

# ConstructZERO

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Why this is important

As a family-owned business, we have long been focused on delivering lasting benefits to our clients, our people and the communities around us. We have made progress delivering our environmental strategy, but the simple fact is that the climate emergency demands we do more – and with greater urgency. The same is true of diversity, which remains unacceptably low in our sector.

We firmly believe that becoming more sustainable and diverse is fundamental to our long-term success. It will help us attract and retain the best talent, develop and apply new thinking and advance our DfMA-led operating model to give clients more certainty.

The strategy



Sustainability targets

As of this morning, we are proud to announce we have launched our sustainability strategy.

The strategy aims to tackle some of the biggest issues of our time and is tailored to fit our unique direct delivery model. With it, we aim to:

1. Achieve operational Net Zero by 2030, which represents a reduction in carbon emissions across our directly controlled operations of at least 75% (with the balance representing carbon removal activities or offsetting)
2. Become a Net Zero company before 2050, ahead of requirements of the Paris Agreement, while contributing to achieve the targets set by its most aspirational goal: to limit global warming to 1.5°C
3. Catalyse reform of our gender and diversity statistics, starting by targeting a 50% gender split across all staff by 2033.

Quite a number of the nine priorities set out by the CLC are relevant to our business and are given focus through our strategy with a particular focus on transport and construction activity. Our entire approach has been and will continue to be underpinned by Modern Methods of Construction.

## What progress?

**Focal points**

Our first key areas of focus to ensure our continued success on this front are as follows:

- **Modern Methods of Construction:** In the last decade, we have invested £200m in the Laing O'Rourke Centre of Excellence for Modern Construction (CEMC), which is the most advanced concrete products manufacturing facility in Europe. It will play a vital role in delivering our new goals by producing lower-carbon components with a more efficient use of concrete and steel for more of our projects. Off-site manufacturing continues to be our best offering to meet the growing demands and limitations of our clients in the urban built environment.
- **Carbon abatement initiatives:** We have worked with external consultants to develop our strategy and have used their carbon abatement tool to identify abatement projects and circular economies that will ensure we achieve operational Net Zero by 2030. We have since invested in an all-electric fleet, the UK's first electric crane, new power purchase plans for all our branches and are exploring the possibility of a solar power project at our CEMC.
- **Carbon measurement:** We plan to progress this quantification exercise by further developing our own internal engineering carbon calculator to provide key metrics to the business and our clients for every endeavour.

## Supply Chain

**Supporting our supply chain**

To achieve Net Zero, we need to work with clients, suppliers and academic partners to innovate and develop ways to reduce Scope 3 (supply chain) emissions.

Most of our emissions relate to purchased materials, cement and steel in particular. To accelerate progress in reducing Scope 3 emissions, we will:

- Work with our suppliers to embed Scope 3 data capture and reporting across all projects globally
- Work with strategic suppliers to develop emissions reduction targets
- Continue to invest in research and development (R&D) to accelerate the development of low and zero-carbon products manufactured off site at our UK facility or with global partners
- Support the delivery of clients' Net Zero ambitions through wider use of our engineering carbon calculator to help optimise designs for sustainability.

## Biggest Challenge

**Our challenges**

The construction industry has some difficult challenges to solve. Key amongst these are the fragmentation of the industry and the growing need to invest in the innovations needed to reach our Net Zero targets across the industry; most notably that of reducing the embodied carbon in concrete.

In order to solve these challenges, we have identified that there must be a consistent and strong focus on R&D, with the right business governance and financial supports in place. Strong leadership will be critical to our collective success.

At Laing O'Rourke we are ensuring that we have the appropriate leadership and governance in place to drive this agenda forward and we are developing a detailed stakeholder engagement plan to address some of these challenges.

## Innovations

**Changes and innovations****Decision-making**

It's difficult to pick out only one innovation or change that will have the biggest impact; in reality, change is required on all fronts. As such, a behavioural shift that sees organisations putting the environment and climate change at the heart of every significant decision is key. Sustainability needs to become part of the decision-making DNA of companies.

**Cement**

Eliminating the embodied carbon in cement will provide not only embodied carbon benefits, but it will also have a much-needed transformative impact on the organisations that pursue the innovations needed – and the industry's appetite for funding high-level innovation in the first place.

**Diversity**

We recognise that highly diverse organisations are far more innovative. This has guided our target to have equal numbers of men and women across our 5,500-strong international staff by 2033 – an industry first.

We are also developing plans to increase the representation of people from under-represented groups and will continue our work to transform the inclusivity and sustainability of construction careers.

## Emerging Leader



### Rehan Aneksha

Executive Assistant to the Head of Sustainability

## “To me, this is more than just my job: it is part of my personal legacy”

### What do your peers and wider employees within your company think about the business's approach to Net Zero?

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Laing O'Rourke has always aimed to be the recognised market-leader in innovation and excellence, with our most ambitious plans being driven fully from board level and backed by the power of experience.

Our sustainability strategy aspires to be no different.

The response from every area of the business has been extremely positive, with an overwhelming response of interest from our peers.

Coming into this new role after six years of working in design at the CEMC, I can see that we already have the foundations in place and the tools available for success against our plans. Now, it's all about building upon this and sustaining the pace of the good work we do every day.

### How are the younger generation within your business engaged in this?

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When I first heard about opportunities to get involved with our sustainability ambitions, I was overwhelmed by how many people signed up. It was refreshing how passionate people were about sustainability and it was clear that it was more than just the stereotypical demographic of millennials.

There were over 80 people from a variety of disciplines and age groups across the business who were at our launch meeting for our new sustainability strategy. It's clear that the appetite for proactive change is prevalent across generations.

All our apprentice and graduate programs have modules about sustainability woven into them and ensure our youngest talent are engaged in sustainability projects as part of their training.

### What more do you think your business could be doing against the nine priorities?

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When we talk about sustainability, we rarely consider construction. There is a stigma around carbon-efficiency in our industry – and quite rightly so.

Laing O'Rourke has recognised the key challenges and has stepped up to the plate. There is certainly room for real progress. We hope that this evolution will change the way the industry performs, which will ultimately change the way society consumes and operates symbiotically with our planet.

Awareness is something that brings people together. We must, therefore, strive to make our clients and the public more aware of the challenges, the efforts and the successes we face in our journey to carbon-neutrality.

It has been very clear to me, having had six years in the business as a young engineer, that so much of what we do and have been doing for many years supports our sustainability ambitions, for example, our investment in our off-site facility and our focus on R&D and innovation. There have, therefore, been a number of work streams that directly “speak to” the nine priorities. What we hadn't done, was crystallise this work and this thinking into a clear strategy to support our route to Net Zero. We now need to drive this forward.

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**A Youth Voice COP climate is being organised in Milan to bring together young people globally – what would be your key issue to raise?**

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Fully understanding embedded carbon by appreciating the entire lifecycle of a product, not just the initial component of supply and manufacture, is key.

For example, while concrete may have a bad reputation in its production phase, it has fantastic ecological benefits from the point of view of thermal design – reducing the carbon consumption of the structure over its lifespan.

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**What do you do in your daily life/job that makes a difference?**

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While plotting my trajectory as a young boy through to my adult life, 'being green' has always been fundamental to my ambitions.

Over the years, I have modelled solar and water-filtration projects in school, been a founding member of my school's competitive recycled boat-racing team, and was a founding member of my university's Shell Eco Marathon team. More recently, I have moved out of my seat in precast design to take on the role of Executive Assistant for Laing O'Rourke's Sustainability Taskforce.

In my new role, I remain committed to our drive towards a sustainable future – only this time, I am backed by a market leader that truly stands to make its mark on this industry. I take the utmost level of pride in this.

If my efforts can even make the slightest difference in the way we go to work, with the interests of the planet in mind, I will consider this a success.

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