



Gender Pay Statement 2023

A message from our CPO

Our mission is to create a high performing and diverse business where we can all belong, contribute and thrive.

There is still a huge amount of work to do to address equity and inclusion in the construction industry.

At Kier, we are committed to creating a working environment where everyone feels they can belong, contribute and thrive. We will continue to demonstrate through our actions and commitments that we value our female colleagues, and taking steps to address the pay gap is a vital part of that work.

I am pleased that there are encouraging signs of progress which we can see in this statement, including a decrease in our mean gender pay gap over the last year. This is not at the level that we want it to be, but it shows that our efforts are beginning to have an effect.

We know that this is going to be a sustained journey and we are committed to this over the longer term to bring about meaningful change.

We are working to bring more women into Kier, in large part through our efforts to encourage young women into careers in construction, and thanks to this work the number of women in Kier has increased by 1.7% over the past year.

It's important that we continue to create opportunities for our female colleagues to advance, and I'm pleased to see another rise in the number of women in senior leadership roles at Kier. More women who moved into or improved their leadership roles did so via promotion as opposed to men, which also shows we are looking at the talent we have internally and are providing more opportunities for women to progress through the organisation.

Last year, shortly after starting as chief people officer, I made commitments to diversify our operational teams, which historically have been made up of men. This is a lead driver for what makes up our gender pay gaps. We want to attract and retain more women and ensure they have career pathways to help them progress.

We are seeing progress across these areas, and some of the findings in this year's statement demonstrate that. However there is more to do.



Louisa Finlay
Chief People Officer
Kier Group plc

Gender pay gap reporting explained

A gender pay gap statement looks at a company's workforce and measures the difference in its average hourly earnings between its male and female employees.

This statement covers both the pay gap and bonus pay gap.

The gender pay gap statistics are calculated using basic pay on 5 April 2023, including shift premium, maternity, paternity, sick, adoption and parental leave, regional or area allowances, car allowances and other cash allowances, such as clothing.

Bonuses for the year to 5 April 2023 include performance and productivity bonuses, other bonuses and incentives, piecework and commission, as well as any long-term or share-based incentives.

At Kier, we have one employing entity which we are required to report on, and this is Kier Limited.

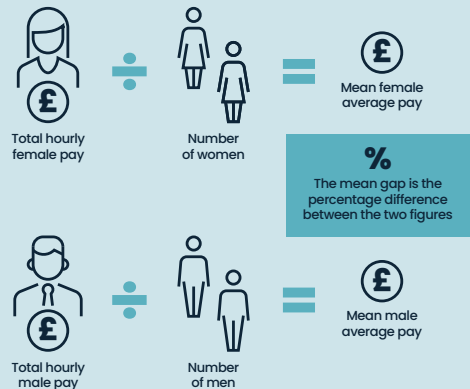


Picture taken at a ceremony for Kier graduates completing their training programme

Calculating the mean

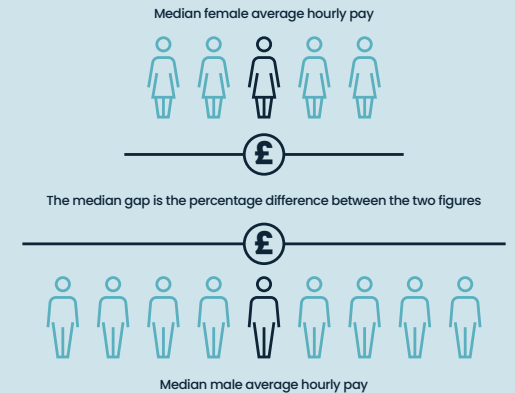
The **mean** gender pay gap is calculated by adding up all average hourly salaries and dividing them by the number of employees. The resulting gap is the percentage difference between the average hourly pay figures for women and men.

The same methodology is applied to calculate the mean and median gender bonus gap.



Calculating the median

The **median** gender pay gap is calculated by separately ranking the hourly pay for women and men from lowest to highest and comparing the average hourly pay for the middle male and female employee. The resulting gap is the percentage difference between the mid-points in male and female hourly pay.



Our figures explained

We have decreased our mean gender pay gap over the past year, but have seen an increase in the median. The mean gender pay gap has fallen by 1.2% and the median has increased by 0.8%.

Our gender pay gap has decreased at the mean, but increased at the median. Our mean gender pay gap is now 20.6% (from 21.8% in 2022) and the median is 24.3% (from 23.5% in 2022).

These figures are impacted by our workplace profile, as Kier employs around three times more men than women and a higher proportion of senior leadership is male.

However, we have seen improvements in both these areas over the past year, with the female population increasing by 1.7% and the number of women in leadership roles increasing by around 11%.

We are pleased to see an increase in the number of women joining Kier, and firmly believe in our approach to attract female emerging talent into the organisation and helping them grow and progress.

We recognise the impact this has on our gender pay gap in the medium term, and will continue to find ways to attract more senior women to Kier to drive greater balance.

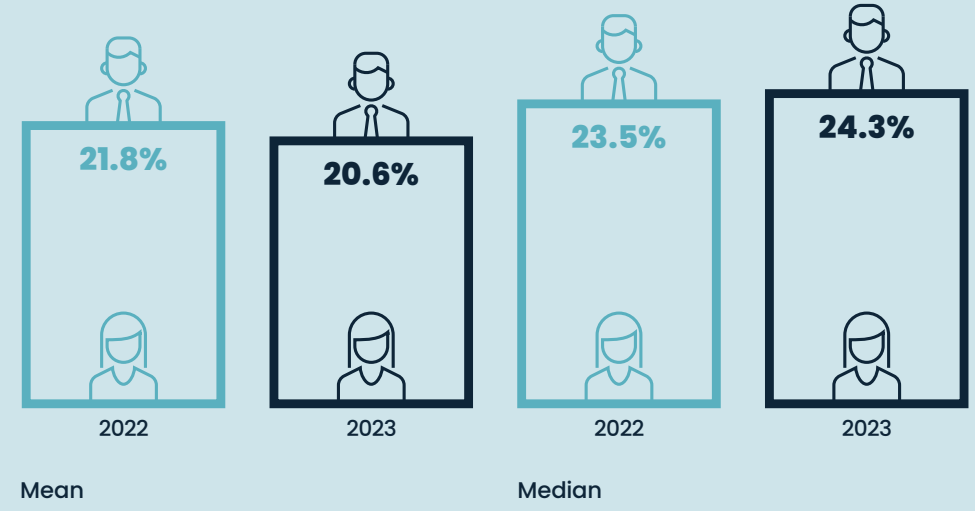


The mean gender pay gap has fallen by

1.2%



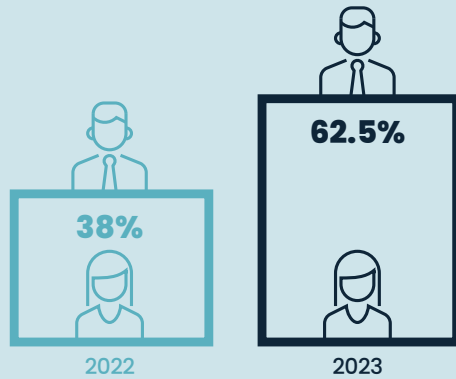
Kier Limited 2023 mean and median gender pay gap (hourly pay @ 5 April 2023)



Picture taken on our A417 project in Gloucestershire

2023 mean and median gender bonus gap

(earned in 12 months to 5 April 2023)



Mean



Median

Our bonus gap has remained at 0% for the median, but increased to 62.5% at the mean (from 38%).

The mean bonus gap continues to favour men as more men occupy roles which include payments that fall under the definition of bonuses used in the regulations, for example, performance, productivity and attendance payments. This means a higher percentage of men are in receipt of a bonus.

Recognising the Group's strong financial performance, certain bonus payments were higher over the year.

We have also taken note of updated government guidance on which elements should be included in our calculations, which are reflected in this

year's figures for the first time. We will continue to include these elements to provide a consistent comparison in our future statements.

The median bonus gap remains at 0%, in line with the previous year.



Picture taken at our roundtable discussion for International Women's Day

Going forward

Kier is taking steps to address its gender pay gap across the organisation and has a long-term, sustainable plan to achieve this.

The make up of our organisation, which is still three-quarters male, and work we are doing to bring more women into early career paths, are just part of the

reason why we know this will require our long-term focus and commitment.

We will be supported in this by our Gender and Inclusion Alliance. This important employee network, which has over 150 members and sponsorship from two of our executive committee, plays a key role in driving forward our efforts to drive up gender balance and drive down gender pay gaps across our organisation.

Highlighting success

We continue to promote the achievements of women within Kier, both inside and outside the organisation, and we are proud to see one of our apprentices named as Apprentice of the Year at the Ladder for Greater Birmingham Apprenticeship Awards. Jade Davies is a Highways Apprentice who has been working with Kier on our highways maintenance contract in Birmingham since last year.



Jade Davies

Growing our own talent:

We are helping women within Kier progress to senior roles –

The number of women in senior leadership has increased by around

11%



Bringing in more graduates:

54% of all graduate offers made so far this year have been to women*

*Correct as of end of March 2024.



Promoting from within:

We know a key way to cut the gender pay gap is to create opportunities for women within Kier to progress into senior positions. Mandy Duncan joined Kier in 2022 as a commercial director with over 30 years of experience, including as a project manager and commercial lead for major projects across the nuclear, rail, water and aviation sectors. This year, she took over responsibility for two of Kier's key strategic sectors, as managing director for rail and aviation, both vital areas for Kier's growth.



Mandy Duncan

Statutory declaration

I confirm that the data and information presented in this statement are accurate and meet the requirements of the UK Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Louisa Finlay
Chief People Officer
Kier Group plc