
Update following shareholder engagement on Kier Group plc's 2023 AGM vote on the Directors' Remuneration Report

In accordance with the UK Corporate Governance Code, Kier Group plc ("the Company") is providing an update in relation to the results of the 2023 AGM vote to approve the Directors' Remuneration Policy ("the Policy") for the year ended 30 June 2023, which received the support of 61.4% of votes cast.

The Policy was designed to appropriately incentivise the Chief Executive and the Chief Financial Officer to continue to deliver on the medium-term value creation plan, the achievement of which will significantly benefit the Company, its shareholders and other stakeholders.

The Board understands the sensitivities around the issue of executive remuneration and the Chair of the Remuneration Committee consulted extensively during the design of the Policy with a wide range of shareholders. The Board was grateful to shareholders for their engagement in the lead up to the AGM. Since the AGM result, the Remuneration Committee Chair has re-engaged with some of our largest shareholders to further understand the reasons behind the voting result.

The majority of our largest shareholders voted in favour of the Policy and its implementation. However, the Committee recognises the concern that some shareholders have on the positioning of remuneration under the policy. The Committee remains of the view that this positioning is appropriate given the calibre and experience of the directors and the emphasis, in the Policy, on performance related pay, aligning with shareholder and stakeholder interests over the longer term. No changes have been made to the implementation of the Policy for FY24, but the Committee will continue to ensure that there is clear alignment between pay and performance and will seek to improve the disclosures given in the annual report in this regard, to explain the remuneration outcomes delivered under the new Policy.

The Company and the Remuneration Committee are committed to ongoing and open shareholder engagement and welcome feedback on our executive remuneration arrangements, which will be taken into account in future decision making.

In accordance with the 2018 UK Corporate Governance Code, further information on how investor views have been taken into consideration by the Remuneration Committee will also be included in the 2024 Annual Report.