



Carbon Reduction Plan

Kier Group plc

October 2024

Our business

Kier’s purpose is to sustainably deliver infrastructure which is vital to the UK. We are a leading provider of infrastructure services, construction, and property developments, and committed to delivering for communities and leaving lasting legacies through our work. At the core of our project delivery is technical excellence, using the latest building methods, innovations and technology to ensure we offer the best value for our clients.

The data, targets, and initiatives presented within this carbon reduction plan apply to and are structured in line with all business divisions within our organisational boundary. These divisions and their bidding entities are:

Business Divisions

Natural Resources, Nuclear & Networks



Delivers long-term contracts in maintenance and capital projects to the water, nuclear and energy sectors; and protection of habitats and communities in our natural environment and waterways

Transportation



Designs, builds and maintains infrastructure for the highways, rail, aviation, and ports sectors and delivers work for National Highways, Network Rail, Transport for London and HS2, as well as a number of local and combined authorities.

Construction



Comprises of our Regional Building, Strategic Projects, Kier Places (workplace solutions, residential solutions and building solutions), and International businesses. Kier is a leading UK national contractor, providing project delivery for the public and private sectors across a number of sectors including education, healthcare, defence, justice and borders, and commercial.

Property



Invests in and develops schemes and sites across the UK and concentrates on mixed-use commercial and residential development delivered through joint venture partnerships.

Bidding entities

Kier Infrastructure and Overseas Limited, Kier Integrated Services Limited, McNicholas Construction Services Limited, Kier Construction Limited

Kier Transportation Limited (formerly Kier Highways Limited), Kier Integrated Services Limited, Kier Infrastructure and Overseas Limited, Kier Transportal Limited (formerly Clearbox Limited)

Kier Construction Limited, Kier Graham Defence Limited, Kier Business Services Limited, Kier Education Services Limited, Kier Services Limited, Kier Facilities Services Limited

Kier Property Developments Limited, Watford Health Campus Partnership

Reporting Standards & Scope

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

Kier employs Energise as a climate consultant, providing accountancy services and support in strategy development and implementation. Energise undertake a series of quality assurance checks in line with industry best practice to ensure the Greenhouse Gas statements are as accurate as possible. The process follows the principles of ISAE 3410, Assurance Engagements on Greenhouse Gas Statements standard, which is undertaken to ensure that the statement is considered materially correct, a fair representation of the greenhouse gases emitted and is prepared in alignment with the Greenhouse Gas Protocol and the relevant scope of activities of Kier as a group.

During the reporting year our GHG data across scopes 1, 2 and 3 was third party verified to ISO 14064-1 with reasonable assurance. The data presented in this report for FY24 reflects the verified data within our GHG report in line with the verification opinion statement.

Note: within this document, "FY" refers to full year ending March. FY24 therefore refers to the period April 2023 – March 2024.

Consolidation approach



Financial control

Verification status



ISO 14064-1
(reasonable assurance)

Changes from Previous Carbon Reduction Plan

In line with the requirements of PPN06/21, this carbon reduction plan is updated annually to present the most recent financial year of data.

> Reflecting our new business structure

Since the previous reporting year, our targets and data performance have been amended to reflect the restructure of the Infrastructure Services part of our business from Kier Highways, Kier Infrastructure, and Kier Utilities to Kier Transportation and Kier Natural Resources, Nuclear & Networks.

> Including our recent acquisition

During the reporting year we acquired the rail division of Buckingham Group, inheriting 11 rail projects and c.180 colleagues within our Kier Transportation division. Following an assessment of the GHG impact of this acquisition, the additional emissions fell below the significance threshold of our restatement approach (5%), therefore these emissions have been included in our FY24 data and will continue to be included in following years, but our historic emissions have not been restated as a result of this acquisition.

> Validating our science-based targets

During the reporting year our targets we validated by the Science Based Targets Initiative (SBTi) to ensure alignment with the aim of the Paris Agreement to limit global warming to 1.5°C. As a result of the significant reduction in scope 1 & 2 emissions since our base year, our near-term reduction targets have been increased to ensure we maintain suitable forward-looking ambition. More information can be found in the "Emission Reduction Targets" section.

> Verifying our data

During the reporting year our GHG data for scopes 1, 2 and 3 in FY23 and FY24 was third party verified to ISO14064-1 with reasonable assurance. The data presented within this report is aligned with the verification opinion statement.

The next planned revision of this carbon reduction plan is October 2025.

Emission Reduction Targets

Kier is committed to achieving net zero emissions by 2045. This commitment includes scopes 1, 2 and 3, however in the interim we are aiming to achieve net zero for scope 1 and 2 by 2039 and a series of near-term reduction targets by 2030. These targets apply to all divisions as per our organisational boundary as defined in the introduction.

In 2023, our near-term and net zero targets were validated by the Science Based Targets Initiative (SBTi), ensuring that our targets are in alignment with the aim of the Paris Climate Agreement to limit global warming to 1.5°C. Our targets are based on absolute emissions using a market-based methodology and require a minimum reduction of 90% from our base year with a maximum of 10% being neutralised through offsetting. For our scope 1 & 2 targets we apply a base year of FY19, and for scope 3, FY22.

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

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

- EV100: A global initiative aiming to accelerate a transition to electric vehicles. Under this initiative, by 2030 we have committed to transition 100% of vehicles up to 3.5t and 50% of vehicles between 3.5 and 7.5t to electric (including battery electric, plug-in hybrid, fuel cell, and extended range vehicles). This includes our company car fleet and commercial vehicle fleet.
- Race to Zero: A campaign to build momentum towards a decarbonised economy.
- Supply Chain Sustainability School: An industry-led organisation for driving the improvement of sustainability knowledge and skills throughout the whole value chain.
- Contractors Declare: A public declaration of our climate and ecological crises and a commitment to take positive action.

To achieve our carbon budgets, near-term targets, and net zero targets, we have developed a medium-term milestone plan, setting out our strategic actions to improve efficiency and reduce emissions. This plan is detailed on the following page and further information on these initiatives is provided under 'Carbon Reduction Projects'.

By 2030



71.5%
reduction in scope 1 emissions



98%
reduction in scope 2 emissions



42%
reduction in scope 3 emissions

By 2039



Net zero
scope 1 & 2

By 2045



Net zero
scope 3

Net zero
target year



2045

Target
validation
status



Validated
(1.5°C
alignment)

Emission Reduction Targets cont. – our milestone plan

The timeline below shows the milestones we have achieved, have planned, or are working towards in each calendar year to support the delivery of our near-term carbon reduction and net zero targets. Where actions are marked as complete, details are provided in the carbon projects section of this plan.

2023	2024	2025	2026
<p>Scope 3 targets</p> <p>Introduce carbon budgets and action plans for scope 3 emissions</p> <p>Supply chain engagement</p> <p>Begin engagement to investigate opportunities to improve supply chain data collection</p> <p>Energy efficient buildings</p> <p>Introduce targets for minimum EPC ratings of buildings delivered by Kier Property</p>	<p>Target validation</p> <p>Obtain SBTi validation on net zero and near-term targets</p> <p>Data verification</p> <p>Obtain ISO14064 verification on GHG data</p> <p>Company car fleet strategy</p> <p>Introduce a strategy to deliver on our EV100 commitments for our company car fleet</p> <p>HVO investigation</p> <p>Contribute to the SCSS HVO research paper to assess sustainability</p> <p>Corporate estate</p> <p>Make sustainability factors a consideration for office leases</p> <p>Site accommodation</p> <p>Enhance minimum sustainability requirements for site accommodation</p> <p>Concrete & steel</p> <p>Conduct a baseline assessment for low carbon concrete and steel use</p>	<p>Internal carbon pricing</p> <p>Investigate opportunities for internal carbon pricing</p> <p>Expanded CDP disclosure</p> <p>Expand our CDP disclosure to include forests and water</p> <p>Energy excellence initiative*</p> <p>Introduce an initiative to improving monitoring, engagement and incentivisation of best practice for energy management</p> <p>Supply chain data collection</p> <p>Engage with our largest suppliers to improve our supply chain data capture and reporting</p> <p>Commercial vehicle strategy</p> <p>Introduce a strategy to deliver on our EV100 commitments for our commercial vehicle fleet</p>	<p>Land use change**</p> <p>Review land use change and consider SBTi Forests, Land Use and Agriculture (FLAG) validation</p> <p>EV company car list</p> <p>100% of company car list options to be EV/PHEV</p>

Action complete

Action in progress

Not yet started

*New action

**Moved to 2026 due to planned publication of GHG Protocol guidance

Baseline Emissions Footprint

The table opposite presents our emissions footprint in tCO₂e for financial year 2021/22 (FY22).

In other public disclosures, our base year for scope 1 & 2 and scope 3 are defined as FY19 (1st April 2018 – 31st March 2019) and FY22 (1st April 2021 – 31st March 2022) respectively.

To present a consistent base year for PPN 06/21 compliance, we have reported FY22 as our base year for all scopes in this document only. Our targets, strategy, and actions use the baseline years defined in our other disclosures.

The scope 3 categories included in the figure opposite include:

- > Upstream transportation & distribution
- > Waste generated in operations
- > Employee commuting (incl. teleworking)
- > Business travel

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

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

A breakdown by business division is provided in the table. Data which is unallocated to any division, such as overhead and Group central functions emissions, have been excluded from the table but included in the emissions total.

	Scope 1	Scope 2 (market-based)	Scope 2 (location-based)	Scope 3 (included sources)	Total emissions (market-based, included scope 3 sources)
Total	38,643	324	4,569	61,676	100,643
Construction	8,979	85	2,528	21,901	30,965
Transportation	12,495	217	1,273	8,786	21,498
Natural Resources, Nuclear & Networks	14,359	4	166	23,248	37,611
Property	10	0	48	1,660	1,670

Footnotes to table:

¹Emissions associated with our Group central functions are not included in the breakdown by business division but are included in the total.

²The scope 3 totals include only the categories required by PPN06/21 listed opposite. Additional scope 3 categories are included within our other public disclosures, including our Climate Report, Annual Report and Accounts and our CDP disclosure.

Current Emissions Footprint

The table opposite presents our emissions footprint in tCO2e for financial year 2023/24 (FY24).

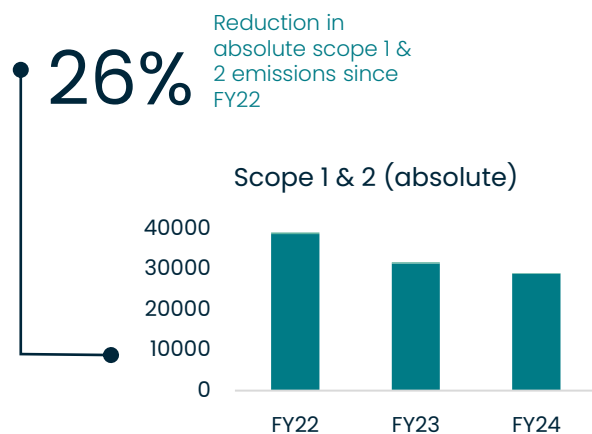
The scope 3 categories included in the figures opposite are the same as presented in the baseline emissions footprint.

A divisional breakdown is provided in the table. Data which is unallocated to any division, such as overhead and corporate functions emissions, have been excluded from the table but included in the emissions table.

Performance to date

Kier has a proven track record in reducing carbon emissions and has delivered targets set through previous successful sustainability strategies. Since our baseline year (FY22), we have achieved an 26% reduction in our scope 1 & 2 emissions (using a market-based methodology) and a 32% reduction in our scope 3 emissions*.

This equates to a 39% reduction in emissions intensity for scope 1 & 2 and a 32% reduction in emissions intensity for scope 3*.



*relevant categories only (see page 5)

	Scope 1	Scope 2 (market-based)	Scope 2 (location-based)	Scope 3 (included sources)	Total emissions (market-based, included scope 3 sources)
Total	28,853	115	2,521	41,776	70,744
Construction	4,374	86	1,870	14,697	19,157
Transportation	10,015	4	287	8,544	18,562
Natural Resources, Nuclear & Networks	13,868	2	134	17,492	31,362
Property	3	0	92	177	179

Footnotes to table:

¹Emissions associated with our Corporate Functions and any unallocated emissions are not included in the divisional breakdown but are included in the total.

²The scope 3 totals include only the categories required by PPN06/21 listed opposite. Additional scope 3 categories are included within our other public disclosures, including our Climate Report, Annual Report and our CDP disclosure.

Carbon Reduction Projects

Environmental Management Measures

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



Construction






























Property



Transportation



Natural Resources, Nuclear & Networks

	ISO 14001	ISO 14064-1	PAS 2080	CDP	Science Based Targets Initiative	Energy Savings Opportunities Scheme (ESOS)	Carbon Trust Standard	Taskforce for Climate-related Financial Disclosure (TCFD)
What it is	Our environmental management system, used to identify and reduce impacts, including GHG emissions.	Certification for GHG quantification and management.	Certification for carbon management in buildings and infrastructure.	Annual disclosure of climate-related matters, including strategy, targets, and performance.	Validation of our climate targets to demonstrate alignment to a 1.5°C trajectory.	Compliance through undertaking regular energy audits of our sites, offices, and fleet.	Certified reductions in environmental impact of operations and supply chain.	Disclosure of our processes to mitigate climate-related risks and realise climate-related opportunities
First achieved	2005	2024	2024	2010	2023	2015	2013	2022
Who it applies to	  	   	  	   	   	   		   

See our website for more details on our memberships and disclosures [→](#)

Carbon Reduction Projects cont.

Complete carbon reduction initiatives

The following environmental management measures and projects have been completed to support the delivery of the targets defined in this carbon reduction plan. This is not an exhaustive list, but details some of our most notable initiatives within the reporting period.

Title	Description	Division	Status
Biochar	Conduct a feasibility study to review how vegetation removed from highways projects can be processed to produce biochar and then used on site, supporting with plant growth and filtering out microplastics from highways runoff.	Transportation	Complete
Carbon Circuit	Develop the "carbon circuit", a process map to support the delivery of low whole life carbon buildings with clearly defined roles to support collaboration internally and externally	Construction	Complete
Corporate estate strategy	Introduce minimum EPC ratings, public transport links, and other sustainability aspects as considerations when entering new or renewing leases for our offices and depots.	Group	Complete
HVO Research	Contribute to the Supply Chain Sustainability School (SCSS) research project to investigate sustainability risks within the supply chain of HVO fuel.	Group	Complete
Hydrogen depot feasibility	Conduct a desktop feasibility study for a hydrogen-powered depot	Transportation	Complete
Minimum EPC performance	Within our Property division, set minimum EPC ratings for new projects	Property	Complete
Site accommodation standards	Work with our hire partners to develop minimum standards and guidance documents to improve energy efficiency of our site set-ups.	Construction / Transportation / Natural Resources, Nuclear & Networks	Complete

Carbon Reduction Projects cont.

Planned carbon reduction initiatives

The following projects are planned, are in progress (working towards a completion date), or are ongoing (no end date) to support the delivery of the targets defined in this carbon reduction plan. This is not an exhaustive list, but details some of our most notable initiatives within the reporting period.

Title	Description	Progress to date	Division	Status
Biomethane feasibility	Conduct a feasibility study to assess the potential for biomethane as a suitable alternative fuel for HGVs, reviewing infrastructure, vehicle changes, and cost and carbon comparisons	The feasibility assessment for this initiative is current underway	Transportation	In progress
Carbon insetting	Investigate opportunities for carbon insetting across our portfolio	We have identified a site within our portfolio with opportunities for renewable energy generation, carbon offsetting, and other sustainability applications. Planning to realise this opportunity is currently underway.	Property	In progress
Carbon literacy programme	Develop a carbon literacy training course to upskill internal teams on Kier's targets and strategy	Training materials have been developed within our divisions and the courses are being rolled out to relevant internal teams.	All	Ongoing
Commercial vehicle strategy	Work with our fleet partner to develop a transition plan for the electrification of our commercial vehicle fleet in line with our EV100 commitments	We are working with our divisional fleet managers and our fleet partner to determine timelines for a transition to electric and PHEV options.	Group	In progress
Company car strategy	Develop a strategy to support the delivery of our EV100 commitments for our company car fleet	We are currently finalising our company car strategy to support delivery of our EV100 targets.	Group	In progress
Concrete & steel	Investigate opportunities to increase the proportion of low carbon concrete and steel used for our projects	We are currently undertaking baseline assessments on a sample of projects within each division to identify opportunities.	Group	In progress
"Energy excellence" initiative	Development of an initiative to monitor compliance, best practice, and innovation with regards to energy sourcing and energy efficiency across our offices, depots and sites.	We are currently analysing our location list to inform the development of this initiative.	Group	In progress
EV charger partnership	Introduce partnership with an electric vehicle charging infrastructure provider to support the roll out of charging points across our corporate estate	We have appointed a provider and are currently undertaking surveys and installations to make charging infrastructure available at our highest priority locations	Group	Ongoing
Internal carbon pricing	Investigate opportunities to use an internal carbon pricing mechanism to inform decision making and drive behaviour change	We are currently planning a trial of an internal carbon pricing methodology, the outcome of which will be used to inform wider roll out.	Group / Natural Resources, Nuclear & Networks	In progress
Sustainability scorecard	Launch a sustainability scorecard to reflect project-level performance, best practice and innovation, including carbon reduction	All divisions have developed their own version of a scorecard specific to their operations. These scorecards continue to be used to monitor and encourage improvements in performance.	All divisions	Ongoing

Declaration & Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

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

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

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

Signed on behalf of the supplier:

Andrew Davies, Chief Executive

Date: 04/10/2024



Completed initiative: Biochar

See page 9

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