



CASE STUDY

Kier Group

Harnessing stakeholder engagement
to prioritise sustainability topics

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Informing the evolution of Kier's sustainability strategy by understanding financial and impact materiality

The brief

- How can Kier Group update its strategy to reflect the most pressing sustainability topics?
- What's the best way to align the new strategy with emerging regulations and best practices like double materiality?
- How can Kier engage the workforce and internal/external stakeholders to inform strategy and secure buy-in?

The situation

Kier Group is one of the UK's largest construction companies with £4bn in revenue and 10,000 employees. Operating across sectors including transport, nuclear power and telecommunications, Kier is a key strategic supplier to the UK Government, delivering 400+ live projects, including major infrastructure initiatives including the HS2 high-speed railway.

As a sustainability leader, Kier has set ambitious goals, including net zero for scope 1 and 2 emissions by 2039 and net zero across its value chain by 2045. However, its existing three-year sustainability strategy had become outdated due to changes in the business and regulatory landscape. Kier wanted to refresh its strategy to address the most pressing sustainability topics, comply with evolving standards including the Corporate Sustainability Reporting Directive (CSRD) and engage its workforce to foster ownership and interest in ESG topics.



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Project deliverables



Review of regulations, industry frameworks, and global sustainability trends to identify a comprehensive landscape of relevant sustainability topics



Stakeholder engagement via surveys, focus groups, and interviews to refine topics relevant to Kier and enthuse the wider business about the opportunities of sustainability



Development of an assessment methodology to evaluate sustainability topics based on financial and impact materiality



Prioritisation of material topics to inform Kier's sustainability strategy and support CSRD reporting

How we helped

To support Kier, we implemented a robust double materiality assessment and provided an in-depth presentation of the findings to inform strategy. Our approach involved three key stages:

Topic identification: We reviewed regulatory and reporting standards, investor priorities, peer strategies and global mega trends to create a long list of potentially material sustainability topics, each of them clearly defined to ensure precision and avoid overlap.

Stakeholder engagement: Building on these learnings we engaged Kier's internal and external stakeholders, including employees, clients and suppliers – firstly through Kier's app which generated 1,487 internal and 116 external responses. We also conducted 44 interviews and focus groups with executives, senior leaders and external partners. This process revealed valuable insights into the risks and opportunities associated with sustainability

topics from both impact and financial perspectives.

Prioritisation with precision: Next, we developed an evaluation methodology that assessed both impact materiality (considering scale, scope and irremediability) and financial materiality (weighted 67% for client priorities and 33% for investor priorities). In addition, we created a prioritisation matrix that categorised topics by short-, medium- and long-term significance, providing a clear framework and platform for strategy development. The topics are also linked to the UN Sustainable Development Goals (SDGs) to support and highlight Kier's contribution.

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"Sancroft's pragmatic approach provided us with a thorough, decision-useful prioritisation of our material sustainability topics. We have since been able to action Sancroft's insights, building findings into our new sustainability strategy that we feel confident addresses our key impact areas. This initiated a huge amount of focused, fruitful activity which was only possible as a result of the process we went through."

BEN STONE, GROUP HEAD OF ENVIRONMENTAL SUSTAINABILITY, KIER

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What Kier achieved

As a result of this process, Kier now has a deeper understanding of its most important sustainability topics, enabling it to consolidate previous efforts and create a refreshed strategy that resonates with key stakeholders and employees. The strategy, outlined in its “Building for a Sustainable World” report, is simple, focused on outcomes, and allows divisional leads that have been engaged throughout the process to determine the most effective action plans.

The double materiality assessment means Kier has been able to easily align its approach with CSRD requirements, ensuring compliance while driving strategic value. Kier has also updated its metrics across the business, replacing low-priority data points with more relevant ones, streamlining data collection and improving efficiency.

Additionally, the assessment highlighted previously overlooked areas in the construction industry, such as human rights impacts, prompting Kier to initiate new investigations and actions to address critical gaps.

Key takeaways

- While not required under CSRD, listening to both internal and external stakeholders fosters buy-in and uncovers areas for improvement
- Double materiality assessments are not just compliance exercises; they are strategic tools that inform broader business decisions and priorities
- Investigations into a broad range of sustainability-related subjects shine a light on areas that have not been a previous focus and where effort is required to improve

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If you want to know how we can help accelerate your path to sustainability, get in touch with Felix.Gummer@sancroft.com