

Foreword

A good reputation is a hard won asset which we must protect. Our ability to tender for new business and our relationship with the full range of our stakeholders depends a great deal upon the good reputation that we have established. This means all of us acting to the highest personal, ethical and corporate standards in everything we do. It means making sure all our actions and decisions support the Group's vision and values.

This policy is designed to help you understand not just the legislation relevant to bribery and corruption but also to provide you with details of further help and training which you may need. I encourage you to seek further guidance or assistance if feel you need it in any way. Your personal contribution to protecting and enhancing our reputation by complying with this policy is important to me and the Kier Board. It is only by each one of us individually being aware of the law and complying with it that we can be sure we protect and enhance the reputation of the Group.

I am committed to this policy and would ask you to show your commitment too by reading it and, if you have any queries or concerns at all, getting in touch as set out at the end of the policy.

Haydn Mursell
Chief Executive

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Introduction

Our¹ vision is “to be the most highly respected company in the industry”, and our success in this endeavour is dependent upon how all employees behave. It is also our policy to comply with the law wherever we operate. In the UK and in many of the jurisdictions in which we operate, it is a criminal offence to offer, promise or provide – or request or accept - a bribe.

In the UK it is also an offence for a commercial organisation to fail to prevent an incident of bribery being committed either by the company or by someone associated with it in order to obtain or retain a business advantage.

This means that bribery and corruption have absolutely no place at Kier – and why we operate a strict no tolerance policy towards bribery in all its forms whether directly or through third parties.

This anti-bribery and corruption policy applies to all members of Kier – full and part-time employees and temporary staff wherever we are based. It also applies to business partners who supply services to Kier including agents and intermediaries.

We also rely on the services of contractors, sub-contractors and consultants, and here we only want to do business with those who accept the terms of our policy or whose own policy sets standards to match our own.

This policy sets out our anti-bribery and corruption rules and explains what is expected of all Kier personnel and associated persons – but we ask you all to do more than follow the rules. We want you to act according to the spirit and the values they represent in whatever you do for Kier.

In this way we can achieve our vision together and help drive up standards throughout the industry.

Legislation

The Bribery Act 2010 (the ‘Act’) reformed the criminal law providing a new, modern and comprehensive scheme of bribery offences that enable courts and prosecutors to respond more effectively to bribery at home or abroad.

Key elements of the Act are:

- two general criminal offences which cover the offering, promising or giving of an advantage, and requesting, agreeing to receive or accepting of an advantage
- a separate offence of bribery of a foreign public official
- an offence of failure by a commercial organisation to prevent a bribe being paid for or on its behalf (the only defence is if the organisation can show it has adequate procedures in place to prevent bribery).

You can find out more via <https://www.gov.uk/government/publications/bribery-act-2010-guidance>. Because Kier is a UK registered and listed company, its subsidiaries, its directors and employees are subject to the Act wherever you are located.

¹Throughout this policy “our”, “us” or “we” are references to Kier Group plc and its subsidiaries, unless the context indicates otherwise.

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Penalties for engaging in bribery and corruption

As befits a serious criminal offence, the penalties for engaging in bribery or corruption are severe. Companies can face punitive fines and individuals can be fined and/or imprisoned.

As noted above, in the UK, the legislation incorporates a specific criminal offence for a company of failing to prevent bribery committed on its behalf. We take this responsibility very seriously and this is why we want to be associated only with those whose standards match our own.

A conviction for a bribery or corruption related offence could have severe penalties for our reputation including exclusion from tender lists or being overlooked when bidding; loss of business; or a decrease in investor confidence, all of which could have severe financial consequences for our business.

Understanding and recognising bribery and corruption

Bribery and corruption can occur in many forms; so understanding them and recognising when they might occur is a key step in guarding against them.

Bribery is when a person offers, promises or gives a financial (or other) advantage to another person with the intention of inducing or rewarding that person to act improperly (active bribery), or when a person requests, agrees to receive or accepts a financial (or other) advantage to act improperly (passive bribery).

Corruption is any form of illegal, dishonest or bad behaviour, especially by people in positions of power. In our industry, bribery could occur in situations such as tendering, appointing preferred suppliers, contractors and agents, awarding licences and so on. Bribery and corruption can be found at all levels from governments and government officials through to site operatives.

Wherever we work in the world – even where bribery may be seen as the norm - we must be clear that we will not participate in or condone any form of bribery in our dealings whether with the public or private sectors. Bribes are not always a matter of handing over cash. Gifts, hospitality and entertainment can be bribes as well as offers of employment or gifts to charities if they are intended to influence a business decision.

Transparency and openness are effective weapons against bribery, so be ready to challenge any arrangements that compromise them. Even political contributions, charitable donations and sponsorship arrangements can be used as a subterfuge for bribery.

Preventing bribery

Our 'no tolerance' of bribery relies on every person at Kier and our associated persons always choosing to do the right thing. All this takes is a few simple commitments:

We will always:

- Comply with this Anti-Bribery and Corruption Policy
- Comply with company policies on gifts and hospitality, political contributions and charitable donations
- Comply with our requirements concerning any conflicts of interest
- Record **all** activities and transactions accurately, completely and transparently

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- Follow appropriate due diligence and risk mitigation procedures before proceeding with any contract or other arrangement
- Seek advice if unsure how to proceed
- Report any suspected or actual breaches of this policy promptly and accurately to the relevant Kier line manager or via the Speak Up Helpline
- Be alert to 'red flags' and immediately report or seek guidance about them
- Complete a bribery and approach record

We will never:

- Participate in any form of corrupt behaviour
- Use company funds, in the form of payments or gifts and hospitality for any unlawful, unethical or improper purpose
- Authorise, make, tolerate or encourage, or invite or accept, any improper payments to obtain, retain or improve business
- Permit anyone to offer or pay bribes or make facilitation payments on our behalf, or do anything else we would not be permitted to do ourselves
- Offer or give anything of value to a public official (or their representative) to induce or reward them for acting improperly in the course of their public responsibilities
- Offer or accept gifts or hospitality, if we think this might impair objective judgement, improperly influence a decision or create a sense of obligation, or if there's a risk it could be misconstrued or misinterpreted by others

Understanding specific areas of risk

While high profile cases of bribery, involving large sums of cash and senior executives, are most likely to hit the headlines, bribery can be a risk in many areas of our industry. It might take the form of:

- Facilitation payments
- Kickbacks and reciprocal agreements
- Corrupt third parties (including agents, consultants, contractors or sub- contractors)
- Excessive gifts and hospitality
- Inadequate financial controls or record keeping.

Facilitation payments are usually small payments (or gifts) made to public officials in order to speed up or 'facilitate' actions the officials are already duty-bound to perform. We make no distinction between facilitation payments and bribes, regardless of their size or the local culture.

The only exception is where a payment is extorted from an employee. If an employee feels coerced or that their personal safety (or that of family or colleagues) is at risk, then they should make the payment but report it immediately to their Kier line manager or via the Speak-Up Helpline.

Kickbacks and reciprocal agreements or any other form of 'quid pro quo' are never acceptable. We will not participate in cartels, cover pricing, bid-rigging or any form of collusion. We will neither accept nor make improper payments to obtain new business, retain existing business, or secure any improper advantage.

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Corrupt third parties can include a range of people acting on our behalf such as agents, consultants, contractors or sub-contractors. We wish to work only with those who are committed to our standards and will undertake due diligence to ensure this. We will engage a third party only when there is a clear business rationale for doing so and with an appropriate contract. We will ensure all payments made to third parties are properly authorised and recorded.

Excessive gifts and hospitality can be used to exert improper influence on decision makers. We will only accept gifts and hospitality in accordance with our Gifts and Hospitality policy. We will ensure any gifts or hospitality we offer are reasonable in terms of value and frequency. We will never offer or accept gifts or hospitality if we feel it could influence a business decision or give the appearance of doing so.

Inadequate financial controls or record keeping can be exploited to hide bribes or corrupt practices. We will ensure we have robust controls in place so that our financial and other records are accurate and complete and never misleading.

Disciplinary action

Bribery is a criminal offence which can lead to criminal penalties. But in addition, you have a duty to Kier and breaches of this policy will result in prompt disciplinary action, up to and including dismissal/termination of contract.

Statement of commitment

We will not tolerate any form of bribery or corruption.

This policy demonstrates the Kier Group plc Board's no-tolerance approach to bribery and corruption. It will be regularly reviewed and updated if necessary as new threats appear.

This policy applies to the whole of the Kier Group and as such should be seen as setting the broad rules and guidance for all.

Further information

If you have a concern or suspect a violation of this policy we want you to speak up immediately. Speaking up can be a difficult thing to do, so be reassured that all information received will be treated seriously and investigated appropriately. If you act in good faith, believing your information is accurate, we will protect you even if you are wrong. Some concerns can be addressed by speaking to the person whose conduct is the cause for concern. We understand that this is not always possible, so we suggest that you speak to your line manager. If, for whatever reason, you do not feel comfortable doing this, you can contact any member of the Human Resources, Compliance or Legal departments. Alternatively you may prefer to use the Speak-Up Whistleblowing Helpline, which is run by an independent, external company.

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How can you raise a concern?

If you have any questions concerning this policy or would like further guidance on Kier's counter-fraud measures, please contact

David Foster, Group Compliance Director

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DDI: +44 (0)1767 355788

M: 07580 905917

E: david.foster@kier.co.uk / compliance@kier.co.uk

Whistleblowing mailbox: speakup@kier.co.uk

Please use the **Speak-Up Helpline**, if you have a concern or know of or suspect a violation of this policy. Here is a list of the numbers you can call or email, free of charge and in complete confidence, any time of the day or night.

The contact information for the Speak Up helpline is:

- If you are calling from the UK the number is 0800 915 1571
- If you are calling from Hong Kong the number is 800 90 8258
- If you are calling from the UAE the number is 8000 4413376
- If you are calling from Saudi Arabia the number is 800 8442067
- If you are calling from Australia the number is 0011 800 72332255

You can also make a report via the website: www.safecall.co.uk/report or email kier@safecall.co.uk

Where requested, you will need to enter the alpha numeric code for KIER (5437).

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