

# Corporate governance

## How our governance activities enable sustainable growth:

In this section we describe how the Board has continued its focus on the delivery of our strategy and medium-term value creation plan. We are committed to promoting long-term success and generating value for shareholders and stakeholders.

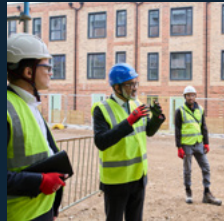
You will find an overview of our corporate governance structure, policies, practices and the key activities carried out by the Board and its Committees.

<b>86</b> Governance at a glance	<b>104</b> Nomination Committee report
<b>87</b> Chairman's introduction to corporate governance	<b>107</b> Environmental, Social and Governance Committee report
<b>90</b> Board of Directors	<b>109</b> Directors' Remuneration report
<b>92</b> Corporate governance	<b>135</b> Directors' report
<b>98</b> Risk Management and Audit Committee report	<b>138</b> Statement of Directors' responsibilities



## Governance at a glance

# Key activities supporting sustainable growth



### Approval of the acquisition of the rail assets of Buckingham Group Contracting Limited

**Outcome:** Supported our strategy as a value accretive acquisition in our core market, with potential to accelerate achievement of our medium-term value creation plan

### Appointment of Mohammed Saddiq as an independent Non-Executive Director and appointment of Chris Browne OBE as Senior Independent Director

**Outcome:** Broadened the Board's skills, experience and diversity to improve its decision making

### Approved the amendment and extension of the revolving credit facility and an issuance of Senior Notes

**Outcome:** Secured a long-term debt structure for the Group

### Approved the interim dividend for FY24 and recommended a final dividend for FY24 to shareholders

**Outcome:** Supported the achievement of our medium-term value creation plan and resumption of dividend payment to shareholders

### Approved additional capital investment into the Property business and Board site visit to the Watford Riverwell project

**Outcome:** Enhanced earnings potential for the Group and shareholders over time supporting the achievement of our strategy

### Conducted an external Board evaluation

**Outcome:** Continued effectiveness of the Board and its Committees



## Chairman's introduction to corporate governance

**Matthew Lester**  
Chairman



“ Throughout the year, the Board considers the risks, opportunities, challenges and stakeholder views to ensure Kier remains competitive and creates a platform for sustainable growth.”

The Board has continued its focus on the delivery of our strategy, medium-term value creation plan and environmental and social performance, ensuring we promote long-term success and generate value for our shareholders and other stakeholders. Throughout the year, the Board considers the risks, opportunities, challenges and stakeholder views to ensure Kier remains competitive and creates a platform for sustainable growth.

Key activities undertaken during the year are set out in the Corporate governance report which includes:

- approval of the acquisition of Buckingham Group's rail assets
- approval of the amendment and extension of our revolving credit facility and issuance of Senior Notes
- resumption of dividend payments
- increasing capital investment into the Property business
- Board visits to the Finance Shared Service Centre and Watford Riverwell project
- looking beyond the medium-term value creation plan.

### UK Corporate Governance Code 2024

The Board received an update on the changes required under the UK Corporate Governance Code 2024 ('2024 Code'). The Risk Management and Audit Committee is working towards meeting the new requirements, in particular Provision 29. In anticipation of the 2024 Code taking effect for FY26, we have simplified the Corporate Governance report with the aim of focusing on key activities and outcomes during the year where appropriate, and, where signposted, we have utilised information provided on our website as far as possible.

### Board changes

Last year, I reported that the Nomination Committee was prioritising a search for an additional Non-Executive Director who would be from an ethnic minority background, who meets the skills, experience and diversity of thought that contribute to the effective decision making of the Board. I was pleased to welcome Mohammed Saddiq to the Board from 1 January 2024.

Justin Atkinson, our Senior Independent Director, will retire from the Kier Board as Senior Independent Director and a Non-Executive Director on 30 September 2024. Chris Browne OBE, will be appointed as the Senior Independent Director with effect from 1 October 2024. As an experienced non-executive director, she is well equipped to take on the additional responsibilities of the Senior Independent Director role in the next phase of Kier's growth. I would like to thank Justin for his nine years of service to Kier, initially as a Non-Executive Director and more recently as Senior Independent Director.

Justin has made a significant contribution to Kier. He has provided excellent advice to me and the Board and played an important role in Kier's successful turnaround. I wish him well in the future.

Upon Justin's retirement, Stuart Togwell, Group Managing Director Construction, will be joining the Board as an Executive Director with effect from 1 October 2024. The Board believes that we need to replace the construction industry expertise Justin brought and Stuart's significant strategic and operational delivery experience in the construction sector will be beneficial. See the Nomination Committee report for further information.

### Externally facilitated Board evaluation

This year's Board evaluation was externally facilitated by Clare Chalmers Limited. Details of the process and scope are set out on page 94. She found the Board dynamics and performance have progressed significantly since the last evaluation in 2021 and found the Board to be engaged and demonstrating our values.

### Culture and people

Further information on our culture, the outcome of employee engagement and site visits, is set out in the following pages of the Corporate governance report. I hope you will find this report useful in understanding our work. The Board concluded that the culture at Kier was supportive of our purpose and values and an enabler of sustainable growth.

**“ The Board will continue to monitor progress of the implementation of our strategy and look forward to the delivery against the long-term sustainable growth plan.”**

**Matthew Lester**  
Chairman

### Our focus for the 2025 financial year

The Board will continue to monitor progress of the implementation of our strategy and look forward to the delivery against the long-term sustainable growth plan. We will ensure that Kier has strong foundations, the resources, appropriate risk management and internal controls in place for sustainable growth.

Information on our Annual General Meeting ('AGM') arrangements this year will be provided in the Notice of AGM and I look forward to meeting our shareholders at this in-person event.

**Matthew Lester**  
Chairman

### The 2018 UK Corporate Governance Code compliance

The Board considers that it has complied with the provisions of the 2018 UK Corporate Governance Code (the '2018 Code') during the year. Information on how we have applied the 2018 Code is provided in this Corporate governance report and the Directors' Remuneration report and a guide is provided in the table below. The 2018 Code can be found at [www.frc.org.uk](http://www.frc.org.uk).

	Further information
<b>Board leadership and Company purpose</b>	
A. Board's role	Pages 89–97
B. Company's purpose, values, strategy and culture	Pages 1–3, 18–21 and 96
C. Resources, prudent and effective controls	Pages 89 and 99
D. Shareholder and stakeholder engagement	Pages 65–67
E. Workforce policies and practices and workforce concerns	Pages 48–54 and 95–97
<b>Division of responsibilities</b>	
F. Chairman's role	Page 89
G. Board balance and division of responsibilities	Page 89
H. Non-Executive Directors' time and role	Page 89
I. Information and resources	Page 89
<b>Composition, succession and evaluation</b>	
J. Board appointments	Pages 104–106
K. Board and Committee composition, skills and tenure	Pages 90 and 91
L. Board evaluation	Page 94
<b>Audit, risk and internal control</b>	
M. Policies and procedures for internal and external audit	Pages 101 and 103
N. Fair, balanced and understandable assessment	Page 103
O. Risk and internal control framework, risk assessment and management	Pages 68–76 and 99
<b>Remuneration</b>	
P. Remuneration policies and practices	Pages 109–134
Q. Director and senior management remuneration	Pages 109–134
R. Independent judgement and discretion on remuneration	Pages 109–134

# Corporate governance

## The governance framework at Kier

The Group's primary decision-making body is the Board. The diagram below sets out the role of the Board and how it has delegated certain responsibilities to a number of Committees.



## Group delegations

The decisions which can only be made by the Board are clearly defined in the Schedule of Matters Reserved for the Board, which is available on the Company's website. The businesses are led by the Group Managing Directors, each of whom sits on the Executive Committee. They are responsible and accountable for the performance of the respective business divisions, in line with the Operating Framework and the Group's Delegated Authorities as well as contributing to the implementation of the strategy set by the Board. Further information on the delegations are available on our website.

## Division of responsibilities

The responsibilities of the Chairman, Chief Executive, Chief Financial Officer, Senior Independent Director, Non-Executive Directors and the Company are clearly defined and are set out on our website.



Scan the QR code to our website for further information on our governance framework and division of responsibilities

## Board of Directors

**Matthew Lester**  
Chairman

**Age**  
61  
**Tenure**  
4 years  
8 months  
**Independent**  
Yes (on appointment)



**N R**

### Relevant skills and experience

- Substantial strategic and financial experience, through senior finance roles at Diageo plc and as Group Finance Director of ICAP plc and Chief Financial Officer of Royal Mail plc
- Significant non-executive director experience at Man Group plc, Barclays PLC and Capita plc
- A chartered accountant

### Principal current external appointments

- Non-Executive Director of Intermediate Capital Group plc and Chair of the Audit Committee

**Andrew Davies**  
Chief Executive

**Age**  
60  
**Tenure**  
5 years  
5 months  
**Independent**  
No



**N**

### Relevant skills and experience

- Strong track record of business leadership across a number of sectors
- Significant experience of mergers and acquisitions and strategy development and implementation
- Significant operational and corporate experience through senior roles and over 28 years with BAE Systems plc
- Formerly Chief Executive Officer of Wates Group Limited
- Fellow of the Institution of Civil Engineers

### Principal current external appointments

- Non-Executive Director of Chemring Group PLC and Senior Independent Director
- Non-Executive Chairman on the Eiffage, Kier, Ferrovial Construction and BAM Nuttall (EKFB) JV Board

**Simon Kesterton**  
Chief Financial Officer

**Age**  
50  
**Tenure**  
5 years  
**Independent**  
No



### Relevant skills and experience

- Broad range of financial, strategic and IT leadership experience in his former senior roles in the engineering and manufacturing industries
- Formerly Chief Financial Officer, Europe and Chief Strategic Officer at IAC Group and Group Finance Director of RPC Group plc
- Significant experience of the implementation of cost reduction, M&A and profitability improvement programmes
- A member of the Chartered Institute of Management Accountants

### Principal current external appointments

- None

**Chris Browne OBE**  
Non-Executive Director  
(Senior Independent Director from 1 October 2024)

**Age**  
64  
**Tenure**  
2 years  
**Independent**  
Yes



**E N R RA**

### Relevant skills and experience

- Experience of the construction sector through her role as a Non-Executive Director of Vistry Group plc
- Significant commercial and operational experience through senior leadership positions in the aviation industry
- Previously Chief Operating Officer of easyJet plc, where she also separately served as their Non-Executive Director, Non-Executive Director of Norwegian Air Shuttle AS and Non-Executive Director of Constellium SE
- Doctorate of Science (Honorary) for Leadership in Management from the University of Ulster

### Principal current external appointments

- Non-Executive Director of Vistry Group PLC
- Senior Independent Director of C&C Group plc

**Alison Atkinson FEng, MICE CEng**  
Non-Executive Director

**Age**  
54  
**Tenure**  
3 years  
9 months  
**Independent**  
Yes



**E N R RA**

### Relevant skills and experience

- Significant operational experience of project development and delivery of large-scale infrastructure projects in public and private sector through her roles as Group Projects & Development Director at Anglo American plc and Chief Executive Officer at AWE plc, and at Halcrow
- In-depth experience of oversight of civil engineering and contracting, safety, diversity and inclusion, and sustainability matters
- A Chartered Civil Engineer and a Fellow of the Royal Academy of Engineering

### Principal current external appointments

- Member of the Executive Leadership Team at Anglo American plc as Group Projects & Development Director
- Director of De Beers plc (a subsidiary of Anglo American plc)

### Board Committees key

- E** Environmental, Social and Governance  
**N** Nomination

- R** Remuneration  
**RA** Risk Management and Audit  
**■** Chair of the Committee



**Justin Atkinson**  
Senior Independent Director  
(retiring from the Board  
on 30 September 2024)



**Age**  
63  
**Tenure**  
8 years  
11 months  
**Independent**  
Yes

**E N R RA**  
**Relevant skills and experience**

- Formerly Chief Executive of Keller Group plc and previously Keller's Group Finance Director and Chief Operating Officer
- Significant operational, financial and strategic experience and a chartered accountant
- In-depth knowledge of the construction sector, both in the UK and internationally

**Principal current external appointments**

- Chairman of Forterra plc
- Non-Executive Director of James Fisher and Sons plc and Chairman of the Audit Committee

**Margaret Hassall**  
Non-Executive Director



**Age**  
63  
**Tenure**  
1 year  
5 months  
**Independent**  
Yes

**E N R RA**  
**Relevant skills and experience**

- Significant experience of remuneration matters through her current and former appointments as Chair of Remuneration Committees
- An experienced non-executive director from past appointments at Phoenix Group, Tandem Bank, Nucleus Financial Group plc and One Savings Bank plc
- Broad experience in business operations, technology and large transformational change developed through senior positions across a range of different industry sectors

**Principal current external appointments**

- Non-Executive Director, Chair of the Remuneration Committee and a member of the Risk and Compliance and Nomination Committees of AJ Bell plc

**Mohammed Saddiq**  
Non-Executive Director



**Age**  
54  
**Tenure**  
8 months  
**Independent**  
Yes

**E N R RA**  
**Relevant skills and experience**

- In-depth knowledge and experience in operational delivery, engineering and infrastructure services through his previous roles in senior management and engineering in the water, waste and renewables sectors
- An Executive Director at Wessex Water and Vice-Chair at Bristol University until 2022
- Associate Fellow of the Institution of Chemical Engineers, Fellow of the Chartered Institution of Water and Environmental Management and Chartered Member of the Institution of Environmental Sciences

**Principal current external appointments**

- Chair of Bristol Climate and Nature Partnership CIC
- Chair of Bristol Future Talent Partnership CIC
- Lord-Lieutenant of the County of Somerset

**Clive Watson**  
Non-Executive Director



**Age**  
66  
**Tenure**  
4 years  
5 months  
**Independent**  
Yes

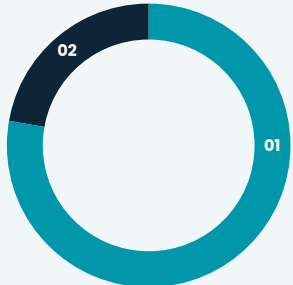
**E N R RA**  
**Relevant skills and experience**

- Significant experience in financial matters, through senior finance positions both in the UK and overseas, latterly as the Group Finance Director of Spectris plc
- Experience of the engineering sector through his roles at Borealis AG and Spectris plc, and as a Non-Executive Director at Spirax-Sarco Engineering plc
- Detailed knowledge of systems of risk management and internal control and a chartered accountant

**Principal current external appointments**

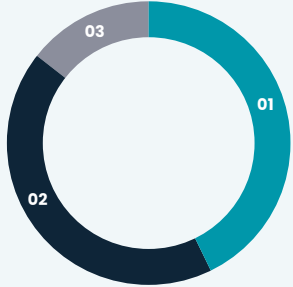
- Senior Independent Director and Chair of the Audit and Risk Committee of Breedon Group plc
- Non-Executive Director, Chair of the Audit and Risk Committee of discoverIE Group plc
- Senior Independent Director and Chair of the Audit and Risk Committee of Trifast plc

**Board independence**



01 78% Independent  
02 22% Non-independent

**Tenure of Non-Executive Directors**



01 3 0 to 3 years  
02 3 3 to 6 years  
03 1 6 to 9 years

Note: Stuart Togwell, Group Managing Director Construction, will be joining the Board as an Executive Director with effect from 1 October 2024.

**Board Committees key**

- E** Environmental, Social and Governance
- N** Nomination

- R** Remuneration
- RA** Risk Management and Audit
- Chair of the Committee

### Board key activities

The Chairman in conjunction with the Chief Executive, and with support from the Company Secretary, plans the Board meetings to ensure effective performance and governance of Kier. In addition to the usual activities of monitoring progress against business performance, the order book, financial targets, culture, whistleblowing and governance matters, Board meetings also encompass chosen topics and deep dives into matters of strategic importance. The key activities undertaken by the Board during the financial year were as follows:

### Key to Strategic Objectives

- 1 Leverage our attractive market share positions in growing markets
- 2 Maintain and enhance long-term customer relationships
- 3 Resilient and well-balanced portfolio
- 4 Deliver disciplined growth, consistent profitability and cash generation

### Key to Principal Risks and Uncertainties

- 1 Health and safety
- 2 Legislation and regulation
- 3 Funding
- 4 Maintaining an order book within selected markets
- 5 Contract management
- 6 People
- 7 Supply chain
- 8 Strategy
- 9 IT security, resilience, cyber and data protection
- 10 Sustainability
- 11 Macroeconomic

Link to Principal Risks and Uncertainties

Link to stakeholders

### Strategy 1 2 3 4

Oversaw the review of our strategy, long-term sustainable growth plan and the growth areas for Kier (details of the Board strategy day are set out on page 93)	4 6 8 10 11	Shareholders, People, Customers, Supply chain
Monitored progress against the medium-term value creation plan	4 6 8 11	Shareholders, People, Customers, Supply chain
Approved the acquisition of the rail assets of Buckingham Group Contracting Limited	4 6 8 11	Shareholders, People, Customers, Supply chain

### Business and operational 1 2 3 4

Approved the Digital and Simplification workstreams under Performance Excellence	1 5 7	People, Customers, Supply chain
Visited and received presentations from the Finance Shared Service Centre and Property business to understand their challenges and opportunities and meet the management teams	5 6 8 9	People, Customers, Supply chain
Undertook deep dives into different functions and topics	4 5	Customers, Supply chain, Shareholders

### Budget and financing 3 4

Approved the budget for FY25	3	Shareholders, People, Customers, Supply chain
Approved the amendment and extension of the revolving credit facility and the issuance of Senior Notes	3	Shareholders, Banks, People, Customers, Supply chain
Approved the resumption of dividend payments which included an interim dividend for FY24 and a final dividend for recommendation to the shareholders	8	Shareholders
Approved additional capital investment into the Property business	8	Shareholders, Customers, Supply chain



**Key to Strategic Objectives**

- 1 Leverage our attractive market share positions in growing markets
- 2 Maintain and enhance long-term customer relationships
- 3 Resilient and well-balanced portfolio
- 4 Deliver disciplined growth, consistent profitability and cash generation

**Key to Principal Risks and Uncertainties**

- 1 Health and safety
- 2 Legislation and regulation
- 3 Funding
- 4 Maintaining an order book within selected markets
- 5 Contract management
- 6 People
- 7 Supply chain
- 8 Strategy
- 9 IT security, resilience, cyber and data protection
- 10 Sustainability
- 11 Macroeconomic

[Link to Principal Risks and Uncertainties](#)

[Link to stakeholders](#)

**Leadership, people and culture**

2 3 4

Appointed Mohammed Saddiq as a Non-Executive Director	6	Shareholders, People
Received updates on the Group's people agenda including progress on diversity and inclusion, reward and benefit enhancements, the outcomes of employee engagement surveys and the related actions taken, and on development and talent programmes	6	People, Customers, Supply chain
Received updates on the implementation and impact of our culture programme	6	Shareholders, People, Customers, Supply chain

**Governance and key stakeholders**

1 2 3 4

Received feedback and sentiments from institutional investors following our FY23 results roadshow and discussed the Group Investor Relations programme	8	Shareholders
The Chair of the Remuneration Committee held meetings with key shareholders to discuss executive remuneration matters and to understand their views	8	Shareholders
Received updates from our Corporate Affairs Director on our interactions with the UK Government and local councils, their focus areas and the strength of our relationships with these key customers	4 11	Customers

**Board strategy day**

<b>Purpose</b>	To review our strategy beyond the medium-term value creation plan ensuring we continue to promote the long-term sustainable success of Kier, generating value for shareholders and stakeholders
<b>Attendees</b>	The Board, Executive Committee members, certain senior management and external adviser
<b>Strategic topics reviewed and discussed</b>	<ul style="list-style-type: none"> <li>– The structural drivers, client and market trends, and macro and political environment</li> <li>– The competitive environment, Kier's competitive advantage and market share</li> <li>– Infrastructure Services, Construction and Property sector sentiments and themes</li> <li>– Capital allocation priorities</li> <li>– Investors' views and priorities surrounding Kier's strategy</li> <li>– The future of work, skills and capabilities to deliver the strategy</li> <li>– How our Digital and Simplification workstreams under Performance Excellence would support delivery of our strategy</li> </ul>
<b>Outcomes and next steps</b>	<ul style="list-style-type: none"> <li>– Reviewed the long-term sustainable growth plan and the evolved targets</li> <li>– Setting an ongoing programme of strategic questions and topics for consideration throughout FY25</li> </ul>

### Board and Committee membership and attendance

The Board held six meetings and two calls during the year. One day was also dedicated to discussing strategy. In addition, there was one unscheduled Board call during the year.

Details of attendance by each Director at the scheduled Board and Committee meetings during the financial year are as follows:

	Board meeting	RMAC meeting	ESG Co meeting	NomCo meeting	RemCo meeting
Matthew Lester	6/6	n/a	n/a	4/4	5/5
Alison Atkinson <sup>1</sup>	5/6	4/4	4/5	3/4	3/5
Justin Atkinson	6/6	4/4	5/5	4/4	5/5
Chris Browne	6/6	4/4	5/5	4/4	5/5
Andrew Davies	6/6	n/a	n/a	4/4	n/a
Margaret Hassall	6/6	4/4	5/5	4/4	5/5
Simon Kesterton	6/6	n/a	n/a	n/a	n/a
Mohammed Saddiq <sup>2</sup>	3/3	2/2	3/3	2/2	3/3
Clive Watson	6/6	4/4	5/5	4/4	5/5

1. Alison Atkinson was unable to attend a meeting due to illness and an unavoidable work commitment.  
 2. Mohammed Saddiq was appointed with effect from 1 January 2024.

### Board evaluation 2023 Board evaluation

The Board made good progress on the recommendations and areas of focus from last year’s internally facilitated review. An update on the progress is set out below:

Feedback	Progress/Action
<b>More meetings for Non-Executive Directors in view of additional new Board members</b>	Additional time was added to the start or end of Board meetings (as appropriate) to facilitate this.
<b>Meet the pipeline of talent coming through the business</b>	The Nomination Committee monitored the development plans for our Executive Committee members and also the pipeline of talent coming up through the business. The Board has various touch points where they can meet the talent, for example at Board meetings and Visible Leadership Tours. More information on this is set out in the Nomination Committee report on pages 104 to 106.

### 2024 Board evaluation

This year’s Board evaluation was facilitated by Clare Chalmers Limited, who conducted our last external evaluation in 2021. The firm has no connections with Kier or the Board. Clare Chalmers attended the May 2024 Board and ESG Committee meetings to observe the Board’s interactions. As the ESG Committee has been in operation for the third year since its remit was broadened to cover environmental and social matters, it was thought to be appropriate to give some focus to this Committee. Past Board papers and key governance documents, such as the Schedule of Matters Reserved for the Board and Terms of Reference, were also reviewed. Interviews were also carried out with each Board member and those who regularly attend Board and/or Board Committee meetings.

Her findings were presented to the Board in July 2024. In summary, she found the Board to be engaged and demonstrating our values: there was ‘trust’ and openness in challenges and positive interaction, ‘collaboration’ in decision making and ‘focus’ on the delivery of our medium-term value creation plan. To ensure the continued effective working of the Board to deliver long-term sustainable success for our stakeholders, further enhancements were suggested and these are set out below.

- **Customers and suppliers** – to hear more feedback from customers and suppliers
- **Board and Committee papers** – continue to make progress with the papers, aiming for consistently good summaries, pulling out the highlights, better ‘storytelling’ and more focus on outcomes
- **Decision making** – over the coming year, to give consideration to having a smaller group of Non-Executive Directors on each Committee with the aim of creating more efficient and focused groups, and a second layer of challenge at Board meetings
- **Dynamics** – to consider utilising more of the Non-Executive Directors’ skills and experience as a sounding board for management outside of formal Board meetings
- **Board succession planning** – to implement a more formal process for determining the priorities we are looking for from the next Board appointment.

The Board will be working through the above suggestions and building them into the Board programme going forward.

The effectiveness of each of the Board Committees was also considered and it was concluded that they each continue to be effective. Suggestions were provided for each Board Committee to enhance its effectiveness and these are set out in the respective Committee reports.

## Board development and training

To ensure the Board continually updates and refreshes its skills and knowledge, ongoing training and development support is provided to the Board during the year. The Board is regularly briefed on business-related matters, governance, investor expectations and legal and regulatory matters such as the 2024 Code. The Board has a series of training programmes, and this year had refreshed training on directors' duties and the UK market abuse regime. Both the Risk Management and Audit Committee and Remuneration Committee received updates from external advisers and management on relevant accounting and remuneration developments, evolving market trends and changing disclosure requirements.

As part of the Board's annual programme of site visits, they undertook two visits during this financial year and the details are set out below.

### Board site visit to the Finance Shared Service Centre, Manchester

This was a great opportunity for the Board to understand how Kier is using automation and AI application for our sales and invoice processing and accounts payable processes. There was a demonstration on how the robots work by our external partner who develop the robots with Kier. This is a great example of robotics which supports our digital strategy. The FTE ('full-time equivalent') savings has allowed our people to work on other projects and there are plans to extend the use of robotics into other areas of processes.

### Site visit to Watford Riverwell project and Property business presentation

As part of this presentation, the Board visited the Watford Riverwell project to gain first-hand experience of this flagship project which is a 50% joint-venture with Watford Borough Council. The Property senior leadership team gave the Board an in-depth presentation covering:

- the strategic aims and objectives of the partnership;
- the risks;
- the financial investments and returns; and
- the working relationship with the joint venture partner ensuring success for the project.

A representative from the joint-venture partner also attended the meeting to share his perspectives which the Board found invaluable. Lessons learned from this project were also covered and will be used on other joint ventures. The Board also received an update on the process against the balanced scorecard. One key outcome of the site visit was the Board had a deeper dive into this exemplar project and how the Property business supports the achievement of our strategy.

## Conflicts of interest

The Board has a number of measures to manage conflicts of interest, so as to ensure that the influence of third parties does not compromise or override its judgement. For example, the Board's agreement is required before a Director may accept any additional board commitments, whether paid or unpaid, so as to ensure that potential conflicts of interest are identified at an early stage and that the relevant Director will continue to be able to dedicate sufficient time to the Group. The Board considered all of Mr Saddiq's current commitments before making a decision to appoint him as an Independent Non-Executive Director. In addition, the Board also considered if there was an additional time requirement on Ms Browne's appointment as the Senior Independent Director of another listed company.

## Whistleblowing

In order that employees can report any matters of concern in confidence, the Group makes available an externally-hosted, confidential whistleblowing helpline, provided by Safecall. During the year, the Board received reports on calls received via the Safecall helpline and via other means. The reports categorised the matters raised into a range of topics such as financial, HR, safety and compliance (including anti-bribery and corruption) and included how management had investigated them. In FY24 there were 30 calls made to Safecall (FY23: 31) and 8 reports received via other means, such as line management or directly to Group Compliance (FY23: 15). Whilst there was a modest overall reduction of reports in FY24, utilisation of our whistleblowing channels remains above industry benchmarks and the Board and management remain highly attentive to all issues raised in this process.





No issues which were material in the context of the Group were reported to the helpline or via other means during the year. The Chairman will personally be informed of any issues raised concerning any members of the Board or senior management, even if not ordinarily qualifying as being regarded as material, noting that there were no such cases to be advised of in FY24.

**Culture**

The Board recognises the important role that it plays in assessing and monitoring the Group’s culture, so as to ensure that policy, practices and behaviour throughout the Group are aligned with its purpose, values and strategy. Our culture programme with a framework of nine healthy behaviours aligns to our values and forms the foundation of our culture. Further information about this programme and how we embed culture throughout the Group is explained in the Built by Brilliant People™ report on page 48.

The reports to the Board (via People updates or in other reports such as the Chief Executive’s reports) included matters relating to culture such as:

Progress on the implementation of our culture programme
Employee surveys
Attrition rates
Whistleblowing and ‘speak-up’ data
Board interaction with senior management and workforce
Health and safety data
Promptness of payments to suppliers
Compliance including the annual review of key policies
Information from internal audits on the impact of policies and processes

**Culture in action**

Three Non-Executive Directors participated in the culture programme to gain a deeper understanding of the programme and to join our workforce on this journey. The outcome was that our people felt supported by the Board and felt that the Board understood the importance of the programme.

“ Engagements levels were extremely good and the collaboration between employees was pleasing to see. It was great to see and feel the culture in the room.”

**Justin Atkinson**  
Senior Independent Director

The Board carefully considered the above matters, plus a range of initiatives, and concluded that the culture at Kier was supportive of our purpose and values and an enabler of sustainable growth. This was supported by the direct interactions the Non-Executive Directors had when undertaking their engagement visits, see ‘Engaging with our people’ below.

**S172 statement**

How the Board took account of stakeholder views and the matters set out in section 172 of the Companies Act 2006 in Board discussions and decision making is set out on page 83.

**The Board and our stakeholders**

Kier engages with our stakeholders in different ways. Engagement activities with key stakeholders are set out on pages 65–67 of the Strategic report. The Board and its Committees receive regular updates on the engagements and use their views and feedback to either make better decisions or provide constructive challenge on activities, programmes and initiatives being considered. The following paragraphs set out the direct engagement that the Board has had with our stakeholders.

**Engaging with our people**

The Board decided not to introduce any of the three methods suggested in the 2018 Code but to develop an approach which built on the mechanism which we already had in place. Due to the nature and locations of the business and that Kier’s workforce comprises individuals with a wide range of skills and experiences, the Board concluded that each Board member has responsibility for engaging with our people in order to gather their views and to understand the culture within the Group.

During the financial year, the Chairman and Non-Executive Directors undertook a total of 22 employee engagement visits (FY23: 25). These visits (part of the Visible Leadership Tours, VLTs) are structured in such a way as to allow the Directors to get an overview of the project, speak directly to our employees by way of question-and-answer sessions and provide visible leadership to the people on site. Each Board member had the opportunity to listen to employees’ views on a wide range of areas such as Kier’s strategy and performance, methods of communication, talent development programmes, impact of our diversity and inclusion programmes, and our wellbeing and people agenda. A summary of feedback is reported back to the Board. Management considered their feedback carefully and acted as appropriate. The table on the next page sets out the discussion topics, key points and the improvement areas and actions taken from the engagement.

### Schedule of VLT discussion topics, key points, the improvement areas and actions taken from Non-Executive Directors' engagement with our people

VLT discussion topics	Safety	Strategy and communications	Senior management and career progression	Pride in working for Kier	Prioritise people and respect others
<b>Key points from the Non-Executive Directors' engagement</b>	Consistent evidence of the 5 SHE basics and 'Expect Respect' on sites and clear and consistent safety signage.	Our people are very positive about communication and engagement and have sufficient information to give context to their roles.	Good process for performance discussions and good development opportunities.	Employees feel pride in working for Kier and their contribution to the business.	Diversity and inclusion programmes and initiatives seen as excellent.
	Good adherence to PPE requirements.  Feedback that VLTs from senior leaders allow good and varied discussions.	New starter experience could be improved to ensure they have equipment and access to Kier systems on starting.  More communication and education around benefits, and specifically pensions, would be welcomed.	Open and transparent management style valued.  Some comments that the graduate programme could be better structured.	There is a real sense of belonging.  Some employees feel a lack of prospects for the over 50s.	Most employees feel Kier cares for our people.  Concerns raised about lack of suitable PPE for female employees.  Processes and procedures can be cumbersome with too much time spent on form-filling meaning less time for work.
<b>Improvements areas and actions taken</b>	Arranging VLTs streamlined by setting up an internal SharePoint booking system.	HR/IT projects to enhance induction programme for new starters and ensure access to IT and Kier systems from Day 1 in progress.	Introduced refreshed emerging talent, including graduate programme, to improve development and networking opportunities and give a clear structure.	A project has begun to collate data on employees over 50 years of age to inform an action plan to both reskill and ensure a workforce for the future.	Our range of PPE expanded to include female-fit and maternity PPE with a wide range of footwear fit options. PPE forum created with representatives from across the business to help us continue to develop our PPE range.
		Reward and Pensions team hosting ongoing roadshows and pension provider holding webinars.	Implementing a new accredited training programme, including a manager induction, for all Kier managers to help them upskill their experience.		

#### Engaging with our shareholders

The Board engages with shareholders throughout the year in many different ways. We operate a structured investor relations programme, based around our formal announcements and the publication of the full year and half year results. Following our final results announcement last year, we held a presentation aimed at retail investors. It is our intention to continue with this programme. The Board is kept regularly apprised of the investor relations programme and receives a detailed report including the specifics of investor feedback following key engagements. Our corporate brokers also attend Board meetings as required to give their perspective on institutional shareholder sentiment.

During the year, we held an investor day at one of our key sites, HMP Millsike, providing investors with a deeper understanding of Kier's market opportunities and capabilities and of our environmental and social sustainability in action.

Details of the 2024 AGM are set out in the Notice of AGM. Shareholders may submit proxy votes and any questions either electronically or by post.

More information on our shareholder engagement programme is set out in Our stakeholders on page 65. Details of our engagement with shareholders on executive remuneration matters are set out in the Directors' Remuneration report.

## Risk Management and Audit Committee report

**Clive Watson**  
Chairman of the  
Risk Management  
and Audit Committee



“ The Committee has spent time preparing for proposed legislative and governance changes, whilst continuing to consider the enhancements that will be required to our risk management reporting.”

### Chair’s introduction

I am pleased to present the work of the Risk Management and Audit Committee (the ‘RMAC’ or the ‘Committee’) for the year.

The role of the RMAC is to establish formal and transparent arrangements for considering how it should apply corporate reporting, risk management and internal control principles, and for maintaining an appropriate relationship with the Company’s external auditors. Further details of the Committee’s responsibilities are set out in the Terms of Reference which can be found on the Company’s website.

During the year, we have spent time preparing for proposed legislative and governance changes, and the Committee has received regular updates from external advisors on the implementation of these changes. With the publication of the UK Corporate Governance Code 2024 (the ‘2024 Code’), we continue to consider the enhancements that will be required in respect of our risk management reporting and will provide information in this report on the steps that we have taken so far to consider the new reporting requirements.

In the last year, the Committee has reviewed all significant matters, accounting judgements and disclosures on key accounting matters for the interim and full-year results. The RMAC has overseen the effectiveness of PwC as our external auditor, with Darryl Phillips appointed as the lead audit partner for the financial year ended 30 June 2024 (‘FY24’). The Committee continues to look to PwC for constructive challenge.

Following a tender process for an internal audit co-source partner and for an External Quality Assurance (‘EQA’) of the Internal Audit function, KPMG were appointed to carry out an EQA and subsequently appointed as the co-source partner for the financial year ending 30 June 2025. Please see page 101 for further details.

The monitoring of the Group’s fraud and detection processes has remained as a priority for the Committee, with continued focus on reviewing cyber risk management and IT resilience.

### Looking forward

For the coming year, the Committee will continue to review and respond to the evolving legal and regulatory landscape affecting the Group as guidance becomes available.

Information on the following pages sets out in detail the composition of the Committee, its activities and priorities for the year ahead. I hope that you will find this report useful in understanding our work.

**Clive Watson**  
Chairman of the Risk Management  
and Audit Committee



### Composition of the Committee

In accordance with the 2018 Code recommendations, all members of the Committee are independent Non-Executive Directors and have been appointed to the Committee based on their individual financial and commercial experience. Mohammed Saddiq joined the Committee on 1 January 2024 when he was appointed to the Board as a Non-Executive Director.

As Chairman of the Committee, Clive Watson has recent and relevant financial experience through his previous role as a Finance Director of a listed company and his experience as Audit Committee Chairman of other listed companies. Justin Atkinson is also a qualified accountant and holds the position of Audit Committee Chairman for another listed company.

Attendance of the members is set out on page 94. The Chairman, Chief Executive, Chief Financial Officer, Group Financial Controlling, Head of Risk and Internal Audit, Group Legal and Compliance Director and other relevant people from the Group attend when appropriate. External meeting attendees have included representatives from PwC as external auditors and Deloitte, the Group's previous co-sourced internal audit services partner. The secretary of the Committee is the Company Secretary.

Outside of the formal meetings, the Chairman of the Committee held discussions with members of management (including the Chief Financial Officer, the Group Financial Controlling and the Head of Risk and Internal Audit) and with PwC without management present. PwC and the Head of Risk and Internal Audit have also met privately with the independent Non-Executive Directors during the year. No concerns were raised in respect of FY24.

### Annual evaluation

This year's evaluation was externally facilitated by Clare Chalmers Limited as part of the Board evaluation. Details of this process are set out on page 94. The outcome of this evaluation concluded that the Committee continues to be effective and operates with the required technical skills. To enhance its effectiveness, the Committee will continue to provide appropriate challenge on the structure of Committee papers with the aim to get better highlights and more focused outcomes.

### Systems of risk management and internal control

The Board has ultimate responsibility for the Group's systems of risk management and internal control, including those established to identify, manage and monitor risks. The Board has delegated the responsibility for overseeing management's implementation of these systems to the RMAC.

The Head of Risk and Internal Audit reports to the Committee on strategic risk issues and oversees the Group's risk management framework. The Group Risk Committee, chaired by the Group Legal and Compliance Director, provides executive management leadership and oversight of the Group's risk management framework, whilst acting as the link between the RMAC and the business in relation to the management of risk.

Information on how the Group identifies, manages and monitors risks, including a description of the principal aspects of the Group's systems of risk management and internal control and the risk management framework, is set out on pages 68–76.

As the Group's risk management and internal control systems mature, the Committee will continue to review the adequacy and effectiveness of these systems. In particular, the RMAC is overseeing the development of an Audit and Assurance Policy which will include an assurance mapping exercise. This will reflect a best practice approach to the 2024 Code provisions on risk management and internal control which take effect from 1 July 2026.

### Annual review of the effectiveness of the systems of risk management and internal control

The Board conducted its formal annual review of the effectiveness of the Group's systems of risk management and internal control following management's assessment of the key elements of these systems, when considering the Financial Reporting Council's ('FRC') risk guidance. The review in respect of FY24 covered existing risk management practice and processes; risk appetite and culture; consideration of the review of the operation of the three lines of defence; the Operating Framework and its policies, minimum standards and procedures in relation to managing technical, commercial, legal and financial risks; compliance controls; and financial monitoring, reporting and internal control processes. It was concluded that there were no material breakdowns or weaknesses identified in the Group's risk management and internal control systems.

### Fraud prevention and detection processes

With the implementation of the Economic Crime and Transparency Act 2023 ('ECATA'), work has been ongoing throughout FY24 to review our control environment, to respond to the new 'failure to prevent fraud' offence, under the ECATA. The Committee has received regular updates on the key workstreams that have been set up to ensure that the Group is compliant with this requirement.

As a Group, we believe that we have an effective control environment to prevent financial misstatement or manipulation of our financial systems. We manage the risk of fraud in terms of prevention, deterrence and detection. Our Code of Conduct sets clear expectations of honesty and integrity for every employee at all levels within the Group.

### Financial reporting

The Group has clear policies and procedures which are designed to ensure the reliability and accuracy of financial reporting, including the process for preparing the Group's interim and annual financial statements. The Group's financial reporting policies and procedures cover financial planning and reporting, the preparation of financial information, together with the monitoring and control of capital expenditure. The Group's financial statements preparation process includes reviews at business division and Group levels. The Committee reviewed the accounting judgements, assumptions and estimates as set out in the RMAC papers prepared by management and determined, with external auditor input, the appropriateness of these assumptions and estimates. The significant issues considered by the Committee in relation to this year's financial statements are listed on page 102.

### Group's financial reporting calendar to RMAC

September	December	March	July
<ul style="list-style-type: none"> <li>– Management updates the Committee on the key accounting issues and judgements for approval by the Committee and for recommendation to the Board in respect of the full-year results</li> <li>– External auditors present their findings of the audit, together with their auditors' report and provide confirmation of their independence</li> <li>– The Committee considers and makes a recommendation to the Board on whether the annual report and financial statements are fair, balanced and understandable</li> <li>– The Committee considers the proposed reappointment of the external auditors at the AGM</li> </ul>	<ul style="list-style-type: none"> <li>– Review of external auditors' effectiveness</li> <li>– Interim financial statements review plan</li> <li>– Auditors engagement letter in respect of the interim financial statements</li> </ul>	<ul style="list-style-type: none"> <li>– Management updates the Committee on the key accounting issues and judgements for approval by the Committee and for recommendation to the Board in respect of the interim financial statements</li> <li>– Management presents the interim financial statements</li> <li>– External auditors present interim review memorandum, together with their external auditors' report and confirmation provided of their independence</li> <li>– Review of external auditors' independence</li> <li>– Full-year audit strategy, plan and fee</li> </ul>	<ul style="list-style-type: none"> <li>– Management provides the Committee with an overview on the key accounting issues and judgements in respect of the full-year results</li> <li>– Update on the audit strategy, plan and fee</li> <li>– Non-audit services policy review (annual)</li> <li>– Adjusting items policy review (annual)</li> <li>– Group Tax strategy approval (annual)</li> </ul>

### Engagement with the FRC

In May 2024, the Company received a letter from the FRC following its review of the Group's FY23 Annual Report and Accounts, requesting further information in two principal areas: offsetting of account balances in relation to notional cash pooling arrangements; and impairment testing of intangible assets.

The Group has consistently applied an accounting policy of treating all the bank accounts within its Group cash pooling arrangement as a single unit of account, where the legal right of set-off existed as it was considered that this most appropriately reflected the overall net commercial and substantive position.

Following completion of this review, and further to correspondence with the FRC, the Committee has concluded that separate presentation of these overdrafts and cash balances within the Consolidated Balance Sheet would be preferable. The Group has therefore chosen to change its accounting policy in respect of offsetting of bank overdrafts and has presented cash held in subsidiary company bank accounts separately from overdrawn amounts in the Group's Consolidated Balance Sheet, with the prior year comparative balances re-presented accordingly. Further details are provided in Note 1, on pages 154 and 155.

The restatement did not result in any change to reported profit, earnings per share, net assets, net cash or cash flows reported in FY23.

Following provision of the information requested on both matters, the FRC concluded its enquiries in September 2024.

The FRC's review provides no assurance that the Annual Report and Accounts are correct in all material respects. The FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

### Internal audit

During the year, the Committee monitored progress against the FY24 internal audit plan which included the work of Deloitte as co-source partner. Before each internal audit, the scope of the review, timetable and resources required were agreed with management. Updates were provided to management and the Committee on the status of ongoing audits at RMAC meetings during the year.

The FY24 audits undertaken reflected the size of the Group and covered a wide range of areas that included, but were not limited to:

- Validation of risk owners' assessment of principal risks and uncertainties
- Contract management
- Specific business division audits
- Financial systems
- Cyber security and IT resilience
- Health and safety
- Sustainability
- Client satisfaction
- Published non-financial information metrics.

Results from these audits were discussed and noted by the Committee, together with the follow-up actions taken by management.

The Committee received, considered and approved the annual internal audit plan for FY25 which has taken into account the increased maturity of the Group's risk management processes and control environment. Overall, the FY25 internal audit plan aligns to our principal risks and uncertainties, with audits selected on a risk and rotational basis, with rotational audits typically on a three-year cycle, unless there are significant changes to a business division or process.

The co-source partner continues to carry out or support internal audits where subject matter expertise is required (for example cyber security and sustainability). The co-source partner also provides back up in the event of a shortage of in-house resource. On this basis, the Committee confirmed that the internal audit function had sufficient experienced resources to deliver the plan.

As of FY24, Deloitte had been the internal audit co-source partner for five years. Whilst the Committee was satisfied with their service and contribution over this period, the Committee determined it was appropriate to retender the co-source partner contract. Following the tender, KPMG were appointed co-source partner with the final decision based on bringing a fresh perspective to our internal audit activities.

### Internal Audit function effectiveness

The RMAC Terms of Reference state, in relation to Internal Audit, that the Committee will, inter alia, consider whether an independent, third-party review of processes is appropriate. The Committee commissioned an EQA of the Internal Audit function which, following a tender process, was carried out by KPMG internal audit specialists.

The results of the EQA were discussed at the July 2024 Committee meeting. Whilst the results were positive overall, the Internal Audit function is developing a Quality Assurance and Improvement Programme ('QAIP') to further enhance the function's effectiveness. The Committee will monitor progress in the implementation of the QAIP.

### External audit FY24 audit

The Committee has taken the following key steps in overseeing the FY24 PwC external audit:

- Reviewed the PwC FY24 audit plan, resources and audit risk assessments
- Agreed the materiality level for the audit
- Reviewed and agreed the timetable for the FY24 Annual Report and audit plans for the Group and specific business divisions, including the key areas of focus
- Agreed and approved the final FY24 audit fee
- Discussed and reviewed the Going Concern and Viability statements
- Discussed and reviewed the audit findings, significant issues and other accounting judgements
- Approved the management representation letter, following a review by management and noted PwC's independence.

### External auditor effectiveness and audit quality

The 2018 Code requires the RMAC to undertake an annual assessment of the effectiveness of the external audit. This was performed through the use of a questionnaire which was issued to key stakeholders, including members of the Committee and those involved in the FY23 audit.

The review and qualitative assessment focused on feedback and insights, planning and communication, and the quality and experience of the audit team. The Committee considered the feedback received and its wider knowledge and concluded that the external audit process for FY23 was effective and that PwC provided an appropriate independent challenge to management. The feedback received was used for continuous improvement in respect of the FY24 audit.

The Committee will formally assess PwC's performance in relation to the FY24 audit following its completion.



## Significant matters and accounting judgements relating to the financial statements

The Committee reviewed the following significant matters and other accounting judgements relating to the FY24 financial statements. These included:

<b>Contract accounting</b>	<p>The Group has significant long-term contracts in the Infrastructure Services and Construction businesses. Accounting for long-term contracts has continued to be a key area of focus for the FY24 audit.</p> <p>An assessment of the likely profit on long-term contracts requires significant judgement because of the inherent uncertainty in preparing estimates of the forecast costs and revenue. Recoverability of work-in-progress on long-term contracts involves significant estimates, including an estimate of the end-of-life outcome of the projects.</p> <p>During the year, the Board reviewed and challenged management's latest assessment of the forecast costs of, and revenues from, certain of the Group's long-term contracts and the Committee discussed PwC's audit of management's assessment of the performance of certain of the Group's contracts so as to satisfy themselves as to the positions taken in the FY24 financial statements.</p>
<b>Impairment of goodwill</b>	<p>The review of the carrying value of goodwill in Infrastructure Services was identified as a key area of focus for the FY24 audit.</p> <p>Having discussed the review with management and PwC, the Committee noted the increase in headroom and agreed that, although there was no requirement to take an impairment charge with respect to the Infrastructure Services business division, specific disclosures would be included in the notes to the FY24 financial statements as to the sensitivity of impairment to changes in key assumptions.</p>
<b>Presentation of the Group's financial performance</b>	<p>As stated in the accounting policy, the Group uses alternative performance measures ('APMs') which are consistent with the measures used by management to assess the Group's financial performance and aid the understanding of the performance of the Group.</p> <p>The Committee (i) reviewed the policy wording during the year and confirmed its ongoing application, (ii) reviewed the individual terms excluded from the adjusting operating profit, and (iii) agreed the classification of, and disclosures relating to, the adjusting items presented in the FY24 financial statements, ensuring that the APMs are presented with equal or lesser prominence than statutory figures and on a consistent basis year-on-year.</p>
<b>Going concern/Viability statement</b>	<p>In conjunction with PwC, the Committee reviewed and assessed the work undertaken to support the adoption of the going concern basis for the FY24 financial statements and the viability statement.</p> <p>In particular, the Committee and the Board reviewed the Group's cash flow forecasts over the period ending 31 December 2025, in assessing the going concern basis; and over a period of three years from 30 June 2024 for the viability statement, which are included in the Group's three-year strategic plan together with the assumptions on which such forecasts are based. The Committee also considered the stress-testing of these forecasts for severe but plausible downside scenarios that could have an impact on the Group and the availability of mitigating actions, as required, in the event that such scenarios occurred. The Committee noted the successful refinancing that occurred during the year, which provided long-term debt facilities and a strengthened maturity profile.</p> <p>For further information on the work to support the going concern basis of preparation for the FY24 financial statements, please see 'Going concern' on page 154 and further information on the work to support the viability statement can be found on page 82.</p>
<b>Carrying value of investments in Kier Limited and recoverability of balances owed by subsidiary undertakings</b>	<p>In light of the carrying value of the Company's investment in its principal operating subsidiary, Kier Limited, and the carrying value of balances owed by subsidiary undertakings, relative to the Company's market capitalisation, the carrying value of these balances were identified as key areas of focus for the FY24 audit.</p> <p>Following management's review, which PwC concurred with, the Committee concluded that no impairment was required against either the carrying value of the investment held by the Company in Kier Limited or the balances owed by subsidiary undertakings.</p>
<b>Retirement benefit obligations</b>	<p>The Group operates a number of defined benefit pension schemes.</p> <p>The Committee reviewed the assumptions made by management in determining the defined benefit surplus at 30 June 2024. This included considering the advice from independent qualified actuaries, together with the views of PwC's pension specialists, and concluded that they were appropriate.</p>

**Provision of non-audit services**

During the year, PwC provided certain non-audit services to the Group. The Committee monitors these services to ensure that the associated fees are not of a level that would affect PwC’s independence and objectivity. The Chief Financial Officer has authority to approve up to £50,000 on individual assignments. For non-audit fees above £50,000, these must be approved in advance by the Committee. If approval is required urgently, this may be provided by the Chairman of the Committee with subsequent reporting of the approval to the Committee. The Committee reviewed the non-audit fee policy for PwC as the external auditor during the year and confirmed it remained appropriate.

The Company’s non-audit services policy reflects the FRC’s revised Ethical Standard for Auditors (2019). The policy provides that the Committee expects that the level of non-audit fees in any one financial year will not exceed 15% of the audit fees payable in relation to the previous year. The Committee may approve non-audit fees in excess of this figure, up to 70% of the average of audit fees paid in the previous three years, subject to the Committee being satisfied that (i) there is clear evidence that the auditors’ skills and experience make them the most appropriate firm to provide the relevant services and (ii) the auditors’ independence and objectivity would not be compromised by the appointment.

The total non-audit fees paid to PwC in FY24 were £430,000. These non-audit fees related to PwC’s work in relation to their review of the Group’s FY24 interim results and their verification of the banking refinancing documentation. The total non-audit fees subject to the FRC’s 70% non-audit fee cap, which excluded amounts attributable to public reporting workstreams required by legislation, was £430,000. This represented 12% of the average audit fees over the previous three years.

**External auditor independence**

The Committee concluded that PwC’s independence and objectivity were not compromised by the provision of these services. As part of the FY24 audit, PwC confirmed that it was independent within the meaning of applicable regulatory and professional requirements. Taking this into account and having considered the steps taken by PwC to preserve its independence, the Committee concluded that PwC continues to demonstrate appropriate independence and objectivity.

**Tenure and audit tender**

PwC was originally appointed as external auditors in 2014, for the financial year ended 30 June 2015. Following a formal tender process in 2023, PwC was reappointed as external auditor at the 2023 AGM. Darryl Phillips was appointed as the audit partner for FY24 and this was his first year in the role following partner rotation. The Committee confirms that the Company has complied with regard to the requirement of the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

**2024 Annual Report – fair, balanced and understandable statement**

The Board and Committee discussed the ‘fair, balanced and understandable’ statement and the work undertaken to support it which included:

Who	How assurance was provided
<b>Annual Report Working group</b>	The working group comprised individuals involved in the drafting of the Annual Report.  Material disclosure items were discussed by the working group.  The working group members reviewed the sections drafted by them in light of the ‘fair, balanced and understandable’ requirement.
<b>Key contributors to the Annual Report</b>	Certain key contributors to sections of the Annual Report (for example the Group Managing Directors and Finance Directors of our business divisions) were asked to confirm the accuracy of the information provided.
<b>External review</b>	Ellason, the Remuneration Committee’s independent adviser, reviewed the Directors’ Remuneration report. Feedback was provided by PwC on the overall FY24 Annual Report. All external reviews were undertaken to enhance the quality of our reporting.
<b>The Committee and the Board</b>	Drafts of the Annual Report were circulated individually to Board members, the Committee and the full Board for review.

The Directors consider that this Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s position, performance, business model and strategy.

## Nomination Committee report

**Matthew Lester**  
Chairman of the  
Nomination Committee



“ The Committee was pleased to announce the appointment of Mohammed Saddiq in January 2024 and that Chris Browne OBE will become our Senior Independent Director from 1 October 2024.”

### Chairman's introduction

I am pleased to report the work of the Nomination Committee ('the Committee') for the year. The key role of the Committee is to provide a formal, rigorous and transparent procedure for the appointment of new directors to the Board, to maintain an effective succession plan for the Board and senior management and to oversee the development of a diverse pipeline for succession to these bodies. Further details of the Committee's responsibilities are set out in its Terms of Reference which can be found on the Company's website.

The members of the Committee comprise all the Non-Executive Directors and the Chief Executive. Mohammed Saddiq joined the Committee on 1 January 2024 when he was appointed to the Board as a Non-Executive Director. The attendance of Committee members is set out on page 94. The Chief People Officer also attended the Committee's meetings during the year by invitation. The secretary of the Committee is the Company Secretary.

Kier believes a diverse board is a necessary part of effective corporate governance. Most importantly, we believe we need to recruit directors who have different perspectives and have a broad range of skills and experience as this improves the decision making of the Board.

The Board recognises the UK Listing Rules targets for board gender and ethnic diversity. As with the rest of our business, our Board composition needs to reflect the communities we serve. I am very pleased we have been able to recruit a number of experienced, successful female leaders to our Board since I was appointed in 2020. This has resulted in Chris Browne OBE succeeding Justin Atkinson as Senior Independent Director

upon his retirement on 30 September 2024. Following the recruitment of Mohammed Saddiq, and Chris Browne's appointment as Senior Independent Director, Kier complies with the UK Listing Rules' ethnicity target and Board leadership target.

Upon Justin's retirement, Stuart Togwell, Group Managing Director Construction, will be joining the Board with effect from 1 October 2024. The Committee believes that we need to replace the construction industry expertise Justin brought and Stuart's significant strategic and operational delivery experience in the construction sector will be beneficial to the Board. Further, Stuart has insights into UK government as it plans future infrastructure investment. We believe having this direct insight available to us will enhance our understanding of their priorities and our strategic decision making.

We will continue to look for high quality female candidates who can add value to the Board and seek to achieve the Board gender target of 40%. However, in its recent external assessment, the Board valued the dynamics afforded by its current size which is appropriate for the scale and complexity of its operations. So, the Committee will need to balance the benefits of meeting the target with its impact on Board dynamics.

The following pages explain the work of the Committee during the year and provide more details of how the Committee fulfils its roles and responsibilities. The Committee will continue its focus on maintaining an effective succession plan for the Board and senior management and overseeing the development of a diverse pipeline.

**Matthew Lester**  
Chairman of the Nomination Committee

## Succession planning

The Committee is responsible for the effective and orderly succession planning for the Board and senior management. It monitors the tenure of Directors to ensure that it plans sufficiently in advance of retirements from the Board to ensure orderly succession of Non-Executive Directors. All the Directors stand for election or re-election at our Annual General Meeting.

Along with considering Board succession, the Committee oversees the development of a strong pipeline of diverse and talented individuals below Board level. It regularly reviews the quality of the senior management team as it recognises the importance of creating and developing a suitably talented, diverse pipeline of leaders ready to serve as the next generation of Directors and senior management.

The Chief Executive, supported by the Chief People Officer, presents to the Committee on senior management succession planning and the talent development programme for the wider workforce. For Executive Directors and for roles in senior management, plans are in place for both sudden, unforeseen absences, and for longer-term succession. These form the basis of development plans for our most talented people and will ensure that, looking forward, we have the right people to deliver our strategy.

We encourage regular contact between senior management and the Board. This may be by way of presentations to the Board, joint Visible Leadership Tours or one-to-one sessions with Non-Executive Directors to discuss a specific issue.

## Diversity and inclusion policy

As set out in the Chairman's statement and the Chairman's introduction to the Committee's report, the Board values diversity. Having a workforce and leadership that reflects the communities Kier supports is integral to our culture. Achieving this will take time and a variety of initiatives consistently delivered. The Built by Brilliant People™ report sets out the progress against our Diversity & Inclusion roadmap, and the programmes and initiatives that Kier is implementing. The Nomination Committee continues to focus on diversity matters at Board and its sub-Committees, Executive Committee and senior management levels. During the year, the Committee monitored progress with the collection of data regarding our people to enable Kier to assess the current status and set longer-term targets and objectives.

With reference to the Board and its sub-Committees, this Diversity policy has been implemented throughout the search and appointment process for new directors. Search firms are instructed to take diversity into account when compiling a shortlist of candidates to put forward for consideration and diversity will be considered by the Committee during the interview and selection process. In the final selection decision, all Board appointments are made on merit and relevant experience, against the criteria identified by the Committee with regard to the benefits of diversity in the widest sense.



Find our more about our Board Diversity Policy

## UK Listing Rules and Disclosure Guidance and Transparency Rules

As at 30 June 2024, 33% of the Board and 40% of executive management are women. There is one Board member from an ethnic minority background and there are two members of executive management from an ethnic minority background. Executive management is defined as the members of the Executive Committee including the Company Secretary.

### Gender

Chart 1: Reporting table on sex/gender representation as at 30 June 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management <sup>1</sup>	Percentage in executive management <sup>1</sup>
Female (including those self-identifying as female)	3	33% <sup>2</sup>	— <sup>2</sup>	4	40%
Male (including those self-identifying as male)	6	67%	4	6	60%
Not specified/prefer not to say	—	—	—	—	—

- Executive management is defined as members of our Executive Committee including the Company Secretary.
- Following the appointment of Chris Browne OBE as the Senior Independent Director on 1 October 2024, there will be one female and three males in senior Board positions.

### Ethnicity

Chart 2: Reporting table on ethnicity representation as at 30 June 2024

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (Chair, CEO, CFO and SID)	Number in executive management <sup>1</sup>	Percentage in executive management <sup>1</sup>
White British or other White (including minority-white groups)	8	89%	4	8	80%
Mixed/multiple ethnic groups	—	—	—	—	—
Asian/Asian British	1	11%	—	2	20%
Black/African/Caribbean/Black British	—	—	—	—	—
Other ethnic group, including Arab	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—

- Executive management is defined as members of our Executive Committee including the Company Secretary.

The Company collects the above data used for the purposes of making this disclosure from Directors on a voluntary basis. The data of our executive management is captured via the Company's internal HR system on a voluntary basis.



### Appointment process of Mohammed Saddiq as a Non-Executive Director

The Chairman led the search together with support from the Chief People Officer and the Company Secretary. The chart below summarises the process, the outcome of which culminated in the recommendation to the Board to approve the appointment of Mohammed Saddiq as a Non-Executive Director. His biography can be found on page 91.

#### Board appointment process

##### Role requirements

A set of objective criteria for the role, including the skills, experience in particular from relevant sectors of the construction and infrastructure market in which Kier operates, and attributes required was prepared.

##### Candidate search

Nurole was then instructed to facilitate the search and identify a diverse long-list of potential candidates. Nurole is independent of Kier and the Board.

##### Interview process

A short-list of candidates was selected and undertook an interview process by a combination of the Chairman, Chief Executive, Senior Independent Director, two Non-Executive Directors and Chief People Officer. The interviewees provided feedback to the Chairman.

##### Approval

Due diligence, conflict checks and references were also carried out. Time commitments of the candidates were also considered so as to ensure the candidates would have sufficient time to devote to Kier. The Nomination Committee recommended its preferred candidate to the Board for approval. The Company Secretary was then tasked with the formalities.

### Induction process

Upon joining the Board, Mohammed Saddiq undertook an induction programme in order to assist him in becoming effective in his role as quickly as possible. The Company Secretary devised a programme in consultation with the Chairman and Chief Executive which was essentially built around a series of meetings with the Board, the Executive Committee, the Company Secretary and members of senior management (for example, the Group Financial Controller, Group Legal and Compliance Director, Head of Risk and Internal Control, Chief Information Officer and Group Health, Safety & Wellbeing Director), as well as site visits to understand our business operations.

Mohammed was also briefed on shareholders' views and focus areas, including executive remuneration matters, enabling him to have the context prior to such matters being discussed at Board meetings. He received tailored training from external legal advisors on the legal and regulatory framework of a director of a listed company. He also completed online training on Kier's Code of Conduct and Inside Information and Share Dealing. Our Senior Independent Director also acted as an 'induction buddy' for Mohammed and had debrief sessions with him post Board meetings to answer any questions. Board and Committee papers, Committee Terms of Reference, the Strategy Paper, Capital Markets Day presentation and internal Corporate policies such as the Code of Conduct and Operating Framework were made available on the Board portal for him to read before his first Board meeting.

" I have enjoyed getting to know more about Kier through the induction programme. The site visits were particularly impactful, giving me a deep appreciation for the dedicated employees who are not only committed to their work but also proud of building a lasting positive legacy for the communities we serve."

Mohammed Saddiq on his induction.

### Annual evaluation

This year's evaluation was externally facilitated by Clare Chalmers Limited as part of the Board evaluation. Details of this process and the outcome of the Board evaluation are set out on page 94. The outcome of this evaluation concluded that since the last review, the Committee has formalised with a more thorough agenda. To ensure continued effectiveness, the Committee will spend more time on Non-Executive Director succession planning, looking at long-term plans and Committee composition.

Direct reports to the Executive Committee that are women (FY23: 42%)

47%

Total workforce that are women (FY23: 25%)

25%

## Environmental, Social and Governance Committee report

**Alison Atkinson**  
Chair of the  
Environmental, Social and  
Governance Committee



“As a Committee, safety has been in sharp focus and the Committee will continue to monitor and challenge its management, as part of our commitment to remain at the forefront of our industry.”

### Chair's introduction

I am pleased to set out the work of the Environmental, Social and Governance Committee ('the Committee') for the year. The key role of the Committee is to oversee the strategy for environmental, social and governance ('ESG') matters, including the implementation of that strategy by management, to review the Group's exposure to ESG risks and monitor performance against ESG targets. Further details of the Committee's responsibilities are set out in the Terms of Reference which can be found on the Company's website.

The members of the Committee comprise all the Non-Executive Directors. Mohammed Saddiq joined the Committee on 1 January 2024 when he was appointed to the Board as a Non-Executive Director. Attendance of the members is set out on page 94. The Chairman, Chief Executive, Chief Financial Officer, Chief People Officer, Group Legal and Compliance Director and Group Health, Safety & Wellbeing Director also attended the Committee's meetings during the year by invitation. The secretary of the Committee is the Company Secretary.

### Health, safety and wellbeing

There has been continued focus on our safety performance. The Group's 12-monthly rolling Accident Incident Rate ('AIR') of 155 represents an increase of 76% compared to 88 in FY23. It equates to 41 RIDDOR reportable incidents in FY24 compared to 22 in FY23. These FY24 figures are an increase on the high-performing benchmark that we achieved last year. As a Committee this has been in sharp focus and actions taken by management to improve our safety performance have included continued implementation of our culture programme,

progressing our Safety, Health and Environment Management System ('SHEMS') simplification programme, as well as broadening the roll-out of our behavioural safety programmes. More context on our health, safety and wellbeing performance is set out in the Built by Brilliant People™ report on pages 49 to 50.

Our safety performance is our licence to operate, and the Committee will continue to monitor and challenge its management, as part of our commitment to remain at the forefront of our industry in this area.

We also looked to enhance our employee wellbeing programmes. We invest in our people's health and wellbeing to ensure they stay healthy, and feel energised, valued and supported at work, which, in turn, drives strong business performance, including our safety performance. The Committee received updates on activities designed to strengthen such support programmes. Further information on our wellbeing programmes are explained in the Built by Brilliant People™ report.

### Building for a Sustainable World

As reported last year, a double materiality assessment was carried out in FY23, which informed our evolved Building for a Sustainable World framework. The framework has three strategic pillars – Our People, Our Places and Our Planet. As part of this framework, our climate action (including carbon) milestone plan was approved, setting out the key activities and timelines to reach our long-term carbon targets.

During the year, the Committee monitored inclusion of enhanced sustainability disclosures, progress against targets set in previous years, and the development of milestone plans for remaining topics under each of the three pillars, which included the following:

- approval of milestone plan for social value;
- approval of milestone plan on ethical labour;
- approval of milestone plan on resource efficiency and the target of achieving a 20% reduction in tonnes of waste per £m of revenue by 2028; and
- carrying out a deep dive into nature and biodiversity, enabling the Committee to gain understanding of the upcoming change in legislation and its impact on Kier's operations and how we work with clients.

As part of the approval of the milestone plans, the Committee reviewed each of the respective topics to understand the context, purpose, objective, risks and opportunities.

The Committee also received updates on how Kier is supporting our clients, such as the UK Government and regulated companies, with meeting their decarbonisation targets such as by delivering buildings which are net zero in operations and infrastructure resilient to the impacts of climate change.

Our Scope 1, 2 & 3 carbon targets were validated by the Science Based Targets Initiative ('SBTi') during the year. The Committee recognises this significant achievement for the businesses and it gives assurance to both the Committee and the broader stakeholders that our carbon targets are aligned to limit global warming to 1.5°C and achieving net zero emissions. We continued to reduce our carbon footprint during the year with Scope 1 & 2 emissions falling by 9% and Scope 3 emissions by 13%.

Last year, the Committee recommended a carbon target to the Remuneration Committee for inclusion in the Long-Term Incentive Plan ('LTIP') awards (of up to 10% of the performance targets) and following the approval of our Directors' Remuneration Policy by shareholders at the 2023 AGM, this has been implemented in FY24. The Committee has recommended the same carbon reduction target, aligned with SBTi, for LTIP awards to be granted in FY25.

The Committee was kept informed of our work in our communities, for example our annual fund-raising event Moving Through May, and the work of The Kier Foundation, an independent registered charity which supports Kier's charity partner.

For more information on our work on the Building for a Sustainable World framework, progress against our targets and how we create social value, please see pages 36 to 47.

### Governance

In addition to the usual updates on activities to ensure compliance with corporate policies, and as reported last year, we performed a review of the effectiveness of the implementation of major corporate policies, with support from external advisors as appropriate. The purpose of this review is to ensure the implementation is 'fit for purpose'. This is a three-year programme. During the year, the outcome of the planned review of Kier's Anti-Bribery and Corruption and Competition Policies was reported. It was concluded that the policies and their implementation remained effective with some recommendations to improve their effectiveness, such as targeted training to operatives.

The Committee has continued its focus on ESG reporting by way of improving consistency and quality of data across each of the business divisions. The ESG reporting manual, which sets out the standards and principles for ESG reporting across Kier to support our disclosures, has been embedded. The next stage is to transition to Rio AI, an enterprise environmental data platform, which will further streamline and enhance the interrogation and reporting of environmental performance at all levels of our business, from project to Group-wide.

During the year, the Committee had a deep dive into the Business Assurance function to gain understanding of its role as the second line of defence in Business Assurance and Operational Compliance and how it fits into the overall internal control framework. This enabled the Committee to assess and manage the risks and opportunities of our business assurance and operational compliance and ensures our systems and processes meet the required UK and international standards.

As explained in the Principal Risks and Uncertainties report, the 'Climate Change' principal risk was replaced with the 'Sustainability' principal risk 'failure to identify and effectively manage sustainability risks and opportunities' which incorporates climate change and environmental incidents and aligns with Kier's Building for a Sustainable World strategy.

### External rating agencies and reporting

Our approach to external rating agencies of our ESG performance was also reviewed and streamlined to ensure Kier discloses relevant, key information to our stakeholders. Their opinions inform our approach to strengthening our management of ESG risks and opportunities and support us in developing our disclosures in future reporting years. We also achieved the London Stock Exchange's Green Economy Mark during FY24.

A high-level summary of our ESG performance reported by external rating agencies during FY24 is available on our website.

### Annual evaluation

This year's evaluation was externally facilitated by Clare Chalmers Limited as part of the Board evaluation. Details of this process are set out on page 94. The outcome of this evaluation concluded that the Committee continues to be effective and has settled well following the establishment of an extended remit three years ago. To enhance its effectiveness, the Committee will continue to liaise with other Board Committee Chairs to ensure complete coverage of relevant matters and to avoid overlapping of remit.

### Looking forward

For the coming year, the Committee will continue to focus on our ESG performance, monitoring safety performance and progress against the various milestone plans as described above.

### Alison Atkinson

Chair of the ESG Committee

## Directors' Remuneration report

**Margaret Hassall**  
Chair of the  
Remuneration Committee



“ The strength of performance of the Company under the stewardship of the executive directors has been demonstrated by the resumption of dividend payments for the first time in six years and our return to the FTSE 250 after five years.”

### Chair's introduction

On behalf of the Board, I am pleased to present the Directors' Remuneration report which is divided into three principal sections:

- my annual statement, which summarises the Committee's activities and decisions during the year;
- the annual report on remuneration, which provides details of the remuneration paid to the Board in FY24 and to be paid in FY25; and
- a summary of the Directors' Remuneration Policy (the 'Policy') which was approved at the 2023 AGM.

Before I report on the latter two items, I would like to start my statement by responding to the 2023 AGM vote on the Policy.

Following the AGM, the Remuneration Committee ('the Committee') undertook a further engagement exercise. Our major shareholders that had supported the Policy continued to express their support for the management team and the Committee's implementation of the new Policy.

For those shareholders who did not support the Policy, the primary reasons for opposition were:

- the increase in the annual bonus opportunity from 125% to 150% of salary for the Chief Executive ('CEO') and Chief Financial Officer ('CFO');
- the formalisation of the regular Long Term Incentive Plan ('LTIP') awards being set at 175% of salary for the CEO and CFO; and
- the appropriateness of the benchmarking peer group and its influence on decision making.

That said, it was evident from these follow-up conversations that shareholders continued to fully support Kier's strategy and there was a clear recognition of the importance of retaining and incentivising the CEO and CFO as we deliver on our medium-term value creation plan ('MTVCP').

The past two and a half years have seen the Group achieve significant operational and financial progress (as set out in the FY24 Group performance section below). During the consultation, we reconfirmed our commitment to shareholders that the additional opportunity under the bonus plan would be achieved only if the Executive Directors ('the Executives') accelerated delivery of the MTVCP and achieved truly stretching performance significantly above previous expectations.

On the formalisation of the LTIP award level, we appreciate that this was not set out as clearly as it should have been in earlier annual reports and should have been clarified at the time of the previous policy review in 2020. Granting awards at 175% of salary was not an increase and simply reflects the normal award levels that were agreed at the time the CEO and CFO were appointed in 2019. Since the award level was not a change to the previous approach, and given the strong support demonstrated for the Directors' Remuneration report, the Committee considered it appropriate to continue with the grant of the awards shortly after the AGM.



The performance targets applying to these 2023 awards, which were disclosed on our website at the time of grant and which are set out on page 121, show significant growth in the financial targets (EPS and cash flow) vs the range set for the 2022 awards. The 2023 awards were granted at a share price of 99.2p, being the three-month average share price prior to the time of grant and ahead of the 2021 capital raise issue price (85p).

The Committee notes the concerns raised by shareholders previously about the share price at which the 2022 LTIP award was made and, consistent with our usual practice, we will make an assessment prior to vesting to ascertain whether any windfall gains have arisen and whether Committee discretion should be applied to moderate the outcome.

In determining the appropriate level of variable pay for the Executives, the primary consideration for the Committee was implementing a framework that would continue to drive positive outcomes for shareholders. The strength of performance of the Company under the stewardship of the Executives has been demonstrated by the resumption of dividend payments for the first time in six years and our return to the FTSE 250 after five years.

Although benchmarking was used as a reference point in determining changes to the Policy, it was not the primary consideration in determining any increase. The Committee considered a range of factors when reviewing the incentive opportunity and total remuneration packages for the Executives, including (i) Kier's recent performance, showing demonstrable progress against the MTVCP, and (ii) the performance of the CEO and CFO since their appointment, and their criticality to the completion of Kier's turnaround.

The Committee intends to continue with a tailored peer group as the primary reference for benchmarking pay. The tailored peer group currently comprises Babcock, Balfour Beatty, Capita, Costain, Galliford Try, Mitie, Morgan Sindall and Serco, being companies directly competing with Kier and/or with similar levels of operational complexity. This is consistent with the group that has been used since 2021. The Committee considers this group to be an accurate reflection of the scope and complexity of Kier's operations, as well as the market in which we compete for talent. The Committee recognises that some companies in the peer group are larger than Kier, and we have therefore size-adjusted the pay data to take into account Kier's relative revenue and headcount.

The Committee remains of the view that the positioning of the Policy 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 FY25, but the Committee will continue to ensure that there is clear alignment between pay and performance and has improved the disclosures given in this annual report in this regard, to explain the remuneration outcomes delivered under the new Policy.

### FY24 Group performance

The Group has delivered a further year of strong operational and cash performance, with material debt reduction, as it moves towards the completion of the MTVCP. This has included:

- A year-end order book that has increased by 7% to £10.8bn (£10.1bn in FY23)
- 14% increase in adjusted operating profit ('AOP') to £150.2m (£131.5m in FY23)
- A year-end net cash position of £167.2m (£64.1m in FY23)
- Average month end net debt of £(116.1)m which is significantly lower than £(232.1)m in FY23
- Operating free cash flow of £217.1m (£170.6m in FY23)
- Adjusted Earnings Per Share ('EPS') increasing to 20.6p (19.2p in FY23).

The Committee has been carefully monitoring progress against the MTVCP, and is pleased with the progress made as set out in the table below.

### Employee experience

Improvements were made to the benefits for employees across the Group during the year and these are set out on page 116.

The Group's Reward & Employee Benefits Forum provides direct employee engagement on new or amended workforce policies, reward, benefits and pensions initiatives. It enables feedback to be received on the range of benefits available to employees, their accessibility and how they are communicated to our diverse workforce.

I attended the Forum and had the opportunity to discuss the implementation of the new Policy, how we engage with our shareholders and the 2023 AGM process with representatives from across the different business areas and the Group's inclusivity networks. We discussed the Committee's approach to the governance of executive pay and how the Policy aligns with our strategy. I was pleased with the positive engagement with the representatives at the meeting.

Over 1,500 employees that participated in the Group's January 2021 Sharesave which matured during FY24 benefited from the share price appreciation and received a significant increase in value to their savings. See page 116 for more information.

Medium-term value creation plan targets	Progress to date
Annual revenue c.£4.0bn–£4.5bn	– FY24: Annual revenue of £4.0bn – FY23: £3.4bn
Adjusted operating margin c.3.5%	– FY24: Margin of 3.8% – FY23: 3.9%
Cash flow conversion of operating profit c.90%	– FY24: Adjusted free cash flow conversion: 145% – FY23: 130%
Balance sheet: sustainable net cash position with capacity to invest	– FY24: Average month-end net debt £(116.1)m – FY23: £(232.1)m
Sustainable dividend policy: c.3x earnings cover through the cycle	– A dividend of 5.15p per share being paid for FY24

### Shareholder experience

During FY24, dividend payments recommenced with an interim payment of 1.67p per share paid in May 2024 and a final dividend of 3.48p to be paid in November, subject to approval at the 2024 AGM.

Our share price increased from 75p at the end of FY23 to 132p at the end of FY24 and in March 2024 we returned to the FTSE 250 for the first time in five years.

### FY24 outcomes

#### Annual bonus

The FY24 annual bonus targets related to AOP, average month end net debt, health and safety and personal objectives.

#### AOP

40% of the FY24 bonus was based on AOP. When setting the performance range, the Committee was keen to reward (i) progression on our objectives under the MTVCP, (ii) growth over the prior year, and (iii) outperformance of market consensus at the time the targets were set.

<b>Threshold</b>	£135.0m	The minimum pay out under the bonus required delivering £3.5m above FY23 actual.
<b>On-target</b>	£141.9m	The on-target pay out required outperformance of analyst consensus at the time the target was set.
<b>Maximum</b>	£153.0m	Full pay out required over 16% growth on FY23 actual, and 8% outperformance of the analyst consensus at the time the target was set.

The AOP achieved was £150.2m, equivalent to growth of 14% over FY23 and ahead of the growth observed for the same period amongst Kier's immediate construction peers.

The Committee considered the impact on the formulaic outcomes for both the AOP and average month end net debt targets from the acquisition of the rail assets of Buckingham Group Contracting Limited during the financial year. The Committee exercised its discretion to reduce the AOP achievement by £1m to £149.2m for which the payout was 33.2% of the 40% opportunity for this element of the annual bonus.

### Group average month end net debt

40% of the FY24 annual bonus was based on average month end net debt. Threshold (£155.0m) required a material improvement on the FY23 position. On-target (£135.0m) was set in line with consensus at the time the target was set. Maximum (£115.0m) required considerable acceleration in achieving the objectives of the MTVCP.

The average month end net debt achieved was £116.1m.

The Committee considered the formulaic outcome a fair representation of underlying performance and payout was determined as 38.9% of the 40% opportunity for this element.

### Health and safety

The safety target required an Accident Incident Rate ('AIR') result of 84, which was a 5% reduction on the previous year's result, for threshold achievement and an AIR of 79 or less, which was a 10% reduction on the previous year's result, for maximum achievement. The threshold level was not met and therefore no payment was made for this element.

Health and safety is our license to operate and remains a key operational focus at Kier. Actions have been taken by management to improve our safety performance including the roll out of our culture programme during FY24. This includes our nine healthy behaviours which form the basis of our culture and complement our safety specific behavioural training which is being rolled out across our projects. These programmes have been designed to bring positive health, safety and wellbeing approaches into our operations, and apply to all personnel,

including our supply chain. They sit alongside our existing policies and procedures. More context on our health, safety and wellbeing performance is set out in the Built by Brilliant People™ report on pages 48 to 54.

### Personal objectives

10% of the FY24 annual bonus was based on the achievement of personal objectives.

The personal objectives for the Executives included rolling out and embedding the culture programme and driving improvement via a balanced scorecard of financial and operational business measures.

The Committee reviewed the extent to which the Executives had satisfied their personal objectives and this is set out in detail on page 118. The employee engagement target that we had set had been achieved and progress against the KPIs in the balanced scorecard was strong. The Committee considered the strong foundations upon which the recent financial success has been built and concluded that this was the result of consistent focus by the Executives across a range of metrics. After due consideration, the Committee was supportive of full payment for this element of the bonus plan.

In light of the business and stakeholder context set out above, the Committee believes the overall bonus outcome of 82.1% of maximum opportunity is fair and appropriate. The FY24 bonuses will be delivered two-thirds in cash and one-third will be awarded in shares which will not be released until a three-year holding period is complete.

Further detail on the FY24 annual bonus outcome can be found on page 118.

### 2021 LTIP award

The targets for the 2021 LTIP award were adjusted EPS, with a weighting of 50%, total shareholder return ('TSR') with a weighting of 25% and adjusted free cash flow ('FCF') conversion with a weighting of 25%.

The targets were set at the start of the MTVCP and demanded significant improvement in EPS by FY24 of over 23% from the FY21 position, and an average adjusted free cash flow conversion of 95% to achieve maximum pay-out. In addition Kier's TSR needed to match or outperform the FTSE 250 (excluding investment trusts).

Actual adjusted EPS performance in FY24 was 20.6p resulting in 48.75% of the 50% opportunity for this element vesting. TSR was above upper quartile and average adjusted free cash flow conversion was 123.3%, resulting in both of these elements vesting in full.

When considering the LTIP vesting outcomes, the Committee recognised the significant improvements that have been made to the Group's financial position during the three-year performance period and the substantial delivery against all elements of the MTVCP since 2021.

The Committee considered the grant price of the 2021 LTIP award (108.4p) in the context of the award price for the prior year 2020 LTIP (78p) and the share price at the time of assessing the vesting level, and was satisfied that no adjustments were required for windfall gains.

The Committee was further satisfied that (i) the vast majority of the vest-date value of the 2021 LTIP award was attributable to strong performance leading to a high vesting percentage, with only c.20% attributable to share price gain; (ii) the high vesting of the financial components of the award indicated strong underlying company performance; and (iii) that the overall pay outcome for the CEO and CFO for FY24 was appropriate in the context of this strong performance. A final assessment will be made at the vest date in October.

Consequently, the 2021 LTIP award will vest at 98.75% of maximum opportunity which the Committee considers to be a fair representation of management performance over the period. The net shares vesting will be subject to a two-year holding period before being made available to the Executives. Further detail on the vesting can be found on page 119.

### Looking forward – FY25 Base salary

The Committee decided that the CEO and CFO would receive a salary increase of 3.75%, which is lower than the average 4% increase that will be applied to the majority of the wider workforce. The increases will be effective from the normal review date of 1 October 2024.

### Annual bonus

The maximum bonus opportunity for the CEO and CFO is unchanged at 150% of base salary.

The FY25 bonus targets will continue to be based on AOP (40%), average month end net debt (40%), Group health and safety (10%) and personal objectives (10%). The Committee has considered a range of factors to ensure targets are stretching. Significant outperformance will be required to achieve maximum pay out.

Full details of the performance targets will be provided in the 2025 Directors' Remuneration report.

### LTIP awards

The LTIP award level is unchanged at 175% of base salary for the CEO and CFO.

The 2024 LTIP grant will use a grant price of the three-month average share price leading up to the date of grant. The performance conditions will continue to be EPS (40%), TSR outperformance (25%), FCF (25%) and reductions in the Group's Scope 1 & 2 carbon emissions (10%). The targets are set out on page 128.

### Board appointment

As referenced in the Chairman's statement on page 6, Stuart Togwell will be joining the Board as an Executive Director with effect from 1 October 2024. His remuneration arrangements will be in line with the approved Policy.

As Committee Chair, I would like to reiterate my appreciation for the valuable feedback from shareholders and I hope to receive your support for the 2024 Directors' Remuneration report at the AGM in November.

### Margaret Hassall Chair of the Remuneration Committee

## Remuneration at a glance

### Approach to remuneration at Kier

#### Align with strategy and incentivise and reward performance:

Over two-thirds of the Executives' maximum remuneration opportunity is variable and relates to the Group's performance against its strategic priorities.

#### Align Executives' interests with those of shareholders:

Approximately half of the Executives' maximum remuneration opportunity is satisfied in shares and the Executives are encouraged to build up shareholdings in the Company of 200% of base salary over a period of up to five years.

#### Support the delivery of the Group's strategy and promote its long-term success:

To achieve this aim, the Group needs to attract and retain talented management. The Committee therefore considers practices in comparable businesses to ensure that remuneration at Kier remains competitive, enabling it to attract and retain talented individuals, but without paying more than is necessary.

### Remuneration framework

#### There are three elements to the framework for the Executives' remuneration:

##### Fixed element

Comprises base salary, taxable benefits (private health insurance and a company car or car allowance) and pension contributions.

##### Short-term element

An annual bonus, which incentivises and rewards the delivery of a balanced selection of financial and non-financial targets in a financial year, with payments being satisfied in cash (two-thirds), which are subject to clawback, and shares (one-third), which are deferred for three years and subject to malus.

##### Long-term element

Performance share awards which incentivise and reward the delivery of sustainable, long-term performance and align executives with the interests of shareholders. Shares vest after three years subject to the achievement of a scorecard of financial, TSR and ESG-based measures. Shares (net of tax) must be held for a further two years post-vesting and remain subject to clawback.

### Strategic alignment of remuneration

For the Executives and senior management, a significant part of the total remuneration opportunity is performance related, and the performance targets are directly linked to the delivery of the Group's strategy and long-term returns. The following table illustrates how that is achieved:

#### Strategic actions

Sustainable growth	Consistent and safe delivery	Generate cash
--------------------	------------------------------	---------------



#### Medium-term value creation plan

Annual revenue c.£4.0bn-£4.5bn	Adjusted operating margin c.3.5%	Cash flow conversion of operating profit c.90%	Balance sheet: sustainable net cash position with capacity to invest	Sustainable dividend policy: c.3x earnings cover through the cycle
--------------------------------	----------------------------------	--	--	--



#### How strategy links to remuneration

##### Annual bonus targets for FY25

Adjusted operating profit

40%

Average month end net debt

40%

Health, safety & wellbeing

10%

Personal objectives

10%

##### LTIP performance conditions for FY25

Group adjusted earnings per share

40%

Group free cash flow

25%

Total shareholder return

25%

Carbon emissions reduction

10%



## Remuneration at a glance continued

## Target setting and determining incentive outcomes

**Strategic measure selection**

Measures are strategic, taking into account budget and long-term forecasts

**FY24 annual bonus:**

Metrics included Group AOP (40%), average month end net debt (40%), Accident Incident Rate (AIR) (10%) and personal objectives (10%).

The financial targets were directly linked to the Group's strategic priorities and to the achievement of the MTVCP.

The non-financial targets reflected the priorities around health and safety performance, employee engagement and delivery of KPIs measured through a balanced scorecard.

**2021 LTIP:**

Metrics included adjusted EPS (50%), TSR (25%) and adjusted FCF (25%).

When the Committee selected performance metrics in 2021, the Group's turnaround was in progress but profitability and cash generation remained of primary importance and consequently long-term performance in these key areas was prioritised.

**Set stretching targets**

The Committee considers a range of factors to ensure targets are stretching

We take into account the MTVCP, the annual budget, analysts' forecasts (consensus), economic conditions that impact revenue or margin including cost inflation, individuals' areas of responsibilities and the Board's expectations over the relevant period.

Significant outperformance of target is required to achieve maximum pay out.

**Take account of wider circumstances**

The Committee takes a big picture approach

The Committee believes that the range of measures used to drive the annual bonus and LTIP ensures performance is assessed using a balanced and strategic approach. The Committee also considers the wider workforce remuneration and policies when making decisions on executive remuneration.

Given the Group's performance and wider operational achievements, and after considering the potential for windfall gains arising on the LTIP vesting, the Committee is satisfied that the FY24 bonus and 2021 LTIP outcomes represent a fair reward for performance delivered.

**Apply discretion if required**

Depending on circumstances, the Committee may exercise judgement in determining the level of achievement

The Committee has full discretion to override formulaic outcomes. Deferred shares and unvested LTIP awards are subject to a 'malus' provision during the three-year deferral/performance period. This allows the Committee to apply a reduction in certain circumstances including a material misstatement of the Group's financial statements, a material error in determining the satisfaction of a performance condition, a participant deliberately misleading the Company, the market and/or shareholders, material reputational damage to the Group, gross misconduct and any other circumstances similar in nature.

Clawback applies to the cash element of the annual bonus and the two-year holding period which applies to LTIP awards post-vesting. The circumstances in which clawback applies are the same (or substantially the same) as for malus. The Committee has the right to apply the malus and clawback on an individual or on a collective basis.

The Committee exercised its discretion in the year to reduce the formulaic out-turn under the adjusted operating profit measure in the annual bonus to reflect the impact of the acquisition of the rail assets of Buckingham Group (which was completed after the targets were originally set).

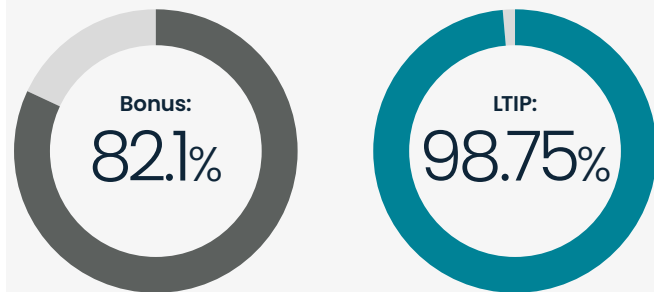
Remuneration at a glance continued

Summary of the Executive Directors' FY24 remuneration outcome

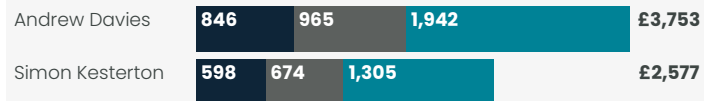
**FY24 bonus performance:**  
**Group AOP:** £149.2m (83% of max)  
**Average month end net debt:** £(116.1m) (97.3% of max)  
**Reduction in Group's Accident Incident Rate:** 0%  
**Personal objectives:** 100% achieved

**2021 LTIP performance:**  
**Adjusted EPS:** 20.6p (97.5% of max)  
**Relative TSR against FTSE 250:** above upper quartile (100% of max)  
**Adjusted Free Cash Flow:** 123.3% (100% of max)

Pay-out as a % of max (both Executives)



FY24 Remuneration (£000s) ● Fixed ● Annual bonus ● LTIP vesting



Summary of the Executive Directors' FY25 remuneration framework

**Base salary:**  
**Andrew Davies (CEO):** £813,141 (+3.75%)  
**Simon Kesterton (CFO):** £568,153 (+3.75%)  
 Effective 1 October 2024

**LTIP:**  
**Maximum:** 175% of salary  
**Targets:** EPS (40%), FCF (25%), TSR (25%), carbon emission reduction (10%)

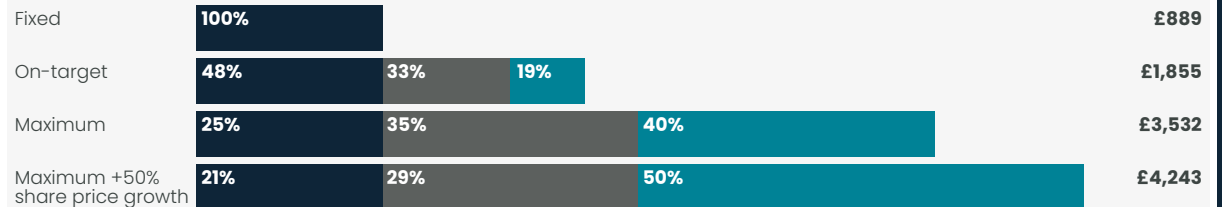
**Annual bonus:**  
**Maximum:** 150% of salary  
**Targets:** Group AOP (40%), average month end net debt (40%), Group safety performance (10%) and personal objectives (10%)

**Pension:**  
 7.5% of base salary

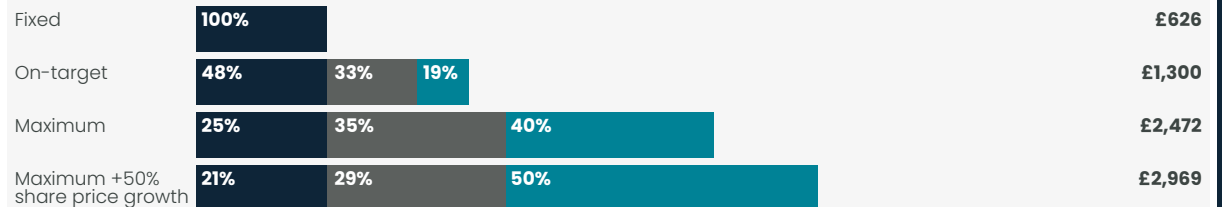
Illustration of application of Remuneration Policy in FY25 (£000's)

● Fixed ● Annual bonus ● LTIP vesting

Andrew Davies



Simon Kesterton



- 'Fixed' remuneration comprises base salary, taxable benefits and a pension contribution/cash allowance.
- The 'on-target' remuneration assumes an annual bonus payment of 50% of the maximum opportunity (150% of base salary) and a 'threshold' LTIP vesting of 25% of the maximum opportunity (175% of base salary).
- The 'maximum' remuneration assumes maximum performance is achieved and therefore awards under the annual bonus and the LTIP pay out or vest at their maximum levels.
- The 'maximum +50% share price growth' assumes maximum performance is achieved and therefore the annual bonus pays out and the LTIP awards vest at their maximum levels and at a share price which is 50% higher than the share price on the date of grant.
- No dividend equivalents are included and no value is assumed for participation in the Save As You Earn or the Share Incentive Plan.

## Remuneration at a glance continued

## Alignment between executive and employee pay

Element of remuneration		All employees	Executive Directors
Salary		Pay review boundaries approved by the Committee	Increases typically in line with average awarded to wider workforce
Annual Bonus	Participants	9.2% of employees	CEO and CFO
	Opportunity	Grade related (between 10%–100% of salary)	150% of salary
	Measures	Profit; average month end net debt; health & safety	Profit; average month end net debt; health & safety; personal objectives
	Deferral	Executive Committee: 25% of net bonus deferred for 3 years	33% of net bonus deferred for 3 years (40% if share ownership guidelines not met)
LTIP	Participants	Leadership and strategic senior managers	CEO and CFO
	Opportunity	Grade related (between 25%–75% of salary)	175% of base salary
	Measures	EPS; shareholder return; cash flow; carbon emissions	EPS; shareholder return; cash flow; carbon emissions
	Performance Period	3 years	3 years
	Holding Period	n/a	2 years
Pension		7.5% of base salary	7.5% of base salary
All-employee plans	Sharesave	Max: £6,000 p.a. (3 year saving period)	Max: £6,000 p.a. (3 year saving period)
	Share Incentive Plan	Max: £1,800 p.a. (Group funded matching shares provided on 1:2 basis)	Max: £1,800 p.a. (Group funded matching shares provided on 1:2 basis)

## Employee benefits

## Benefits and support are critical to the Group attracting and retaining a diverse, motivated workforce

During FY24, the Group continued to review and improve employee policies, benefits and wellbeing initiatives. The outcome included enhancements to the service recognition scheme, with awards available for five years of service and an increase to car allowances (excluding Executives). In addition, a workplace adjustments policy was introduced to support employees returning to the business following, for example, periods of short-term illness and pregnancy.

In addition to the annual pay review, over 1,000 employees received an enhanced pay increase in January 2024 when the Real Living Wage increased by an average of 7.3%.

All employees have the opportunity to participate in two tax-efficient share plans. During FY24, 1,500 employees participating in the Sharesave scheme which launched in 2021 benefited from the increase in the Group's share price over the last three years. Employees exercising their share options at the scheme's maturity in April 2024, made an average gain of £3,113.

## Annual report on remuneration

### Directors' remuneration for the 2024 financial year (audited)

The following table provides details of the Directors' remuneration for the 2024 financial year, together with their remuneration for the 2023 financial year.

	Fixed Pay								Variable Pay				Total			
	Salary/fee (£000)		Taxable benefits <sup>1</sup> (£000)		Pension <sup>2</sup> (£000)		Total fixed pay (£000)		Bonus (£000)		LTIP vesting (£000)		Total variable pay (£000)		Total (£000)	
	2024	2023	2024	2023	2024	2023	2024	2023	2024 <sup>3</sup>	2023	2024 <sup>4</sup>	2023 <sup>5</sup>	2024	2023 <sup>5</sup>	2024	2023 <sup>5</sup>
<b>Executive Directors</b>																
Andrew Davies	773	750	15	15	58	56	846	821	965	855	1,942	658	2,907	1,513	3,753	2,334
Simon Kesterton	542	519	15	15	41	39	598	573	674	597	1,305	536	1,979	1,133	2,577	1,706
<b>Non-Executive Directors<sup>6</sup></b>																
Alison Atkinson	69	69	–	–	–	–	69	69	–	–	–	–	–	–	69	69
Justin Atkinson	69	69	–	–	–	–	69	69	–	–	–	–	–	–	69	69
Chris Browne	57	48	–	–	–	–	57	48	–	–	–	–	–	–	57	48
Margaret Hassall	77	19	–	–	–	–	77	19	–	–	–	–	–	–	77	19
Matthew Lester	248	235	–	–	–	–	248	235	–	–	–	–	–	–	248	235
Mohammed Saddiq <sup>6</sup>	29	–	–	–	–	–	29	–	–	–	–	–	–	–	29	–
Clive Watson	69	69	–	–	–	–	69	69	–	–	–	–	–	–	69	69
<b>Total</b>	<b>1,933</b>	<b>1,778</b>	<b>30</b>	<b>30</b>	<b>99</b>	<b>95</b>	<b>2,062</b>	<b>1,903</b>	<b>1,639</b>	<b>1,452</b>	<b>3,247</b>	<b>1,194</b>	<b>4,886</b>	<b>2,646</b>	<b>6,948</b>	<b>4,549</b>

All figures in the above table have been rounded to the nearest £1,000.

1. Comprises private health insurance and a company car or a car allowance.
2. Comprises the payment of employer pension contributions and/or a cash allowance.
3. 33% of the total net bonus payment will be deferred into shares for three years.
4. The estimated value of the LTIP award that was granted in respect of the 2022–24 performance period is included in the table above, based on a share price of 137p (the three-month average share price for the period ending 30 June 2024). The award will vest in October 2024 and the shares will then be subject to a two-year holding period. For Andrew Davies, £390,809 of the estimated value of the LTIP is attributable to share price growth and dividend equivalents of £70,000 have been included. For Simon Kesterton, £262,561 of the estimated value of the LTIP is attributable to share price growth and dividend equivalents of £47,000 have been included.
5. The figures in these columns have been restated, compared to the estimated values included in the 2023 Annual Report, to reflect the Company's share price on the vesting date for the 2020 LTIP award of 105p.
6. All the Non-Executive Directors were members of the Remuneration Committee for the 2024 financial year other than Mohammed Saddiq who joined the Board on 1 January 2024.

### Notes to the Table

#### Pension entitlements (audited)

The Executive Directors are eligible to participate in the Kier Retirement Savings Plan, a defined contribution plan. The employer pension contributions are aligned with those made available to the majority of the workforce. The contributions payable to the Executive Directors are subject to the annual allowance, with the balance being payable as a cash allowance. Cash allowances are subject to tax and national insurance deductions and are excluded when determining annual bonus and long-term incentive arrangements.

The pension contributions paid on behalf of, and the cash allowances paid to, the Executive Directors in respect of the 2024 financial year were:

Director	Employer pension contribution	Pension contribution	Cash allowance	Total
Andrew Davies	7.5% of salary	–	£57,938	£57,938
Simon Kesterton	7.5% of salary	–	£40,629	£40,629



**Annual report on remuneration** continued**Annual bonus – 2024 financial year (audited)**

Details of the annual bonus target setting process are set out on page 114. Bonus outcomes for the Executive Directors in respect of the 2024 financial year were:

**Financial performance (weighting: 80%)**

Target	Weighting	Threshold <sup>1</sup>	Target <sup>1</sup>	Maximum <sup>1</sup>	Actual performance	Actual performance as a % of bonus element
Group adjusted operating profit ('AOP') <sup>2</sup>	40%	£135.0m	£141.9m	£153.0m	£149.2m	33.2%
Group average month end net debt	40%	£(155.0)m	£(135.0)m	£(115.0)m	£(116.1)m	38.9%

1. Bonus payment opportunity was 0% for threshold performance, 50% for target performance and 100% for maximum performance.

2. The AOP actual performance was reduced by £1m from £150.2m to reflect a deduction in respect of the impact on the targets from the acquisition of the rail assets from the Buckingham Group Contracting Limited. Please see below for further information.

**Health, Safety & Wellbeing (weighting: 10%)**

Target	Weighting	Threshold	Maximum	Actual performance	Actual performance as a % of bonus element
Reduction in the Group's Accident Incident Rate ('AIR') <sup>1</sup>	10%	84	79	155	0%

1. Bonus payment opportunity was 50% for threshold performance (a reduction of 5% on the FY23 AIR) and 100% for maximum performance (a reduction of 10% on the FY23 AIR). Further information is set out on page 111.

**Personal objectives (weighting: 10%)**

A maximum of 10% of the total bonus opportunity is related to the satisfaction of personal objectives as determined by the Committee. The Committee assessed performance against those objectives as follows:

	Strategic priority	Summary of objectives set	Summary of performance achieved	Determination	Actual performance as a % of bonus element
Andrew Davies Simon Kesterton	Performance Excellence	Roll-out and embed the culture programme with employee engagement (positive emotions) score of 67%.  Drive improvement via the balanced scorecard which measures key metrics around people, responsible business, customer and operational, and commercial and financial performance. The balanced scorecard is reviewed and discussed by the Board on a quarterly basis.	Roll-out of culture programme completed and moving into sustain phase. The employee survey that was focused on culture achieved an employee engagement (positive emotions) score of 68%. The weighted average score across all surveys undertaken in FY24 was 67%.  The balanced scorecard for FY24 indicated improved performance in the four key areas. Specific measures to support the improvement in the metrics relating to people, responsible business, customer and operational, and commercial financial performance were: – reduction in the voluntary attrition rate; – increase in added social value (Thrive); – increase in female representation; – increase in customer satisfaction ('NPS'); and – digital adoption – use of Your Kier % increase.	Fully Achieved	10%

## Annual report on remuneration continued

## Total outcome of annual bonus

As referenced on page 111, the Committee considered the impact on the formulaic outcomes for both the AOP and average month end net debt targets from the acquisition of the rail assets from the Buckingham Group Contracting Limited during the financial year. As a result, the Committee exercised its discretion to reduce the AOP achievement by £1m to £149.2m.

Director	Bonus payable as % of opportunity	Maximum opportunity as % of salary	Bonus payable as % of salary	Total bonus
Andrew Davies	82.1%	150%	123.15%	£965,188
Simon Kesterton	82.1%	150%	123.15%	£674,390

In accordance with the approved Remuneration Policy, 33% of the net bonus payments will be deferred into shares which will be held for three years.

## LTIP award – performance period ended 30 June 2024 (audited)

The three-year performance period for the LTIP award granted in 2021 ended on 30 June 2024. Achievement against the performance conditions for the LTIP award was as follows:

Performance Conditions	Weighting	Targets	Actual performance	Level of vesting as % of target <sup>1</sup>	Level of vesting as % of opportunity
Adjusted Earnings Per Share <sup>2</sup>	50%	0% vesting if less than 17.7p 25% vesting if equal to 17.7p 100% vesting if 20.7p or above Straight-line vesting between these points	20.6p	97.5%	48.75%
Total Shareholder Return vs FTSE 250 excluding investment trusts	25%	0% vesting for below median performance 25% vesting for at median 100% vesting for upper quartile or above Straight-line vesting between these points	Above upper quartile	100%	25%
Adjusted Free Cash Flow Conversion	25%	0% vesting if less than 68% 25% vesting if equal to 68% 100% vesting if 95% or above Straight-line vesting between these points	123.3%	100%	25%
<b>Total</b>					<b>98.75%</b>

1. Expressed as a percentage of maximum opportunity.

2. For the financial year ended 30 June 2024.

**Annual report on remuneration** continued

The vesting of these awards will result in the allocation of the following number of shares:

Director	Estimated number of shares due to vest <sup>1,2</sup>	Value <sup>3</sup>
Andrew Davies	1,417,833	£1,942,431
Simon Kesterton	952,556	£1,305,003

1. The vesting date is 28 October 2024.

2. Gross number of shares vesting including an estimate of the additional shares to be added at vesting from dividend equivalents. Following vest, the shares are subject to a mandatory two-year holding period.

3. The value of the shares has been calculated using the average share price for the three-month period ended 30 June 2024 which was 137p.

The Committee considered the grant price of the 2021 LTIP award (108.4p) in the context of the award price for the prior-year 2020 LTIP (78p) and the share price at the time of assessing the vesting level, and was satisfied that no adjustments were required for windfall gains. The Committee was further satisfied that (i) the vast majority of the vest-date value of the 2021 LTIP award was attributable to strong performance leading to a high vesting percentage, with only c.20% attributable to share price gain; (ii) the high vesting of the financial components of the award indicated strong underlying company performance; and (iii) that the overall pay outcome for the CEO and CFO for the 2024 financial year was appropriate in the context of this strong performance. A final assessment will be made at the vest date in October.

**Share awards granted during the 2024 financial year (audited)**

The following share awards were granted to those persons who, during the 2024 financial year, served as a Director:

Award <sup>1</sup>	Basis of award	Director	Shares awarded	Face value <sup>2</sup>	Award for threshold performance	Performance period	Vesting date	Performance measures
LTIP	Percentage of base salary for the year ended 30 June 2024	Andrew Davies	1,382,623	£1,371,562	25%	1 July 2023 – 30 June 2026	17 November 2026	The performance conditions are set out on page 121.
		Simon Kesterton	966,058	£958,330				
Deferred Shares	One-third of the net bonus for the year ended 30 June 2023	Andrew Davies	151,809	£151,050	n/a	n/a	30 October 2026	n/a
		Simon Kesterton	106,070	£105,540				

1. The LTIP awards were granted as conditional awards, based on 175% of base salary. On vesting, the LTIP awards are subject to a two-year mandatory holding period. The deferred shares are Ordinary Shares with a holding period of three years.

2. For the LTIP awards, the face value of the shares has been calculated using the average share price for the three-month period preceding the date of grant, which was 99.2p. For the deferred shares, the face value has been calculated using the share price on 27 October 2023, which was 99.5p.

No persons who, during the 2024 financial year, served as a Director received awards under the Share Incentive Plan.

**Annual report on remuneration** continued**LTIP 2023 Grant – Performance Conditions (audited)**

The performance measures and targets for the LTIP awards that were granted during the 2024 financial year are set out in the table below. The performance period is three years and the awards will, subject to the satisfaction of the performance conditions, vest on the third anniversary of the grant date (17 November 2026). In setting the EPS and FCF targets, the Committee considered a range of internal and external reference points, including the Group's operating and strategic plans, and analyst consensus to reflect market expectations. The targets were aligned with the ambition set out in the Group's medium-term value creation plan.

The EPS target represents a 9% (1.8p) increase at threshold and a 16% (3.6p) increase at maximum compared to the range set for the 2022 LTIP grant. The FCF target is a 9% (£10.3m) increase at threshold and a 14% (£20.4m) increase at maximum compared to the range set for the 2022 LTIP grant.

The Committee has introduced a new performance condition related to the reduction in carbon emissions, based on the Group's Scope 1 & 2 carbon emissions between the FY23 position and the 2030 near-term net zero ambition (as validated by SBTi). This reflects the Group's commitment to become net zero for business operations (Scope 1 & 2).

The Committee is satisfied that the performance targets represent the right balance between incentivising management and alignment with shareholder interests.

Performance Conditions	Weighting	Targets <sup>1</sup>
Adjusted Earnings Per Share <sup>2</sup>	40%	0% vesting for below 21.0p 25% vesting for 21.0p 100% vesting for 26.2p
TSR vs FTSE 250 excluding investment trusts	25%	0% vesting for below median 25% vesting at median 100% vesting for upper quartile
Adjusted Free Cash Flow <sup>2</sup>	25%	0% vesting for below £130.4m 25% vesting for £130.4m 100% vesting for £163m
Reduction in Carbon Emissions <sup>2,3</sup>	10%	0% vesting for above 27,625 tCO <sub>2</sub> e 25% vesting at 27,625 tCO <sub>2</sub> e 100% vesting for 26,171 tCO <sub>2</sub> e or below

1. Straight-line vesting between threshold (25% achievement) and maximum (100% achievement).

2. For the financial year ending 30 June 2026.

3. Measured over the period 1 April 2025–31 March 2026 to align with carbon reporting periods.



## Annual report on remuneration continued

## Directors' shareholdings and share interests (audited)

The Committee encourages the Executive Directors to build up a shareholding in the Company of at least two years' base salary, to be accumulated over a period of up to five years. Executive Directors are therefore encouraged to retain any shares allocated to them as part of the annual bonus arrangements, and upon the vesting of LTIP awards, until this shareholding level has been reached. The Executive Directors are required to retain shares equal in value to 200% of base salary for a period of two years from the date on which employment is terminated (or if the number of shares owned at such date is less than such value, the shares then owned).

The following table sets out details, as at 30 June 2024, of the shareholdings and share interests of those persons (together with, where relevant, the shareholdings and share interests of their connected persons) who, during the 2024 financial year, served as a Director:

	Shares held			Options held				
	Owned outright or vested <sup>1</sup>	Vested but subject to a holding period <sup>2</sup>	Unvested and subject to performance conditions <sup>3</sup>	Vested but not exercised	Unvested and subject to continued employment <sup>4</sup>	Shareholding guideline (% of salary)	Current shareholding (% of salary) <sup>5</sup>	Guideline met?
As at 30 June 2024								
Alison Atkinson	10,738	–	–	–	–	n/a	n/a	n/a
Justin Atkinson	89,308	–	–	–	–	n/a	n/a	n/a
Chris Browne	–	–	–	–	–	n/a	n/a	n/a
Andrew Davies	159,275	1,369,307	4,886,741	–	13,625	200%	257%	Yes
Margaret Hassall	18,234	–	–	–	–	n/a	n/a	n/a
Simon Kesterton	159,024	939,848	3,377,245	–	13,625	200%	265%	Yes
Matthew Lester	149,821	–	–	–	–	n/a	n/a	n/a
Mohammed Saddiq	–	–	–	–	–	n/a	n/a	n/a
Clive Watson	83,219	–	–	–	–	n/a	n/a	n/a

1. Comprising shares held legally or beneficially by the relevant Director or their connected persons.

2. Comprising shares allocated following the vesting of LTIP awards (after the payment of tax) and subject to a holding period, and deferred shares allocated to the relevant Director in connection with annual bonuses.

3. Comprising unvested LTIP awards.

4. Comprising options under the Sharesave (SAYE) schemes. See pages 123 and 124.

5. Calculated by reference to (i) shares owned outright or vested by the Director or their connected persons, (ii) deferred shares allocated (on a net of tax basis) in connection with annual bonuses, (iii) shares allocated following vested LTIP awards in the post-vesting holding period using the closing market price of a share in the capital of the Company on 28 June 2024 of £1.32 and (iv) the gross base salaries for the year ended 30 June 2024.

There have been no changes in the interests of the Directors (or their connected persons) in the Ordinary Shares in the capital of the Company since 30 June 2024.

## Annual report on remuneration continued

## LTIP awards, Deferred Shares and Sharesave options (audited)

The table below summarises the LTIP awards, deferred shares and sharesave options held by the Executive Directors.

## Andrew Davies

	As at 30 June 2023	Awards granted during the year	Awards vested during the year	Awards lapsed during the year	Awards exercised during the year	Net shares received after income tax and NIC deduction	As at 30 June 2024	Date of grant <sup>1</sup>	Grant price at date of award <sup>2,3</sup>	Market price on date awards exercised	End of performance period <sup>4</sup>	End of holding period <sup>5</sup>
<b>LTIP</b>												
2020	1,154,816	–	1,154,816	527,751	627,065	332,344	–	18/12/2020	78.3p	105.0p	30 June 2023	18/12/2025
2021	1,383,763	–	–	–	–	–	1,383,763	28/10/2021	108.4p	–	30 June 2024	28/10/2026
2022	2,120,355	–	–	–	–	–	2,120,355	21/10/2022	61.9p	–	30 June 2025	21/10/2027
2023	–	1,382,623	–	–	–	–	1,382,623	17/11/2023	99.2p	–	30 June 2026	17/11/2028
<b>Deferred Bonus Shares<sup>6</sup></b>												
2021	109,092	–	–	–	–	–	109,092	29/10/2021	108.4p	–	–	29/10/2024
2022	309,808	–	–	–	–	–	309,808	31/10/2022	61.7p	–	–	31/10/2025
2023	–	151,809	–	–	–	–	151,809	30/10/2023	99.5p	–	–	30/10/2026
<b>Sharesave<sup>7</sup></b>												
2021	5,625	–	–	–	–	–	5,625	29/10/2021	96p	–	–	–
2022	4,909	–	–	–	–	–	4,909	02/11/2022	55p	–	–	–
2023	–	3,091	–	–	–	–	3,091	31/10/2023	90p	–	–	–

For notes see page 124.

## Annual report on remuneration continued

## Simon Kesterton

	As at 30 June 2023	Awards granted during the year	Awards vested during the year	Awards lapsed during the year	Awards exercised during the year	Net shares received after income tax and NIC deduction	As at 30 June 2024	Date of Grant <sup>1</sup>	Grant price at date of award <sup>2,3</sup>	Market price on date awards exercised	End of Performance Period <sup>4</sup>	End of holding period <sup>5</sup>
<b>LTIP</b>												
2020	940,350	–	940,350	429,740	510,610	270,623	–	18/12/2020	78.3p	105.0p	30 June 2023	18/12/2025
2021	929,667	–	–	–	–	–	929,667	28/10/2021	108.4p	–	30 June 2024	28/10/2026
2022	1,481,520	–	–	–	–	–	1,481,520	21/10/2022	61.9p	–	30 June 2025	21/10/2027
2023	–	966,058	–	–	–	–	966,058	17/11/2023	99.2p	–	30 June 2026	17/11/2028
<b>Deferred Bonus Shares<sup>6</sup></b>												
2021	98,702	–	–	–	–	–	98,702	29/10/2021	108.4p	–	–	29/10/2024
2022	138,761	–	–	–	–	–	138,761	31/10/2022	61.7p	–	–	31/10/2025
2023	–	106,070	–	–	–	–	106,070	30/10/2023	99.5p	–	–	30/10/2026
<b>Sharesave<sup>7</sup></b>												
2021	5,625	–	–	–	–	–	5,625	29/10/2021	96p	–	–	–
2022	4,909	–	–	–	–	–	4,909	02/11/2022	55p	–	–	–
2023	–	3,091	–	–	–	–	3,091	31/10/2023	90p	–	–	–

1. The LTIP awards vest on the third anniversary of the date of grant and are subject to a two year post-vesting holding period.

2. For LTIP awards and deferred shares, this is the market price of a share from the business day immediately prior to the date of the award or exercise, other than for the LTIP 2023 award (see note 3 below). For Sharesave, it is the exercise price.

3. The grant price for the LTIP 2023 award was the average share price for the three-month period immediately prior to the date of the grant.

4. See 'LTIP Award – Performance Period ended 30 June 2024' on page 119 for vesting outcome. The performance conditions for the LTIP 2022 and 2023 awards are set out on page 123 of the 2022 Annual Report and page 134 of the 2023 Annual Report.

5. For LTIP, the post-vesting holding period is two years. For deferred shares, the holding period is for three years subject to early release for 'good leavers' and upon a Change of Control (see Remuneration Policy for further information).

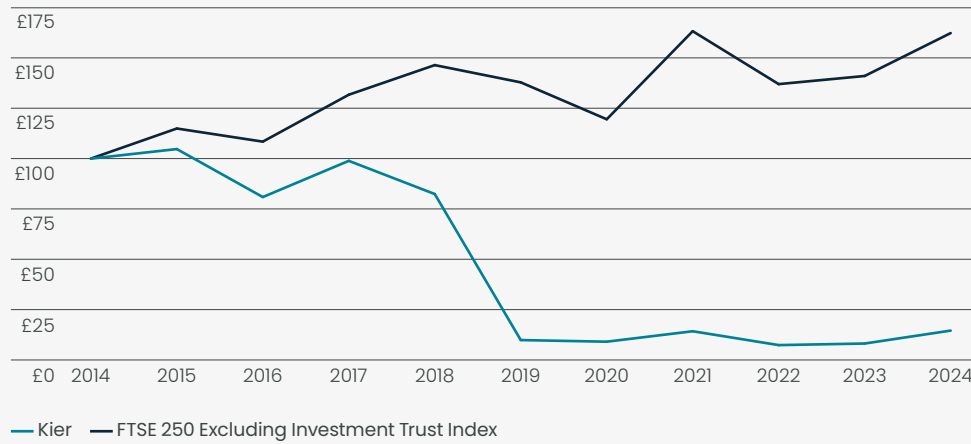
6. The amount of net bonus allocated as deferred shares was FY21: 33%, FY22: 50% (Andrew Davies) & 33% (Simon Kesterton) and FY23: 33%.

7. Assumes saving at the current rate for the three year savings period. The exercise period for each Award is six months commencing three years after date of grant.

Annual report on remuneration continued

**Total shareholder return**

The graph below shows the value, at the end of each financial year, of £100 invested in shares in the capital of the Company on 30 June 2014, compared with the value of £100 invested in the FTSE 250 (excluding investment trusts). The FTSE 250 was chosen because it includes companies of a similar size and complexity to the Group and is the comparator used for the LTIP TSR performance target.



**CEO's remuneration**

The table below sets out the total remuneration of the CEO paid with respect to each financial year indicated:

Year	2015	2016	2017	2018	2019 <sup>1</sup>	2019 <sup>1</sup>	2020 <sup>2</sup>	2021	2022	2023	2024
Chief Executive	Haydn Mursell	Haydn Mursell	Haydn Mursell	Haydn Mursell	Haydn Mursell	Andrew Davies	Andrew Davies	Andrew Davies	Andrew Davies	Andrew Davies	Andrew Davies
Chief Executive single figure of remuneration (£000) <sup>3</sup>	£1,079	£1,311	£1,199	£1,459	£423	£140	£613	£1,323	£2,119	£2,334	<b>3,753</b>
Annual bonus pay-out against maximum opportunity (%)	92	90	48	75	–	–	–	90	78.8	91.2	<b>82.1</b>
LTIP vesting against maximum opportunity (%)	–	34	29	24	–	–	–	–	75	54.3	<b>98.75</b>

1. Haydn Mursell stood down as Chief Executive on 22 January 2019 and Andrew Davies was appointed with effect from 15 April 2019.
2. Includes the temporary reduction in base salary and employer pension contributions and/or a cash allowance in response to COVID-19.
3. All figures are rounded to the nearest £1,000.



## Annual report on remuneration continued

## Executive Directors' external appointments

Andrew Davies is a non-executive director of Chemring plc and is entitled to retain the fees that he receives for this role.

## Payments for loss of office (audited)

No payments were made for loss of office during the 2024 financial year.

## Payments to past Directors (audited)

No payments were made to past Directors during the 2024 financial year.

## Percentage change in Directors' remuneration

The table shows the percentage change in base salary or fees, taxable benefits and annual bonus of each Director in the financial year indicated, compared to previous financial years, together with the approximate comparative average figures for those employees who were eligible for salary reviews on 1 October of each year and who were not subject to collective agreements. In respect of the 2024 financial year, this section of the employee population (comprising approximately 6,390 individuals across a number of levels) is considered to be the most appropriate group for comparison purposes, as its remuneration is controlled by the Group and is subject to similar external market forces as those that relate to the Executives' remuneration. Approximately 940 employees are eligible to receive a bonus.

	Base salary/fee <sup>1,2</sup>					Taxable benefits <sup>1</sup>					Annual bonus <sup>3</sup>				
	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020	2024	2023	2022	2021	2020
<b>Executive Directors</b>															
Andrew Davies	4.5%	0%	26.1%	6.7%	(6.2%)	0%	0%	7.1%	7.7%	8.3%	12.9%	15.7%	10.5%	n/a	–%
Simon Kesterton	4.5%	4%	3.5%	8.2%	(6.3%)	0%	0%	7.1%	7.7%	8.3%	12.9%	20.4%	(18.2)%	n/a	–%
<b>Chairman</b>															
Matthew Lester <sup>4</sup>	7.7%	0%	0%	4.9%	(4.6%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Non-Executive Directors</b>															
Alison Atkinson	0%	0%	8.1%	–%	–%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Justin Atkinson	0%	0%	8.1%	6.9%	(6.5%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chris Browne	0%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Margaret Hassall	0%	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mohammed Saddiq	0%	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Clive Watson	0%	0%	8.1%	8.1%	(6.5%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Other employees<sup>5,6</sup></b>	<b>7.17%</b>	7.12%	6.56%	4.73%	2.35%	<b>(9.21)%</b>	(8.0)%	(6.6)%	(0.57)%	11.35%	<b>29%</b>	48.7%	8.0%	n/a	–%

1. Base salary/fee and taxable benefits as shown in the table on page 117 and the 2023, 2022, 2021 and 2020 Annual Reports.

2. Calculated on an annualised basis where base salary/fee or taxable benefits paid for part of financial year.

3. 'Other employees' percentage change calculated for employees subject to Group bonus targets.

4. The Chairman's fees increased in October 2023. The previous fee had been in place since his appointment in January 2020.

5. Includes relevant employees of subsidiaries of Kier Group plc as there are no employees other than the Executives in Kier Group plc.

6. The reduction in taxable benefits is primarily due to company cars with lower emissions.

## Annual report on remuneration continued

## Pay ratio of CEO to average employee

The table below shows the ratio of the Chief Executive's total remuneration using the information set out in the single total figure table, compared to the total remuneration of a lower quartile, median and upper quartile employee of the UK workforce.

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile
2024	Option B	121:1	86:1	57:1
2023	Option B	77:1	52:1	34:1
2022	Option B	89:1	61:1	36:1
2021	Option B	50:1	36:1	22:1
2020	Option B	24:1	20:1	10:1

Further details of the remuneration of the CEO in the 2024 financial year and those individuals whose remuneration in the 2024 financial year was at the 25th percentile, median and 75th percentile amongst UK-based employees are as follows:

	CEO	25th percentile	Median	75th percentile
Salary	£772,500	£30,000	£42,190	£58,125
Total remuneration	£3,752,574	£30,940	£43,563	£65,277

The median, lower and upper quartile figures used to determine the above ratios were calculated by reference to the full-time equivalent, annualised remuneration (as at 30 June 2024) of the Group's UK-based employees (comprising salary, benefits, pension, annual bonus and share-based and other incentives), based on the Group's gender pay gap data at April 2024, to determine 'best equivalents' in accordance with Option B in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). The Committee selected this calculation methodology as it was considered to be the most efficient method of calculating the pay ratio given it utilises pre-existing data available to Kier.

The CEO's remuneration package is more heavily weighted to variable pay components than is the case for the general employee population (consistent with market practice), leading to an increase in the ratio when bonus and LTIPs vest at high rates following strong performance, as is the case for FY24. The Committee considers that the median pay ratio for 2024 disclosed in the above table is consistent with the pay, reward and the progression opportunities available to UK-based employees across the business.

## Relative importance of spend on pay

The graph below shows the total employee remuneration and dividends paid between FY23 and FY24:

## Total employee remuneration (£m)



## Dividend (£m)



Employee remuneration is remuneration paid to or receivable by all employees of the Group and the dividends are those paid in the 2023 and 2024 financial years as stated in notes 8 and 11 to the 2024 consolidated financial statements on pages 170 and 177 respectively.

## Annual report on remuneration continued

## Implementation of the Remuneration Policy in 2025

Remuneration Element	Implementation in the 2024 Financial Year	Implementation in the 2025 Financial Year								
<b>Executive Directors' base salary</b>	Andrew Davies: £783,750 (effective 1 November 2023) Simon Kesterton: £547,617 (effective 1 October 2023)	With effect from 1 October 2024, salaries will be: Andrew Davies: £813,141 (+3.75%) Simon Kesterton: £568,153 (+3.75%)  The base salaries for the majority of the workforce are ordinarily reviewed in July with any increase effective from 1 October. The wider workforce increase for FY25 is c.4%.								
<b>Annual bonus</b>	The maximum opportunity for the Executives was 150% of salary (75% of salary at target).  The performance measures and their weighting as a percentage of maximum opportunity were: Group AOP: 40% Average month end net debt: 40% Group health and safety: 10% Personal objectives: 10%  Group AOP and average month end net debt pay-out ranges were as follows (as a percentage of maximum opportunity): Threshold performance: 0% On-target performance: 50% Maximum performance: 100%	No change to award opportunity, measures or their weighting. The performance targets are considered to be commercially sensitive and will be disclosed, on a retrospective basis, in the 2025 Annual Report.								
<b>LTIP</b>	The LTIP awards made to the Executives were at 175% of salary.  The performance conditions (and respective weightings) and targets for the LTIP awards are set out on page 121.  The performance period is three years and the awards will, subject to the satisfaction of the performance conditions, vest on the third anniversary of the grant date.  A two-year holding period will apply to any vested awards.	No change to the level of award, length of performance period and post-vesting holding period.  The performance conditions for the award will be: <table border="1"> <tbody> <tr> <td>Adjusted Earnings Per Share<sup>1,2</sup> (40% weighting)</td> <td>0% vesting for below 22.4p 25% vesting for 22.4p 100% vesting for 27.1p</td> </tr> <tr> <td>TSR outperformance<sup>2,3</sup> (25% weighting)</td> <td>0% vesting for below median 25% vesting at median 100% vesting for upper quartile</td> </tr> <tr> <td>Adjusted Free Cash Flow<sup>1,2</sup> (25% weighting)</td> <td>0% vesting for below £135.8m 25% vesting for £135.8m 100% vesting for £169.8m or higher</td> </tr> <tr> <td>Reduction in Carbon Emissions<sup>2,4,5</sup> (10% weighting)</td> <td>0% vesting for above 26,804 tCO<sub>2</sub>e 25% vesting for 26,804 tCO<sub>2</sub>e 100% vesting for 25,394 tCO<sub>2</sub>e or below</td> </tr> </tbody> </table>	Adjusted Earnings Per Share <sup>1,2</sup> (40% weighting)	0% vesting for below 22.4p 25% vesting for 22.4p 100% vesting for 27.1p	TSR outperformance <sup>2,3</sup> (25% weighting)	0% vesting for below median 25% vesting at median 100% vesting for upper quartile	Adjusted Free Cash Flow <sup>1,2</sup> (25% weighting)	0% vesting for below £135.8m 25% vesting for £135.8m 100% vesting for £169.8m or higher	Reduction in Carbon Emissions <sup>2,4,5</sup> (10% weighting)	0% vesting for above 26,804 tCO <sub>2</sub> e 25% vesting for 26,804 tCO <sub>2</sub> e 100% vesting for 25,394 tCO <sub>2</sub> e or below
Adjusted Earnings Per Share <sup>1,2</sup> (40% weighting)	0% vesting for below 22.4p 25% vesting for 22.4p 100% vesting for 27.1p									
TSR outperformance <sup>2,3</sup> (25% weighting)	0% vesting for below median 25% vesting at median 100% vesting for upper quartile									
Adjusted Free Cash Flow <sup>1,2</sup> (25% weighting)	0% vesting for below £135.8m 25% vesting for £135.8m 100% vesting for £169.8m or higher									
Reduction in Carbon Emissions <sup>2,4,5</sup> (10% weighting)	0% vesting for above 26,804 tCO <sub>2</sub> e 25% vesting for 26,804 tCO <sub>2</sub> e 100% vesting for 25,394 tCO <sub>2</sub> e or below									
<b>Pensions</b>	The pension contributions or cash allowances payable on behalf of or to the Executive Directors is 7.5% of salary. This is aligned with the pension benefit available to the majority of the workforce.	No change								

## Annual report on remuneration continued

Remuneration Element	Implementation in the 2024 Financial Year	Implementation in the 2025 Financial Year
<b>Benefits</b>	The Executives receive private health insurance and either a company car or a car allowance, which will be £13,900 per annum.	No change
<b>All-employee share plans</b>	The Executives are entitled to participate in the all-employee share plans on the same terms as all other eligible employees.	No change
<b>Shareholding requirements</b>	200% of salary. The deferral allocation of any net bonus payment into shares increases from 33% to 40% until the shareholding requirements are met.  Post-employment: the Executives are required to retain the lower of the shares held at cessation of employment or shares to the value of 200% of base salary for a period of two years.	No change
<b>Non-Executive Directors' fees</b>	With effect from 1 October 2023:	With effect from 1 October 2024, the base fees will be increased by 3.75% which is aligned with the increase for the Executive Directors:
	Chair of the Board £253,000	Chair of the Board £262,488
	Base fee for Non-Executive £57,000	Base fee for Non-Executive £59,138
	Additional Fees:	Additional Fees:
	Chair of Environmental, Social and Governance Committee £12,000	Chair of Environmental, Social and Governance Committee £12,000
	Chair of Nomination Committee –	Chair of Nomination Committee –
	Chair of Remuneration Committee £20,000	Chair of Remuneration Committee £20,000
	Chair of Risk Management and Audit Committee £12,000	Chair of Risk Management and Audit Committee £12,000
	Senior Independent Director £12,000	Senior Independent Director £12,000

1. For the financial year ending 30 June 2027.
2. Straight-line vesting between threshold (25% achievement) and maximum (100% achievement).
3. The comparator group comprises FTSE 250 Index excluding investment trusts.
4. Kier's ESG performance metrics are set out on page 56.
5. Measured over the period 1 April 2026–31 March 2027 to align with carbon reporting periods.

## Annual evaluation

## 2024 evaluation

This year's evaluation was externally facilitated by Clare Chalmers Limited as part of the Board evaluation. Details of this process are set out on page 94. The outcome of this evaluation concluded that the Committee continues to be effective with papers shared earlier for discussion and improved metrics. To maintain effectiveness and ensure relevant stakeholder views are being considered, the Committee will continue to engage with shareholders and management prior to determining and making a decision on executive remuneration matters.

## Advisers

During the 2024 financial year, the Committee undertook a review of its advisers and following a selection process appointed Ellason LLP to replace Willis Towers Watson ('WTW') as its independent adviser. Both Ellason and WTW are signatories of and adhere to the Code of Conduct for Remuneration Consultants which has been developed by the Remuneration Consultants Group. There are no connections between Ellason or WTW and either the Company or any of the Directors. The Committee was satisfied that the advice it received from both Ellason and WTW is objective and independent. During the year, fees paid to Ellason and WTW for advice to the Committee were £41,010 and £74,223 (excluding VAT) respectively. The fees were charged on a time spent basis. During the year, WTW also provided rewards and benefits advice to the Group.



**Annual report on remuneration** continued**Shareholder voting**

The Directors' Remuneration report and the Remuneration Policy were subject to shareholder votes at the 2023 AGM. The results of the vote on the resolutions were:

**Directors' Remuneration report**

Votes for <sup>1</sup>	Percentage votes for	Votes against <sup>2</sup>	Percentage votes against	Votes withheld
267,251,805	99.69%	835,349	0.31%	82,147

1. Includes those votes for which discretion was given to the Chairman.

2. Does not include votes withheld.

**Remuneration Policy**

Votes for <sup>1</sup>	Percentage votes for	Votes against <sup>2</sup>	Percentage votes against	Votes withheld
158,612,472	61.40%	99,696,433	38.60%	9,860,396

1. Includes those votes for which discretion was given to the Chairman.

2. Does not include votes withheld.

The Board understood the sensitivities around the issue of executive remuneration and the Chair of the Committee has engaged directly with key investors. Please refer to the Chair's statement on pages 109 to 112 for more information.

**How the Remuneration Policy aligns with the UK Corporate Governance Code 2018**

The Policy is available at [www.kier.co.uk](http://www.kier.co.uk). The Committee has determined the Policy in line with the UK Corporate Governance 2018 (the '2018 Code') as set out below:

Principle		Committee approach
<b>Clarity</b>	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	The Group's remuneration arrangements are clearly communicated to shareholders through this Directors' Remuneration report. The Board actively engages with shareholders and the Chair discussed the arrangements with workforce representatives through the Group's Reward & Employee Benefits Forum.
<b>Simplicity</b>	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The remuneration structures are straightforward with a small number of performance measures which are tied to the Group's strategy.
<b>Risk</b>	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The reputational and other risks that may result from excessive rewards are clearly understood. The Committee has the discretion to adjust annual bonus payments and vesting levels of LTIPs to address this issue. Wide-ranging malus and clawback provisions apply to the incentives.
<b>Predictability</b>	The range of possible values of rewards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	The Committee maintains caps on the maximum incentive opportunities as reflected in the Group's Remuneration Policy.
<b>Proportionality</b>	The link between individual awards, the delivery of strategy and the long-term performance of the Group should be clear. Outcomes should not reward poor performance.	Discretion can be applied in relation to variable remuneration to ensure that rewards reflect the long-term performance of the Group; and the performance measures attached to awards are carefully chosen.
<b>Alignment to culture</b>	Incentive schemes should drive behaviours consistent with the Group's purpose, values and strategy.	The Committee reviews the incentive schemes to ensure alignment with the strategy and medium-term value creation plan.

**Compliance statement**

This Directors' Remuneration report complies with the Companies Act 2006, Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended) and the Listing Rules of the Financial Conduct Authority and applies the main principles relating to remuneration which are set out in the 2018 Code.

## Directors' Remuneration Policy

### Introduction

The Company's Remuneration Policy received shareholder approval at the AGM held in November 2023 and a summary of the key features is set out below. The full policy can be found on pages 144 to 153 of the 2023 Annual Report.

Element and link to strategy	Operation	Opportunity	Performance measures
<b>Base salary</b> To attract and retain Executive Directors of the calibre required to deliver the Group's strategy	Salaries are reviewed annually by reference to a number of factors, including an individual's experience, performance and role within the Group, the external market (including FTSE companies of a similar size and sector peers) and any increase awarded to the wider employee population.	Any increase will typically be in line with those awarded to the wider employee population. The Committee has discretion to award higher increases in circumstances that it considers appropriate, such as a material change in the complexity of the business or an individual's responsibility.  Details of salary changes will be disclosed in the Annual Report.	Not applicable.
<b>Benefits</b> To provide benefits which are competitive with the market	Benefits are reviewed from time to time and typically include, but are not limited to, a company car or car allowance, private health insurance and life assurance.	Benefits are set at a level which the Committee considers appropriate in light of the market and an individual's circumstances.	Not applicable.
<b>Save As You Earn ('SAYE') schemes</b> To encourage ownership of the Company's shares	One or more HMRC-approved schemes allowing all employees, including Executive Directors, to save up to the maximum limit specified by HMRC rules. Options are granted at up to a 20% discount.	The maximum amount that may be saved is the limit prescribed by HMRC (or such other lower limit as determined by the Committee) at the time employees are invited to participate in a scheme. Typically, employees are invited to participate on an annual basis.	Not applicable.
<b>Share Incentive Plan</b> To encourage ownership of the Company's shares.	An HMRC-approved scheme which is open to all UK tax resident employees of participating Group companies. Executive Directors are eligible to participate.  The Company may match shares purchased with an award of free shares. Matching shares may be forfeited if employees leave within three years of their award, in accordance with the SIP rules.	Participants can purchase shares up to the prevailing limit approved by HMRC (or such other lower limit as determined by the Company) at the time they are invited to participate.  The Company currently offers to match purchases made through the plan at the rate of one free share for every two shares purchased but may increase this to the prevailing limit approved by HMRC.	Not applicable.
<b>Pension</b> To provide a retirement benefit which is competitive with the market	Executive Directors participate in a defined contribution scheme.	The maximum employer contribution for the Executive Directors is aligned with those made available to the workforce, being, at the date of this policy, 7.5% of pensionable salary.  Executive Directors may elect to receive all or part of the employer contribution as a taxable cash supplement.	Not applicable.

## Directors' Remuneration Policy continued

Element and link to strategy	Operation	Opportunity	Performance measures
<p><b>Annual bonus</b></p> <p>To reward the delivery of short-term performance targets and business strategy</p>	<p>The Company operates a discretionary bonus scheme.</p> <p>Whether a bonus is awarded and the amount (if any) of bonus awarded will be determined at the Committee's discretion.</p> <p>The Committee may determine that it is appropriate to adjust the bonus outcome taking into account such factors it considers relevant, including but not limited to: (i) the performance of the Company or of any member of the Group; (ii) the conduct or performance of a participant; and/or (iii) any circumstances or events which have occurred in the year.</p> <p>Payments under the bonus scheme are based on an assessment of performance against targets over the year.</p> <p>One-third of any net payment is satisfied by an allocation of Kier Group plc shares, which is deferred for three years (subject to early release for good leavers and upon a change of control).</p> <p>The proportion of the net payment to be allocated into Kier Group plc shares is increased to 40% until the Executive Director share ownership guideline is achieved.</p> <p>Dividend payments accrue on deferred bonus shares over the deferral period.</p> <p>Malus and, in the case of the cash element of a bonus, clawback will apply.</p>	<p>The maximum potential bonus for the Executive Directors is 150% of base salary.</p> <p>'Threshold' performance, for which an element of bonus may become payable under each component of the annual bonus, is set by the Committee each financial year.</p> <p>The level of bonus for achieving threshold performance varies by performance target, and may vary for a target from year to year, to ensure that it is aligned with the Committee's assessment of the degree of difficulty (or 'stretch') in achieving it.</p> <p>No payment is made for a performance outcome below the threshold target. The outcome for achieving on-target performance would be 50% of maximum bonus opportunity.</p>	<p>The Committee determines the bonus targets and their relative weightings each year. The weighting towards non-financial targets will be no higher than 20% of the maximum potential bonus.</p> <p>Actual bonus targets (and performance against each of these targets), and any use by the Committee of its discretion with respect to bonus payments, will be disclosed in the Annual Report immediately following the end of the relevant performance period.</p>

## Directors' Remuneration Policy continued

Element and link to strategy	Operation	Opportunity	Performance measures
<p><b>LTIP awards</b> To reward the sustained strong performance by the Group over the longer term</p>	<p>Awards are granted annually and will typically vest, subject to the achievement of performance conditions, on the third anniversary of the date of grant. The performance period will be no less than three years. A two-year post-vesting holding period applies.</p> <p>A malus provision applies to awards pre-vesting and a clawback provision applies to the post-vesting holding period.</p> <p>Dividend equivalents may apply to awards.</p> <p>The awards are subject to the LTIP rules and the Committee may adjust or amend the awards only in accordance with the LTIP rules.</p> <p>The LTIP rules permit the Committee to exercise its discretion to modify any performance condition(s) when it deems it fair and reasonable to do so. Any use of Committee discretion with respect to modifying any performance condition(s) will be disclosed in the relevant Annual Report.</p> <p>The Committee may adjust the number of shares which will vest if, in its discretion, it determines that it would be appropriate to do so in order to override the formulaic outcome of any performance condition, taking into account such factors as it considers relevant, including but not limited to: (i) the performance of the Company or of any member of the Group; (ii) the conduct or performance of a participant; and/or (iii) any circumstances or events which have occurred since the award was granted.</p>	<p>The maximum award is 200% of base salary.</p> <p>The Committee may grant awards of up to the maximum permitted in exceptional circumstances. It considers 175% to be the normal annual grant level but shall reduce this level where it considers it appropriate to do so.</p> <p>On achieving the threshold performance level for each element of the award, 25% of the relevant element of the award will vest.</p> <p>Vesting is on a straight-line basis between threshold and maximum levels of performance.</p>	<p>Prior to granting an award, the Committee sets performance conditions which it considers to be appropriately stretching.</p> <p>The performance conditions relating to an award, and their respective weightings, will be disclosed in the Annual Report immediately following its grant.</p>



**Directors' Remuneration Policy** continued**Non-Executive Director remuneration policy****General**

The Non-Executive Directors' remuneration (including that of the Chairman) reflects the anticipated time commitment to fulfil their duties. Non-Executive Directors do not receive bonuses, long-term incentive awards, a pension or compensation on termination of their appointments. The policy on Non-Executive Directors' remuneration is as follows:

Element and link to strategy	Operation	Opportunity	Performance measures
<b>Fees</b> To attract and retain Non-Executive Directors of the calibre required and with appropriate skills and experience	Fee levels are reviewed annually with reference to individual experience, the external market and the expected time commitment required of the Director.  Additional fees are payable to the Chairs of the Board's committees and to the Senior Independent Director.	Fees may be increased in line with the outcome of the annual review and will not normally exceed the increase awarded to the wider employee population. Higher increases may be awarded should there be a material change to the requirements of the role, such as additional time commitment.  Any changes to fees will be disclosed in the annual report on remuneration for the relevant year.	Not applicable.
<b>Benefits</b> To reimburse Non-Executive Directors for expenses	Reasonable and necessary expenses are reimbursed, together with any tax due on them.	Expenses (including, without limitation, travel and subsistence) incurred in connection with Kier business and any tax payable thereon.	Not applicable.

## Directors' report

### Introduction

This Directors' report and the Strategic report on pages 1 to 84 (inclusive) together comprise the 'management report' for the purposes of Disclosure Guidance and Transparency Rule 4.1.5R.

### Information incorporated by reference

The information shown in table 1 opposite is provided in other appropriate sections of this Annual Report and the financial statements and is incorporated into this Directors' report by reference.

### Disclosures required under UK Listing Rule 6.6.1R

Table 2 opposite sets out the location of information required to be disclosed under UK Listing Rule 6.6.1R, where applicable.

### Results and dividends

The Group's results and performance highlights for the year are set out on pages 77 to 82. An interim dividend of 1.67p per Ordinary Share of 1p each ('Ordinary Share') in the capital of the Company (FY23: nil) was paid on 31 May 2024. The Directors propose a final dividend of 3.48p per Ordinary Share (FY23: nil). Subject to approval at the 2024 Annual General Meeting ('AGM'), the final dividend will be paid on 29 November 2024 to shareholders on the register of members at close of business on 25 October 2024.

### Share capital

As at 30 June 2024, the issued share capital of the Company consisted of 452,133,752 Ordinary Shares. During FY24, the Company issued 5,819,317 Ordinary Shares in connection with the exercise of options under the Kier Group plc Sharesave Scheme 2016 (the 'Scheme') with an aggregate nominal value of £58,193.17 (FY23: 72,753 Ordinary

Shares with an aggregate nominal value of £727.53). Between 1 July 2024 and 10 September 2024, 488,694 Ordinary Shares were issued in connection with the exercise of options under the Scheme. Further details of changes to the Ordinary Shares issued and of options and awards granted during the year are set out in the Consolidated statement of changes in equity and in note 25 to the consolidated financial statements. The Company does not currently hold any Ordinary Shares in Treasury.

Subject to the provisions of the articles of association of the Company (the 'Articles') and prevailing legislation, shares may be issued with such rights or restrictions as the Company may by ordinary resolution determine or, if the Company has not so determined, as the Directors may decide.

As authorised by shareholders at the 2023 AGM, the Company undertook a capital reduction pursuant to section 641(1)(b) of the Companies Act 2006, whereby the Company's share premium account of £684.4m and capital redemption reserve of £2.7m were cancelled in their entirety (the 'Capital Reduction'). This was undertaken as a housekeeping exercise in order to create distributable reserves to support the potential future payment by the Company of dividends as well as future share buybacks, should circumstances dictate it desirable to do so. The Capital Reduction was effective on 22 December 2023.

## 1. Information incorporated by reference

Information	Reported in	Pages
Corporate governance	Corporate governance Statement of Directors' responsibilities	85–134 (inclusive) 138
Directors	Board of Directors Directors' shareholdings and share interests	90–91 (inclusive) 122–124 (inclusive)
Employee engagement	Built by Brilliant People™ Our key stakeholders Engaging with our people	48–54 (inclusive) 66 96–97 (inclusive)
Employment of disabled persons	Creating an environment to thrive	52
Engagement with suppliers, customers and others	Our key stakeholders	65–67 (inclusive)
Financial instruments	Consolidated financial statements – note 27	195–199 (inclusive)
Going concern	Financial review	82
Greenhouse gas emissions	Energy and carbon reporting	56
Important events since the end of the financial year	n/a	n/a
Likely future developments	Chief Executive's review	7–14 (inclusive)
Results and dividends	Financial review	77–82 (inclusive)

## 2. Disclosures required under UK Listing Rule 6.6.1R

Information required to be disclosed	Page(s)
(1) Amount of interest capitalised	n/a
(2) Publication of unaudited financial information	n/a
(3) Long-term incentive schemes	n/a
(4)–(10) Miscellaneous	n/a
(11)–(12) Waiver of dividends	136
(13) Agreement with controlling shareholders	n/a

### 3. Substantial holdings – section 793 information as at 30 August 2024

Shareholder	Interest
Hargreaves Lansdown Asset Management	4.62%
Schroder Investment Management	4.36%
JO Hambro Capital Management	4.25%
abrdn (Standard Life)	3.89%
Columbia Threadneedle Investments (formerly BMO Global Asset Management)	3.30%
M&G Investments	3.19%

### 4. Substantial holdings – DTR disclosures as at 10 September 2024

Shareholder <sup>1</sup>	Interest <sup>2</sup>
abrdn plc	5.76%
Pendal Group Limited	5.04%
Brewin Dolphin Limited	5.01%
Charles Stanley Group plc	5.00%
BlackRock, Inc.	4.99%
M&G Plc	4.99%
Lombard Odier Asset Management (Europe) Limited	4.98%
Rathbone Investment Management Limited	4.93%
Schroders plc	4.93%
Jupiter Fund Management PLC	4.78%
Aviva plc	4.77%
Norges Bank	3.03%

1. The most recent notification received by the Company from Woodford Investment Management Limited ('WIM') in July 2019 indicated a shareholding of 22,901,145 shares, which would represent 5.06% of the Company's issued share capital as at 10 September 2024. Although the Directors of the Company believe that the number of shares held by WIM has decreased significantly since that time, as they understand that the funds managed by WIM are in the process of being closed down, the Company has not received an updated notification of change in shareholding pursuant to the Disclosure Guidance and Transparency Rules.

2. Subject to rounding.

### Substantial holdings

The information in table 3 opposite has been provided as at 30 August 2024 under requests made to shareholders under section 793 of the Companies Act 2006. As such this information is regarded by the Company as providing an up-to-date representation of our major shareholders' interests.

In addition, we have included in table 4 opposite the interests in the share capital of the Company which have been notified to the Company as at 10 September 2024 under Rule 5.1 of the Disclosure Guidance and Transparency Rules. The information in table 4 is based on the latest notifications that have been made to the Company by the relevant shareholders; accordingly, it may not accurately represent the actual interests of the relevant shareholders in the share capital of the Company.

### Rights under employee share schemes

As at 30 June 2024, JTC Employer Solutions Trustee Limited ('JTC'), as the trustee of the Kier Group 1999 Employee Benefit Trust, owned 11,785,236 Ordinary Shares (2.61% of the Company's issued share capital at that date). These shares are made available to satisfy share-based awards granted to senior management under the Group's remuneration arrangements and may be used to satisfy the exercise of options granted under all employee share plans. JTC does not exercise any voting rights in respect of these shares and waives any dividends payable. In addition, as at 30 June 2024, JTC held 1,498,159 Ordinary Shares (0.33% of the Company's issued share capital at that date) in a nominee capacity on behalf of senior management in connection with the Company's deferred bonus arrangements.

JTC votes to the extent instructed by the holders of the beneficial interests in these shares (the 'Beneficial Holders') and distributes any dividends received to the Beneficial Holders.

As at 30 June 2024, Equiniti Limited ('Equiniti') held 9,741,302 Ordinary Shares (2.15% of the Company's issued share capital at that date) on trust for the benefit of members of the Kier Group plc Share Incentive Plan. Equiniti does not exercise any voting rights in respect of the shares held by the trust (although beneficiaries may authorise Equiniti to vote in accordance with their instructions). Equiniti distributes dividends received to beneficiaries under the trust.

As at 30 June 2024, the trustee of the May Gurney Integrated Services PLC Employee Benefit Trust held 19,045 shares (0.004% of the Company's issued share capital at that date). These shares are made available to satisfy awards of shares under the Group's remuneration arrangements. The trustees do not exercise any voting rights in respect of shares held by its trust and waive dividends payable with respect to such shares.

### Restrictions on transfer of securities in the Company

There are no restrictions on the transfer of securities in the Company, other than those that are set out in the Articles or apply as a result of the operation of law or regulation. The Company is not aware of any agreements between holders of securities that may result in restrictions on the transfer of securities in the Company.

### Securities carrying special rights

No person holds securities in the Company carrying special rights with regard to control of the Company.

### Restrictions on voting rights

No shareholder will, unless the Board otherwise determines, be entitled to vote at any general meeting if any calls or other sums then payable by the shareholder in respect of that share are unpaid or if that shareholder has been served with a disenfranchisement notice.

The Company is not aware of any agreements between holders of securities that may result in restrictions on voting rights.

### Appointment and replacement of Directors

Directors may be appointed by the Company by ordinary resolution or by the Board. A Director appointed by the Board holds office until the next AGM of the Company after his/her appointment and is then eligible to stand for election.

Each of the Directors will stand for election or re-election by shareholders at the 2024 AGM. Further information about the Directors' skills and experience can be found on pages 90 and 91.

The Company may by ordinary resolution, of which special notice has been given, remove any Director before the expiry of the Director's period of office.

### Directors' insurance and indemnities

The Directors have the benefit of the indemnity provisions contained in the Articles and the Company maintains Directors' and officers' liability insurance for the benefit of the Directors and the Company's officers. The Company and Kier Limited have also entered into qualifying third-party indemnity arrangements in a form and scope which comply with the Companies Act 2006. Each of these arrangements remain in force as at the date of this Annual Report.

### Powers of the Directors

Subject to the Articles, applicable law and any directions given by shareholders, the Company's business is managed by the Board, which may exercise all the powers of the Company.

### Powers in relation to the Company issuing its shares

The Directors were granted authority at the 2023 AGM to allot shares in the Company (i) up to an aggregate nominal amount of £1,487,731 and (ii) up to an aggregate nominal amount of £2,975,462 in connection with a rights issue. The Directors were also granted authority to allot shares (i) non-pre-emptively and wholly for cash up to an aggregate nominal amount of £446,319 and (ii) for the purposes of financing an acquisition or other capital investment up to a further nominal amount of £446,319.

In addition, at the 2023 AGM, the Directors were granted authority in connection with follow-on offers, up to a maximum amount of £178,527. The concept of follow-on offers was introduced by the latest institutional shareholder guidelines, including the Pre-Emption Group's Statement of Principles which were updated in November 2022 to help existing and retail investors to participate in equity issues.

### Powers in relation to the Company buying back its shares

The Company was granted authority at the 2023 AGM to make market purchases of up to 44,631,938 Ordinary Shares (representing 10% of its the Company's issued shares as at 21 September 2023) up until the earlier of the conclusion of the 2024 AGM and close of business on 31 December 2024. The Directors had no intention at the time of the 2023 AGM of exercising the authority but wished to have the flexibility to do so in future. No Ordinary Shares were purchased by the Company during the year.

The Company proposes to seek at the 2024 AGM renewal of its authority to make market purchases of up to 10% of its issued shares as at the latest practicable date prior to the publication of the Notice of AGM. As in 2023, the Directors have no present intention of exercising this authority but wish to have the flexibility to do so in the future.

### Amendment of Articles

The Articles may be amended by a special resolution of the Company's shareholders.

### Change of control

The Group's senior borrowing facilities, being: (i) a bank funded £260m revolving credit facility, (ii) 2014 note purchase agreements relating to the Group's US private placements of notes, and (iii) the £250m 2024 senior notes each contain provisions under which, in the event of a change of control of the Company, the Company may be required to repay all outstanding amounts borrowed.

Certain of the Group's commercial arrangements, including certain of its joint venture agreements, contract bond agreements and other commercial agreements entered into in the ordinary course of business, include change of control provisions.

Certain of the Group's employee share schemes or remuneration arrangements contain provisions relating to a change of control of the Company. Outstanding awards or options may become exercisable or vest upon a change of control.

There are no agreements between the Company and the Directors providing for compensation for loss of office that occurs as a result of a takeover bid (other than those referred to above).

### Subsidiaries and branches

A list of the Group's subsidiaries and the branches through which the Group operates are listed in note 31 to the consolidated financial statements.

### Political donations

The Company made no political donations during the year (FY23: nil).

### Research and development

The Group undertakes research and development activities when providing services to its clients. The total amount of the direct expenditure incurred by the Group when undertaking such activities is not readily identifiable, as the investment is typically included in the relevant project.

### Auditors

The Board has decided that PricewaterhouseCoopers LLP will be proposed as the Group's auditors for the financial year ending 30 June 2025. A resolution relating to this re-appointment will be proposed at the forthcoming AGM.

### AGM

The Company's 2024 AGM is scheduled to be held on 14 November 2024. Please see the Notice of AGM for further information.

This Directors' report was approved by the Board and signed on its behalf by:

### Jaime Tham Company Secretary

11 September 2024  
2nd Floor, Optimum House,  
Clippers Quay, Salford M50 3XP

## Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts 2024 and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' confirmations

The Directors consider that the Annual Report and Accounts 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Governance section, confirm that, to the best of their knowledge:

- the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group;

- the Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

**Andrew Davies**  
Chief Executive

**Simon Kesterton**  
Chief Financial Officer

11 September 2024