Greenhouse

Gas Statements standard, which is undertaken to ensure that the statement is considered materially correct, a fair representation of the greenhouse gases emitted and is prepared in alignment with the Greenhouse Gas Protocol and the relevant scope of activities of Kier as a group.

During the reporting year our GHG data across scopes 1, 2 and 3 was third party verified to ISO 14064-1 with reasonable assurance. The data presented in this report for FY25 reflects the verified data within our GHG report in line with the verification opinion statement.

Note: within this document, “FY” refers to full year ending March. FY25 therefore refers to the period April 2024 – March 2025.

Changes from Previous Carbon Reduction Plan
In line with the requirements of PPN 006, this carbon reduction plan is updated annually to present the most recent financial year of data. The following changes have been made since our previous carbon reduction plan:

- **Verifying our data**
  During the reporting year our GHG data for scopes 1, 2 and 3 in FY25 was third party verified to ISO14064-1 with reasonable assurance. The data presented within this report is aligned with the verification opinion statement.

The next planned revision of this carbon reduction plan is October 2026.

Commitment to achieving net zero

Kier is committed to achieving net zero emissions by 2045.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline year: 2022 (1st April 2021 – 31st March 2022)
Additional details relating to the baseline emissions calculations:
In other public disclosures, our base year for scope 1 & 2 and scope 3 are defined as FY19 (1st April 2018 – 31st March 2019) and FY22 (1st April 2021 – 31st March 2022) respectively. To present a consistent base year for PPN 006 compliance, we have reported FY22 as our base year for all scopes in this document only. Our targets, strategy, and actions use the baseline years defined in our other disclosures. The scope 3 categories included in the figure below include: • Upstream transportation & distribution • Waste generated in operations • Employee commuting (incl. teleworking) • Business travel

Downstream transportation & distribution is not included as it is not relevant to our operations.

Additional scope 3 categories are included within our other public disclosures, including our Climate & Nature Report, Annual Report and Accounts and our CDP disclosure.

Baseline year emissions:	
Emissions	Total ($tCO2e$)
Scope 1	38,643
Scope 2	4,569 (location based) 324 (market based)
Scope 3 (included sources)	61,676
Total emissions	104,888 (location based) 100,643 (market based)

Divisional Breakdown

The table below presents our scope 1, 2 and scope 3 (included sources) emissions data in tCO_2e broken down by division. Data which is unallocated to any division, such as overhead and Group central functions emissions, have been excluded from the table but included in the emissions total.

	Construction	Transportation	Natural Resources, Nuclear & Networks	Property
Scope 1	8,979	12,495	14,359	10
Scope 2	2,528 (LB) 85 (MB)	1,273 (LB) 217 (MB)	166 (LB) 4 (MB)	48 (LB) 0 (MB)
Scope 3 (included sources)	21,901	8,786	23,248	1,660
Total scope 1, 2 & 3	33,408 (LB) 30,965 (MB)	22,554 (LB) 21,498 (MB)	37,773 (LB) 37,611 (MB)	1,718 (LB) 1,670 (MB)

Current emissions reporting

Reporting year: 2025 (1st April 2024 – 31st March 2025)

Emissions	TOTAL (tCO2e)
Scope 1	28,873
Scope 2	2,266 (location based) 860 (market based)
Scope 3 (included sources)	40,688
Total emissions	69,827 (location based) 68,421 (market based)

Divisional Breakdown

The table below presents our scope 1, 2 and scope 3 (included sources) emissions data in tCO_2e broken down by division. Data which is unallocated to any division, such as overhead and Group central functions emissions, have been excluded from the table but included in the emissions total.

	Construction	Transportation	Natural Resources, Nuclear & Networks	Property
Scope 1	5,488	9,190	12,001	2
Scope 2	1,336 (LB) 305 (MB)	474 (LB) 349 (MB)	129 (LB) 89 (MB)	0.3 (LB) 0.3 (MB)
Scope 3 (included sources)	13,063	10,787	15,871	333
Total scope 1, 2 & 3	19,887 (LB) 18,856 (MB)	20,451 (LB) 20,326 (MB)	28,001 (LB) 27,961 (MB)	335 (LB) 335 (MB)

Emissions reduction targets

In order to continue our progress to achieving net zero, we have adopted the following carbon reduction targets.

We project that scope 1 carbon emissions will decrease over the next five years to 25,505 tCO2e by 2030, and scope 2 carbon emissions will decrease to 119 tCO2e by 2030. This is in line with our Science-Based Targets set out below.

In 2023, our near-term and net zero targets were 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. Our targets are based on absolute emissions using a market-based methodology and require a minimum reduction of 90% from our base year with a maximum of 10% being neutralised through offsetting. For our scope 1 & 2 targets we apply a base year of FY19, and for scope 3, FY22.

To progress towards our net zero targets, we have committed to a series of near-term targets. Our near-term scope 1 & 2 targets have been amended since the publication of our previous carbon reduction plan following the SBTi validation process. As Kier had already achieved a significant reduction in emissions since the base year, the targeted reduction was increased to ensure we maintain suitable forward-looking ambition in the near-term. Our targets are:

- By 2030, achieve a 71.5% reduction in absolute scope 1 emissions
- By 2030, achieve a 98% reduction in absolute scope 2 emissions
- By 2030, achieve a 42% reduction in absolute scope 3 emissions
- By 2039, achieve net zero scope 1 & 2
- By 2045, achieve net zero scope 3

To support delivery of our targets, we are members and signatories to various industry commitments with outcomes supporting our strategy, including:

- Race to Zero: A campaign to build momentum towards a decarbonised economy.
- Supply Chain Sustainability School: An industry-led organisation for driving the improvement of sustainability knowledge and skills throughout the whole value chain.
- Contractors Declare: A public declaration of our climate and ecological crises and a commitment to take positive action.

To achieve our carbon budgets, near-term targets, and net zero targets, we have developed a medium-term milestone plan, setting out our strategic actions to improve efficiency and reduce emissions. This plan is detailed below.

Our milestone plan:

2024	
Target validation Obtain SBTi validation on net zero and near-term targets	Complete
Data verification Obtain ISO14064 verification on GHG data	Complete
Company car fleet strategy Introduce a strategy to deliver on our EV100 commitments for our company car fleet	Complete
HVO investigation Contribute to the SCSS HVO research paper to assess sustainability	Complete

Corporate estate strategy Make sustainability factors a consideration for office leases	Complete
Site accommodation Enhance minimum sustainability requirements for site accommodation	Complete
Concrete & steel Conduct a baseline assessment for low carbon concrete and steel use	Complete
2025	
Internal carbon pricing Investigate opportunities for internal carbon pricing	Complete
Expanded CDP disclosure* Expand our CDP disclosure to include water	Complete
Energy excellence initiative Introduce an initiative to improving monitoring, engagement and incentivisation of best practice for energy management	In progress
Supply chain data collection Engage with our largest suppliers to improve our supply chain data capture and reporting	Complete
Commercial vehicle strategy Introduce a strategy to deliver on our EV100 commitments for our commercial vehicle fleet	In progress
2026	
Land use change Review land use change and consider SBTi Forests, Land Use and Agriculture (FLAG) validation	In progress
EV company car list 100% of company car list options to be EV/PHEV	In progress
Expanded CDP disclosure* Expand our CDP disclosure to include forests	In progress
Expand supply chain data collection Engaging with more of our supply chain to gather better quality data for reporting and driving targets	In progress
Explore opportunities for renewable energy generation Exploring opportunities with land that we own and the use of Power Purchase Agreements (PPAs)	Not yet started
Investigate alternatives to diesel Monitoring trials of hydrogen, EV, early grid connection and other emerging technologies in the market	In progress
2027	
Set concrete & steel targets This is reliant on the success of expanding the supply chain collection data	Not yet started
Implementation of EV and PHEV for commercial vehicles Wider roll out of EV and PHEV commercial vehicles in line with our EV100 target	Not yet started
Near term target review As we approach our near-term SBTi target year, review the need to set additional interim targets to support our net zero transition	Not yet started

Carbon reduction projects

Environmental Management Measures

Kier has obtained or is working towards the following certification and disclosure schemes to support delivery of our net zero and near-term carbon reduction targets.

- **ISO 14001**
  Our environmental management system, used to identify and reduce impacts, including GHG emissions.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks
- **ISO 14064-1**
  Certification for GHG quantification and management.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks, Property
- **PAS 2080**
  Certification for carbon management in buildings and infrastructure.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks
- **CDP**
  Annual disclosure of climate-related matters, including strategy, targets, and performance.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks, Property
- **Science Based Targets Initiative**
  Validation of our climate targets to demonstrate alignment to a 1.5°C trajectory.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks, Property
- **Energy Savings Opportunities Scheme**
  Compliance through undertaking regular energy audits of our sites, offices, and fleet.
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks, Property
- **Carbon Trust Standard**
  Certified reductions in environmental impact of operations and supply chain.
  Covers: Transportation
- **Taskforce for Climate-related Financial Disclosure**
  Disclosure of our processes to mitigate climate-related risks and realise climate-related opportunities
  Covers: Construction, Transportation, Natural Resources, Nuclear & Networks, Property

Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 2022 baseline. The carbon emission reduction achieved by these schemes equate to 32,222 tCO2e, a 32% reduction against the 2022 baseline and the measures will be in effect when performing the contract.

Title	Description	Division
EV charger partnership	Introduce partnership with an electric vehicle charging infrastructure provider to support the roll out of charging points across our corporate estate	Group

Internal carbon pricing	Investigate opportunities to use an internal carbon pricing mechanism to inform decision making and drive behaviour change	Group / Natural Resources, Nuclear & Networks
Expanded CDP Disclosure	Disclosure in the water section of CDP	Group
Enhanced supply chain engagement	Engage with our largest suppliers to improve our supply chain data capture and reporting. Supporting improvements in scope 3 data quality.	Group
Solar/ green hydrogen energy trial	Successfully implemented a solar and green hydrogen fuel cell generator to power the main compound at our Tidal Barrier Bridgewater project	NRNN
Early grid connection trial	Effectively trialled a process for connecting sites that require a temporary grid connection faster saving carbon and cost	Construction
Sustainable road surface trials	Transportation division have been trialling Roadmender's latest technology Elastomac which is made from recycled products saving up to 85% of emissions	Transportation

Future carbon reduction initiatives

In the future we hope to implement further measures such as:

Title	Description	Progress to date	Division	Status
Biomethane feasibility	Conduct a feasibility study to assess the potential for biomethane as a suitable alternative fuel for HGVs, reviewing infrastructure, vehicle changes, and cost and carbon comparisons	The feasibility assessment for this initiative is current underway	Transportation	In progress
Carbon insetting	Investigate opportunities for carbon insetting across our portfolio	We have identified a site within our portfolio with opportunities for renewable energy generation, carbon offsetting, and other	Property	In progress

		sustainability applications. Planning to realise this opportunity is currently underway.		
Carbon literacy programme	Develop a carbon literacy training course to upskill internal teams on Kier's targets and strategy	Training materials have been developed within our divisions and the courses are being rolled out to relevant internal teams.	All	Ongoing
Commercial vehicle strategy	Work with our fleet partner to develop a transition plan for the electrification of our commercial vehicle fleet in line with our EV100 commitments	We are working with our divisional fleet managers and our fleet partner to determine timelines for a transition to electric and PHEV options.	Group	In progress
Company car strategy	Develop a strategy to support the delivery of our EV100 commitments for our company car fleet	We are currently finalising our company car strategy to support delivery of our EV100 targets.	Group	In progress
Concrete & steel	Investigate opportunities to increase the proportion of low carbon concrete and steel used for our projects	We are currently undertaking baseline assessments on a sample of projects within each division to identify opportunities.	Group	In progress
"Energy excellence" initiative	Development of an initiative to monitor compliance, best practice, and innovation with regards to energy sourcing and energy efficiency across our offices, depots and sites.	We are currently analysing our location list to inform the development of this initiative.	Group	In progress
Sustainability scorecard	Launch a sustainability scorecard to reflect project-level performance, best practice and innovation, including carbon reduction	All divisions have developed their own version of a scorecard specific to their operations. These scorecards continue to be used to monitor and encourage improvements in performance.	All divisions	Ongoing
Expand CDP disclosure	Disclose in the forest section of CDP	We are currently gathering data from our supply chain in preparation for FY26.	Group	In progress
Internal carbon pricing	Implement selected carbon pricing mechanism to trial effectiveness	We are currently building the mechanisms within NRNN for the implementation stage.	Group / Natural Resources, Nuclear & Networks	In progress

* CDP Forests deferred to 2026

Declaration and sign off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[13] and uses the appropriate government emission conversion factors for greenhouse gas company reporting.[14]

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements (where required), and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.[15]

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the supplier:

Stuart Togwell

Date: November 2025

[13] https://ghgprotocol.org/corporate-standard
[14] www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[15] https://ghgprotocol.org/standards/scope-3-standard