



Focusing our sustainability efforts

Double materiality assessment | United Nations
Sustainable Development Goals alignment

June 2026

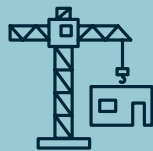
Our business



Our 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.

Our business divisions are:



Construction

Comprises of our Regional Building, Strategic Projects, Kier Places (housing maintenance and facilities management). Kier provides project delivery for the public and private sectors across sectors including education, healthcare, custodial, and defence



Infrastructure

Working collaboratively with our customers and supply chain to deliver critical and complex major infrastructure and routine and reactive maintenance. Kier is a leading provider of UK infrastructure, providing our customers with whole life infrastructure solutions that are safe, sustainable and resilient across aviation, energy, environment, highways, nuclear, ports, rail and water.



Property

Investing and developing sites across the UK acting as a mixed-use commercial and residential developer, specialising in urban regeneration, last mile logistics and modern sustainable office developments working in joint venture with public and private sector clients.

Introduction

It’s important to Kier that our sustainability strategy supports us to address the most pressing environmental and social issues facing our workforce, our communities and our business. Our aim is to leave a lasting, positive legacy in our society, ensure value for our shareholders, and deliver on our purpose: to sustainably deliver infrastructure that is vital to the UK.

We conducted a ‘double materiality’ assessment to identify these issues. We mapped and aligned our results against relevant **United Nations Sustainable Development Goals** (UN SDGs / the Goals) targets for meaningful impact.

These exercises informed the evolution of our **Building for a Sustainable World** sustainability framework, as well as other underpinning strategies.

In this document, we outline our double materiality approach, methodology, UN SDG mapping exercise results, and present our sustainability framework, as well as its foundations.



Building for a Sustainable World

Our purpose To sustainably deliver infrastructure which is vital to the UK

Strategic Pillars	 Our People	 Our Places	 Our Planet
Objectives	Building a workforce & supply chain for the future	Making a positive difference in our local communities	Improving the environment now and for future generations
Topics	Developing our workforce Ethical labour	Investing in local communities Raising aspirations Creating lasting impacts	Climate Action Nature restoration Resource Efficiency
Measures	% of apprentices and people in training and development programmes ----- % within compliance of our modern slavery training programme	% Spend with SME and VCSEs ----- Number of beneficiaries from community or educational outreach	Tonnes of carbon emissions (scope 1-3) / £m revenue ----- Significant Environmental Incident Rate ----- Tonnes waste / £m revenue
	% of Group revenue as added social value		
	% of Group revenue with net environmental benefit		
	How: Collaboration / Design / Innovation / Governance / Naturally Digital		
Underpinning Strategies: Diversity & Inclusion / People / Health Safety Wellbeing / Procurement			

Double materiality assessment



Assessing sustainability topics comprehensively requires analysis from two perspectives: financial materiality and impact materiality (‘double materiality’). Doing so means we focus on the key sustainability topics to drive meaningful, positive environmental and social impact, as well as business performance.

Double materiality assessments allow companies to determine ‘material topics’ – those representing their most significant impacts on the economy, the environment, and people, including human rights impacts – and how these may impact their business. For Kier, this meant identifying areas most important to our business and stakeholders, and developing our sustainability framework and targets in support of those topics.

Key concept



‘Double materiality’ sets the criteria for determining if a sustainability topic or information is included in an organisation’s sustainability reporting, such as Kier’s.

Traditional ‘single materiality’ assessments focus on issues relevant to the company and its main stakeholders, double materiality considers both impact and financial materiality equally.

Financial Materiality: potential and actual sustainability impacts that generate material risks or opportunities for Kier, influencing revenue and growth in the short, medium or long term.

Impact Materiality: potential and actual significant impacts caused by Kier on our society and environment in the short, medium or long term.

The impact that Kier’s business has on the environment and society, now and in the future.



The sustainability issues that impact Kier’s ability to create long term value for the organisation and society.

Introduction

This statement describes Kier’s double materiality assessment and the principal steps taken to determine material sustainable topics.

It discusses the key assessment findings and its output: a revised sustainability framework for 2023 – 2028.



Context

In 2023, Kier’s prior Building for a Sustainable World framework was reaching the end of its current phase. To facilitate continuous improvement, and to ensure we continue to meet external expectations, we commissioned a double materiality assessment to guide development of its next iteration.

Aim

By carrying out this assessment, we aimed to ensure that our resources are focused in priority areas, that sustainability informs the business’ strategic direction, and that our process is transparent for all impacted internal and external stakeholders.

Governance

Kier’s sustainability team engaged a consultancy to conduct a three-phase double materiality assessment, aligned to European Financial Reporting Advisory Group (‘EFRAG’) guidance, which in turn, are informed by the Global Reporting Initiative (‘GRI’) guidelines **for impact materiality** and the International Integrated Reporting Framework (‘IIRF’) **for financial materiality**. Crucially, engaging with an independent advisor facilitated open and honest stakeholder engagement and an unbiased assessment of Kier’s significant sustainability impacts.

Representatives from Kier’s business divisions, as well as clients, suppliers and external advisors participated in one or more phases of the assessment. Senior divisional leaders joined final discussions to feedback and agree material topics. This informed our 2023 – 2028 Building for a Sustainable World framework and the wider strategic foundations to be considered within our underpinning strategies.

We holistically consider the relevance and impact of our material sustainability topics throughout the year by monitoring, in a variety of forums, such as in Executive Committee and leadership meetings, internal and external opinion towards these issues. This ensures our approach remains contemporary. How we govern sustainability matters is explored in our annual reporting and presented in Appendix B of this document.

Key references

In this document:

- Appendix A:** Building for a Sustainable World framework
- Appendix B:** Governance of sustainability matters
- Appendix C:** Changelog
- Appendix D:** Glossary of Terms

On Kier’s website:

[Annual Report and Accounts](#)

Key outcomes

In 2023, we conducted our three-phase materiality assessment. The key outcomes are opposite.

Update for 2026:

In FY26, we conducted a midpoint review of the assessment and framework to ensure its continued suitability.

Minor changes were identified around some topic prioritisation and the overall layout of the assessment. Please see Appendix C, D and Page 13 for more information.

We plan to repeat our double materiality assessment at the end of our current framework in FY28 but continue to review holistically the relevance and impact of our material sustainability topics annually. See Appendix B for Governance details.

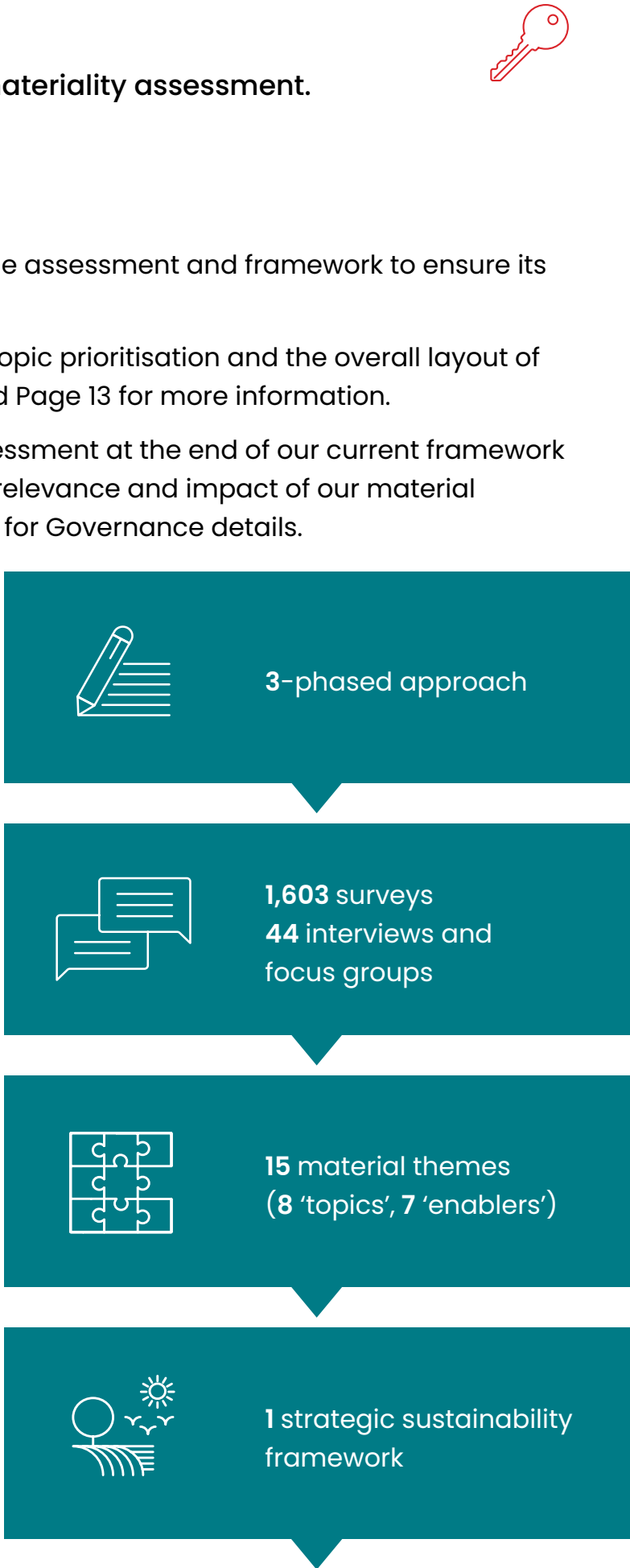


Key concept

Topics: Sustainability issues or opportunities.

Enablers: Actions and activities which contribute (directly or indirectly) to a topic(s).

See page 9.



Process and Methodology

We conducted our materiality assessment in three phases.

Sustainability topics were prioritised based on our double materiality approach. This was informed by stakeholder engagement, industry best practice and other externalities such as emerging compliance obligations, global mega trends and investor tendencies and expectations.

Principal phases: overview

Phase 1 – Analysis	Phase 2 – Engagement	Phase 3 – Prioritisation
Aim: Develop a long list of potentially material sustainability topics.	Aim: Gain insights from a wider range of stakeholders across the value chain to inform long-list prioritisation	Aim: Analyse topics according to their place on an impact materiality vs. financial materiality matrix
Action: Review areas where Kier could have a positive and/or negative impact. Action: Review existing and emerging topics which could impact Kier’s ability to add value. Action: Review outgoing sustainability framework to derive insights for its evolution. Action: Identify stakeholders to take part in the engagement phase	Action: Conduct an anonymous survey to rank material topics; gain insights into responders’ understanding of sustainability and the UN SDGs. Action: Conduct interviews and hold focus groups to gather qualitative feedback on survey results. Action: Conduct additional desk-based research.	Action: Review the long list using engagement phase insights and feedback. Action: Refine the long list. Action: Adjust terminology to reflect industry standard. Action: Separate ‘impact on local communities’ into ‘social value’, and ‘community relations’ Action: Categorise shortlist into ‘topics’ and ‘enablers’. Action: Quantitative assessment of impact and financial materiality.
Output: A long list of potentially material sustainability topics. Output: A list of internal and external stakeholders	Output: A comprehensive view of the long list based on stakeholders’ feedback.	Output: Impact materiality vs. financial materiality matrix supporting identified topic prioritisation
Ongoing: Monitor the relevance and impact of our material topics throughout the year.		

Principal phases: detailed process

Phase 1: Prioritisation

We developed a longlist of potentially material sustainability topics by reviewing Kier’s potential impacts and existing or emerging topics which could impact Kier’s ability to add value.

Such topics included international frameworks (such as GRI and the UN SDGs), regulations (such as UK Sustainability Disclosure Requirements and the Taskforce on Nature-Related Financial Disclosures), investor and ratings agency public analysis (Sustainalytics, ISS, MSCI, Bloomberg, S&P Global), peer activity, client activity, global megatrends (such as World Economic Forum Global Risk Report), and industry memberships. This was supplemented with desk-based research.

We also reviewed our outgoing sustainability strategy (see Section: Context) to inform its evolution. This included evaluating the framework’s position across Kier, how it was applied in documentation, policies, and targets, as well as ongoing activities and initiatives to support wider Group alignment and buy-in.

In preparation for phase 2, we identified cross-divisional internal and external stakeholders. The final list was selected to provide a spread of stakeholders, including internal stakeholders, suppliers, clients and other third parties.

Phase 2: Engagement

With our topic long-list, we engaged stakeholders through anonymous surveys, as well as interviews and focus groups, to gain insights and inform the **prioritisation** phase.

Survey

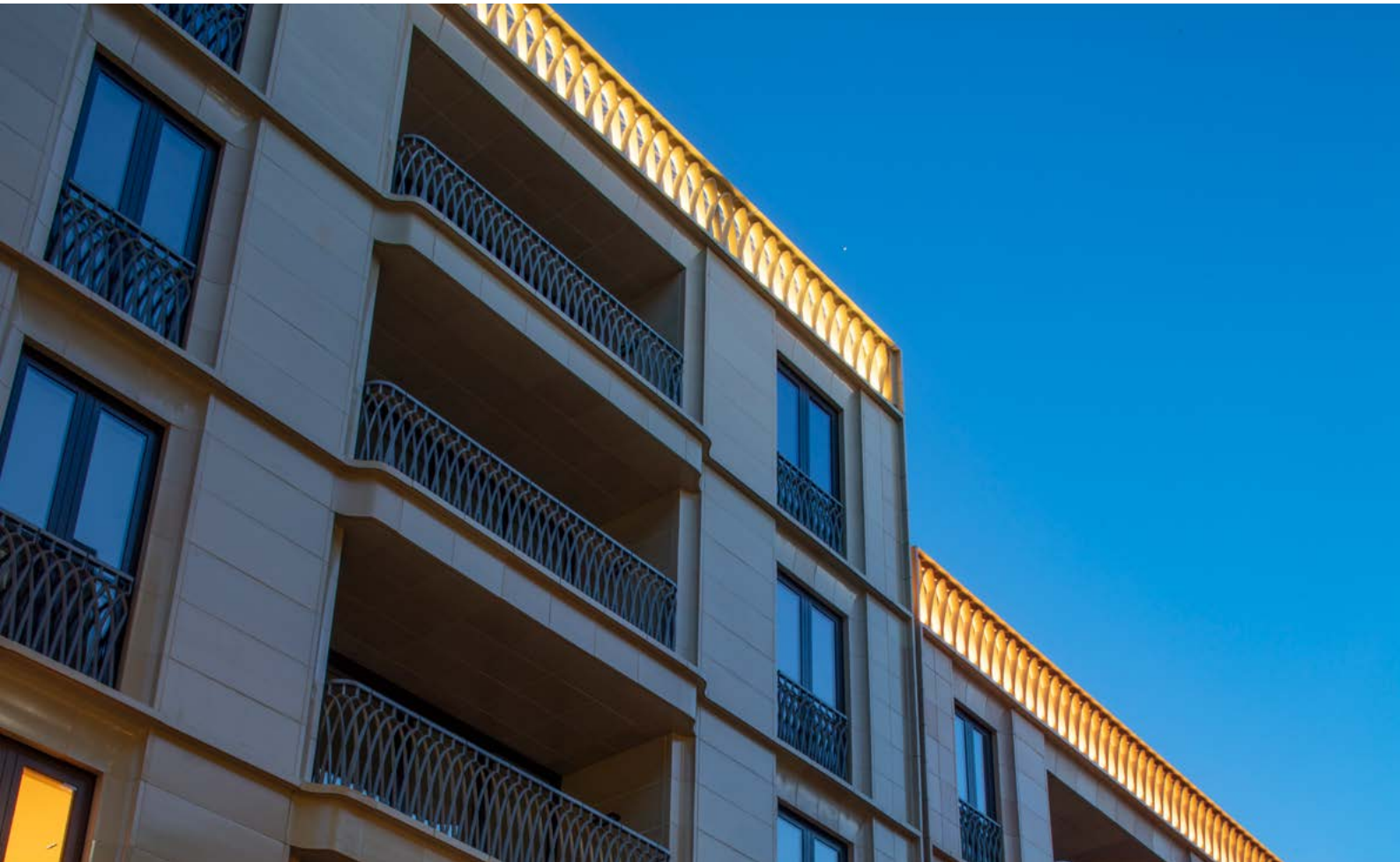
The primary aim of the survey was to gather insights into how stakeholders across the business and value chain ranked identified sustainability matters in terms of double materiality.

Interviews & focus groups

The primary aim of the interviews and focus groups was to gather qualitative feedback on the survey results. Scores and rankings were used to develop a longlist of sustainability topics.

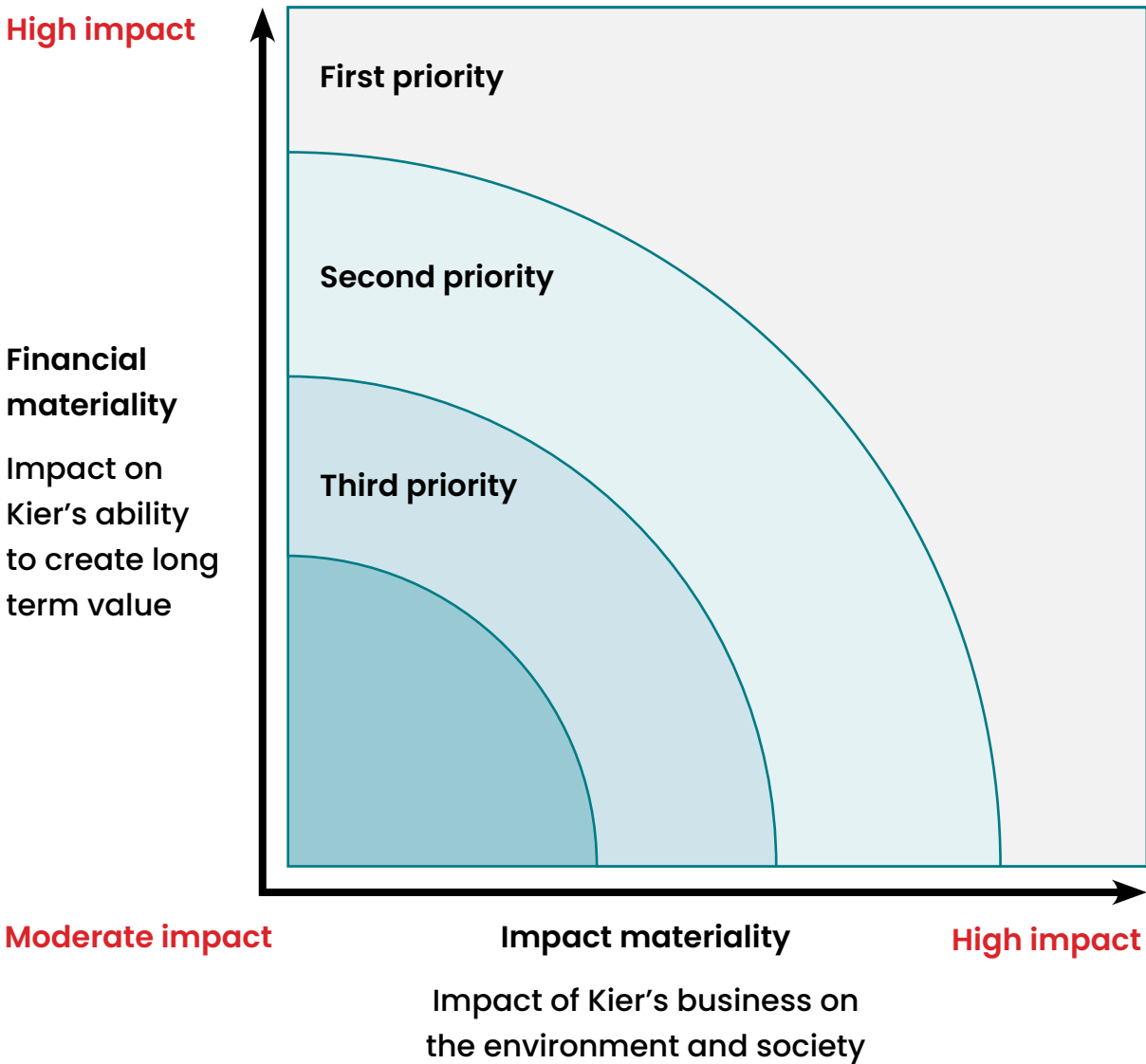
Both were governed by a consistent approach and structure set by Kier’s external consultancy partner, and participants received contextualising information in advance of meetings.

Through focus groups and interviews, our consultant gathered insights and perspectives from senior divisional, Group sustainability, internal and external stakeholders.



Principal phases: detailed process (contd.)

Example of materiality matrix



Key references

In this document:

Appendix B: Governance of sustainability matters

On Kier's website:

[Annual Report and Accounts](#)



Phase 3: Prioritisation

We reviewed the engagement phase responses in a long-list format to identify sustainability priorities, considering both impact and financial materiality:

- **Impact materiality** considered the impact's scale¹, scope¹ and remediability¹ of severity², alongside urgency, informed by public policy goals and planetary boundaries.
- **Financial materiality** reflected client and investor priorities, drawing on client survey feedback, publicly available information and insights from Kier employee interviews. We assigned a 67% client / 33% investor weighting to reflect their financial materiality contribution.

The output was an impact materiality vs financial materiality matrix (see example). Issues were grouped into three priority tiers based on their matrix position.

An issue's presence in the matrix indicates it is relevant to Kier, the double materiality process just helps prioritise it.

Ongoing engagement

We holistically monitor the relevance and impact of material sustainability topics throughout the year in a variety of forums, such as Executive Committee and Leadership meetings, internal and external opinion towards these issues to ensure our approach remains contemporary.

Governance of sustainability matters is set out in our annual reporting and Appendix B.

Limitations

Double materiality assessments are not an exact science due to variability of data quality, and inherent subjectivity in assessing severity and urgency.

As Kier's understanding of our impacts matures, and external stakeholder sustainability literacy increases, we expect to rely less on assumptions and to make more nuanced distinctions between actual and potential impacts.

These developments will be considered in our next double materiality assessment, planned for FY28.

¹ Scored from 0-4.

² Scored from 0-12 (addition of scores attributed to scale, scope & remediability. 12 is the most severe.



Output

The **prioritisation** phase allowed us to determine 15 material sustainability topics.

12 of which, when grouped under our strategic sustainability aims, inform our Building for a Sustainable World framework.

Health, safety and wellbeing, creating a fair and inclusive workplace and sound governance and ethical behaviour were also identified as material, but to sit outside of sustainability.

These topics are considered the strategic foundations to our framework and are covered at length in our annual reporting.

Key references

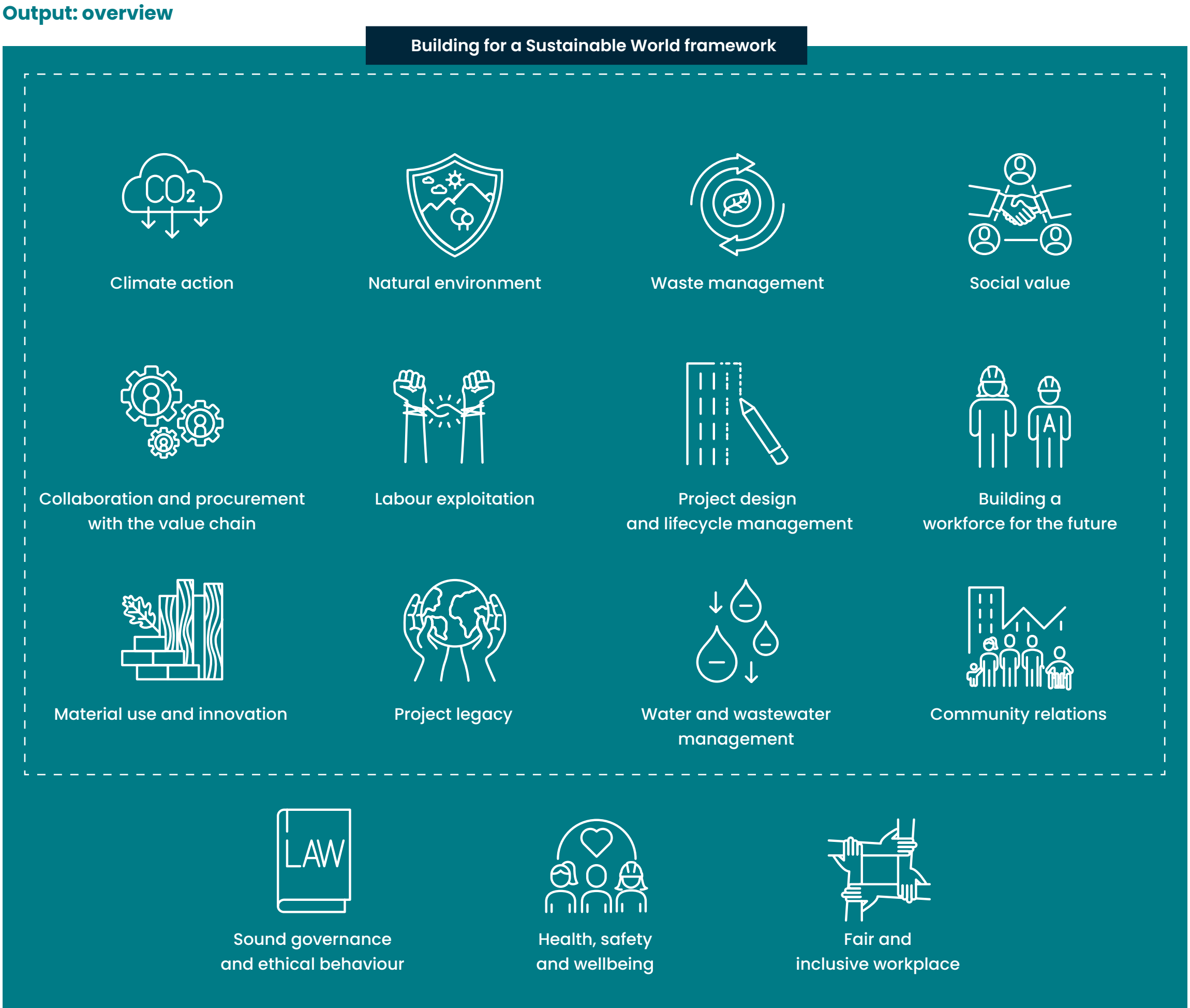
In this document:

Appendix A: Building for a Sustainable World framework

Appendix B: Governance of sustainability matters

On Kier’s website:

[Annual Report and Accounts](#)



Output: Enablers & topics

Below, the output from the **prioritisation** phase is split into ‘topics’ and ‘enablers’.

Kier aims to focus its strategy on the most material topics, while supporting the enabling and activities that help Kier reach its sustainability objectives.

Sustainability issues do not exist in a vacuum. The diagram below describes the identified topics and enablers, as well as common interdependencies and interactions.

Building on this, Kier formed a holistic view of material sustainability matters to design a framework focused on both process and outcomes, as explored on pages 11 – 12.

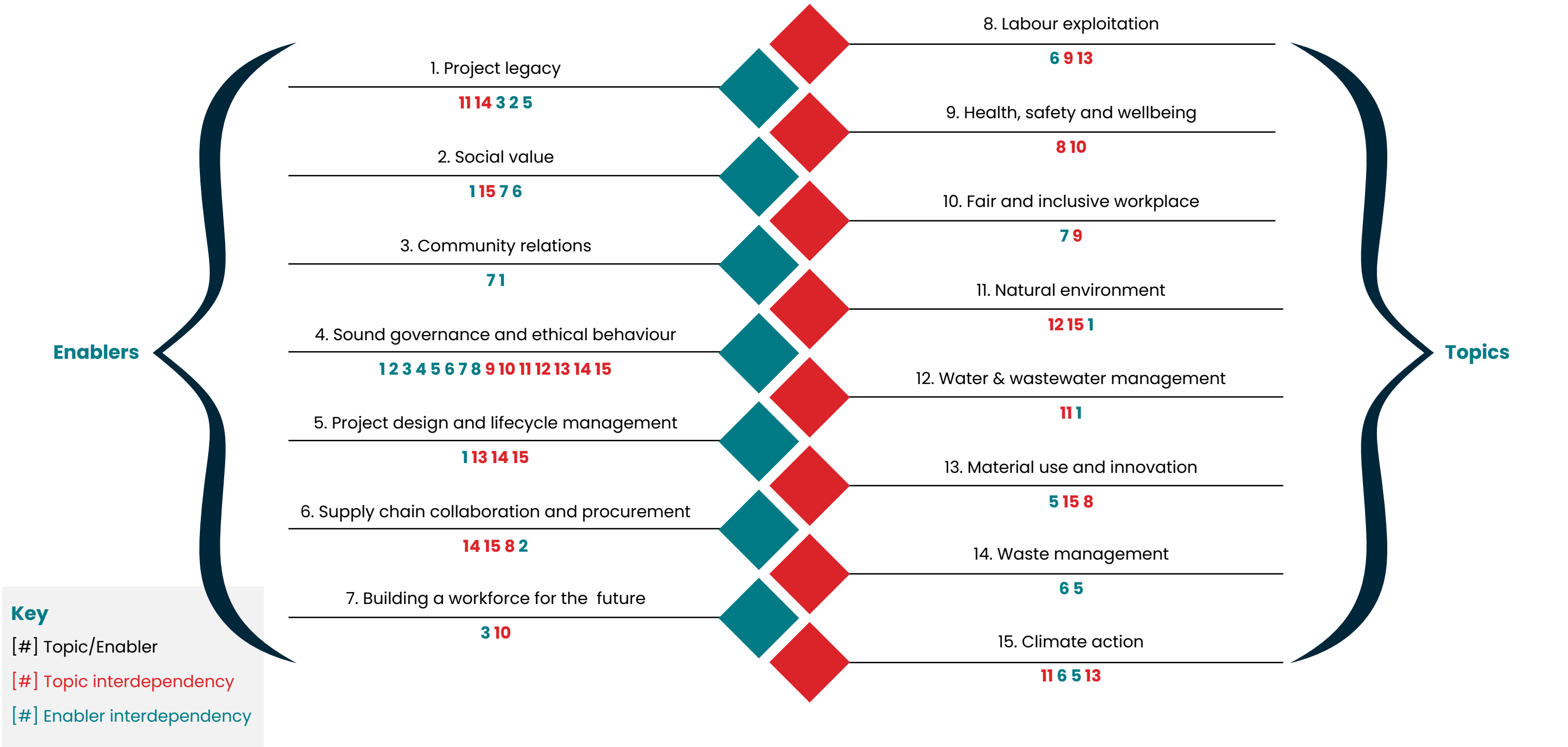


Key concept



Topics: Sustainability issues or opportunities.

Enablers: Actions and activities which contribute (directly or indirectly) to a topic(s).



Output: Double materiality matrix¹

Kier’s sustainability topics and enablers are shown on the opposite double materiality matrix. This is used to determine how material each issue is to Kier.

The placement of each topic/enabler considers any prioritisation differences between internal and external stakeholders identified during the engagement phase and reflects Kier’s reality.

As noted on page 7, this impact materiality vs financial materiality matrix is the result of our three phased approach and a midpoint review held in 2026. To determine the relevance of each material topic, inputs from employees, clients, peers, and investors are considered, as are laws and regulations, sector specific standards, global megatrends and Kier’s business strategy.

This matrix reflects the 2026 updates made in the midpoint review. Please see Appendix C for the original version.

¹ Double materiality assessments are not an exact science. As sustainability understanding matures over time, gaps and assumptions in data will be filled. See our statement on limitations on page 7.



Key

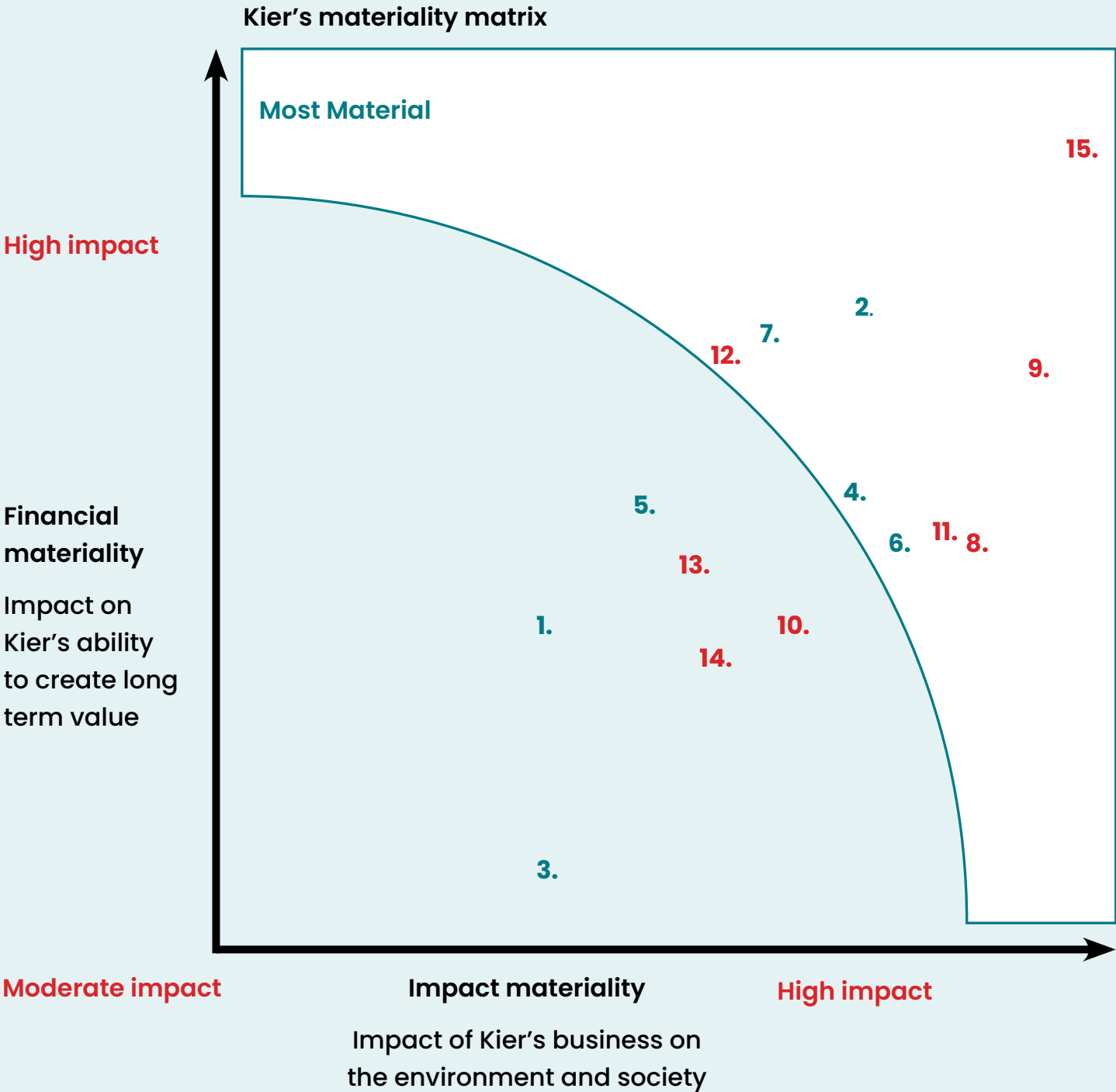
- 1. Project legacy
- 2. Social value
- 3. Community relations
- 4. Sound governance and ethical behaviour
- 5. Project design and lifecycle management
- 6. Supply chain collaboration and procurement
- 7. Building a workforce for the future
- 8. Labour exploitation
- 9. Health, safety and wellbeing
- 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



Output: Developing our strategic sustainability framework

Following the materiality assessment, we developed our 2023 – 2028 Building for a Sustainable World framework.

We mapped our priority sustainability topics to determine seven umbrella topics, grouped under three strategic pillars: Our People, Our Places, Our Planet.

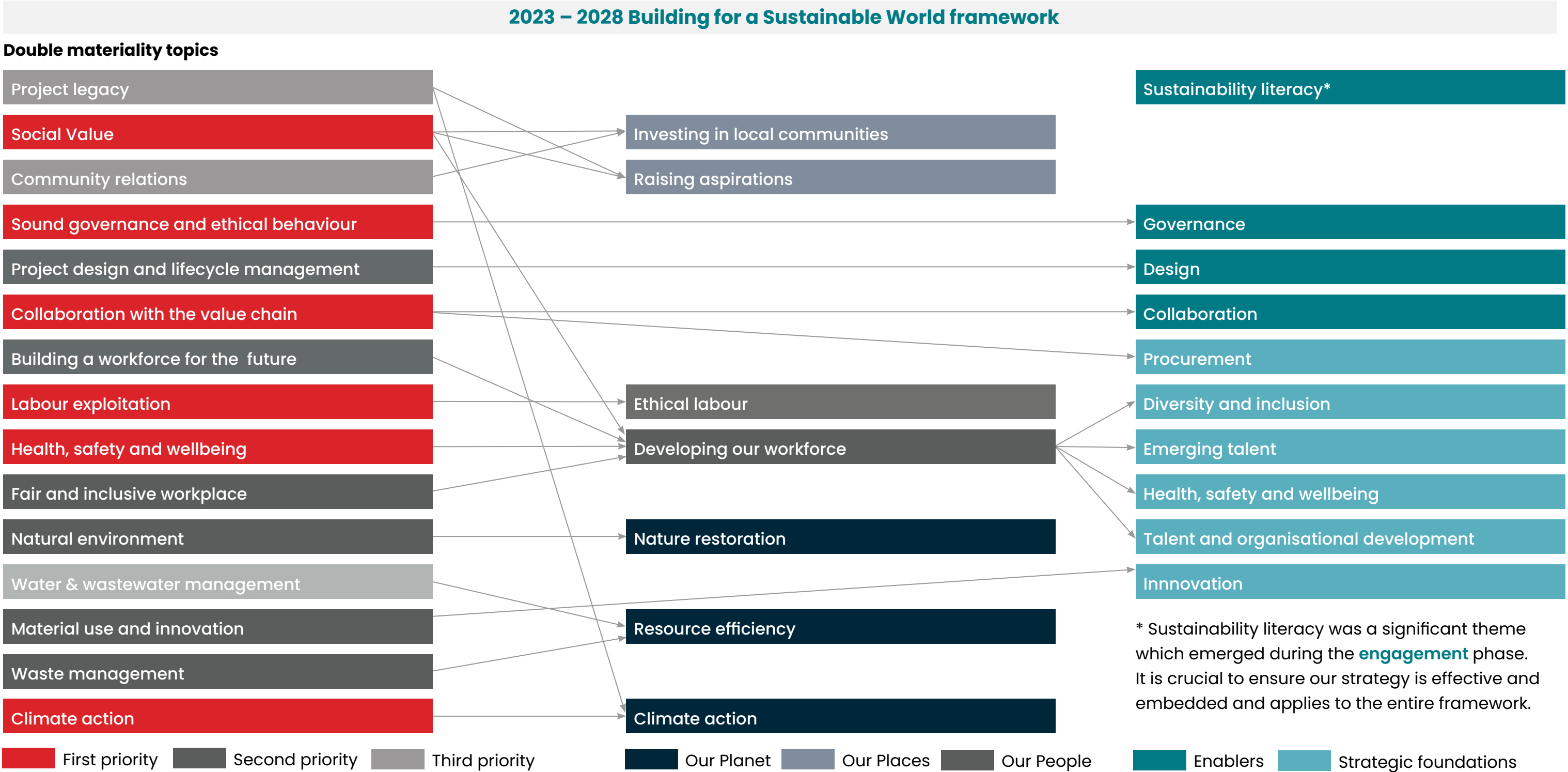
We defined umbrella enablers, and identified inter-functional links which provide strategic foundations to our Building for a Sustainable World framework.

This allows us to focus our efforts where we are more likely to drive positive change.

Such inter-functional links drew the topics determined as ‘outside of sustainability’ (health, safety and wellbeing, creating a fair and inclusive workplace and sound governance and ethical behaviour (see page 8) into the wider governance of sustainability matters at Kier.

Governance of sustainability matters is explored in Appendix B.

Kier’s Group sustainability function reviewed and discussed these findings with divisional business stream leads to formalise the revised 2023 – 2028 sustainability framework.

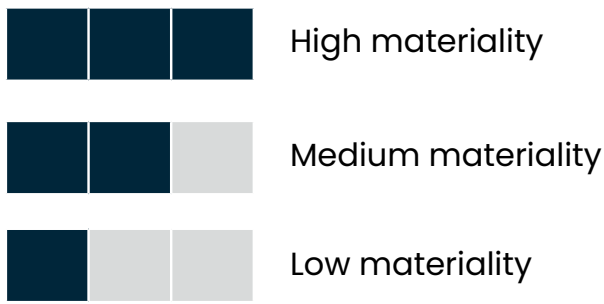


Output: Developing our strategic sustainability framework and foundations

The diagram adjacent introduces our evolved **Building for a Sustainable World** framework, and the final 2023 financial and impact materiality scores for each umbrella material topic, demonstrating our ambition to focus our sustainability efforts and ensure that sustainability informs our business’ strategic direction.

Conclusion

By carrying out this assessment, we aim to ensure our resources are focused in priority areas, that sustainability informs the business’ strategic direction, and our process is transparent for all impacted internal and external stakeholders.



Strategic pillar	Our People		Phase 3 – Prioritisation		Our Planet		
Objective	Building a workforce for the future		Making a positive difference in our communities		Improving the environment now and for future generations		
Material sustainability topic	Developing our workforce	Ethical labour	Investing in local communities	Raising aspirations	Climate action	Nature restoration	Resource efficiency
Aim	We will attract, retain and develop a skilled and diverse workforce enabled to deliver our success.	We aim to ensure fair and equal treatment for our entire workforce and value chain	We will strengthen local communities by prioritising spend with local business and social organisations.	We will work to support under-represented communities to provide access to work, development and opportunities.	We will reduce carbon emissions and work with clients to build resilient infrastructure against the effects of climate change.	We will work to protect and enhance biodiversity by managing nature risks and enhancing green spaces.	We will embed sustainable use resources in our supply chain and throughout a project’s lifecycle.
Financial materiality							
Impact materiality							
Enabler (How)	How: Collaboration Design Innovation Governance Naturally Digital						
Strategic foundations (With)	Underpinning strategies: Diversity and inclusion People Health, safety and wellbeing Procurement						

Key references

In this document:

Appendix A: Building for a Sustainable World framework



2026 Midpoint review

During early 2026, we conducted a midpoint review of our double materiality assessment and Building for a Sustainable World framework.

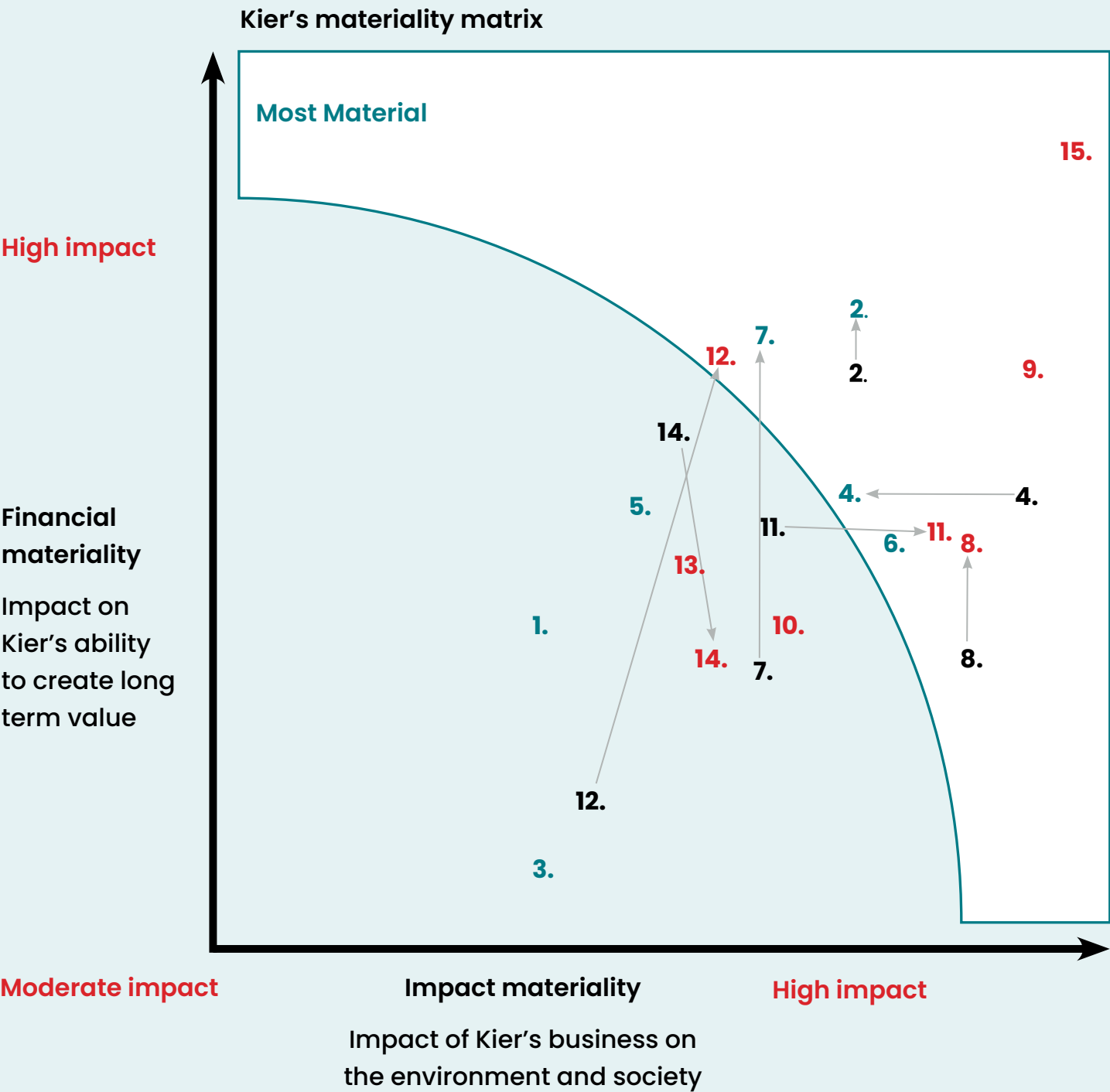
This review was to determine any material changes required to either the assessment or framework as a result of Kier’s current business needs and operations, sustainability legislation updates and emerging risks and opportunities within the ESG landscape.

Review Process

The review comprised of three phases similar to the initial materiality assessment review, however on a smaller scale as this was not a full review.

The current material topics were benchmarked against sustainability standards including GRI (Global Reporting Initiative), ESG trends and risk indices (including WEF Global Risks Report) as part of a desktop review to identify any changes or new potentially material topics.

Insights were obtained from a survey with both internal and external stakeholders to inform the prioritisation of material topics, identify any current or emerging changes, including new topics, that would need to be incorporated. The feedback was analysed and identified some changes to material topics as seen in the below diagram. The changelog in Appendix C explains the rationale behind each update and what has been amended and a new Glossary of Terms created in Appendix D.



Key references

In this document:

Appendix A: Building for a Sustainable World framework

Appendix C: Changelog



United Nations Sustainable Development Goals alignment



As part of our efforts to focus our sustainability efforts, we also examine how we can align our material topics with relevant United Nations Sustainable Development Goals (UN SDGs / the Goals), as well as how these Goals inform and support the achievement of our own ambitions. In this way, we can more accurately understand our wider contribution to global objectives.

When consulting this United Nations Sustainable Development Goals alignment, you are encouraged to consult the double materiality assessment at front of this report for key concepts and terminology.

Key references



In this document:

- Appendix A:** Building for a Sustainable World framework
- Appendix B:** Governance of sustainability matters

On Kier’s website:

[Annual Report and Accounts](#)

Introduction

This statement outlines the principal steps taken by Kier to determine the organisation’s priority United Nations Sustainable Development Goals.



Key outcomes

In 2024 we identified:

11 priority goals

35 targets



Update for 2026:

In 2023, we mapped six Goals against our framework. These main reference SDGs remain relevant. However, in 2024 we have broadened our scope to reflect a more mature understanding of the ambitions behind the Goals. Hence, an increase of five Goals. No further changes were identified in our 2026 midpoint review.

See page 16 for Process and Methodology.

Context

In 2023, Kier’s double materiality assessment was conducted by an external consultancy, and was aligned to EFRAG guidance, which is, itself, informed by IIRF and GRI guidelines. GRI encourage organisations to align their sustainability reporting with UN SDGs’ core metrics and outcomes. As part of the Engagement phase of this double materiality assessment, our consultant obtained insight from our internal and external stakeholders into their understanding of the UN SDGs, and of the Goals’ importance and relevance to Kier. We recognised the requirement to align the material sustainability topics identified in this assessment with the UN SDGs to support our objective to leave a lasting positive legacy in our communities and deliver on our company’s purpose.

To do so, we asked ourselves two principal questions:

- How can our sustainability framework and strategy support the achievement the targets set under the UN SDGs? and;
- How can the global targets set under the UN SDGs inform and support our view of our material topics, and thus our Building for a Sustainable World framework?

This nuanced approach has allowed us to both comprehensively consider the UN SDGs and our ability to positively contribute to their achievement, as well as align our priority material topics with the Goals to ensure our sustainability strategy and framework complements national and international goals and achieves global reach.



Governance

During 2023’s double materiality assessment, our external consultancy partner supported Kier to map our material topics against the UN SDGs and identify our priority Goals, i.e., Goals to which we can most materially contribute. We published the initial results of this mapping exercise in our FY23 Annual Report and Accounts.

Kier’s priority UN SDGs are reviewed holistically throughout the year, and formally on an annual basis to ensure our approach remains contemporary. Kier’s process and methodology for establishing our priority Goals is adaptable. As our framework matures, we will review our approach to the UN SDGs.

In this annual review, Group-wide sustainability leadership teams review the Goals and their associated targets and discuss the relevance of each to our sustainability framework and material topics, determine our ability to positively contribute and design new, or maintain existing, measures to track our performance.

Limitations

During the Evaluation phase, we recognised the potential for applicability (to varying, and often minor, degrees of impact) of many of the UN SDGs to our less material topics and in certain divisions of our business.

Due to our limited ability to qualitatively or quantitatively contribute to each Goal’s targets, we do not track our progress against these Goals. This is in line with Kier’s aim to strategically focus our sustainability efforts.

Process and Methodology

In FY24, Kier’s sustainability leaders comprehensively considered all 17 Goals in the context of our double materiality assessment. We evaluated the applicability of each Goal to our material topics and considered our ability to positively contribute to meeting the Goals’ objectives.

This process allowed us to review each Goal from a strategic, Group-wide perspective, and prioritise them by relating them directly to the material topics identified in our double materiality assessment, designing measures to monitor our impact.

Principal phases: overview

Phase 1 – Analysis	Phase 2 – Engagement	Phase 3 – Prioritisation
Aim: Review in detail the 17 UN SDGs and the 169 associated targets.	Aim: Ensure we focus our efforts on Goals which align with our most material topics, and our sustainability framework.	Aim: Prioritise 11 UN SDGs through the lens of our materiality assessment.
Action: Analyse the 169 targets under the 17 UN SDGs. Action: Consider how the Goals inform and support our view of our material topics. Action: Consider how our sustainability framework supports the achievement of the targets set under the Goals. Action: Perform benchmarking exercise to establish Kier’s preferred approach to incorporating the UN SDGs into our framework, and how we can best support the Goals.	Action: Evaluate our ability to positively contribute to each Goal and associated targets, according to our sustainability framework and associated measures for success, and against ongoing projects and initiatives which have a positive impact on people, places and/or planet. Action: Apply material topic(s) to each Goal to ensure interoperability with, and therefore relevance to, our sustainability framework and material topics. Action: Review each relevant UN SDG and the associated target and worked to apply a quantitative or qualitative measure for success.	Action: Review the alignment between targets under the UN SDGs and our material topics, counting the frequency with which a Goal is applicable to one or more of our material topics. Action: Apply a ‘materiality weighting’ to this frequency* to support with prioritisation. Action: Apply a measure for success to each of relevant goal.
Output: Where relevant, Goals will be aligned with our material topics.	Output: Goals which did not directly apply to our sustainability framework were considered ‘outside of sustainability’ (Goal 3). Output: Goals which did not directly apply to our operations were evaluated as ‘not aligned’ due to Kier’s limited ability to influence or positively impact through our business the targets set under the Goals (Goals 1, 2, 4, 6, 16 & 17).	Output: Goals which apply most frequently to our most material topics received the highest ranking and have been prioritised as ‘most aligned’. Output: UN SDGs were categorised by relevance to our business, and associate measures for success defined.
Ongoing: Monitor holistically the relevance of each UN SDG to Kier’s business, and contribution to each Goal throughout the year.		

*Materiality weighting was calculated by multiplying the Impact materiality x Financial materiality of each material topic and dividing the result by 9 (the maximum available score).

The highest materiality weighting is therefore ‘1’ (Climate action) and the lowest is ‘0.11’ (Water, Community relations).

Output

The **prioritisation** phase demonstrated Group-wide alignment with our most material topics and 11 Goals, 10 of which relate to our Building for a Sustainable World framework.

Goal 3 aligns closely with our Health, safety and wellbeing topic, which is highly material. However, this topic is managed ‘outside of sustainability’ (see page 8-12).

Six Goals are considered within wider sustainability projects, as they have the weakest alignment with our material topics.

Key

-
- Aligns closely **with majority** of the **most** material sustainability topics.
-
- Aligns with some material sustainability topics.
-
- Considered within wider sustainability projects.

Output: overview



Output: aligned targets

Building for a Sustainable World framework

3. GOOD HEALTH AND WELL- BEING	5. GENDER EQUALITY	7. AFFORDABLE AND CLEAN ENERGY	8. DECENT WORK AND ECONOMIC GROWTH	9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	10. REDUCED INEQUALITIES	11. SUSTAINABLE CITIES AND COMMUNITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION	13. CLIMATE ACTION	14. LIFE BELOW WATER	15. LIFE ON LAND
UN SDG Key Performance Indicators (where Kier can have the most impact)										
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being 3.6 By 2020, halve the number of global deaths and injuries from road traffic accidents	5.1 End all forms of discrimination against all women and girls everywhere. 5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life	7.1 By 2030, ensure universal access to affordable, reliable and modern energy services 7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all 9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums 11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	12.2 By 2030, achieve the sustainable management and efficient use of natural resources 12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse	13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries 13.2 Integrate climate change measures into national policies, strategies and planning	14.1 By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution 14.2 By 2020, sustainably manage and protect marine ecosystems to avoid significant adverse impacts, including by strengthening their resilience, and take action for their restoration in order to achieve healthy and productive oceans	15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally

Output: aligned targets (contd.)

7. AFFORDABLE AND CLEAN ENERGY	8. DECENT WORK AND ECONOMIC GROWTH	10. REDUCED INEQUALITIES	11. SUSTAINABLE CITIES AND COMMUNITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION	13. CLIMATE ACTION	15. LIFE ON LAND
UN SDG Key Performance Indicators (where Kier can have the most impact)						
7.3 By 2030, double the global rate of improvement in energy efficiency	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead 8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value 8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training 8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms 8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment	10.4 Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality	11.6 By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management 11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities	12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle 12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature	13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning	15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species

Output: aligned targets (contd.)

Building for a Sustainable World framework

3. GOOD HEALTH AND WELL- BEING	5. GENDER EQUALITY	7. AFFORDABLE AND CLEAN ENERGY	8. DECENT WORK AND ECONOMIC GROWTH	9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	10. REDUCED INEQUALITIES	11. SUSTAINABLE CITIES AND COMMUNITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION	13. CLIMATE ACTION	14. LIFE BELOW WATER	15. LIFE ON LAND
Kier's contribution										
Kier trains mental health first aiders and wellbeing champions and provides health & wellbeing support through our Rewards schemes. We contribute to a safer road network in the United Kingdom	We aim to shape a high-performing, diverse and inclusive business. All employees are trained in diversity & inclusion. We work to reduce our gender pay gap and increase representation across our business.	As part of our climate action milestone plan, renewable energy provision is built into the design of our projects. We work with our peers to develop guidance on alternative fuel procurement	We monitor and aim to increase spending with SMEs and VCSEs, and work to eradicate modern slavery. Kier is a Real Living Wage employer, providing opportunities to diverse age and ability groups. We are reducing our gender pay gap.	In our business, we develop reliable, sustainable and effective infrastructure required by the community. We focus on reducing the lifecycle carbon of infrastructure, as well as our consumption of water and production of waste on our projects	We aim to provide support that addresses needs in local communities, focusing on the most vulnerable and disadvantaged, according to the indices of deprivation. Kier is a Real Living Wage employer, and we are working our gender pay gap	We work to integrate Placemaking into our projects. Installation of public infrastructure such as cycle lanes, as well as community facilities, public green spaces, and overall air quality are all considerations at the design phase.	We use modern methods of construction to reduce waste in our projects. We have grown our resource efficiency working group to embed circular economy principles into our business. We training to our staff to support this journey.	We are reducing our emissions and have set targets validated by SBTi. Our emissions disclosure is to ISO 14064 standards. We deliver climate resilient projects and low-carbon infrastructure. We provide climate training to our staff to support this journey.	In our projects, we work to prevent urban runoff and reduce pollution. We implement innovate projects to prevent microplastics reaching marine environments, and support biodiversity gain in coastal areas.	In all our projects, we monitor the Biodiversity performance. We work with our supplier to source timber sustainably. We have developed a biodiversity baseline through the TNFD's LEAP approach.

Output: aligned targets (contd.)

Building for a Sustainable World framework

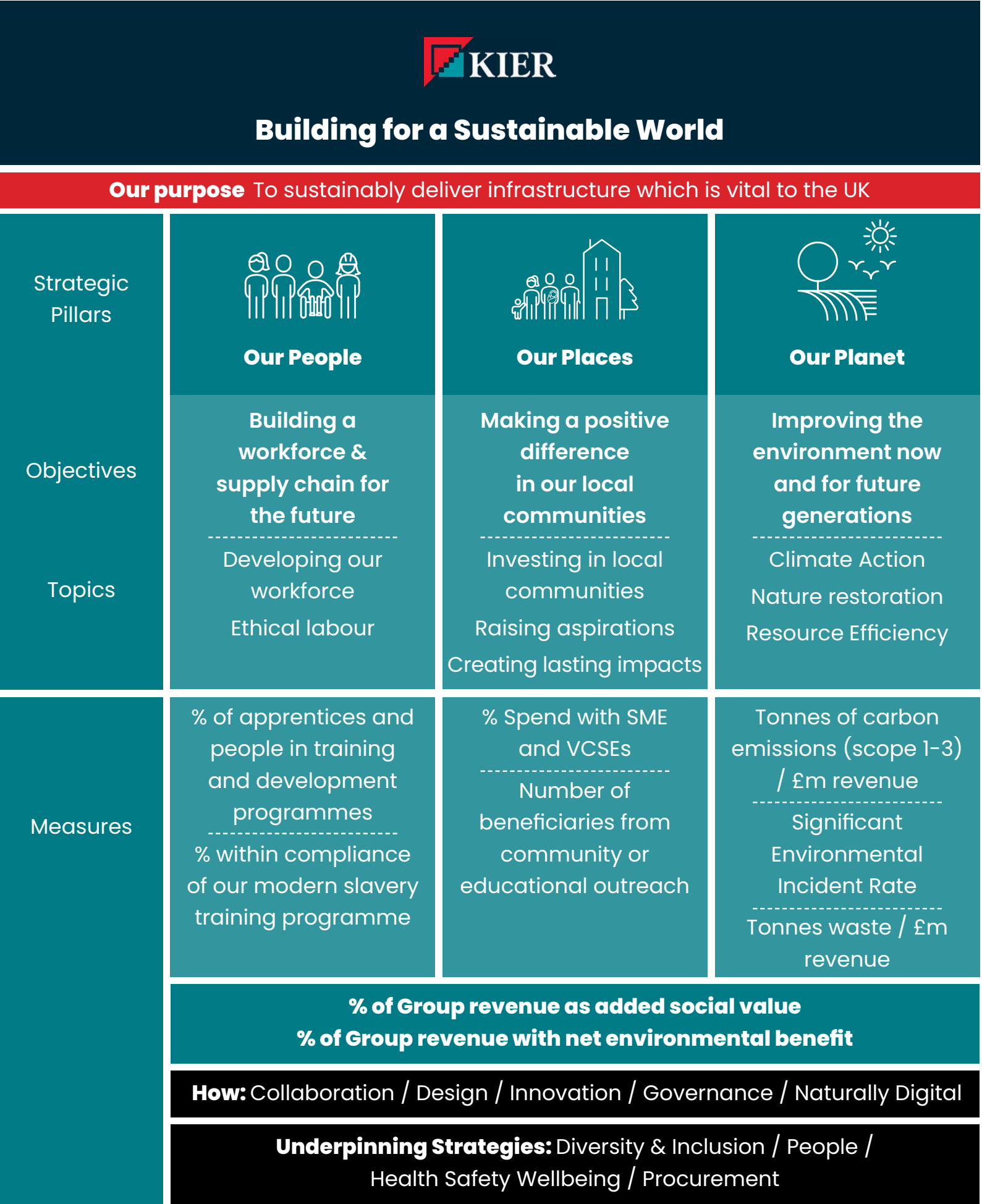
3. GOOD HEALTH AND WELL- BEING	5. GENDER EQUALITY	7. AFFORDABLE AND CLEAN ENERGY	8. DECENT WORK AND ECONOMIC GROWTH	9. INDUSTRY, INNOVATION AND INFRASTRUCTURE	10. REDUCED INEQUALITIES	11. SUSTAINABLE CITIES AND COMMUNITIES	12. RESPONSIBLE CONSUMPTION AND PRODUCTION	13. CLIMATE ACTION	14. LIFE BELOW WATER	15. LIFE ON LAND
Alignment to our frameworks										
Built by Brilliant People: Health, safety & wellbeing	Building for a Sustainable World: Our People: Developing our workforce Our Places: Raising aspirations Built by Brilliant People: Diversity & Inclusion	Building for a Sustainable World: Our Planet: Climate Action, Resource Efficiency	Building for a Sustainable World: Our People: Developing our workforce, Ethical labour Our Places: Investing in local communities. Raising aspirations Our Planet: Resource efficiency	Building for a Sustainable World: Our Places: Raising aspirations Our Planet: Resource efficiency	Building for a Sustainable World: Our Places: Investing in local communities, Raising aspirations	Building for a Sustainable World: Our Places: Raising aspirations Our Planet: Nature Restoration	Building for a Sustainable World: Our Planet: Resource efficiency Our People: Developing our workforce	Building for a Sustainable World: Our Planet: Climate action Our People: Developing our workforce	Building for a Sustainable World: Our Planet: Nature restoration	Building for a Sustainable World: Our Planet: Nature restoration, Resource efficiency, Climate Action
Alignment to our frameworks										
		Annual Report and Accounts								
Our benefits page	Diversity & Inclusion Roadmap Gender pay gap report	Carbon Reduction Plan	Modern slavery statement Gender pay gap report	Case study: Biochar microplastic removal	Gender pay gap report	Case study: Watford Riverwell	Public ESG disclosures Case study: Willenhall and Darlaston stations	Carbon Reduction Plan Case study: Currie Community High School	Case study: Lower Otter restoration project	Case study: A417 Missing link

Appendix A

Building for a Sustainable World framework



Building for a Sustainable World framework



Appendix B

Governance of sustainability matters



Governance of sustainability matters

Leadership		
Board ESG Committee	Executive Committee	Strategic Sustainability Leadership Forums
Chair: Non-Executive Director Scope: Oversees all ESG matters, including climate-related issues, risks and opportunities; Weaves ESG priorities into strategic decisions, objectives and annual budget process; Advises on strategic direction. The committee is advised by the Executive Committees and Leadership Forums.	Chair: Chief Executive Scope: Monitors, challenges and provides direction on all Building for a Sustainable World and Built by Brilliant People topics. Advised by: Leadership Forums	Chair: Chief Operating Officer Members: Sustainability leaders, People leaders, Procurement leaders Scope: Leads implementation of Building for a Sustainable World and Built by Brilliant People strategic frameworks and commitments across all divisions.
Management		
Group Functions		
Sustainability, health, safety and wellbeing, governance and compliance, assurance and human resources		
Scope: Provide business-wide coordination and direction for ESG strategy; Chair management meetings and collaborates across business divisions; Manage governance and reporting; and lead relationships with internal and external stakeholders.		
Sustainability Teams Building for a Sustainable World Pillar Groups	Subject Matter Experts Major risk, Working & task and finish groups	
Context: Each of the three strategic pillars of our Building for a Sustainable World framework has a dedicated per-pillar working group, so-called ‘Pillar Group’. Lead: Each working group is led by a senior member of the sustainability team. Scope: Coordinates strategy, activity and innovation with each strategic pillar.	Context: Material topics have dedicated per-topic working groups. Lead: Nominated Subject Matter Expert. Scope: Working Groups explore climate, ethical labour, social value, diversity & inclusion, and inclusive PPE; Task & Finish Groups develop improvements and tackle common challenges.	
Implementation		
Business Divisions		
Building for a Sustainable World and Built by Brilliant People™		
Scope: Coordinates and implements sustainability- and people-related priorities; deliver division-specific action plans, initiatives and policies; support and embed awareness, compliance and enhanced standards; share innovation and collaborate to continually improve.		
Foundations		
Sustainability Literacy	Learning & Performance	Health, Safety and Wellbeing Competencies
Providing knowledge and skills, and fostering sustainability mindsets, both at work and at home, to support informed and effective decision-making for a sustainable future.	Supporting professional development and performance reviews to ensure an equipped, competent and confident workforce.	Ensuring appropriate skills and competency to manage health, safety and wellbeing in all areas of the business.

Appendix C

Changelog

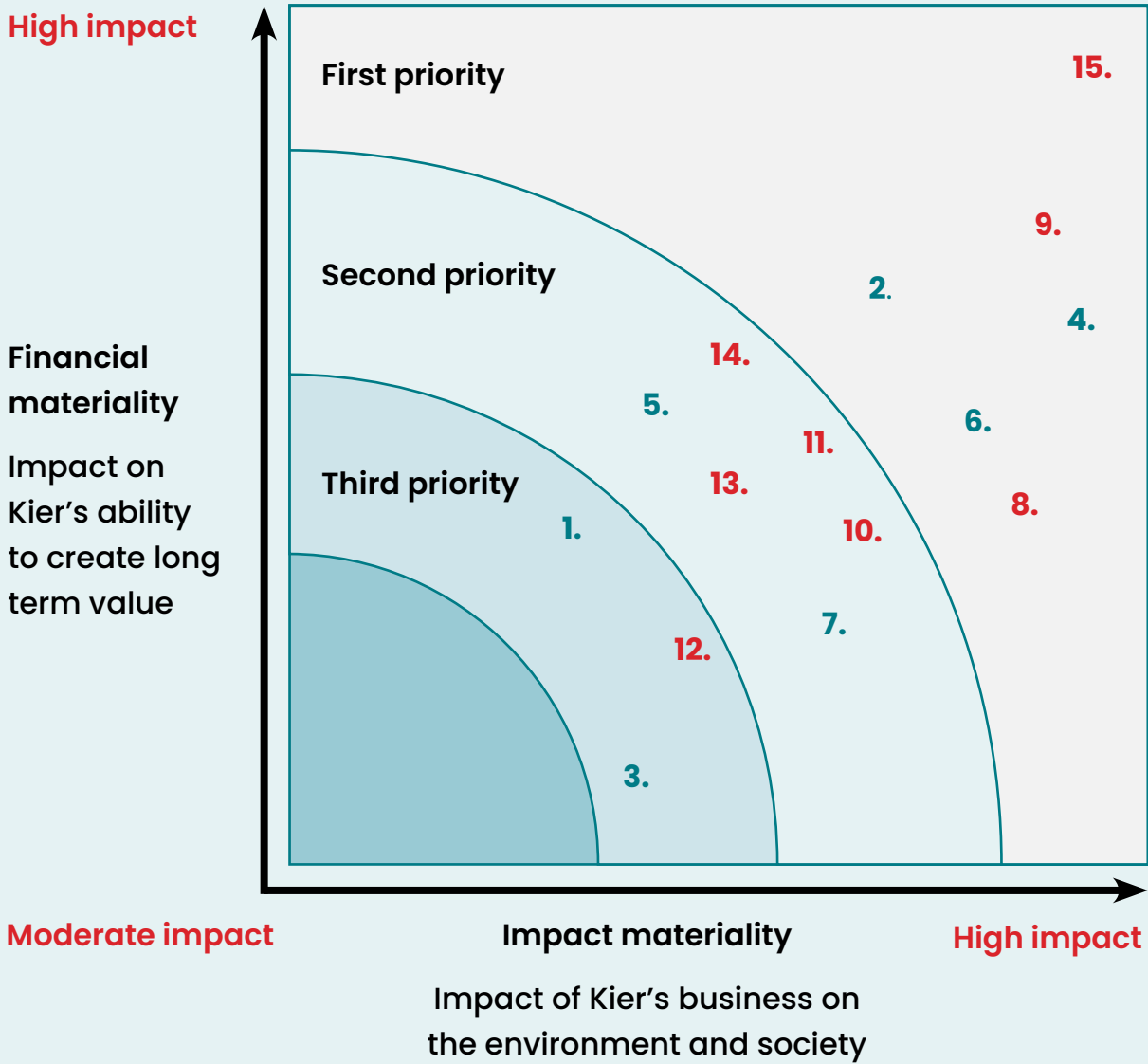


FY26 Midpoint Review Changelog

Topic	Change	Rationale	Date
Layout	Change prioritisation from 1st priority, 2nd priority to 3rd priority to Most Material and remove the two circles demarcating 2nd and 3rd priority	Feedback within the survey showed elements of confusion around the prioritisation given these were already the key material topics for Kier and negatively responded to the third priority section with a desire to move everything to second priority which did not support the task. This enables the most material topics to still be highlighted without the further breakdown	
Topic: Social Value	Slight increase in financial materiality	Increased priority in bids through PPN 002 and could be the difference between winning bids or not which affects financial materiality	
Topic: Sound governance and ethical behaviour	Decrease in Kier impact, no change to financial materiality	Given the DMA scope of Kier's impact to society/the environment, it was felt this impact for this topic could be decreased however the financial materiality should be maintained reflecting the majority impact is internal	
Topic: Collaboration with the value chain	Renamed to Supply chain collaboration and procurement	Name change was suggested to reflect Kier's current priorities and impacts. Collaboration is a strong feature so needed to remain but supply chain was preferred rather than value chain and a reference to procurement was desired without limiting it to only procurement	
Topic: Labour exploitation	Increased financial materiality	Both internal and external feedback raised this is an area with increasing financial importance and materiality due to reputational and compliance impacts.	
Topic: Building a workforce for the future	Increase in both financial and impact materiality, moved to most material topics	Increasing financial and impact materiality due to industry we're in (ageing workforce) and also rapid and fast changes to the workforce due to digital/AI evolution. We need to keep up with this to attract and retain the right people for future work delivery	
Topic: Labour exploitation	Increased financial materiality	Both internal and external feedback raised this is an area with increasing financial importance and materiality due to reputational and compliance impacts.	
Topic: Natural environment	Increased impact to Kier, moved into Most Material topics	Emerging topic in bids and with clients – more focus from just transition and nature-based solutions. Increasing work winning in this area (nature restoration, SuDS, etc.) and considerable financial and impact risk in terms of pollution or unintended adverse impacts on nature.	
Topic: Water and wastewater management	Considerable increased financial and impact materiality, moved into Most Material topics	Due to the increasing work with water clients (up to 40% revenue)and focus on water impacts across all areas of Kier's work, as well as public perception on water increasing, this was increased to the most material topics section	
Topic: Waste management	Decreased financial materiality, slight increase of Kier impact materiality	Impact materiality to Kier is very slightly higher due to ongoing compliance risk, it was felt the financial materiality had decreased relating to likely fines and impacts compared to the original assessment	

Double Materiality Assessment: Version One, 2023

Kier’s materiality matrix



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



Appendix D

Glossary of Topics



Glossary of topics

Topic/Enabler	Definition
Climate action	Actions taken to mitigate and adapt to climate change. This includes transition related risks and opportunities.
Health, safety and wellbeing	Kier’s responsibility to create a safe work environment as a fundamental to every workplace, and the ability to enhance the working conditions most relevant to workers’ health, safety, and wellbeing.
Sound governance & ethical behaviour	The effective and responsible management and oversight of an organisation’s activities and resources. This encompasses the systems, processes, and practices that ensure transparency, accountability, and integrity in decision-making and operations, which are essential for operating ethically, responsibly and sustainably.
Social value	The creation of social value is the conscious effort on the part of a business or organisation to deliver outcomes that benefit local communities and/or society – whether that be through social, economic or environmental means.
Supply chain collaboration and procurement	Collaboration with the supply chain includes stakeholders involved in any stage of the lifecycle of a product or process, including material sourcing, production, construction, use and disposal/recycling processes.
Labour exploitation	Labour exploitation is the abuse of people in the workplace for profit, including forced labour and other human rights violations. The exploitation can be direct and brutal or much less obvious in the value chain. Its impact is devastating for victims; psychologically, physically, emotionally and financially
Waste management	Waste refers to any unwanted materials that are produced as a result of site work, or the office environment. Waste management involves the systematic handling, disposal and reduction of the materials generated.
Natural environment	The consideration of how Kier’s activities impact, and depend on, the natural environment (encompassing all living things on Earth) This includes both positive impacts, such as enhancing spaces and nature-based solutions, and potential negative impacts through pollution and land use change.
Fair and inclusive workplace	A fair and inclusive workplace is a work environment that welcomes and values employees of different backgrounds.
Project design & lifecycle management	The consideration of sustainability outcomes (both risk and opportunities) during the process of designing the construction, use and maintenance of a new facility or constructed entity
Material use and innovation	The materials used in the construction of a project can have a large influence on the impact of both the environment and people through the building/ project life cycle. The ability to design new materials and to modify existing ones is only in its infancy and the potential is limitless through innovation.
Building a workforce for the future	Strategic initiatives and actions taken by Kier to develop and prepare their employees for the evolving demands and challenges of the future work environment.
Project legacy	The lasting impact on the people, communities and nature who use, or are in the vicinity of, completed Kier projects.
Water and wastewater management	Water and wastewater management includes the process of planning, developing, and managing water resources, in terms of both water consumption and wastewater. This also reflects how Kier is able to support and work with clients within the water sector.
Community relations	Community relations refers to the diverse approach Kier employs to establish and maintain a mutually beneficial relationship with the communities in which they operate. This encompasses company engagement to inform or consult local communities about the temporary impacts of a project



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 Kier Group

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