



LAING O'ROURKE

Pushing the boundaries

Sustainability Report 2024



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Our goals 2030

Achieve carbon reduction aligned with approved science-based targets:

42% reduction in Scope 1 & 2

25% reduction in Scope 3*

2033

50/50 gender balance between males and females across our global staff

2050

Fully net zero across Scopes 1, 2 & 3

* Scope 3 category 1: Purchased goods and services



The climate crisis is undeniable. We're seeing first-hand the impacts of rising temperatures on nature and on society. Ambitious targets are necessary to drive action, but they cannot be realised in isolation. In a traditionally fragmented construction industry, collaboration must be at the heart of our operating model if we are to effect meaningful change.

We're passionate about bringing together our ideas and talent with those of clients, partners, and peers to tackle the big sustainability challenges.

As global commitments to net zero continue to gain traction, we're part of the low carbon transition. We're contributing to the decarbonisation of energy and transport through our nuclear, green energy, and rail infrastructure projects and have refined our target sectors accordingly.

We are ambitious. Our science-based carbon reduction targets require transformative change. But decarbonisation must be thoughtful, providing opportunities for communities and taking into consideration our wider impacts and dependencies as we plot our journey. Our social value targets and commitment to nature reflect that importance.

We're in this together. We've set the path, we invite you to join us.

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Front cover image: Stephen A. Schwarzman Centre for Humanities, Oxford, UK

Image: Inside our Centre of Excellence for Modern Construction (CEMC), Nottinghamshire, UK

Back cover image: Burwood site, Suburban Rail Loop Initial and Early Works, Victoria, Australia

About Laing O'Rourke

Our story is one of energy, passion, ambition, and purpose.

Our strong culture stems from our family ownership and a passion to deliver projects that improve the lives of the communities they serve.

Taking decisive action

Our industry is a significant contributor to global emissions, and we must take decisive action to tackle the environmental impact that is associated with construction today. This will take a **concerted and whole-industry transformation** and we're working ever more **closely with our clients, policymakers, industry bodies, supply chain partners, design partners, and peers** to effect that change.

Our business is well-known for **engineering excellence, innovation, and modern methods of construction**, and we're applying that expertise to address the sustainability challenge.

Our **specialist engineers** are active in testing, trialling, and deploying lower carbon solutions. We're using this expertise and data to create **bespoke solutions for our clients**.

In the UK, our **in-house supply chain** means we have **priority access to low carbon technologies** that make a significant difference to emissions, air quality, and wellbeing on site.

Off-site manufacturing means we can **control embodied carbon, reduce waste**, and keep to **project timeframes**, helping clients achieve their sustainability targets without compromise.

Ambitious targets

This year we took the next step in our net zero ambitions, strengthening our targets, and ensuring our efforts are focused where we can have the most impact.

We have developed **science-aligned near-term and net zero targets**, which have been validated by expert external body the **Science Based Targets initiative (SBTi)**. We have introduced a new near-term target to reduce Scope 3 (category 1) emissions by 25% by 2030, from a 2023 baseline. This is a bold, challenging move, but one which is necessary to achieve the scale of change needed.

We were also proud to be one of only 17 engineering and construction companies in the world to commit to the adoption of the **Taskforce for Nature-related Financial Disclosure (TNFD)***.

We are shaping a lasting legacy for our clients, our society, our environment, and our people.

Key achievements:



Science-based carbon reduction targets approved by SBTi



Low carbon concrete mandate delivered tangible year one savings in the UK, and was launched in Australia



Flagship social value programmes continued to outperform plan



Became a TNFD Adopter



Strengthened and expanded collaborative industry relationships to effect change



Our progress

Emissions intensity

FY24:

275 tCO₂e/£m

(FY23: 284 tCO₂e/£m)

GHG emissions

FY24:

1,115,144 tCO₂e

(FY23: 960,029 tCO₂e)

Social value ROI

UK:

£306m

(FY23: £435m)

Australia:

\$116m

(FY23: \$67m)

Gender balance

FY24:

29% female

(FY23: 28.6%)

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Image: Restoring dock heritage features at the new Everton Stadium, Liverpool, UK

* At time of commitment in October 2024

Introduction messages



“We have a collective imperative to transform our industry to one that is far more sustainable. I invite customers, partners, policymakers, and peers to join together and drive the change needed.”



I'm delighted to publish our second Sustainability Report, sharing the progress we've made in the last 12 months and some best practice examples demonstrating how we can make a difference.

It provides an important moment of reflection over a busy year for the business. One in which we've further embedded the four pillars of our sustainability strategy and sharpened our targets and commitments, while recognising there is more to do.

We continue to challenge ourselves to do better. Our science-based targets will push us to achieve significant reductions by 2030 across all scopes, our gender balance target requires us to think and act differently, and our decision to become a TNFD Adopter holds us accountable to operate and report differently on nature-related issues. We don't set these goals lightly. They are driven by data, knowledge, and capability – and a desire to do what's right.

During FY24 our business operations continued to increase, signalling a return to better health in both of our operating jurisdictions. This has meant a corresponding increase in emissions. The reduction in carbon intensity year-on-year shows that the controls we have in place are effective in containing that increase, but clearly rapid progress must be made to achieve our science-based targets. We are committed to maintaining absolute transparency, publishing a full breakdown of emissions within this report.

We recognise that we cannot achieve our goals in isolation. Our industry must continue to change, prioritising collaboration and early engagement. While moves such as low carbon concrete, renewable energy, and diesel alternatives make an important contribution, the step change will come from a collective industry approach. The bringing together of our bright minds, technology, and drive with those of our partners, our peers, and our customers.

Culture and leadership will be pivotal to driving the kind of change I want to see, not only environmentally but across all areas of sustainability.

Diversity and inclusion is an important example. Providing a workplace in which everyone belongs, feels safe and feels valued is something I am passionately invested in, and an area we must get right.

We recognise the contribution we can make to a more sustainable, equitable society through the projects we choose to work on. We're proud to be part of the decarbonisation of transport and energy through our work on rail, nuclear, and electricity infrastructure projects. Our work in healthcare, data centres, defence, and science and research is central to improving lives and communities.

We continue to outperform our social value targets, and our people-centric strategy ensures that delivering for local people, in the areas in which support is most needed, is at the heart of our work.

Our sustainability strategy is built on the values and strengths of our company and I believe it is the very essence of our purpose: to push the boundaries of what is possible in service of humanity. We've set the path to a more sustainable future, and invite others to join our journey.

Cathal O'Rourke
Group Chief Executive Officer

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Introduction messages continued



Madeleina Loughrey-Grant

Group Director – Legal, Procurement (EU), and Sustainability

I am proud to lead a global team that continues to display such ambition, drive, and commitment to making genuine progress in sustainability.

We have taken bold steps to drive change through our business and to influence the wider construction industry. In Australia, we are the first to have published low carbon concrete standards which have been validated by the Materials and Embodied Carbon Leaders’ Alliance (MECLA) and adopted by the Australian Capital Territory Government. In the UK, we have played an integral role in lobbying to update industry standards so it’s easier for industry to specify lower carbon concrete.

The hard work that has gone into improving data integrity in recent years has borne fruit, enabling us to set science-based targets and introduce carbon

forecasting. This enables simple evaluation of the carbon impact of opportunities alongside other commercial metrics.

Our responsibility reaches further than carbon. We are proud to be one of only 17 construction and engineering companies worldwide to become a Taskforce for Nature-related Financial Disclosures (TNFD) Adopter, which provides a framework to guide the work we have already completed in mapping our impacts and dependencies on nature.

As a business, we have refined our target sectors, focusing on infrastructure that will support decarbonisation of energy and transport, and building programmes that are vital to support the needs of a healthy, equitable society. We’re working closely with clients to forecast, measure, and reduce the environmental impact of these projects, and to deliver positive social outcomes.

Collaboration across the full value chain is critical to engender a culture of innovation and make progress. Within this report you’ll see how we’re working with a supply chain partner to bring new ideas to longstanding challenges. This is just one example of a much broader collaborative approach.

Bringing together expertise and experience, communicating transparently, and setting common goals enables us to create an environment in which we can all succeed.



Mark Dimmock

Managing Director – Australia

In Australia, we’re making transformative progress. We introduced a new standard across our operations, which has resulted in a 50 per cent reduction in diesel fuel usage for off-grid site facilities across six projects. Our projects received world-leading sustainability ratings from the Infrastructure Sustainability Council and Green Star Rating Systems.

We launched our Gender Equality Action Plan, detailing the steps we are taking to achieve gender parity by 2033. In Australia, we have 36 per cent female participation and 45 per cent female representation on our Australian Executive Committee at the end of FY24.

We also launched our Stretch Reconciliation Action Plan. During FY24 we engaged 142 Indigenous businesses with a spend of over AUD\$111m.

Our involvement with the Australian Constructors Association (ACA) and the Australian Climate Leaders Coalition (CLC) continues to drive policy and practical insights for decarbonisation. Through the ACA we contributed to policy positions in support of investment by government in a renewable diesel market. Through the CLC we contributed to publications (Nature Starter guide, Scope 3 Roadmap and Credible Transition to Net Zero guide) which provide practical insights and best practice to CEOs and businesses across industries.

Despite continued challenges around policy harmonisation, disaggregated supply chains, access and commercial viability of global solutions like hydrotreated vegetable oil (HVO), and inconsistencies in data and reporting, we’re working with clients and partners to promote sustainable solutions. Our publicised HVO trials are a particular example.

As we enter FY25, we welcome the new International Sustainability Reporting Standards as a major step in creating consistency and accountability in reporting on carbon impacts. We’re preparing for the incoming Climate Related Financial Disclosures and strengthening our tender requirements to make carbon forecasting standard. It is also great to see client demand for sustainable solutions continue to rise.

We will continue to work with our value chain to tackle challenges and drive meaningful outcomes for our people, planet, and society.

Our sustainability approach



Collaboration and innovation run throughout our sustainability approach. By leveraging the right partners and technology – and initiating inspiring conversations – we know we can **spark positive change for our clients**, their projects, and the wider industry. Our **in-house Technology & Innovation teams** are leading the way when it comes to testing, trialling, and scaling lower carbon solutions. Low carbon innovation in construction is a fast-growing area and our **clients value our expertise** in recommending optimal solutions to meet their needs. We're using our expertise to help change the industry and transition to a low carbon future, and we're proud to support clients in fulfilling their sustainability objectives, as we deliver our own.

Our in-house supply chain gives us **priority access to cutting-edge low carbon technologies** that are changing the face of construction sites, making them quieter, healthier, and cleaner environments.



We understand that maintaining positive community relationships during the construction phase must be prioritised, for our clients and for our own business. We're passionate about **leaving a legacy to be proud of**; we take the time to understand the needs of local areas so that we can tailor social value programmes that deliver the greatest genuine impact.

Our flagship programmes focus on making an **enduring difference to people's lives**, whether that's coaching prison leavers into long-term employment or inspiring the next generation of construction professionals through our dedicated STEM programmes. We help communities to **positively connect with our projects**.

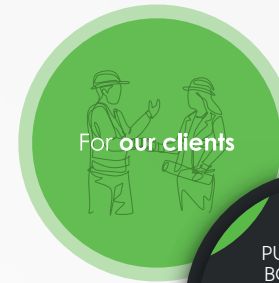
We are supportive of all 17 **UN Sustainable Development Goals (SDGs)**, recognising we have a clear, direct contribution to make to a focused group of five goals. By concentrating our efforts, we are confident we will achieve a more profound impact.

Deliver innovative, high performance sustainable solutions

Reduce whole life carbon through the use of calculation tools, design partnerships, and continuous product development.

Modern methods of construction enable us to help clients meet their sustainability ambitions.

Read more on how we push boundaries for our clients on page 7



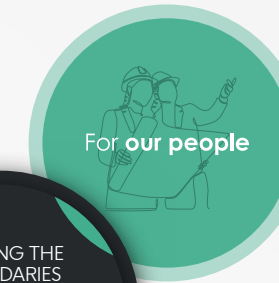
Engender an inclusive, healthy working environment

Achieve **50/50 gender balance between men and women** among 5,500 global staff by **2033**.

Industry-leading **parenthood policy**.

Achieve our third **Workplace Gender Equality Agency (WGEA) Employer of Choice Gender Equality Citation in Australia**.

Read more on how we push boundaries for our people on page 22



Read more on how we push boundaries for society on page 12

Make a positive, lasting impact for society

Inspire the next generation: Promote STEM and construction careers in schools, colleges, and universities.

Enrich the lives of **2 million people** whilst delivering **£2bn social impact** in the UK, and deliver **\$800m** of social spend in **Australia** by 2030.

Become a **Disability Confident Employer** in **FY26** in **Australia**.



Read more on how we push boundaries for the environment on page 17

Preserve our planet

Achieve carbon reduction aligned with approved science-based targets: **42% reduction in Scope 1 & 2** and **25% reduction in Scope 3** by 2030; **fully net zero** by 2050.

Use **100% low carbon concrete** on our UK projects and progress research on net zero materials.

Understand the impact of our sites, projects, and depots **on nature** and use this to inform **responsible action**.



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Image: Burwood site, Suburban Rail Loop Initial and Early Works, Victoria, Australia

Our sustainability progress – at a glance

	For our clients	For the environment	For society	For our people	Governance		
Targets	Deliver innovative, high performance sustainable solutions	Achieve 42% reduction in Scopes 1 & 2 by 2030 From 2023 baseline year	Achieve 25% reduction in Scope 3 (purchased goods and services) by 2030 From 2023 baseline year	Understand the impact of our operations on nature	Enrich the lives of 2 million people whilst delivering £2bn social impact in the UK, and deliver \$800m of social spend in Australia by 2030	Achieve 50/50 gender balance across global staff by 2033	Shaping a lasting legacy for our clients, our environment, our people, and society
Progress so far	Modern methods of construction to control carbon, improve social outcomes, reduce waste	49.5% reduction in UK and Australia since 2021	UK low carbon concrete mandate delivered 15.5% reduction in carbon from concrete in first year	Mapped impact to nature of our sites, offices, and depots	37% of UK target achieved by end of FY24	29% female participation at Group level	CDP Climate Change Score: B CDP Supplier Engagement Score: B-
	Innovative, sustainable plant technologies via Select	Hydrotreated vegetable oil (HVO) mandate in UK & HVO trials underway in Australia	Maximum tolerance for embodied carbon in procured concrete published in Australia	Global nature strategy developed	23% of Australian target achieved by end of FY24	Achieved 3rd consecutive citation for WGEA Employer of Choice for Gender Equality in Australia; Top private contractor in UK FTSE Women Leaders Review 2 consecutive years	Voluntary TCFD disclosure published in FY23 Annual Report and Accounts
	Pioneering decarbonisation R&D programme	Minimum efficiency standards in Australia to reduce fuel	R&D programme focused on low carbon materials, designs, and systems: test and trial stage	Best practice biodiversity net gain delivered on discrete sites	Inspiring STEM+ programme expanded and now running in 8 schools in Australia	Industry-leading parenthood policy launched in FY22	First stand-alone Sustainability Report published in FY23
	Environmental Product Declarations (EPDs) for 3 of our manufactured concrete products	100% renewable electricity as standard	Increased sustainability weighting through our own tendering processes	Internal CPD programme and engagement campaign	Launched Stretch Reconciliation Action Plan (RAP) in Australia	Launched Gender Equality Action Plan in Australia	Science-based targets approved by Science Based Targets initiative (SBTi)
			ISO 20400 for sustainable procurement 'Mature' rating in UK	Sign up as TNFD Adopter	293 volunteering days contributed by our employees in FY24	Diversity & Inclusion Councils established in both operating jurisdictions, reporting to Group Executive Committee	
Next steps	Expand modular solutions into new use cases	Transition remaining fleet to electric alternatives	Achieve ISO 20400 'Leader' status (UK)	Roll out and embed nature strategy	Expand employability programmes, supporting people with employment barriers	Group Diversity & Inclusion strategy launch	Develop nature-related disclosures
	Collaborate with clients and supply chain to bring innovative solutions to projects	Identify viable HVO alternatives in Australia and Middle East	Develop detailed carbon reduction roadmaps for key materials/products	Develop biodiversity/nature-related targets, aligned with TNFD	Continue to expand STEM programmes in UK and Australia	Develop construction tools/methodologies that are more inclusive and enable improvements	Quantification of climate-related risks and opportunities
	Introduce balanced scorecard in procurement to recognise supply chain decarbonisation	Energy management systems to become standard in all UK site accommodation from FY25	Move low carbon technologies from trial to scale	Disclose against TNFD framework	Become a Disability Confident Employer in Australia	Continue to embed psychosocial hazard framework in Australia	Achieve CDP A rating
		Phase out fossil fuels through electrification/deployment of alternatives at scale	Develop/launch internal carbon targets				

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Pushing the boundaries for our clients

Our clients want products and solutions that minimise environmental impacts and better serve the community. Our commitment to innovation and modern methods of construction enables us to help clients meet their sustainability ambitions.

“We’re working more closely than ever with clients to come up with innovative solutions that deliver on their needs, while reducing our environmental and carbon impact and providing better outcomes for communities. We’re proud to work as true partners.” Rossella Nicolin, Head of Sustainability – Europe



Modern methods of construction (MMC) continue to be central to our operating practice. Our UK business has an established model, and we are leading the way in Australia in implementing these principles to deliver client benefits. In collaboration

with our entire value chain, our research and development programmes are helping us to trial, test, and scale new innovations, which can then be brought into our standard offer, raising the bar on best practice.



We invested more than **£500,000** in FY24 to upgrade the electric ovens and power supply at our facility in Nottinghamshire where we manufacture all our precast concrete products. This supports quicker curing of lower carbon concrete mixes as we transition to a lower carbon future.



We’re increasingly working with supply chain partners to access independently-verified carbon data, via Environmental Product Declarations (EPDs), supporting the accuracy of our own carbon reporting and that of our clients. We also now provide verified EPDs for three of our most commonly-used products at Explore Manufacturing.



Digital modular solutions continue to deliver benefits by reducing deliveries to sites, reducing local disruption, ensuring product and carbon consistency and supporting employee wellbeing through off-site manufacture. This model was used widely for station buildings in Victoria, Australia, and is revolutionising bridge build and lift installation in the UK.



We’re using our off-site facilities to trial lower carbon materials and create prototypes, in conjunction with our clients, design partners, and supply chain partners. We’ve successfully proven that fibre-reinforced basalt – an abundant resource with a minimal carbon footprint – can be used in place of steel for concrete reinforcement in certain use cases. We’re hoping to deploy this solution on a live project as soon as is practically possible.



We’re pioneering HVO trials on two Australian projects in order to gather evidence and lobby to make the product more widely available. In the UK, HVO is used as an alternative to diesel as standard and has abated 16,652 tCO₂e since FY21. We hope to replicate this success in Australia.



We are the first construction company in Australia to introduce a maximum tolerance for emissions in the concrete we purchase directly or through subcontractors.

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Image: Stephen A. Schwarzman Centre for the Humanities, Oxford, UK

Case study

The world’s first concert hall built to Passivhaus standards, in the heart of Oxford University



The Stephen A. Schwarzman Centre for the Humanities is one of the largest single building projects ever undertaken by the University of Oxford, bringing together nine faculties and institutes, and seven libraries and collections into one home. Performance and public engagement are at the heart of the project, which will include a 500-seat concert hall, 250-seat theatre, and a film screening area.

Strong sustainability credentials have been a crucial factor in designing and developing the Centre. Pushing the boundaries in service of humanity is a perfect representation of a shared vision for client and contractor. It is expected to be the **world’s first Passivhaus concert hall** and the **largest Passivhaus building in the UK**.

Jennifer Makkreel, Deputy Head of Capital Projects at the University of Oxford, said:

“We have pushed ourselves to create a building that truly makes a difference, and the partnership with Laing O’Rourke has helped us to realise that vision. By bringing together digital design, off-site construction and sustainable technologies and materials, it delivers a uniquely innovative and sustainable solution. At each stage of the project, the team have collaborated to deliver a more sustainable building.”

Sharp focus on efficiency

Efficiency was a cornerstone of the project from the very beginning, aligning with the University’s sustainability ambitions. Early on, the decision was made to build to Passivhaus standards, providing a progressive, best practice approach that will ultimately minimise energy requirements and limit the Centre’s environmental impact for years to come once it is in use.

Passivhaus means that the heat losses from the building are reduced to such an extent that









little heating is required, with Passivhaus Trust observing an **average 90 per cent reduction in heating demand**. Most of the heat comes from ‘passive’ sources, including the sun, internal kit and appliances, human occupants, and warm air. The building is **optimised for energy performance**, combining an air-tight build with triple glazing, high performance insulation, and specialist ventilation, ensuring that it remains ambient while providing high air quality, so it’s healthier for occupants too. In fact, the **insulation used in the façade alone is enough to cover three football pitches! 100 photovoltaic (solar) panels** will help to provide renewable electricity to the building too.

William Whyte, Senior Responsible Officer (SRO) for the project and Professor of Social and Architectural History, said:

“This is a pioneering project in many respects. It is Oxford University’s first building designed to be shared with the public from its opening day and will provide state-of-the-art performance facilities as well as exemplary spaces for teaching and research. We have embraced new technology and modern methods of construction, ensuring that the Centre is built sustainably and safely. It sets a benchmark for all future work in the City – and beyond.”



At a glance

-  Passivhaus typically reduces heating demand by **90%**
-  Low carbon concrete abated **544 tCO₂e**
-  **97.7%** recycled steel reinforcement
-  **98.4%** reduction in carbon from fuel by using HVO in place of diesel
-  **13%** Biodiversity Net Gain estimated at project completion
-  **110** hours of volunteering and community engagement
-  **166** young people benefited from educational outreach
-  **£180,000** saving through challenging timber spec and sourcing a more sustainable solution

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Image: Stephen A. Schwarzman Centre for the Humanities, Oxford, UK

Whole life carbon reduced by
61%

“By setting new benchmarks in environmental performance and heritage preservation, this project not only enhances the safety and functionality of Victoria’s transport infrastructure but showcases a model of excellence that will inspire and guide sustainable construction practices for years to come.”

Hollie Hynes, General Manager – Sustainability and Environment, Australia

Case study

Sustained success in Victoria



The South Eastern Program Alliance (SEPA) in Victoria, which Laing O’Rourke is a part of, delivered the Union Road & Mont Albert Road Level Crossing Removal Project. The project has achieved an impressive Infrastructure Sustainability Council (ISC) verified As Built score of 101 points – **the highest score awarded for a Victorian project to date (at time of publication).**

The ISC rating follows the project’s recent 6-Star Green Star certification by the Green Building Council of Australia for Union Station, an internationally-recognised rating system that assesses the sustainability outcomes from the design and construction of buildings. **The 6-star rating sees Union Station join the ranks of ‘world leadership’ in building design and construction.**

This project not only removed two hazardous level crossings and built the new premium Union Station but also set new benchmarks in sustainability. The team focused on **reducing material use** and associated carbon emissions, **preserving heritage**, and managing environmental discharges effectively. Several sustainability initiatives from

Union Station have since been adopted in subsequent level crossing removal projects.

From the outset, the Union Road & Mont Albert Road Level Crossing Removal Project applied a build-less approach (the top-tier principle in the decarbonisation hierarchy) as part of its decarbonisation strategy. Consolidating the Surrey Hills and Mont Albert stations into a single facility, Union Station, minimised the need for additional infrastructure and substantially reduced material use and associated carbon emissions. **The build-less approach demonstrates how strategic planning and design can lead to substantial long-term environmental benefits by focusing on reducing the scale of construction.**

The build-less approach and other key initiatives such as a decrease in pile depth, **Victoria’s first 70 per cent supplementary cementitious materials (SCM) concrete piling mix**, and a reduction in concrete and steel usage due to changes in alignment, resulted in a 32 per cent reduction in embodied greenhouse gas emissions from materials, and a 31 per cent improvement

in IS EnviroPoints. A **61 per cent lifecycle carbon reduction (14,553 tCO₂e)** was realised through combining the two stations, the 70 kW solar array on the station roof, an EV flatbed truck during construction, and an energy-efficient design.

The Victorian-first concrete piling mix has shown a **scalable approach to reducing carbon emissions**. The team took these efficiencies to the Dublin, Bedford and Coolstore Road level crossing removal projects, achieving a reduction of 2,100 tCO₂e from piling to date (compared to the client BAU concrete requirements).

The project also repurposed the historical Mont Albert Station into a heritage deck area with contextually relevant materials and reused a heritage palm tree, preserving the rich history of the area.

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Image: South Eastern Program Alliance, Victoria, Australia



Case study

Collaboration for innovation: Leveraging supply chain excellence to revolutionise lift design and improve accessibility for all



Our industry-leading modular building solutions, such as our modular bridges, are proven to reduce whole life carbon and programme timeframes while enhancing workforce safety and productivity. Through modern methods of construction (MMC), including off-site manufacturing and Design for Manufacture and Assembly (DfMA), **we're changing the way we build, for the better.**

When this approach is **combined with our supply chain partners' expertise, we can develop transformative solutions** – like the modular lift. Our partnership with KONE, a global leader in elevator and escalator design, has combined **two sets of expertise to rethink lift installation through first-of-their-kind innovations.**

Our challenge

The installation of lifts can directly impact the critical path of a project, and can increase space requirements, risk, time, and cost. Our team sought to resolve some key challenges:

- Reduce **the amount of space** needed for on-site lift equipment storage. Usually around 30m² per shaft, this restricts access and working space.
- **Reduce safety risks** associated with working in tight spaces inside the shaft for fitting, and with working at height.
- **Improve programme timeframes** – installations typically take one week per floor.

Our solution

Jointly developed with KONE, the modular lift is a first-of-its-kind, full-scale volumetric lift installation, uniquely combining our **modular riser format widely used in our Crown House Technologies (CHT) specialist business with KONE's marine solution:** a true radical collaboration of technologies.

Having successfully deployed the solution at the London King's Cross Cadence S4 & S5 residential development, we're now turning our attention to rail. The rapid installation and modular nature of the solution is perfectly suited to the narrow access available at stations. Modules can be placed

on top of in-situ foundations at existing stations, **supporting Network Rail's intent to improve accessibility** across the railway.



Becoming Disability Confident

In 2022, we became the first tier one contractor to be awarded Level 3 Disability Confident Leader status. We champion positive employment experiences for people with disabilities within our business and strive to share our knowledge with other organisations. One way we're doing this is by helping to embed best practice across our supply chain.

Our partnership with KONE to improve Network Rail's accessibility credentials has enabled KONE to make progress towards its own accessibility goals. We have supported KONE to achieve Level 1 Disability Confident Leader status, and will continue to support them in their accessibility journey.

At a glance

- **95%** of equipment pre-assembled off-site
- **MMC** means construction is faster, safer and carbon is controlled
- **Winner:** Best Volumetric Modular Innovation at Building Innovation Awards 2022

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Image: Modular lift installation at King's Cross S5, London, UK

Case study

Concrete Carbon Limits



In April 2024, Laing O'Rourke set and published a business policy to systematically cap and reduce the carbon emissions from concrete on all our Australian projects. We became the **first construction company in the Australian industry to introduce a maximum tolerance for embodied emissions in the concrete we purchase** directly or through subcontractors. The aim is to guarantee a

cap on carbon emissions from the concrete we use in the delivery of both public infrastructure projects and private works.

Our company also **created a definition for concrete products** to be considered as 'low carbon' in Australia. This definition provides a benchmark for our company's projects to set targets against, as allowed by the supply chain capabilities near sites as well as other governing factors, such as technical, contract, and specifications. Until now, there has not been a widely accepted definition of low carbon concrete in Australia, which has made the classification of a mix as 'low carbon' open to interpretation. **We addressed this issue by publishing a definition for our business, which other companies can also use.**

From now on, our Australian business will estimate, require designs, procure, and plan construction with concrete that adheres to these new standards.

Before establishing our Concrete Carbon Limits in Australia, Laing O'Rourke first sought to understand our current carbon profile from our past concrete purchases. Not an estimate based on dollar spending, but the actual embodied emissions in the concrete mixes that we used. To establish this, we engaged our strategic concrete suppliers, who collaborated with us in a data

sharing exercise spanning three years of data, which informed our approach.

A sustainability approach that's true to label

The Materials and Embodied Carbon Leaders' Alliance (MECLA) has published a classification for concrete mixes in Australia by the amount of embodied carbon (CO₂e) in them. It is the first time all Australian concretes have been classified by emissions. This resource gives concrete buyers an understanding of the embodied carbon of available mixes in the market.

MECLA's classification also provides valuable insight to understand where Laing O'Rourke Australia's Concrete Carbon Limits fall. The analysis confirms that there is a very large number of mixes available that perform within our Maximum Carbon Tolerance. **It also corroborates that our definition of low carbon concrete is true to label**, as our established limit is stricter than the emissions in the typical concrete product.

Monica Hanus-Smith, Laing O'Rourke's Low Carbon Materials Lead, said:

"MECLA's classification of concrete products validates our two Concrete Carbon Limits. In particular it confirms that our definition of low carbon concrete represents an ambitious but achievable limit for embodied carbon in

concrete and that it is suitable as a stretch target for our projects."

"It's important to note that there are still many options available in the market for project teams to use and meet Laing O'Rourke's low carbon concrete threshold. Moreover, projects using concrete mixes that comply with our definition can be reassured that they will genuinely contribute to reducing the carbon emissions of our business and of our industry," said Monica.

The Australian Capital Territory (ACT) Government has drafted a Low Carbon Concrete Policy, which features Laing O'Rourke's Concrete Carbon Limits as an exemplar of how to set concrete carbon limits.

Our Concrete Carbon Limits are not static. They will be periodically revised and updated if suitable. It is intended that our Maximum Carbon Tolerance remains reflective of standard practice. Naturally, what is considered standard practice changes and evolves over time. Our low carbon concrete threshold will also always be reflective of an ambitious but achievable sustainable standard.

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Image: Melbourne Airport Rail Early Works, Australia



Pushing the boundaries for society

From hospitals to railways, we're delivering the infrastructure needed to improve lives and help local communities thrive. By creating employment opportunities and investing in skills development we create economic growth and help communities prosper.



Through our social value programmes we're able to create lasting positive impacts among the communities in which we work. Flagship initiatives such as Inspiring STEM+ in Australia and our Building Opportunities Programme in the UK help set us apart. They make a real difference for the people that take part, and demonstrate that construction is an inclusive sector with rewarding careers available for all.

We're continuing to outperform our annual targets, and while reaching those metrics is certainly a cause for celebration, what's more important is the lives enriched. Whether that's through investing in local and Indigenous businesses, inspiring the next generation or providing chances for people that have experienced employment barriers, we're immensely proud of the difference we make.

✓ For the second consecutive year we are achieving well beyond our annual targets, having delivered **£306m of social value in the UK** and **\$116m in Australia** during FY24.

✓ As a business we contributed **293 volunteering days with local communities** across both operating hubs.

✓ Our **Stretch Reconciliation Action Plan** in Australia is leading positive change in the construction industry. We engaged **142 First Nation businesses** across our supply chain during FY24 and spent **\$111m with Indigenous businesses**.

✓ We're passionate about inspiring the next generation of construction professionals. Our industry-leading **Inspiring STEM+** programme is now **active in eight schools around Australia** and our UK team spent **337 days supporting educational activities** in schools and supported **228 work experience weeks**.

✓ We created **293 new employment opportunities for people facing barriers to employment** in the UK and welcomed a second cohort of people onto our flagship Building Opportunities Programme.

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Image: Sydney Metro West – Western Tunnelling Package, Australia

Case study

Everton Stadium



Sport has the unique power of bringing families, people, and communities together. It can be part of a shared history that spans generations and brings with it a real sense of pride and identity.

When Everton Football Club commissioned its new stadium at Bramley-Moore Dock – **an area of Liverpool steeped in industrial and dockland heritage** – creating a social value plan that focused on **delivering value to local people** and the community was an absolute priority. After all, the build was termed ‘The People’s Project’ for a reason.

A comprehensive plan was created by Laing O’Rourke in consultation with Liverpool City Council and Everton Football Club in 2019, drawing on **strong local links** with organisations including Everton in the Community, Liverpool in Work, and the Docklands Trail.

Over a three-year period, that social value plan has brought numerous initiatives to life that have given the people of Liverpool and Merseyside opportunities to develop skills, gain employment, and engage with Everton Stadium before it opens its doors.

Taking a whole-community view

While employment and employment opportunities have been a key focus area, a **richness of activity has been built into the programme** from the start, ensuring that benefits are felt throughout the community, and the project leaves **a legacy to feel proud of**. For instance, our team have been big

supporters of the local food bank, not only through the provision of food and volunteering hours, but also in **helping food bank users**, identifying employment opportunities and even providing pantomime tickets for some families.

Bramley-Moore Dock is an important site from an industrial heritage perspective, and the team has worked closely with Liverpool City Council and the Docklands Trail organisation, which celebrates Liverpool’s shipping history, to make sure that **features of historical significance around the site are treated, maintained, and restored sensitively**. We have worked together to ensure that features such as the historic hydraulic tower, mooring posts, rail tracks, and entrance gates – which feature original brick work – have been given a new lease of life as part of the project.

Rewarding construction careers

Job creation, apprenticeships, and work experience placements have been significant features of the work undertaken. This has been complemented by STEM education sessions and site visits, to inspire the next generation of construction professionals.

This hard work was recognised when Social Value Advisor, Abbigail Green, received two gold awards at the Everton in the Community Blue Heart Awards, for her dedication to making a difference.

At a glance

Over three years, the project provided:

- **118 apprenticeships**, including new, sustained, on-site, and off-site apprentices;
- **654 new jobs**, including Laing O’Rourke and supply chain roles;
- **24,000 student engagements in STEM**, including via STEM Live and direct work with 77 educational establishments;
- **32 site visits**, including community and heritage groups and student groups;
- **60 work experience placements**, including adult work placements;
- **£33,000 raised for charities**, including Everton in the Community and Construction Lighthouse;
- **£235m local economic spend**, supporting business prosperity in the area;
- **£15k worth of materials** donated to local organisations, Docklands Trail and Allonby Canoe Club.



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Top image: Everton Stadium, Liverpool, UK

Bottom image: The original hydraulic tower at the docks has been preserved as part of the Everton project, Liverpool, UK

Case study

Supporting reconciliation



Laing O'Rourke Australia has a long and proud history of supporting Indigenous businesses and communities. FY24 saw the launch of our **Stretch Reconciliation Action Plan (RAP)**, which is a significant step in the journey to support reconciliation. The five strategic pillars of the RAP drive how we work collaboratively with our

clients, communities, and each other to **increase participation with First Nations Peoples.**

Our projects have been engaging the local community, providing local opportunities for employment, utilising Indigenous businesses in our supply chain, increasing local partnerships to support the community's needs, and **building a lasting legacy** through the built environment.

Employment, retention, and development

As at March 2024, 2.1 per cent of our employees identified as being Aboriginal and Torres Strait Islander People.

The MetCONNx Alliance delivering the METRONET Byford Rail Extension Project in Western Australia has been driving significant outcomes in this space. The project currently has six female trainees, and three identify as Indigenous employees. In FY24 all Certificate III in Civil Construction trainees completed their studies, with one trainee currently completing their final units to finish a Certificate III in Business Administration. All trainees who have completed their studies have **progressed to full-time employment** with Laing O'Rourke.

Legacy

The MELconnx Alliance delivering the METRONET Morley – Ellenbrook project in Western Australia engaged five Noongar artists who have been

providing cultural input into project design to create public art opportunities and worked with the METRONET Noongar Reference Group (MNRG) to enable cultural context in place-making at each station. They have spent over **\$53.3m with 53 Indigenous businesses engaged on the project** and provided **traineeships in civil construction and business administration** as well as professional development into other Laing O'Rourke projects.

Indigenous procurement

Throughout FY24, 142 First Nations businesses were engaged across our Australian supply chain, and over AUD\$111m was spent with Indigenous businesses, a \$44.3m increase on the previous year.

During FY24, we also launched our **'Connect, Gather, Grow' Indigenous Business Engagement Programme in Western Australia**. The 12-month programme aims to provide a structured pathway for Indigenous businesses to connect with Laing O'Rourke through four half-day workshops.

Cultural competency, cultural heritage and community engagement

We continue to educate our people through a bespoke Indigenous Affairs Learning Space on our learning platform, delivering Acknowledgement of Country workshops and Cultural Awareness

training, hosting events for National Reconciliation Week and NAIDOC Week, and developing and delivering cultural heritage inductions. We have established a RAP Champions Network which is making a positive contribution to our relationships with Aboriginal and Torres Strait Islander individuals, organisations, supply chain partners, Elders and leaders.

Supply Nation Supplier Diversity Awards

Laing O'Rourke won Corporate Member of the Year at the Supply Nation Supplier Diversity Awards. This acknowledges our strong procurement programme with Supply Nation businesses, resulting in an 8.2 per cent increase in the number of Supply Nation businesses engaged and an 81 per cent increase in the value of contracts from the previous year.

Nicholas Arcaro, Head of Diversity and Wellbeing, said:

"Results like this are made possible by our focused effort and commitment, and ongoing engagement with Indigenous businesses, communities and people."

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Image: Award recipients at the Supply Nation Supplier Diversity Awards, Australia

Case study

Bringing people together: How Factory International made a lasting impact in Manchester



Aviva Studios, the new home of Factory International, is an arresting sight in Manchester city centre. With its unique architecture inspired by the legacy of Factory Records, and as the **UK's newest multi-purpose arts space**, it will become the home for Manchester International Festival – one of the world's leading arts festivals – hosting some of the finest shows, exhibitions, and concerts in the country.

Bringing people together and engendering a sense of community is at the very heart of the building's ethos. It's no surprise, therefore, that developing a **social value programme with real impact** was a priority. This extensive programme of work helped **build a connection between the community and Factory International** from the very beginning.

Collaborating for success

Close collaboration with Manchester City Council, Manchester International Festival and a variety of local partners proved to be pivotal to the success of the programme, which started pre-pandemic in 2017, was adjusted during lockdown and went on to **support the city's economic recovery post-pandemic**, completing in 2022. While delivery adjustments were necessary, the programme maintained its primary ambitions throughout: to **support employability for people facing employment barriers**, and to **create new**

jobs, apprenticeships, and work placements for Manchester residents. These primary objectives were complemented with further activity focused on **skills development, local business support, and community engagement**.

Putting in place a clear governance structure from the very beginning, with visibility of social value progress at project leadership level, proved instrumental to goal achievement. The approach not only provided agility in decision-making, it also opened up new opportunities for strategic partnerships and helped everyone across the project feel a sense of ownership and pride in the outcomes.

“Embedding social value in the project governance in this way has been a first in my experience and has enabled the agenda to be monitored and reported to a high level throughout, as well as bringing social value to the forefront as a priority to project delivery. We have been impressed by Laing O'Rourke's approach to working collaboratively with ourselves in sharing successes and challenges on social value in the project's Governance meetings and through detailed and comprehensive reporting.”

Project Manager, Manchester City Council Capital Programmes.




At a glance


 54 local apprentices

 29 new local apprenticeships

 25 new local jobs

 56% local construction workforce

 Employability support for 260 local people

 65 local education activities delivered

 56 work experience placements

 86% local construction spend

 100 community activities

 Considerate Constructors Scheme score: 50/50

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Image: Factory International, Manchester, UK



Case study

CareerSeekers – partnership success



CareerSeekers is a certified not-for-profit social enterprise, working to find paid **internship opportunities for professionals of refugee and asylum seeker backgrounds**.

It provides in-depth preparation and support to both refugees and people seeking asylum across a variety of fields including business administration, finance/accounting, engineering, project delivery, communications, and IT.

The programme supports two distinct groups of asylum seekers and refugees:

- **Mid-career professionals** – those with tertiary qualifications and professional work experience from their country of origin, who strive to re-establish their careers in Australia; and
- **University students** – full-time university students who undertake paid internships during university breaks in an effort to link their studies with practical work experience. The CareerSeekers university programme aligns to existing corporate internship programmes.

In 2023 Laing O’Rourke announced a **new three-year Article 23 partnership** with CareerSeekers. This partnership is named in recognition of the Universal Declaration of Human Rights. This partnership builds on the positive experiences our CareerSeekers interns have had over the years working with Laing O’Rourke.

In Victoria we are delivering the Eastern Freeway Upgrade between Burke Road and Tram Road as part of an alliance with Major Road Projects Victoria, Symal, Arcadis, and WSP. This project is driving excellent outcomes for CareerSeekers. CareerSeekers work with overseas-qualified professionals who are unable to secure their first role in Australia.

We have eight mid-career professionals and two undergraduate interns as part of the team.

For our mid-career professionals, the project provides offers of **ongoing employment from commencement**, rather than committing only to the 12-week internship programme. This ensures that the CareerSeekers have a **level of certainty about their employment** post the 12-week internship programme.

We are providing ongoing training to mid-career professionals through traineeships in Certificate IV in Business and Certificate IV in Work Health and Safety.

In May 2023, the project had nine team members volunteer their time (via Laing O’Rourke’s EPIC volunteering opportunity) at a mid-career professional internship preparation programme as table moderators and mock interviewers. This resulted in three mid-career professionals being offered employment on the project.

In April 2024, we also hosted the mid-career professional internship preparation programme with 10 staff volunteers. This has resulted in four mid-career professionals being offered employment on the project.

We have been hosting two undergraduate interns on the project since the commencement of the summer internship programme in November 2023. One intern has been offered a place in Laing O’Rourke’s graduate programme in 2025.

Nicholas Arcaro, Head of Diversity and Wellbeing – Australia, said:

“At Laing O’Rourke we strive to build a workplace that seeks out different perspectives, where all employees feel respected, valued and safe. Our partnership with CareerSeekers supports this ambition, and ultimately inspires us to continue to do more and be better.”

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Image: CareerSeekers visit Eastern Freeway Burke to Tram Alliance, Victoria, Australia



Pushing the boundaries for the environment

We're driving leadership in low carbon innovation as we work to become a net zero company before 2050. By working collaboratively across the sector to identify decarbonisation solutions, we're addressing complex climate challenges, paving the way for a better environment.



The construction sector is responsible for a significant proportion of global carbon emissions, through a combination of operational site activity and the embodied carbon in materials used, for instance. We have invested significant resource into improving and extending our carbon data, prompting a revision of carbon targets. We now know that 98 per cent of our emissions are in Scope 3, so tackling those must be a priority.

We have had our revised, science-aligned targets approved by the Science Based Targets initiative (SBTi). By 2030, we commit to reducing our Scope 1 & 2 emissions by 42 per cent, against a 2023 baseline year, and to reducing our Scope 3 emissions from purchased goods and services by 25 per cent. We plan to be a fully net zero company by 2050*.

We are also proud to be one of only 17 construction and engineering companies globally to be a TNFD Adopter.

✔ We reduced carbon emissions from concrete by 15.5% in the UK in the first year since our low carbon concrete mandate was introduced, and expect this figure to increase as the standard is fully adopted across all of our projects.

✔ In Australia, all operations must achieve a minimum 40% reduction in diesel usage on off-grid facilities. So far, we have seen 6 major project sites halve their diesel usage associated with off-grid site facilities.

✔ We're investing in our UK manufacturing facilities to ensure they are fit for a low-carbon future, one in which different materials and technologies will be necessary to fulfil project requirements sustainably.

✔ Our Select business has been first to bring several low carbon site technologies to the construction industry. From repurposed bus batteries now used for energy storage to electric tower cranes and flywheel-based energy storage solutions, we're pushing the boundaries to bring superior solutions to our sites.

✔ Carbon forecasting has been introduced in Australia and is being implemented into our UK business too. This move helps to improve visibility of the carbon impact of projects at the outset, informing decision-making.

✔ Following detailed analysis of the impacts and dependencies of our operations on nature – including heatmapping and key commodity analysis – we have become a TNFD Adopter.



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Image: Wildflower meadows containing beehives at Centre of Excellence for Modern Construction (CEMC), Nottinghamshire, UK

* Target boundaries include land-related emissions and removals from bioenergy feedstocks.

Case study

Powering the low carbon transition with Select



One of Laing O'Rourke's specialist trading business groups, Select is committed to sustainability, blending business success with environmental responsibility. This approach ensures long-term prosperity and a healthier planet for future generations. In both operating hubs, the business unit has made significant strides in reducing emissions through the use of innovative technologies on construction sites.

Innovative solutions

Select continues to lead the industry with pioneering plant solutions, many of which are first-to-market in their respective territories. Some of the technologies making a real difference include:

AMPD Enerainer: These battery storage solutions saved 100 tCO₂e per month in FY24 in the UK. Recently introduced in the Australian market, it has saved an additional 6.4 tCO₂e per month, on average. This clean, quiet energy solution replaces traditional fossil fuels on construction sites, supporting environmental compliance and eliminating fuel spillages on site. In total that is equivalent to removing 152 cars from the road every month.

Battery-powered cranes: The UK has expanded its fleet to seven battery-powered crawler cranes. In FY24 the use of its cranes has saved 116.35 tCO₂e compared to diesel equivalent. In Australia we have two 250

tonne electric cranes. Use of one crane in FY24 has saved 70 tCO₂e compared to diesel equivalent.

Dumarey flybrid system: The UK business has 29 flybrid units, which store energy to meet peak demands. This saved 590 tCO₂e in FY24 thanks to the dynamic fuel efficiencies provided by this innovative technology.

Electric telehandlers (2.5t) are one of our Australian business' most recent investments, advancing its range of technologies to actively help construction sites to lower emissions.

Electric vans: Five new electric vans have been added to the UK fleet.

Sustainable fleet: 15 per cent of Select Plant Australia's powered assets are electric, solar or hybrid.

Solar power upgrades of site offices in Australia resulted in an average saving of 36 tCO₂e annually (across six units).

Energy efficient drying rooms: A collaboration between Select UK, Laing O'Rourke, and Liverpool John Moore University (known as a Knowledge Transfer Partnership) sought to identify an optimum energy solution for drying rooms. This resulted in a model that delivered a 58 per cent energy saving with its new drying room solution. This has enabled Select UK to develop a model of best practice which is being implemented across site accommodation, supporting energy saving across sites.

On the Princes Highway East Kilmany Upgrade, the solar powered system was operating for 715 days and consumed 135,860kWh of energy. **The project reduced its fuel intake by 93 per cent and abated 273 tCO₂e, saving over \$400,000 in fuel.**

At the Morley to Ellenbrook project Whiteman Park site, the solar system has consumed 117,888kWh of energy in 616 days of operation. **The project reduced its fuel intake by 68 per cent and abated 85 tCO₂e.**



Our UK depots have made strides towards reducing their impact Results so far:

- Depots reduced **energy consumption** by 33.81% and **operational CO₂e emissions** by 30.12%;
- **Water usage** reduced by 24.7% overall, with some individual sites saving up to 63.7%;
- Use of **hydrotreated vegetable oil (HVO)** in place of diesel saved 211 tCO₂e;
- REGO-certified **renewable electricity** saved 342.65 tCO₂e.

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Top left image: Select electric van
Bottom left image: Electric crawler crane
Image (right): Solar array, Morley to Ellenbrook project, Perth, Western Australia

Case study

Optimising our resources on Tideway



By reducing the diameter of the tunnel by just 50mm

20,000 tCO₂e was saved.

24,400 tCO₂e in road emissions were avoided

by using river transport.



Tideway has an important problem to solve: London has been reliant on a 150-year-old sewer system built for a population less than half its current size. The project is modernising London's iconic waterway by building a 25km Super Sewer under the River Thames to ensure it meets the needs of the city's c. nine million residents, to clean up the river and create a better environment for the many species that rely on the Thames.

As part of the FLO joint venture, Laing O'Rourke is responsible for delivering the Central section, along with partner Ferrovial Construction UK.

Creative thinking to minimise waste

The waste hierarchy was used to help optimise resources across the project, and drive cultural change. This culture was central to the waste programme's success, requiring all team members to work together to identify opportunities for material savings, to maintain and store any material and equipment identified for reuse and to support the collective drive to optimise resources and embrace circular economy principles.

Prevent

The batching plant was designed so gravity drops could be used in place of pumps. This eliminated unnecessary use of material, as well as energy and diesel to run pumps.

The More By River strategy saw 5,759,000 tonnes of material transported by river, replacing an impressive 17.5 million HGV miles, and resulting in a total saving of 24,400 tCO₂e emissions from transport.

Reduce

The main tunnel running through the Central section is 12km long. Following detailed analysis, our team identified that the tunnel thickness could be reduced by just 50mm without impacting technical robustness. This tiny reduction in diameter resulted in a huge saving in materials and carbon – around 20,000 tCO₂e, in fact.

Reuse

Collaborative efforts between teams – including FLO and supply chain partners – identified equipment and materials that were no longer needed and allocated them to new homes. This included reuse at Tideway East and Tideway West, as well as other tunnelling projects, such as HS2 and Silvertown, and our off-site manufacturing facility in Nottinghamshire. Social enterprises also benefited from donated equipment, with welfare accommodation units given to a local community centre.

As well as substantial environmental and carbon benefits, this initiative delivered a financial saving to the Tideway project of more than £10m.

At a glance

- 24,400 tCO₂e abated by using river transport instead of road;
- 20,000 tCO₂e abated by reducing tunnel diameter by 50mm;
- 96% waste diverted from landfill;
- 95% clean excavated material beneficially reused;
- 5,759,000 tonnes material transported by river, replacing 17.5 million HGV miles;
- £10m saving to project through effective waste management;
- Winner: Tideway RightWay Award 2023 in Environmental Initiative category.

“Thames Tideway is ultimately a large-scale environmental project, cleaning up the river for the long term. It was therefore vital that excellent environmental practices were achieved throughout, and the team have certainly risen to the challenge. I am exceptionally proud of the ingenuity and team spirit that have been applied to waste management, which I consider an exemplar standard. Throughout, there has been a dedication to innovative thinking and trying new approaches, and this attitude has reaped tangible results.”

Eamonn Dolan, Project Director, Tideway



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Image: The Tideway team, London, UK

Case study



Laing O'Rourke is championing HVO trials across Australia



Hydrotreated vegetable oil, derived from vegetable oils such as rapeseed or waste-based feedstock used as cooking oil, can significantly reduce greenhouse gas emissions compared to diesel derived from fossil fuels.

As a significant contributor to global emissions, the phase-out of diesel is critical to achieving our net zero goals given construction is a known hard to abate industry.

The METRONET Byford Rail Extension Project was the **first project in Western Australia (WA) to trial the use of renewable diesel**. Supplied by Refuelling Solutions, the renewable diesel is powering several on-site pieces of equipment with HVO. The equipment being used in the trial includes a Mazda BT50 4X4, a Kobelco excavator, and a Hydreama water cart – all supplied by Select, as well as WA's first Volvo hybrid 30T excavator, supplied by our subcontractor Cluain Barron Construction.

The project will substitute **30,000 litres of traditional diesel with HVO**, sourced from supplier Neste out of Singapore, which produces **95 per cent fewer CO₂ emissions compared to regular diesel**, as well as less noxious gases, all while delivering the same performance/torque as regular diesel. Reducing emissions of heavy vehicles, rail freight, mining, agriculture, construction plant and equipment is challenging and trials such as this aim to

demonstrate the role and opportunity that renewable fuels can play in our transition to net zero.

The trial is being run in partnership with METRONET, the Department of Transport, and Curtin University who will undertake studies to understand implications for fuel efficiency, emission reduction, and impacts to engines. The **data captured will be provided to the Department of Transport** to support the viability of HVO fuel for current and future infrastructure projects, and to help build knowledge, acceptance, and ultimately demand for wider industry use to encourage WA supply availability.

In New South Wales, the St Marys Station Footbridge project team worked with subcontractor AnewX to trial using HVO on their plant and equipment. To date, positive outcomes have been reported with consistent engine performance and seamless transitions between fuel types.

Hollie Hynes, General Manager – Sustainability and Environment, said:

“The adoption of renewable liquid fuels, like HVO, is critical to achieving our 2030 near-term targets. As the construction industry is heavily reliant on diesel, the transition to electric heavy machinery and plant will take time – beyond 2030. HVO is widely available in other parts of the world at price parity and is a key solution used in the UK to reduce Scope 1 emissions.”

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Image:
HVO trial on Byford Rail Extension Project, Western Australia



The site is situated close to a lake and woodland area, so taking careful steps to protect the natural environment – and help it flourish – has been a priority. Local biodiversity has been enhanced through installation of a series of bug hotels and two beehives around the site, as well as extensive planting.

Case study

London-based data centre scoops Most Considerate Site award



Our team at NTT Global Data Centres' London 1A site was thrilled to receive the accolade of **Most Considerate Site 2024 in the >£100m category in this year's Considerate Constructors Scheme awards**, recognising the steps the team has taken to exceed expectations, strive for sustainability excellence, and place innovation at the heart of the project. In fact, the judges awarded full marks, stating that **"the team excelled by becoming a beacon of innovation and construction best practice"**.

When completed, the data centre will play a critical role in delivering reliable, secure connectivity in the London area. A total of 25,600m² of data server space and 32MW of critical IT load will provide much-needed digital infrastructure suitable for the growing data needs of our society. Laing O'Rourke is proud to be responsible for the development and fitout of the final two phases of the building.

A culture of innovation

A culture of innovation and care was fostered from the very beginning, encouraging people from across the team to find ways to do things better. Working collaboratively with supply chain partners, the project team has made several improvements to standard practices that help to reduce environmental impacts.

These include:

- **More sustainable plant technology:** Electric plant has been used in place of fuel-powered alternatives where possible. Where fuel-powered plant has been necessary, there has been a drive to minimise emissions. Hydrotreated vegetable oil (HVO) has been used throughout the site as an alternative to diesel, resulting in >90 per cent reduction in emissions, and a flybrid generator was deployed to work with tower cranes, reducing the generator size from 500kVa to 300kVa, and fuel use by up to 50 per cent;
- **Closed loop recycling schemes** are in place for cable drums and temporary protection sheets used to cover walls, floors, and door areas. For the latter, the site is trialling magnetic sheet fixings to eliminate tape use and help reduce site waste;
- **Reusable boot covers** are provided for all staff. This idea was generated during one of the on-site team's sustainability briefings, with a team member identifying traditional boot covers as an unnecessary source of plastic waste.

The CCS assessors said:

"Accelerating its path to net zero carbon, the company has implemented impressive ISO 14001-certified environmental procedures, including: regular risk assessments; training and toolbox talks; timely inspections; monthly reporting on waste; and the development of an environmental emergency plan."

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Image: Bug hotels are situated adjacent to the site, NTT LON1A, London, UK



For our people

Pushing the boundaries for our people

Building an enduring and innovative organisation requires us to hire, develop, and retain the very best talent. We are committed to transforming the nature of construction work, so that the stimulating and rewarding careers it offers appeal to a more diverse range of people.



For us, this is about giving our people the opportunity to be the best versions of themselves. Our focus is on inclusion and wellbeing, as well as opportunities for personal and professional development.

Setting an ambitious target for gender balance is a significant step in the process to deliver overdue change in a sector that continues to lack diversity. Becoming more diverse and inclusive is a key strand of our mission to be the recognised leader for innovation and excellence.

Our business has developed employee-led networks that are designed to represent the needs of a wide range of communities of employees. Those networks are helping to raise awareness of the lived experiences and challenges of different communities across our business, helping all employees to expand their perspective and consider how we can act differently to ensure each person within our business feels that they belong.

We know that diversity is a complex issue and a multifaceted approach is required.

✓ We launched our Australian **Gender Equality Action Plan**, outlining the steps we are taking to achieve our target of gender parity by 2033. Strategies focus on recruitment, sponsorship of emerging female leaders, and mandatory training for senior and hiring managers to **reduce gender bias**.

✓ Globally, **29% of our staff** are now female.

✓ In Australia we were awarded the prestigious Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation for the third consecutive time.

✓ Our UK business published its first **Ethnicity Pay Gap report** in 2024.

✓ In Australia we have increased female representation across all employee groups from 26% to 31.2%. We continue to progress towards our 50% gender parity target with 35% of staff roles being filled by women.

✓ A new Diversity and Inclusion strategy has been launched in the UK, focusing on the importance of **committed leadership** and a **positive, open culture** in ensuring our business is truly inclusive and provides an environment in which a diverse community of people can thrive.

✓ Our industry-leading parental leave policy offers **six months parental leave on full pay** for all parents. This leave is also available for parents who adopt or welcome a baby via surrogacy. We also have a pregnancy loss policy, providing paid leave for any employee who has suffered, or whose partner or surrogate has suffered, a loss of pregnancy.



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Image: Box Hill site, Suburban Rail Loop Initial & Early Works, Victoria

Case study

Spotlight on sponsorship



Leigh Penney, Sustainability and Innovations Senior Manager in Australia, said:

“My journey on Cultivate has been really supported by my sponsors, as I was lucky enough to have two – both with very different views that really helped me in various areas of my work life and career. I have also had the privilege of connecting with a broader network of Laing O’Rourke’s talented women, who have provided unique perspectives and inspiration to me over the past few months. Cultivate has helped me to see my career more strategically and has bolstered my confidence. I now feel I can advocate for my next career move and have an experienced and influential cohort of leaders behind me. I am extremely grateful to Laing O’Rourke for this amazing opportunity.”

As a business that is delivering some of Australia’s largest and most complex infrastructure projects, we have a responsibility to provide **meaningful and rewarding career paths**, regardless of a person’s gender. This is a responsibility we take very seriously. Our **Gender Equality Action Plan** sets out how we will achieve our ambitious gender parity targets, through **courageous change, honest conversations, and building capability**.

One of the core initiatives in our Gender Equality Action Plan is the **sponsorship of emerging female leaders**. Research demonstrates that whilst men and women have access to professional development programmes, progression to leadership roles often depends on sponsorship, which women have a hard time accessing.

In FY24 we continued our investment in the Cultivate sponsorship programme. This is a sponsorship programme that is based on research to create cultural change, providing a structured approach to building **strategic alliances between women and senior leaders** to advance their leadership readiness.

Sponsorship is different to mentoring in that mentoring extends networks and provides people with a point of contact to seek advice or support from, whereas a sponsor is **someone in your organisation who actively advocates for you and opens doors to growth and promotion opportunities**.

Two cohorts have undertaken the Cultivate programme experience at Laing O’Rourke to date.

A rigorous selection process resulted in six future female leaders being paired with a senior leader of the business to intentionally support and accelerate their career and development.

As a company, we celebrate diversity and inclusion, and we can and will do more to drive more tangible change in our business and our industry. We are not only investing in our people and their career progression but staking a clear claim to be an **employer of choice for women in the industry**.

“Working through the Cultivate sponsorship programme with my sponsee has been a hugely fulfilling and insightful experience for us both. Seeing the impact of our conversations and the action of intentional sponsorship leading to positive outcomes highlights the importance of programmes like this.”

Tom Mullens, Director – Technical and Health & Safety

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Image: Cultivate sponsorship program participants, Australia

Case study

Embracing neurodiversity through supported internships



At the end of 2022, our UK business was immensely proud to be the first tier one contractor to achieve Level 3: Disability Confident Leader status. Part of maintaining that status is to challenge ourselves to identify ways to make our workplace more inclusive, to take steps to better understand our blind spots, and to share our learning with other companies.

Portland is a specialist college, residential care provider and Centre of Excellence for Autism located in Nottinghamshire, close to our Explore Manufacturing facility.

James Langley, General Manager at Explore Manufacturing, explains:

“We had been in touch with Portland College for some time, discussing the possibility of supported internships. Rather than rush to put a generic programme together, we’ve worked very closely with the college to develop internships suitable for their students, not the other way around. A lot of care and consideration has gone into bringing the internships to life, ensuring we provide the right kind of support and an environment where our interns can thrive.”

In addition to the programme, numerous other factors were considered, including the selection process, the most suitable positions, how the programme would be introduced to existing

employees, participant safety, and the concerns of the candidates’ parents. **We worked with students to develop skills in CV writing and interview preparation,** and in January 2024 we were delighted to welcome two new colleagues to the business, in the shape of David and Alex.

David was invited to join the facilities team, to assist with tasks such as booking and setting up meeting rooms and arranging tours. Alex joined the stores team, which involves ordering goods, re-stocking shelves, delivering products around the plant, and computer-related tasks.

Building the foundations for success

The learning has been reciprocal. While our team was active within the college during the internship design and recruitment process, in turn, Portland College spent time with our internal teams, **helping them to better understand autism and ADHD** in order that David and Alex came into an understanding environment.

Parents have been important stakeholders in getting the internships right, and we continue to talk with them to make sure we know of any impacts – both positive and negative – that may not present themselves at work.

Claire Dyson, Office and Facilities Manager, explains:

“We established quiet areas in case the work environment became overwhelming. We also

decided to go for a phased start, so Alex and David started on shorter, fewer days and have been gradually building up over time, as their confidence and skills grow. The up-front work with the college, students and parents has been invaluable. It has enabled Alex and David to join our business and feel comfortable. They are thriving in their roles and are a credit to our business.”

“It’s been humbling and quite eye-opening to see the progression since we first met Alex and David at Portland College,” explains Steve Evans, Procurement Manager at Explore Manufacturing and Alex’s line manager.

For Angela Newton-Soanes, Deputy Principal, Quality and Further Education at Portland College, the success is a catalyst for change throughout industry:

“It is imperative that employers start from a place of learners’ ability, rather than disability. What we at Portland College and Laing O’Rourke are doing is exactly that. We are learning from each other. We’re identifying positive adjustments that mean the way our supported interns work and operate results in a win-win for learner and employer; they can and are doing amazing things.”

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Image:
L-R: Steve Evans, David Stroughton, Alex Kuhlmann, James Langley, Claire Dyson

Case study

Laing O'Rourke Australia retains employer of choice for gender equality status



For the third consecutive period, Laing O'Rourke Australia has received the prestigious Workplace Gender Equality Agency (WGEA) Employer of Choice for Gender Equality (EOCGE) citation.

According to Managing Director, Mark Dimmock, the citation, which is awarded every two years, reflects our commitment to driving more equitable outcomes for all our people.

"We are proud to be leading important and long overdue change in our sector. Ensuring our workplace is one that nurtures diversity and inclusion is a strategic imperative for us. This is more than an accolade. It is about creating a culture that fosters diversity and inclusion, innovation, productivity, and growth because our sector needs more talent to meet demand," said Mark.

Achieving the EOCGE citation is the result of meeting a rigorous set of requirements and demonstrating a commitment to gender equality as a strategic imperative for the business and the industry.

For more than a decade, Laing O'Rourke has implemented policies and interventions to attract more women into the business, and to keep them. In 2018, the Australian business developed and implemented a Gender Diversity Action Plan, calling out specific actions and initiatives to increase the pipeline of women in project leadership roles.

Since then, Laing O'Rourke has continued to push the boundaries, setting ambitious targets to achieve gender parity across global staff by 2033. Our Gender Equality Action Plan, launched in 2024, sets out how the business will achieve market-leading gender parity targets, through courageous change, honest conversations and building capability.

Laing O'Rourke Australia has implemented several processes, policies, and initiatives to achieve gender equality across the organisation, including:

- Minimising the gender pay gap by reducing bias in pay processes, and increasing the number of women in senior and higher paying roles;
- Implementing a **paid parental leave policy** providing both male and female employees with access to 26 weeks of paid leave;
- **Paying superannuation** on both paid and unpaid parental leave;
- Delivering Inspiring STEM+ which is a **school engagement programme** designed to encourage more girls into STEM courses at university and ultimately careers in construction and engineering; and
- Implementing a **sponsorship programme** 'Cultivate', matching senior operational women to executive sponsors, aimed at increasing promotional opportunities for senior women.

Helen Fraser, Director – People in Australia, said:

"Since our last citation, we are most proud of the stance we have taken around the elimination of gender-based discrimination and sexual harassment, from risk assessments, training, engaging in courageous conversations to acknowledge and address destructive behaviours."

As a result of these commitments, the business **has increased overall female participation from 26 per cent to 35 per cent over the last six years**, with a focus on recruiting and retaining senior women on projects and as future female leaders.

"We celebrate this significant recognition from WGEA and the great progress we have made to ensure both women and men can access rewarding and challenging careers. We appreciate that there is a lot more work to do in driving and accelerating meaningful change and are pleased to see others in our industry join us. Together we will continue to drive change to welcome women into the great career opportunities that exist within our industry."

Mark Dimmock, Managing Director, Australia

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Image: Team member at Queensland Rail Station Accessibility Upgrade Program, Brisbane, Australia

Case study

Creating an environment where people can thrive



The construction industry of today is very different from its traditional roots. Modern methods of construction, innovation, and digitisation mean that today’s construction careers are far more varied, requiring different skill sets and ways of thinking. To respond effectively to the challenges and opportunities presented by our transforming industry **we must attract and retain a diverse team of people capable of thinking differently.**

Our Europe Hub launched a refreshed strategy this year focused on **driving difference, inclusion, and cultural accountability.** It recognises that if we are to attract and retain the diverse workforce we desire, we need a cultural setting that genuinely works for all kinds of people, where our people feel psychologically safe and supported.

Ensuring that a **breadth of voices contributes to this strategy is vital in bringing it to life as a living, breathing cultural norm.** Two initiatives are particularly powerful in making that difference: our diversity and inclusion employee networks, and our Diversity and Inclusion Council.

Our **employee-led diversity and inclusion networks provide a safe space** to discuss how it really feels to work in all parts of our business, to **make positive recommendations for change** to our Diversity and Inclusion Council and to drive education, events, and initiatives across our business.

Our Diversity and Inclusion Council is chaired by Non-Executive Director Charlotte Valeur, and comprises representatives from our Executive Committee and functional leads. It makes decisions on **how to drive change and implement policies and recommendations** in the Europe Hub, reporting into the Group Executive Committee.

The power of employee-led networks

Employee-led networks have been a powerful voice within our business for nearly five years. They offer a safe and supportive environment for employees to listen and share personal experiences and insights, and help engender a **true sense of belonging and care.** They also play a critical role in making sure the **business receives honest feedback** about how it feels to work in our company and insights into how we can improve inclusivity.

Nik Tait is Co-chair for our Pride network:

“I am passionate about developing a culture where curiosity is encouraged, where we have open, frank dialogue and work to understand one another better. The Pride network has played an important part in updating diversity and inclusion policies – with particular emphasis on checking for gender inclusive language and approaches – and been instrumental in pushing for the revision of our recently relaunched anti-bullying and harassment policy.”

Our employee networks

- Dis-ABILITY and Neurodiversity
- R.E.A.C.H. (Religion, Ethnicity and Cultural Heritage)
- Gender
- Pride
- Carers
- Peri and Menopause
- Families who live abroad
- Working families
- Part-time employees
- Single parents

Anna Wild, Chair of our Gender network, says:

“It’s very important to me to make a difference for women in Laing O’Rourke and the construction industry. Our Gender Committee is a safe space for people to share their experiences. Our perspectives are heard at the most senior tables in our organisation – that’s empowering. Our voices are making a genuine difference for our people.”

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Image: Nik Tait, Co-chair for our Pride network, at London Pride

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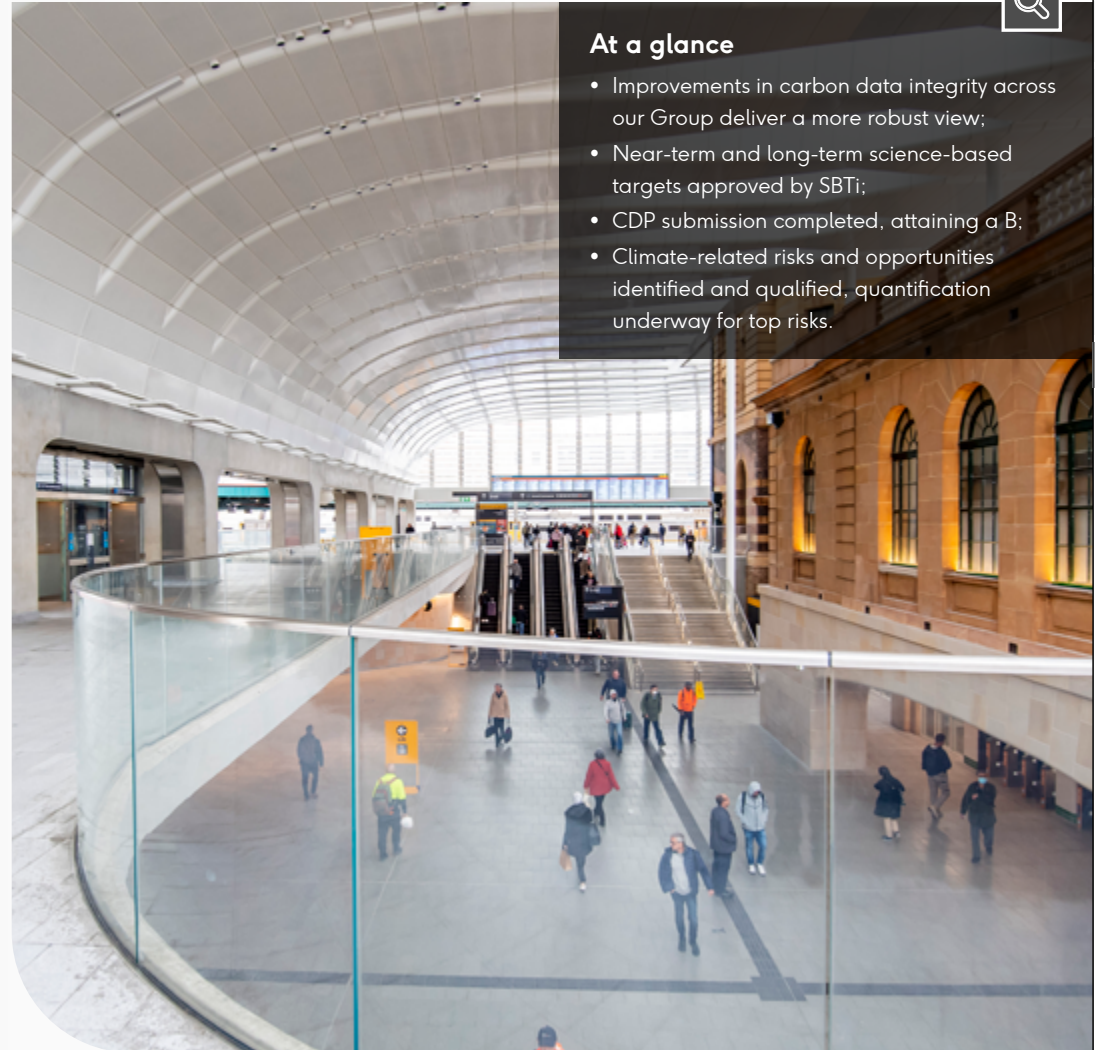
As our business continues to build **certainty and resilience into its strategy and operating model**, the assessment and provision for climate-related risks and opportunities remain critical to our plans. Severe weather events are becoming an increasing feature of our environment. We **continue to monitor and report our climate-related risks, taking steps to mitigate them**. At the same time, we also identify climate-related opportunities that help to inform our business strategy. **Already we're seeing our business successfully access green transition projects**. We're proud to be a part of the long-term movement to decarbonise the energy and transport sectors. We recognise the important contribution that modern, innovative methods of construction play in that transition, and the expertise we bring in introducing those methods.

Maintaining a sharp focus on sustainability remains vital to our commercial success from a work-winning perspective. Our solutions and ingenuity support our customers' sustainability ambitions, enabling us to operate as true partners with a common goal. One of the ways in which we **endeavour to maintain best practice is through external disclosure mechanisms**, including CDP (formerly known as Carbon Disclosure Project) and Toitū Carbon Reduce programme (formerly the Certified Emissions Measurement and Reduction Scheme – CEMARS), Streamlined Energy and Carbon Reporting (SECR) in the UK, and through publicly reporting our greenhouse gas emissions.

In Australia, we ensure we are complying with the National Greenhouse and Energy Reporting Scheme (NGERs) legislation. The rigour of these disclosure frameworks assists us in identifying areas for improvement. We will continue to build on our progress in FY25 and beyond.

FY24 has seen us take our ambitions further and develop science-based targets, which have now been approved by the Science Based Targets initiative (SBTi). The targets build on our original 2030 targets for reduction of direct (Scope 1 and 2) emissions, introducing an additional Scope 3 reduction target for 2030 of 25 per cent from purchased goods and services, based on a 2023 baseline year. This is in recognition of the significant weighting towards Scope 3 emissions for our business and the need to take urgent, targeted action to tackle them.

While our new targets are challenging, they are also necessary to drive transformational change in our business and industry. They will require collaboration with partners across our supply chain, our peers, academia, government, and wider industry. **They demand new and innovative approaches and true systems thinking**. Our targets are supported by detailed delivery plans that are already in flight. Progress will be reported each year within our Annual Report and Accounts and our Sustainability Report.



At a glance

- Improvements in carbon data integrity across our Group deliver a more robust view;
- Near-term and long-term science-based targets approved by SBTi;
- CDP submission completed, attaining a B;
- Climate-related risks and opportunities identified and qualified, quantification underway for top risks.



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Image:
Northern Concourse at
Sydney Central Station
Metro, Australia

Governance continued

Carbon disclosure

We've been on a significant cultural and learning journey since we first set our sustainability targets in 2021. At that point, we developed a roadmap of abatement projects focused on tackling Scope 1 and Scope 2 emissions. We also put in place a dedicated programme to build our Scope 3 dataset. **As we have put our plans into practice, we have a more detailed understanding of what the carbon reduction roadmap looks like.** We have dedicated significant resources into developing emissions data to inform our decision-making, and our carbon data is becoming more complete. Our FY23 and FY24 numbers now include previously unavailable emissions data from our Middle East business for Scopes 1, 2, and 3.

We know there are limitations to our original plans. **We have successfully implemented many of our original carbon abatement initiatives,** including deployment of renewable electricity and ethically-sourced hydrotreated vegetable oil (HVO) in the UK, and are transitioning our fleet to electric vehicles. However, not all markets have moved at the pace expected. HVO continues to be widely unavailable in Australia and electric plant is not available at the scale desired.

We experienced an **upturn in operational activity** during FY24 compared with the previous year, which has led to an **overall increase in emissions,** from 960,029 tCO₂e in FY23 to 1,115,144 tCO₂e in FY24. Our **emissions intensity has reduced year on year,** from 284 tCO₂e/£m Group revenue in FY23 to 275 tCO₂e/£m Group revenue in FY24.

Cathal O'Rourke, Group CEO Laing O'Rourke, said:

“While it’s reassuring to see the impact of our actions realised in a reduction in carbon intensity, we recognise the need to take decisive action to reverse the absolute increase.”

We are determined in our commitment to achieving net zero, and in achieving significant carbon reductions in the near term. Armed with better insight, we have introduced **more stringent commitments and accountability** across our business. We have begun to introduce carbon budgeting in Australia, which is starting to inform the carbon impact of our decisions up front and enable more accurate forecasting. We're now taking those principles to map out and implement carbon budgeting for our UK business.

We have updated our carbon reduction goals aligned with science-based targets. **Scope 3 emissions represent around 98 per cent** of our carbon footprint, and it is clear that we will achieve a **greater impact by acting on Scope 3 now,** while the markets for decarbonised fuel and plant mature.

We already have some solid foundations in place, but recognise the challenge inherent in these targets. Our **longstanding R&D programmes into material decarbonisation and design efficiency are starting to bear fruit;** in the UK our low carbon concrete mandate produced a

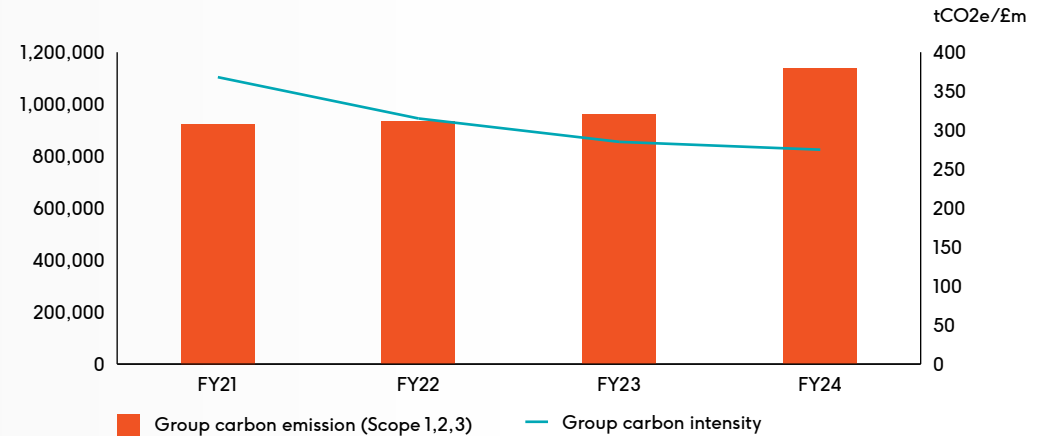
Our approved science-based targets:

By 2030
42% reduction in Scope 1 & 2
25% reduction in Scope 3*

By 2050
Fully net zero across Scopes 1, 2 & 3

Based on 2023 baseline year. Target boundaries include land-related emissions and removals from bioenergy feedstocks.
* Category 1: Purchased goods and services

Carbon intensity



As operations have returned to pre-pandemic levels, overall emissions have increased, driven by increases in Scope 3. Carbon intensity has consistently reduced over the same period, demonstrating an improvement in carbon efficiency.

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Image: From SBTi

Governance continued

15.5 per cent saving in emissions from concrete in its first year, and we introduced clear tolerances for embodied carbon in concrete in Australia this year. We play an active role in testing, trialling, and scaling new technologies in partnership with supply chain, clients and academia, and are working hard to accelerate the period from test to scale, in order to stimulate market adoption of lower carbon alternatives.

While these programmes are vital for driving change within our business and the wider industry, we recognise that we cannot achieve our Scope 3

targets in isolation. **The net zero challenge is one that is borne by parties across the construction industry, and the supply chain plays a significant role in that.** Of our Scope 3 emissions, 90% are associated with purchased goods and services. Efficiency will undoubtedly play an important part in tackling the volume of materials we purchase, so reducing waste is a priority. We're working with supply chain partners to achieve our goals, including education, aligning supply chain requirements, and encouraging innovation. They are an essential part of the story in helping

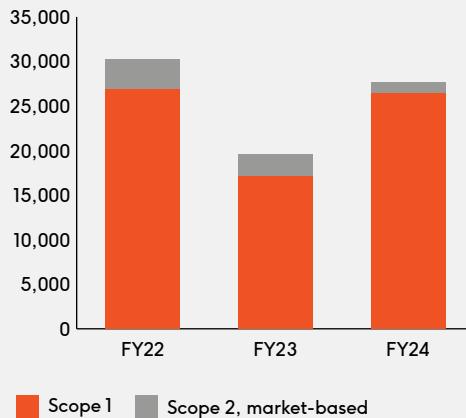
to deliver innovative carbon-efficient products, nature-positive solutions, and improved waste management and circular economy principles.

Supporting our employees to continue to improve carbon literacy, to put in place systems and processes that promote a sustainability-first mindset, remains an important priority.

Our people are our most valuable asset, and empowering everyone to achieve our carbon reduction goals serves as the ultimate testament to our commitment.

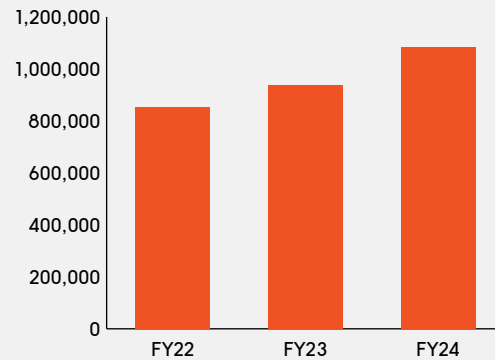
Finally, the **industry partnerships and memberships that we hold enable us to learn, to share best practice and to influence more sustainable outcomes for construction.** Notably the work we do with the Australian Climate Leaders Coalition, the Construction Industry Leadership Forum, UK Green Building Council, Construction Leadership Council, Institute of Structural Engineers, ConcreteZero, Supply Chain Sustainability School and the Chartered Institute of Procurement and Supply, among many others, provide the necessary networks to effect change.

Scope 1 and 2 emissions



Notes: Middle East data is included in FY23 and FY24 only. All numbers are tCO₂e.

Scope 3 emissions



Notes: Middle East data is included in FY23 and FY24 only. Well to Tank (WTT) calculations applied from FY23. WTT takes account of extraction, refinement and transportation of fuel, resulting in an emissions increase. Included within Categories 3, 4, 6, 7, 9 & 13. All numbers are tCO₂e.

Scope 3 category emissions breakdown

Year	FY22	FY23	FY24
Category 1: Purchased goods and services	791,261	853,574	985,105
Category 2: Capital goods	26,908	22,572	28,262
Category 3: Fuel and energy-related activities (not included in Scopes 1 or 2)	556	6,938	8,726
Category 4: Upstream transportation and distribution	2,707	8,048	11,431
Category 5: Waste generated in operations	8,235	10,960	16,592
Category 6: Business travel	3,162	8,108	8,120
Category 7: Employee commuting	12,620	21,726	18,505
Category 9: Downstream transportation and distribution	1,354	1,273	1,605
Category 13: Downstream leased assets	3,791	4,048	3,834

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Task Force on Climate-related Financial Disclosures (TCFD)

Our FY23 Annual Report and Accounts contained our first complete disclosure against the Task Force on Climate-related Financial Disclosures (TCFD) framework. It set out the progress the business had made to date, along with the intended gap closures identified to help better protect business resilience against climate-related events and market changes, while optimising climate-related opportunities. This report builds on that TCFD statement, describing the progress we've made during the year and the steps we're taking to manage the risks and opportunities related to climate change.

Central themes running through our approach are:

- **Governance, process change and cultural change:** This involves embedding sustainability-focused considerations within business decision-making, improving understanding and visibility of sustainability issues and their associated impact across all parts of our business, and continuing to provide training and education to our people so a sustainability-first mindset becomes the norm.
- **Continuous data improvement:** While significant progress was made during FY22 and FY23, continuously improving data quality remains a key focus. We have established a clear data hierarchy and are focused on transitioning away from spend-based data to quantity-based data for our product lines, with Environmental Product Declarations (EPDs) representing the highest level of data integrity.

As we transition data up through the hierarchy, our emissions values will inevitably change. This situation will be most prominent for Scope 3. The work completed so far has added greater depth and breadth to our reporting, enabling us to complete science-based modelling, develop targets and have those targets validated by the Science Based Targets initiative (SBTi). This continuous data improvement will, in turn, help to refine our assessment of climate-related risks and opportunities, enabling us to quantify impacts with greater confidence.

- **Strategic alignment:** Here, we develop greater clarity around the risks and opportunities identified through Climate Scenario Analysis to build resilience into our business practices and strategically pursue long-term commercial opportunities.



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Image:
Living wall at 25 Baker Street, London, UK

Governance continued

Climate-related disclosures



Pillar	Theme	Summary of progress, status, and next steps
Governance	Governance arrangements for assessing and managing climate-related risks and opportunities	<p>A clear governance structure has been established that enables climate-related risks and opportunities to be assessed, communicated, and managed at all levels of the organisation and across operating hubs.</p> <p>At Board level, our quarterly Sustainability Committee and Audit and Risk Committee provide the right environment for Group-wide strategic discussion and direction.</p> <p>Group and regional executive committees are accountable for translating strategic direction into action, ensuring risks and opportunities are acted upon, and embedded into functional processes.</p> <p>Taking a bottom-up perspective, pockets of excellence have been identified at project level for identifying – and taking action on – near-term, climate-related risks, with quantification in terms of programme delays and impact to projects, hence affecting commercial performance. Work is underway to formalise this process into a consistent approach.</p>
	Process for identifying, assessing, and managing climate-related risks and opportunities	<p>A substantial piece of work was completed during FY23 on climate scenario analysis.</p> <p>This work was used to identify climate-related risks and opportunities, to assess them, and assign likelihood and impact metrics.</p> <p>Given the breadth, depth, and recency of this work, it was not deemed necessary to repeat the exercise in FY24. A monthly cross-functional operational committee is being established to provide continued focus on managing these risks and opportunities, establishing consistent processes for financial quantification, as well as identifying any changes that require action. The committee will be chaired by finance, with representation from commercial, planning, estimating, legal, and sustainability functions. It is intended to provide a consistent approach, providing a mechanism for quantifying and embedding climate-related risks and opportunities into business-as-usual processes.</p>



Governance continued



Pillar	Theme	Summary of progress, status, and next steps
Strategy	Processes for integrating climate-related risks and opportunities into the Group's overall risk management process	<p>Climate-related risks have been assessed using the same framework, criteria, and methodology as all other Group risks. These are documented within our central risk register and presented at our Audit and Risk Committee.</p> <p>This information feeds through into regional functional review processes.</p> <p>A gap has been identified between corporate-level, climate-related risk identification and quantification, and project-level reporting. Addressing this gap will support our ability to deliver consistency. As such, this will be a priority action for our operational committee during FY25.</p>
	Principal climate-related risks and opportunities identified in relation to the Group's operations, and associated time horizons	<p>Our overarching climate principal risk has been reviewed and upgraded this year, based on the impact to operations that our business has experienced in the last 12 months, related to flooding, high winds, and wildfire, as well as changing insurance conditions.</p> <p>At a more detailed level, climate-related risks and opportunities have all been reviewed against a short- and long-term horizon. They continue to be reviewed within quarterly Board-level and operational committees.</p>
Risk management	The impact of climate-related risks and opportunities on the Group's business model and strategy	<p>The focus so far has been on analysing climate-related risks and opportunities at a more senior, strategic level. As the organisation matures its sustainability journey, work is underway to develop a more consistent approach.</p> <p>Key actions taken during FY24 have been to: redefine our priority market sectors, taking into account the opportunities identified through climate scenario analysis; adjust planning provisions in light of the increased likelihood of extreme weather events; and continue investment into technology and innovation to identify and deploy low carbon, transitional solutions, and reduce exposure to carbon costs.</p>
	Analysis of business resilience based on the climate-related risks and opportunities identified, based on scenarios	<p>During FY25 we expect to further develop modelling to understand the impact of water scarcity, and the risk of wildfire, flooding, and high winds, on our operations and supply chain at a more detailed level.</p>



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Pillar	Theme	Summary of progress, status, and next steps
Metrics and targets	Description of the targets used to manage climate-related risks and realise climate-related opportunities, and performance against those targets	<p>The development of, and commitment to, science-based targets has provided a helpful mechanism to develop more granular carbon reduction targets.</p> <p>Our Executive team has accountability for carbon reduction, with an overall target of 5 per cent set for FY25. This represents a starting point from which further targets will be developed by business unit and function, as our carbon maturity develops.</p> <p>A substantial transformation programme underpins our science-based targets work, with monthly meetings that hold the business accountable for making progress. Key to this is the development of carbon budgeting in Australia, which will help to inform longer-term targets throughout the business. This is now being explored and scoped for our UK business, aiming to implement in the next financial year.</p> <p>In addition to these executive-level carbon targets, our project-level sustainability targets have been expanded and strengthened, linking sustainability performance to project reward schemes.</p> <p>Using our expertise in off-site manufacture, we are developing innovative products and services tailored to our target sectors. In the UK we have made notable progress in developing a solution that drives benefit for the nuclear sector. Our innovation programme is designed to deliver attractive solutions and competitive edge long term. This directly responds to the identified transitional risk of relying on existing materials and methodologies as the transition to a low carbon economy intensifies.</p> <p>Our work-winning strategy and targets for FY25 – FY27 align with lower risk sectors that are important to the low carbon transition and serve society. This strategy directly links to the transitional opportunity identified to participate in emerging markets as part of a low carbon economy.</p>
	KPIs linked to climate-related risks and opportunities, and associated calculations	<p>Carbon measurement guidance was developed and launched during FY24, bridging the gap between corporate- and project-level carbon reporting, and ensuring each part of our business is calculating and reporting carbon in a consistent manner.</p> <p>This will be formative in developing our carbon budgeting strategy and providing a means for tracking progress against our top-level KPI, as well as business unit-level KPIs, as they are introduced.</p> <p>Carbon literacy work continues throughout our business, with training provided to employees at all levels. This is an important aspect of cultural change and will support the adoption of carbon targets throughout our business.</p> <p>A transformation programme is in place to deliver our carbon reduction targets, linked to our identified reputational risk associated with failure to reach targets. Progress is reported to our Europe Hub Executive Committee monthly. This includes milestones for developing and implementing Scope 3 Category 1 carbon dashboards by FY26, embedding carbon forecasting into the bid evaluation process at the start of FY26, and investing in IT infrastructure to improve carbon data maturity during FY26.</p>

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Climate scenario analysis

Using the support of an external consultancy, a cross-functional, cross-hub, senior team completed an in-depth review and analysis of climate-related risks and opportunities during FY23 using two scenarios, which were chosen as they represent a plausible range of outcomes:

1. A **low carbon scenario** whereby global temperature increases remain close to 1.5 degrees Celsius and below two degrees Celsius. Here, there is a rapid transition towards clean energy and, as a company, we are exposed to higher transition risks, but fewer physical risks.
2. A **high carbon scenario** whereby global temperatures increase up to four degrees Celsius. Here, there is an increase in the use of fossil fuels and transition risks are lower, but there is a significant increase in physical risks.

Our short-term horizon is out to 2030. Our medium-term horizon is 2050, before which we intend to be fully net zero. Our long-term horizon goes beyond 2050, when physical risks will be more significant and will require us to make more fundamental changes to our operational approach. **This report focuses on the near and medium-term horizon.**

Exposure modelling and vulnerability assessments were completed for selected key risks, including qualitative interviews with key individuals within our business. These experts are well-positioned to contribute their on-the-ground knowledge and experience in relation to the risks identified.

Climate scenario analysis assumptions

The qualitative climate scenario analysis looked at high-level, climate-related impacts focusing on our main asset types and operations. Specifically, these included: offices, manufacturing sites, depots, design and construction project activities, materials used, and employee health and wellbeing.

It also took into account potential strategic changes in Laing O'Rourke's services and operations. Impacts on individual sites have been estimated for selected priority physical risks, such as flooding and water stress.

The assessment of climate hazards and drivers was conducted based on readily available data at a global, national or regional basis. The analysis considers the inherent uncertainties in scenarios and climate model outputs, as well as uncertainties surrounding the speed of the energy transition and the introduction, or not, of climate-related policies by governments around the world.

The fact that these changes are outside our control means we cannot provide exact quantitative estimates of future change. Nonetheless, the analysis allows us to understand the potential consequences and plan accordingly.

The climate-related risks and opportunities described over the following pages were originally reported in our FY23 Annual Report and Accounts. For each risk or opportunity identified, we have indicated: the time horizon it relates to (either near or near to medium-term); whether it relates to a high or low carbon scenario; an assessment of impact; and the type of risk (e.g physical, transitional, reputational). This report then includes an update to progress for each, described in the 'Commentary' field.



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Image:
Decorative air vents at the newly-created pedestrian area, Tideway, London, UK

Climate-related risks and opportunities

Risk description

Damage to critical infrastructure

Extreme weather events have the potential to cause significant damage to key infrastructure, leading to a potential global impact. Repercussions: access to materials and programme timeframes, and reputational damage.

Time horizon/scenario	Impact rating
Near – medium term	Major impact Increased costs due to downtime, reduced revenue from decreased production capacity, and impacts on workforce.
High carbon scenario	
Risk type	
Physical	

Commentary

Some provision is made for this within insurance arrangements and programme timeframes, with pockets of excellence identified at project level. Our operational committee will be tasked with formalising our approach during FY25, ensuring we take a consistent approach to mitigating this risk throughout our business. Some exemplar projects have paved the way to provide the blueprint for a more consistent approach.

Risk description

Energy prices

Increased energy prices due to volatile energy supply because of the transition to clean energy.

Time horizon/scenario	Impact rating
Near term	Major impact Volatile energy supply will lead to higher prices, both direct and indirect.
Low carbon scenario	
Risk type	
Transitional	

Commentary

Several initiatives are in place to help mitigate the impact:

- Energy management plans or reduction targets to reduce overall consumption, and therefore price exposure;
- Deployment of on-site generation where possible, e.g. solar – this is particularly successful in Australia; and
- Investigation of renewable energy contract alternatives that would protect against cost fluctuations, while continuing to support the development of green electricity generation.

Risk description

Inability to attract/loss of talent

Not embracing sustainability could lead to the Group being unattractive to future employees and impact our ability to retain talent.

Time horizon/scenario	Impact rating
Near term	Major impact Not being seen as taking enough action will challenge our ability to attract and retain talent. This may result in a loss of revenue opportunities and competitive disadvantage.
Low carbon scenario	
Risk type	
Reputational/market	

Commentary

There has been a significant increase in our sustainability communications internally and externally, outlining our corporate commitments and strategic approach. This includes the publication of our Sustainability Report in January 2024, as well as the launch of our Pushing the Boundaries sustainability plan.

External communication activity has been complemented by internal training, lunch and learn events, and regular internal communications.

Sustainability is a strong thread within our early talent programmes, too.

Regardless of role, all staff are encouraged to develop their sustainability knowledge and identify ways in which they might contribute. In Australia, all staff must include a sustainability-focused goal within their annual development plans. In the UK, 10-12 people are sponsored each year to complete a master's degree programme through Cambridge University. This provides new thinking, research, and value to the organisation, and underlines our commitment to engaging bright minds.




Ratings are applied as follows:

Insignificant
 Minor
 Moderate
 Major
 Severe

Risk description

Government instability

Changing governments can lead to changes in sustainability legislation and regulations, as well as potentially leading to a decrease in opportunities around low carbon infrastructure.

Time horizon/scenario	Impact rating
Near – medium term  Low carbon scenario	 Major impact  Potential major negative impact on work opportunities arises from uncertainty on direction of change and the potential need to change focus areas/sectors
Risk type Transitional	

Commentary




We have deliberately diversified our strategic sectors, placing a greater emphasis on projects that will help to deliver the green transition and those that are vital to society.

We're active in our interactions with government departments and influential industry groups, working to ensure we understand potential changes to the regulatory landscape.

Risk description

Delays and disruptions

Delays in construction, and disruption to supply and distribution, because of an increase in the number and intensity of weather-related events such as flooding, wildfires, and heatwaves.

Time horizon/scenario	Impact rating
Near – medium term  High carbon scenario	 Moderate impact  Increased capital costs, reduced revenue from decreased production capacity, and impacts on the workforce.
Risk type Physical	

Commentary




Some provision is made for this within insurance arrangements, subcontracts, and programme timeframes, with pockets of excellence identified at project level. Our operational committee is tasked with formalising our approach during FY25, ensuring we take a consistent approach to mitigating this risk throughout our business.

In the UK, use of off-site manufacturing provides some mitigation to programme disruption as manufacture and curing takes place in a more controlled environment, and is not subject to inclement weather conditions.

Risk description

Failure to reach emissions targets

This could result in reputational damage and accusations of greenwashing.

Time horizon/scenario	Impact rating
Near – medium term  Low carbon scenario	 Moderate impact  The consequences of failing to meet targets could have moderate to major impacts, including losing customers, ability to win new work, ability to access capital from investors, fewer suppliers wanting to partner with us, and potential legal consequences.
Risk type Reputational/market	

Commentary




A clear approach has been adopted to help mitigate against this risk, including:

- Significant focus on improving data integrity, underpinned by a data quality hierarchy;
- Transparent communications and reporting, recognising that as markets and data mature, our position may necessarily change;
- Clear targets and a clear, data-driven pathway to their achievement;
- Clear internal targets and accountability, supported by training and education; and
- Use of responsible decision-making methodology to review bid opportunities that might negatively impact our carbon targets or reputation.

Risk description

Impact to sites with large water needs

Materials and processes with a large water footprint (e.g. concrete) could be impacted if regions are subject to high water stress and construction is seen as a low priority for water use.

Time horizon/scenario	Impact rating
Near – medium term  High carbon scenario	 Moderate impact  Water stress could have a moderate impact on manufacturing if water restrictions are put in place, as it could stop or slow manufacturing.
Risk type	
Physical	

Commentary




Today, provision is made for this on a project-by-project basis, and it is a particularly strong consideration for rural projects in Australia, where water scarcity is already a significant challenge.

Further work is required to quantify the risk to fixed facilities and depots across the UK, Middle East, and Australia.

Risk description

Productivity and health impact

Heatwaves leading to heat stress for employees in offices, depots, and construction and manufacturing sites, leading to health, safety, and wellbeing concerns as well as decreased productivity.

Time horizon/scenario	Impact rating
Near – medium term  High carbon scenario	 Moderate impact  There is a clear relationship between heat stress and productivity, as well as negative impacts on health and wellbeing, especially for those working outdoors. This could lead to moderate impact in terms of injury to employees and delays in construction.
Risk type	
Physical	




Commentary

While not directly factored into productivity calculations today, we actively monitor absence and expect to gather data to inform longer-term assumptions over coming years.

Risk description

Disruption to traditional ways

Need to move away from materials with high embodied carbon as transition to low carbon intensifies. This poses a risk if we do not invest in the use and development of more sustainable materials.

Time horizon/scenario	Impact rating
Near – medium term  High carbon scenario	 Moderate impact  Increased operational and capital costs might be incurred due to price of low carbon materials, associated costs of research, innovation, development, and upskilling in the use of sustainable materials, as well as potential need to buy or change equipment to enable manufacturing using low carbon materials.
Risk type	
Transitional	

Commentary


We're heavily involved and invested in research and development programmes that trial, test, and scale low carbon materials and designs, in partnership with supply chain partners, technology providers, academia, industry bodies, and government bodies. This work is designed to help future-proof our operations, deliver against customer requirements, and deliver our carbon targets.

We are active in disseminating our learning to industry, helping drive transformation across our sector.

Risk description

High carbon prices

New and higher prices on carbon will increase direct and indirect costs.

Time horizon/scenario	Impact rating
Near – medium term	Moderate impact
 Low carbon scenario	Increased costs caused by the impact of carbon prices, both direct (e.g. applied to on-site electricity use) and indirect (e.g. applied to construction materials).
Risk type	
Transitional	

Commentary

While carbon prices are not explicitly specified, contractual mechanisms are in place with customers that enable us to share the risks of rising costs.

In addition, we have launched a carbon budgeting workstream, which is intended to integrate carbon into our decision-making in a way that is quantified.

This was launched in our Australia Hub during FY24, initially focused on bid opportunity evaluation. Similar preparatory work has taken place in the UK during FY24, with implementation planned during FY25.



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Image: Suburban Rail Loop Initial and Early Works, Victoria, Australia

Opportunity description

Emerging markets and investment in a low carbon economy

Increased demand for low carbon infrastructure and transport systems. Market leadership in renewable energy, water desalination plants, and low carbon transport.

Time horizon/scenario	Opportunity type
Near – medium term	Transition
 Low carbon scenario	Impact
	Increased revenue, new services

Commentary


We have realigned our strategic target sectors, refining our proposition such that we offer value to sectors that contribute to the low carbon transition, including transport, utilities, and electrification.

In Australia, our extensive experience in rail projects continues to enable us to be part of the movement to decarbonise transport. In the UK, our nuclear experience has enabled us to access further work in nuclear, as well as significant work in electricity transmission, which is vital to the electrification of our greener grid.

Opportunity description

Low carbon leadership

Increased demand and focus on climate resilience might lead to opportunities to win more work and become leaders.

Time horizon/scenario	Opportunity type
Near – medium term	Physical
 High carbon scenario	Impact
	Opportunity for leadership in the design and construction of infrastructure resilient to physical risks (including both the acute and chronic impacts of climate change), leading to increased revenue and reputation.

Commentary

Technology, innovation, and collaboration are central to our operating model and represent important differentiators. We have an active decarbonisation programme focused on tackling carbon reduction across materials, design, systems, and production.

Our in-house experts are prevalent in a large number of industry groups, sharing knowledge and demonstrating leadership across the sector.



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Image: New electric ovens to support curing of low carbon concrete at our Centre of Excellence for Modern Construction, UK

Opportunity description

Transition to renewable energy

Energy consumption may become cheaper through the transition to renewable energy sources.

Time horizon/scenario	Opportunity type
Near – medium term	Transition
 Low carbon scenario	Impact The costs associated with renewable energy have been falling compared to traditional fossil fuels, making future energy consumption cheaper, and reducing carbon pricing exposure.

Commentary


All of our electricity comes from certified renewable sources, and we have active energy management plans in place across all sites. We recognise that energy reduction is the most important route to energy cost reduction.

Price monitoring forms part of our standard processes, with significant changes included within forecasts. This includes energy costs.

Opportunity description

Circular economy

Reduce costs by adopting circular economy principles in design, manufacturing, construction, and operation.

Time horizon/scenario	Opportunity type
Near term	Transition
 Low carbon scenario	Impact Implementation of circular economy principles in all activities (design, manufacturing, construction, and operation) may lead to reduced costs and possible development of new services (circular economy in construction materials).

Commentary


This activity is currently in its infancy. Several trials are either underway or completed. Processes are beginning to be developed to govern the management of circular products and share materials. This includes establishing effective partnerships to manage the cycle with selected organisations.

In the UK in FY25, we will launch a waste management programme aimed at embedding circular economy principles in our sites.

Opportunity description

Retrofitting market

Increased opportunity to provide services in retrofitting of buildings and infrastructure.

Time horizon/scenario	Opportunity type
Near – medium term	Transition
 Low carbon scenario	Impact Related to the opportunity of a circular economy, an increased demand for a circular approach could lead to more market opportunities to engage in retrofitting and modification of existing structures, as opposed to demolition and complete redesign.

Commentary

In the UK, we have identified that our best initial opportunities are in the data centre sector, and in the Mechanical Engineering and Plumbing (MEP) market.

A look to the future

During a year in which we have witnessed a continued increase in extreme weather events, reinforced commitment from governments and industry to tackle climate change and market investment in lower carbon technologies, we're clear on the part we must play to reduce our impact.

We have made some clear, considered and challenging commitments during FY24. We recognise we must demonstrate action towards achieving our goals. Highly collaborative relationships across industry partners are vital to make change happen. There is no silver bullet; achieving better outcomes will be the result of a vast number of incremental changes across all areas of our business and our industry.

Staying true to our purpose also means making conscious decisions about the kind of projects we choose to take on. The bigger picture is important; while there will always be an increase in embodied carbon associated with construction, developing infrastructure and buildings that deliver for society and help to decarbonise key sectors – such as energy and transport – is vital to the low carbon transition. The purpose, therefore, is clear – it is the methodology and approach that must change.

We believe in describing our journey authentically. While significant progress has been made in some areas, such as social value delivery and a reduction in carbon intensity, we are not making the strides we had hoped across the board. By being open about our challenges, we hope to encourage greater collaboration and new ideas, and move forward together. Our FY25 report will review our position, our progress, our challenges, and use case studies to shine a light on best practice examples that we hope will inspire others.



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Image:
Stephen A. Schwarzman
Centre for the
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