

Laing O'Rourke launch global sustainability targets

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Laing O'Rourke has announced far-reaching new global sustainability targets, including a commitment to decarbonise its own operations by 2030 and achieve equal numbers of men and women among its 5,500 global staff.

The decarbonisation target, which will also see the company develop a plan to tackle Scope 3 emissions before 2050, is aligned with the latest climate science and the most aspirational goal of The Paris Agreement - to limit global warming to 1.5 degrees Celsius.

The new goals are critical to the company's mission to be the recognised leader for innovation and excellence.

Laing O'Rourke Group CEO, Ray O'Rourke, said: "As a family owned business, we have long been focused on delivering lasting benefits to our clients, our people and the communities our projects serve. We've made progress delivering our environmental plan, but the simple fact is the climate emergency demands we do more and with greater urgency. The same is true of diversity, which remains unacceptably low in our sector.

“The construction industry has some difficult challenges to solve, most notably that of reducing the embodied carbon in concrete. But I know our people have the passion to make a real difference and the experience to work with others, including our clients and partners, to deliver the progress required.

“The challenge is substantial, and I am therefore pleased to announce the appointment of Samantha Hoe-Richardson as Group Advisor on Climate Change and Sustainability. She will advise the company’s environmental and technical leaders and challenge the Board and Group Executive on progress towards our new targets.”

Operational net zero by 2030

The company will deliver an absolute reduction in carbon emissions from its directly controlled operations (Scope 1 & 2 emissions) of at least 75% by 2030 – a reduction in total emissions even as the business grows. The remainder, a maximum of 25%, will be achieved through carbon removal activities or offsetting.

The company has started this process by reducing demand for energy across its operations, and achieved a 1.5 million kWh reduction in its electricity usage in the year to March 2020.

To achieve 75% reduction in absolute carbon emissions, teams are developing plans to further improve energy efficiency and to transition to biofuels as a stepping-stone to the full electrification of operations (including car fleet and plant).

The decarbonisation plan is dynamic and will evolve in response to advances in technology.

Three projects are already being progressed:

Converting all company offices and project sites to renewable energy tariffs

Transitioning to an all-electric company car fleet

Investing in commercial solar panels to power all operations at the Laing O’Rourke Centre of Excellence for Modern Construction in Nottinghamshire.

However, the company fully recognises that to achieve net zero it must work with clients, suppliers and academic partners to innovate and develop ways to reduce Scope 3 (supply chain) emissions. Through the Laing O’Rourke Centre for Construction Engineering and Technology at Cambridge University, it will increase research into decarbonising construction and advance the knowledge of its own employees and others.

A net zero company before 2050

The majority of the business’s emissions relate to purchased materials, in particular concrete and steel. To accelerate progress in reducing Scope 3 emissions the business will:

- Work with its 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 R&D to accelerate the development of low and zero carbon products manufactured off site at its UK facility or with global partners
- Support the delivery of clients' net zero ambitions through wider use of its engineering carbon calculator to help optimise design for sustainability.

In the last decade the business has 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 the new goals by producing lower carbon components for more of the company's projects.

With co-funding from the Industrial Strategy 'Transforming Construction' Challenge, Laing O'Rourke and nine partners are progressing a project called Product Based Building Solutions, to streamline the end-to-end project delivery process with a kit of manufactured concrete components. The project is targeting 30% operational and 50% embodied carbon reduction.

Alongside this, the company's R&D team is working on ways to decarbonise manufactured concrete products and the Laing O'Rourke Centre of Excellence for Modern Construction (CEMC) has applied to Innovate UK's Industrial Energy Transformation Fund (IETF) to part finance this work.

Investing in diversity to deliver social sustainability

Setting an ambitious new 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 the business' mission to be the recognised leader for innovation and excellence.

Laing O'Rourke has therefore set a new target to ensure the number of men and women employed in its international staff (currently 5,500 people) are equal by 2033, with additional gender-focused initiatives to be set out to improve representation among frontline construction workers.

It will also apply the learnings from the successful pilot of a Gender Diversity Action Plan in Australia, and the STEM+ schools programme that is now being delivered on construction projects in both operating hubs.

Other mechanisms proven to increase female participation in the business include specific recruitment strategies targeting women, a referral bonus scheme, sponsorship of emerging female leaders and mandatory inclusivity training for senior and hiring managers. By implementing these measures, the company now has 36% more women in senior project roles in Australia than 12 months ago.

The company will also develop plans to increase the representation of people from different groups, and will continue its work to transform the inclusivity and sustainability of construction careers by:

- Investing in its DfMA led operating model and the upskilling of its people to make Laing O'Rourke an employer of choice for more people
- Providing its people with more dynamic and flexible working options
- Implementing its wellbeing strategy (Life at LOR) across the entire business to protect people from occupational ill health, including implementation of wellbeing lessons learned during the COVID-19 pandemic
- Link gender and cultural diversity outcomes to the success metrics of projects.

Laing O'Rourke Group Director, Madeleine Loughrey-Grant, said: "The people across our business are driven by a strong sense of purpose, innovation and curiosity and, through the power of our collective experience, we will find the solutions needed to solve some of the biggest issues of our time. We will continue to challenge ourselves as we redefine how we deliver for our clients and for society, and in how we care for our people."

Julie Hirigoyen, Chief Executive of the UK Green Building Council, said: "It is extremely encouraging to see Laing O'Rourke stepping up its public sustainability commitments at this point in time - and to become a net zero carbon firm across Scopes 1, 2 and 3 by 2050. Accompanying this carbon commitment with highly ambitious targets on diversity, wellbeing and jobs through innovative construction methods should also ensure the firm plays its part in delivering a just and fair decarbonisation transition. UKGBC looks forward to supporting Laing O'Rourke achieve its goals and collaborate with others along the way."

Photo credit: Laing O'Rourke