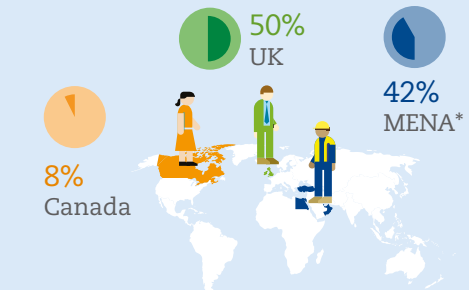


WE DELIVER

ABOUT US

We are one of the UK's leading integrated support services companies, with a substantial portfolio of Public Private Partnership projects, extensive construction capabilities and a sector-leading ability to deliver sustainable solutions across the UK, the Middle East and North Africa and Canada.



42,000 employees

*Middle East and North Africa

OUR MISSION

Making tomorrow a better place

OUR VALUES

We Care
We Achieve Together
We Improve
We Deliver

OUR VISION

To be the trusted partner for providing services, delivering infrastructure and creating places that bring lasting benefits to our customers and the communities in which we live and work.

"Sustainability is so important to Carillion because it makes a fundamental difference to our business success. It is not all about the bottom line as the health, safety and welfare of our people and those touched by our operations always comes first. However, economic responsibility is a key element of a balanced sustainability strategy, and we estimate that it contributed £27.2m to our profit in 2014."

RICHARD HOWSON Chief Executive



"Overall, we delivered another solid performance, but we need to remain totally focused on strong corporate governance, high standards of ethical behaviour and rigorous risk management. Our balanced and ambitious commitments to long-term economic, social and environmental responsibility underpin our drive to become and remain a leading sustainable business."

PHILIP GREEN Chairman



WE CARE

THE WORLD IS CHANGING WE ARE SEEING...



- Modern, dynamic and appropriate approaches to minimising carbon footprints
- Rising expectations to engage people and communities in the personal contributions they can make
- Trends in more ethical, responsible business across international boundaries
- Demands for practical evidence of the benefits from collaboration
- Employment challenges, rising skills gaps and a need for earlier engagement in education pathways
- Increasing pressure on natural resources and a growing need to target waste elimination
- Stakeholder expectations to prove the commercial benefits that can arise from sustainability

In 2014, we conducted our first materiality review to understand our stakeholders' most significant priorities, so we could report on what matters to them. The independent review included workshops, interviews and an international online survey for employees, clients, governments, investors, suppliers, community groups and sustainability organisations. Some of the most material issues identified were:

people engagement: people want to hear more about what we are doing, and see even more progress around diversity, retention and recruitment. Additionally, safety, health and wellbeing were particularly significant factors;

building a successful business: our financial performance clearly matters, and we need to help people see both the role that they can play and the clear link to our strategy and reputation;

supply chain: continued progress on our early payment facility, supplier relationship management and sustainability upskilling through the Supply Chain Sustainability School;

waste: making progress on the overall reduction of waste produced to build on our achievements to date with diversion from landfill;

skills and local engagement: people want to see the clear delivery of local solutions for and with local companies and their communities, with a focus on providing apprenticeships, education, employment and skills;

human rights: we need to remain committed to, and investing in, appropriate management processes to deliver responsible labour, welfare and employment practices; and

governance and management of sustainability: people want to understand how our sustainability strategy is managed throughout the various levels of the business.

Sustainability is...



2014: THE YEAR IN REVIEW SUMMARY SUSTAINABILITY REPORT 2014

www.carillionplc.com/sustainability2014



WE ACHIEVE TOGETHER

In sectors like construction and services, which rely fundamentally on working with partners, it is important to recognise that collaboration is key to success. Managing resources wisely, developing new and competitive innovations, engaging credibly with local communities and building long-term economic success all require learning and skills development. This, fundamentally, is at the heart of our 2020 Sustainability Strategy, and we know that there is a lot still to tackle as we work together to make tomorrow a better place.

HOW WE WORKED IN PARTNERSHIP IN 2014

<p>'YOUR LIFE' CAMPAIGN AND STEM SUBJECTS FOR GIRLS showcasing career choices to young women in education</p>		<p>JOINED OTHER BUSINESSES to provide more 'level playing fields' and second chances for ex-offenders</p>
<p>ETHICAL SUPPLIER COLLABORATION AWARD for Carillion Services' contribution to Nationwide's supply chain</p>	<p>HELPED TO SHAPE AND DELIVER THE SUPPLY CHAIN SUSTAINABILITY SCHOOL across the full built environment, which is a free, virtual learning environment that spans multiple support services sectors</p>	<p>118 DISADVANTAGED INDIVIDUALS offered a work placement via our partnership with Business in the Community</p>
<p>STRATEGIC PARTNERSHIPS with the UK Freshwater Habitats Trust and Wildlife Trusts</p>	<p>PLEGGED TO CUT 24 MILLION TONNES CO₂ from infrastructure contracts by 2050, alongside industry leaders</p>	

WE IMPROVE

SOME OF OUR 2020 TARGETS

- 70%** reduction in All Accident Frequency Rate against the 2011 baseline
- 50%** of employees utilise the Carillion special leave policy for volunteering in areas where we work
- 95%** of Carillion apprentices who complete their training framework will have an employment outcome
- 100%** of suppliers to provide products and materials that are responsibly and ethically sourced
- 24%** reduction of our carbon footprint against the 2011 normalised baseline
- Carillion will reduce costs and increase profitability by **£40m**

Looking ahead, we are still ambitious with what we want to achieve through our sustainability expectations and targets. The achievements to date have set a firm platform of evidence and benchmarks in place. So much so, that we often overlook things that we now take for granted as our daily business and values. It is the way we do business, but we are not complacent.

Our new Sustainability Committee will bring even greater focus to our strategic leadership, and we will continue to test and develop what we believe it means to be leading the way in sustainability. Our target to achieve a £40 million contribution to profit from sustainability by 2020 is stretching, but this is how we will build a successful business and continue to make sustainability business critical. We will need to make it as easy as possible for our people to volunteer and capture that evidence by linking them to practical, relevant opportunities with our strategic community partners.

For carbon, we need to continue reducing our footprint to a minimum, and to understand how we can address and minimise embodied carbon together with clients and suppliers. As we close in on an effective zero waste to landfill target, we also need to remain focused on reducing our absolute waste production.

Turning finally to people, we need to be sure that we are engaging both our own people and those who are outside our immediate business. Sustainability comes to life through our people, their actions, commitments, behaviours and impacts, so we will continue to make sustainability as inspiring as possible for and through them.

SUSTAINABILITY IS... our business



"Now, more than ever, sustainability is not a nice-to-have, it is critical for long-term business success. Sustainability needs a strong, integrated approach which delivers on the Three CBs: changing behaviours, for commercial benefit, through a challenging balance."

DAVID PICTON Chief Sustainability Officer

Read more in our full **online report:** www.carillionplc.com/sustainability2014



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Follow us on LinkedIn, Twitter and Facebook @Carillionplc



Sustainability Talk & News - covering the key issues faced by the built environment. www.stnlive.info

Carillion is building a successful

£27.2m contribution to net profit through sustainability strategy

Awarded Investing in Integrity Charter Mark

business

Four-star (97%) in Business in the Community's CR Index



FTSE4Good

FTSE4Good We have been included in the index since 2001

100% of supply chain teams completed ethics module of the Chartered Institute of Procurement and Supply

6,783 global suppliers accredited to sustainability standards with 10% performing at the highest A-grade level

+37 Net Promoter Score measuring customer satisfaction

Building Public Trust Awards (PwC) retained for an unprecedented 2nd consecutive year for FTSE 250 Sustainability Reporting

134,000 hours' learning and development



Carillion is providing better prospects for our

people

14% of our people use the Carillion special leave policy for community engagement

49% reduction in All Accident Frequency Rate since 2011

28% women on our Board

Carillion is

leading

the way with our customers and suppliers

SIX POSITIVE OUTCOMES FOR OUR 2020 SUSTAINABILITY STRATEGY

118 disadvantaged individuals offered a work placement via our partnership with Business in the Community

87% of apprentices found employment or pursued further education

Carillion is supporting sustainable

communities

1% pre-tax profits donated to community activities either in time, cash or kind

51% local spend including SMEs in the UK

17% reduction of our carbon footprint since 2011 (normalised)

99A score in CDP FTSE 350 climate change report, one of the top 10 most progressive companies on climate change in the UK

25% reduction in electricity consumption from Carillion offices since 2011

CEMARS certification achieved in the UK

Carillion is enabling

low-carbon

economies

ISO 14001 UK and MENA* operations are 100% certified

100% of our sites have been assessed for biodiversity risk

95% of waste diverted from landfill

Carillion is protecting the

environment

28% reduction in water consumption since 2012 (normalised)