

Sustainability Report 2023



Our purpose is to leave an enduring legacy
on our infrastructure and built environment,
improving the way people live and work.

Introduction

Financial Year Ending (FYE) 2023 was a significant year for Kilnbridge in the realm of positive social impact. While we have always pursued operational, procurement, and people goals in line with our values as a firm, we recognised the need for a more strategic and thoughtful approach to ESG overall. This corresponded with other work undertaken at Board level to chart the future course of the business as we enter our fourth decade of trading and look to the future.

This work has included a focus on our mission and purpose as an organisation, giving us an opportunity to clarify both.

Construction and engineering are some of the few sectors whose impact can be measured and experienced in terms of centuries. The decisions made today will shape the skylines and landscapes of Britain for generations. All of us working in this space have a responsibility to consider what the consequences of our decisions will be, not just in terms of materials or waste, but our business practices, people-based decisions, and community influence.

And so, with legacy in mind, last year we focused on revitalising our sustainability strategy into a cohesive framework encompassing priorities aligned to the UN Sustainable Development Goals (UNSDGs) and our emerging business strategy.

Our business strategy was also revisited with sustainability now firmly positioned as a key pillar in achieving our own corporate and wider national goals: **to drive our sustainable agenda and support national decarbonisation ambitions.**

While we are in the early stages of our strategic sustainability journey, we are building on a solid foundation. We have set specific targets for the next five years, and KPIs by way of measuring progress and to ensure continuous improvement and evolution, and to hold ourselves accountable on our journey.

This update report is the first of its kind for us at Kilnbridge, and hopefully contextualises the work we are undertaking both internally and alongside industry partners to ensure that the legacy we leave on our cities and national infrastructure is a positive one.

Oana Caltia
Head of Sustainability



Sustainability Strategy

At Kilnbridge we are all driven by the same, shared values:



Responsibility



Integrity



Teamwork



Excellence

Our Priorities

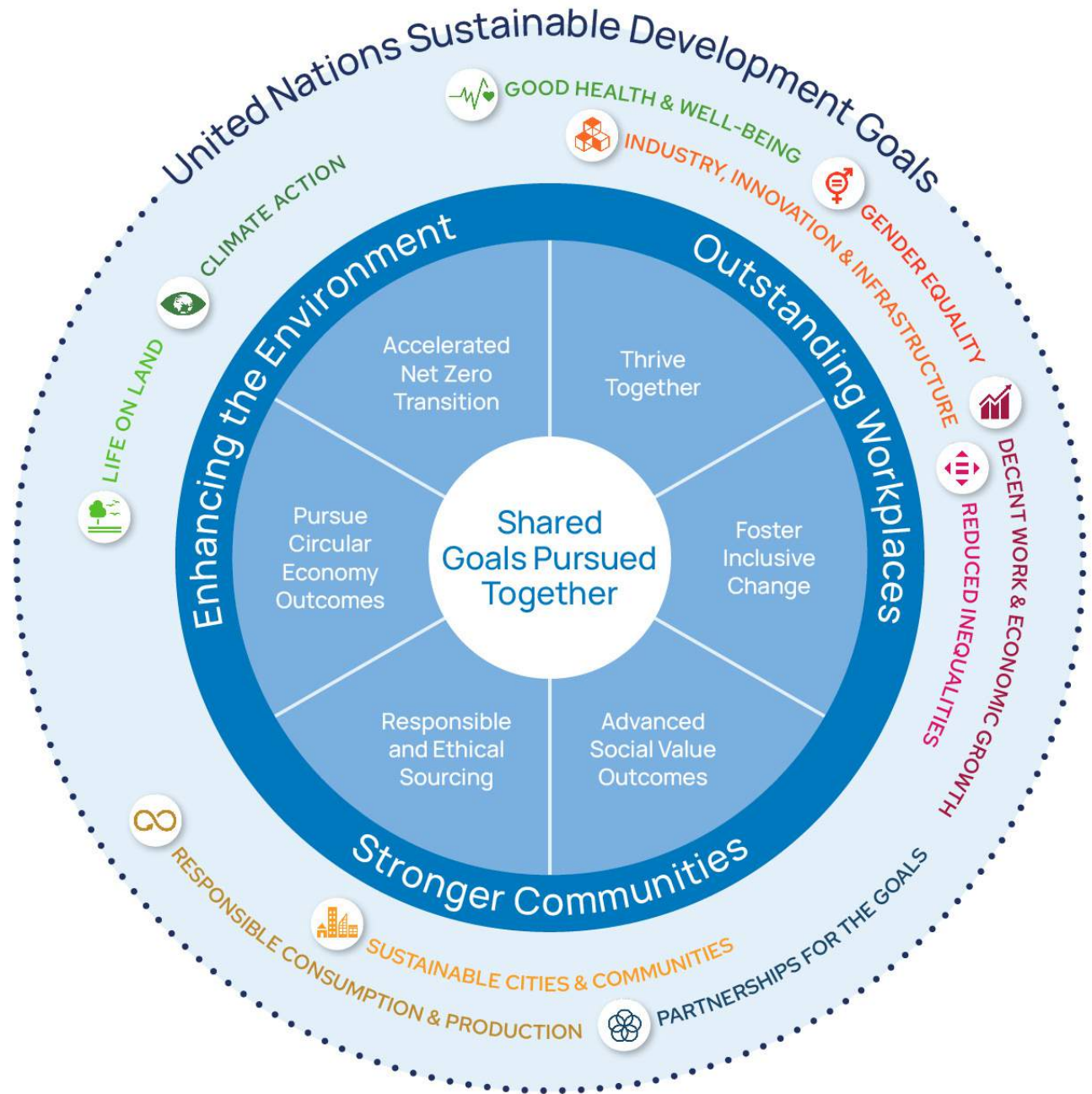
In order to achieve these ambitions, we have identified three long term priorities as fundamental to our business and to the needs of our stakeholders. These priorities are used to measure our performance, monitor our progress, and ultimately gauge our success.



Sustainability in Action



In 2023 Kilnbridge employees donated 100 volunteering days to corporate partners or in our project's local communities.



We've shaped our strategy based on the UNSDGs and Kilnbridge Values, as well the legacy we want to leave behind. It focuses on supporting our communities, nurturing our people and enhancing our environment.

Stronger Communities

Enhanced social value outcome

Kilnbridge aspires to make a positive impact and leave a lasting legacy in local communities that is far-reaching and apparent to all. Our activities focus on the positive value we create for local economies and communities. In addition to providing employment to local people and offering education access opportunities to our industry, we do this through financial assistance or direct support by donating materials or volunteering our services.

In FYE 23, we introduced a paid volunteering day policy to encourage our staff to give their time to worthwhile causes. A new goal for FYE 24 is to enhance our local economic impact by boosting employment rates among individuals residing near our projects.

FYE 2023 PERFORMANCE

£12,732

Used materials and furniture donated

24

Apprentices

2,962

Students benefiting from Kilnbridge education visits

17

Unemployed residents hired across our projects, providing £62,349 savings to Government

14

Work experience opportunities to local students

54

Hours STEM activities delivered in schools and colleges

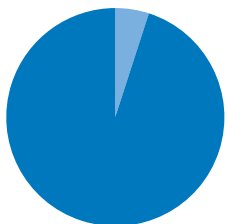
39

Schools engaged

80

Hours preparation and delivery by Kilnbridge STEM ambassadors

Charitable Donations



Employee Donations: £3,825.00

Corporate Donations: £74,431.99

Total YTD

£78,256.99



Responsible & ethical sourcing

During FYE 23, we expanded our procurement department by appointing a Head of Procurement to enhance control over our purchasing strategy and decision-making processes. Whilst we have long-sought to source our services and materials responsibly and ethically we are bringing more focus to this area.

On our projects, 100% of the poured concrete and reinforcement steel, whether for temporary or permanent use, was supplied under a BREEAM-recognised responsible sourcing scheme and certified by a third party.

Furthermore, 100% timber and timber products were purchased from Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) certified suppliers.

Our aim is to align our systems and processes with the industry wide responsible sourcing standards.

Equally we have plans to increase spend with social enterprise as part of our sustainable procurement plan.

FYE 2025 TARGET

ISO 20400 Sustainable Procurement

by FYE 24

BES 6001 Framework Standard for Responsible Sourcing for steel fabrication

by FYE 24

FSC/PEFC certification for our consolidation centres

by FYE 24

Outstanding workplaces

Thrive together

To facilitate Kilnbridge's drive for engineering and delivery excellence, we encourage and support our people's continuous personal and professional development. We recognise that we operate in a highly competitive labour market and have strategies in place to encourage staff retention and develop our own talent from within. This includes a learning and development plan to address gaps and increase agile and astute working practices and competitive amenities and facilities in our offices.

Most notably, in 2022 after a considered process, Kilnbridge transitioned to being an employee-owned business. All shares have been sold and are held collectively, on behalf of the Kilnbridge team, in an Employee-Owned Trust (EOT).

Understanding that first impressions are crucial, in 2023, we enhanced our onboarding programme and extended our compliance inductions to include all staff across all sites. We also introduced a buddy scheme to support new joiners and apprentices in their first 90 days with us. We will be training new buddies in their responsibilities and how they can help smooth a new joiner's entry into Kilnbridge.

A key target is to see an increase in female representation at all levels of the business year on year. This goal was achieved at senior levels of the organisation with the recruitment of an

interim HR Director who sits on the Board, a Head of Sustainability, and a Project Manager. Each of these senior or board level roles are now filled by women, each with an established background in the wider industry. We are continuing to strengthen connections between schools, NEETs charities, industry partners, and other educational institutions. Our aim is to broaden and enrich our apprenticeship and career development programs, with a particular focus on attracting more women into the construction sector and nurturing them as future leaders.

The mental health of our workforce and their loved ones has never been more important. As members of Mates in Mind and in line with our "Safety in Action" strategy, the business continues to provide Mental Health Awareness training through our Mental Health First Aiders, and promote awareness through a new partnership with The Lighthouse Construction Industry Charity.

As partners of the Supply Chain Sustainability School (SCSS), we actively promote our workforce's utilisation of the SCSS online platform, offering access to numerous learning resources on sustainability topics pertinent to the built environment. This initiative fosters a workforce that is both competitive and skilled, ultimately resulting in tangible bottom-line benefits.



FYE 2023 PERFORMANCE

17%

Female representation

5%

Employees being apprentices by FY 2025

450

Hours of training on the SCSS

1157

Resources accessed on the SCSS



Participants in our National Apprenticeship Week 2023 programme.

We are delighted to have been awarded Gold accredited membership via The 5% Club's FYE23 Employer Audit Scheme. This award recognises our significant contribution to the continued development of all our employees through "earn and learn" schemes such as apprenticeships, graduate schemes and sponsored students course placements.



Foster inclusive change

We are working to improve inclusion awareness across the business, providing regular training and encouraging more employees to become Fairness Inclusion and Respect (FIR) ambassadors. We offer a range of fairness, inclusion and respect information to our staff available through e-learning modules, workshops, and videos courses. For the wider company we have held diversity, inclusion and equality toolbox talks and reviewed our policy around this important area.

We are encouraging greater collaboration between our people, and working to develop closer relationships with our clients and our suppliers to support innovation in our business practices, as well as engineering and construction methods.

5 STEM ambassadors

5 FIR ambassadors

Gender Target

50% of female graduates on graduate scheme

Gender Outcome

87% of graduates are female



Learning and Development Manager Darryl Jones receiving our Gold Membership certificate from The 5% Club.



Against a target of 50% female representation in our Graduate Scheme, in 2023 we were delighted to achieve 87%.



Our STEM ambassadors engaged with 39 schools across the financial year.

Enhancing the Environment

Accelerating NetZero transition

At the core of our sustainability strategy is a commitment to science-based targets, which we intend to submit for validation by Science Based Targets initiative (SBTi). Recognising the risks of climate change to our business and the opportunities for leadership and innovation, our objective is to achieve net zero carbon emissions by 2040, with an interim target by 2030. These targets align with SBTi guidelines based on our FYE 23 baseline, and we will pursue them through a percentage reduction in absolute emissions.

Additionally, Kilnbridge's involvement in Climate Group initiatives such as ConcreteZero and SteelZero, coupled with the Co2nstruct Zero Business Champion status in 2023, showcases active participation in industry collaborations aimed at advancing sustainability goals.

We are progressing in our NetZero journey by adhering to the Institute of Environmental Management and Assessment's Greenhouse Gas Management Hierarchy. This means that our decisions prioritise options to eliminate carbon emissions, we strive to use resources efficiently to lower our carbon intensity, we adopt low carbon alternatives, and we commit to offsetting unavoidable emissions through environmental projects. All our capital expenditure is viewed through a sustainability lens and we invest in new plant and equipment that both improves project performance and cost. This includes use of electric plant to reduce CO₂ emissions on our project sites, trialling electric vehicles, and using renewable energy on our facilities.



In comparison to FYE 21, Kilnbridge's carbon intensity decreased by 31% in FYE 23. However, our overall carbon emissions (Scope 1 and 2) increased by 11% during the same period. The primary reason for this is the Government's reform of rebated fuels entitlement, which took effect in April 2022. This reform has influenced some of our clients' decision-making and, in turn, ours. Nevertheless, we remain dedicated to using HVO fuel, not as a complete solution, but as a mitigation strategy in combination with other low-emission alternatives, as part of our firm commitment to reducing our direct emissions.

In FYE 23, 100% of the electricity procured for our corporate facilities was backed by Renewable Energy Guarantees of Origin (REGO). On our projects, 26% of the energy consumption in FYE 23 was attributed to renewable diesel, specifically HVO D+.

Although measuring and reducing emissions are crucial, we believe that carbon offsetting represents a proactive approach to environmental action, mitigating the impact of current emissions. In 2022, Kilnbridge attained carbon neutrality for the first time by offsetting our Scope 1 and 2 carbon emissions, an achievement we are proud to have continued through FYE 23.

We are proudly partnered with Carbon Neutral Britain™, the UK's leading carbon offset initiative.

FYE 2023 PERFORMANCE

-31%

tCO₂e/£1m turnover
FYE 21 vs. FYE 23

-100%

Scope 2 emissions
FYE 21 vs. FYE 23

+11%

tCO₂e
FYE 21 vs. FYE 23

TARGET

-42%

absolute emissions target
for Scopes 1 & 2 by 2030

Pursue circular economy outcomes

We're aligning our operations with the principles of the circular economy and aiming to establish this shift as a fundamental pillar of our strategy. We recognise that the advantages of transitioning to a circular economy extend beyond the economic realm to positively impact the natural environment. By eliminating waste and pollution, prolonging product and material use, and promoting the regeneration of natural systems, the circular economy significantly contributes to global climate targets.



Donated materials were gifted to charities and communities throughout southern England.

70

pieces of used furniture
donated to schools, charities
and community centres

3,888

access raised floor panels
refurbished and returned
to market

2,000

Carpet tiles re-used

240

sheets of plywood saved on a single
project by adopting 100% recyclable PERI
Duo techno-polymer formwork system

50

Sheets of plywood
donated to Dogs Trust

20

wooden crates repurposed
to improve storage

Data



Waste

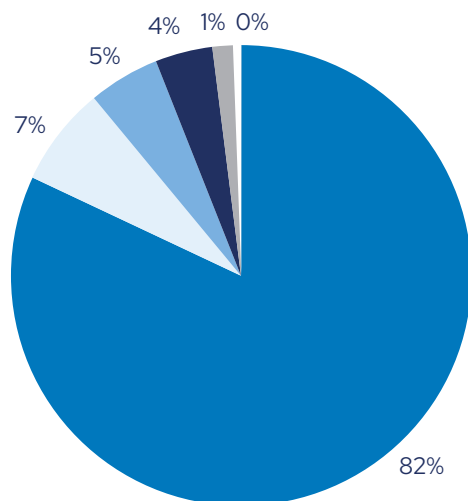
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YEAR	TOTAL TONNES	TURNOVER	INTENSITY RATIO
FYE 22	3,714	£97,425,000	38.12
FYE 23	4,040	£119,096,686	33.92

Scope 1 and 2 emissions

	FYE 21	FYE 22	BASELINE YEAR FYE 23
Scope 1 emissions (tCO2e)	1755	1311	2074
Scope 2 emissions (tCO2e)	117	116	0
Scope 1+2 emissions (tCO2e)	1872	1427	2074
Turnover	73,689,687	97,425,000	119,096,686
Intensity Ratio	25.41	14.65	17.42

FYE 23 Scope 3 emissions (tCO2e) all relevant categories (baseline)



Purchase Goods & Services	19186.60	82%
Upstream transportation and distribution	1545.88	7%
Employee commuting	1206.38	5%
Capital goods	921.10	4%
End-of-life treatment of sold products	291.81	1%
Business travel	115.69	0%
Waste generated in operations	0.37	0%

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An employee owned business since 2021