



Accelerating the journey toward cleaner construction

Industry leader builds a bold strategy for sustainable operations

Laing O'Rourke



Energy, Resources & Industrials

Industry

Climate & Decarbonization

Service

Sustainability & Climate Stories



The Vision

With the built environment's carbon footprint accounting for ~50% of global emissions, an international construction powerhouse is determined to take clear steps toward tackling them. Inspired to lead the way, Laing O'Rourke has unveiled a new ambition to achieve operational net zero by 2030, and to become a net zero company before 2050.

The starting point

Despite its huge scale, Laing O'Rourke is, and operates as, a family-owned business. And many of its 12,000 employees have been employed for decades. Founder Ray O'Rourke is known for pushing new boundaries, being innovative, and setting new standards—inspiring his clients, employees, partners and stakeholders alike. And like all industry leaders, decarbonization has been high on his executive team's agenda. There was never any doubt that a comprehensive sustainability and climate strategy—designed to achieve net zero before 2050—would not only transform the future of engineering and construction more broadly, but also support Laing O'Rourke's license to operate in our increasingly uncertain world.

"Being a responsible business means being honest about the consequences of our activities and their impact", says Madeleine Loughrey-Grant, group legal and tax director at Laing O'Rourke, who was part of the global executive team that took this company

priority under its wings in 2020. "We needed a strategy to help us be transparent of those impacts, measure them accurately, and act to minimize them."

"We're setting clear goals and mapping out how we can protect the environment and help people thrive," says Rebecca Hanley, CEO at the company. "This work gave us the opportunity to bed down our thinking in this space, overcome competing priorities, and create the environment we needed for people in the business to take this agenda forward."

The new strategy addresses clients' needs too, according to company leaders. Because clients increasingly have their own net zero targets, the approach offers "a win-win for everyone in the industry, and the environment," Hanley says.

The achievements



Comprehensive strategy to support sustainability and climate-related goals



Clearly defined path for achieving net zero by 2050



Closer relationships with suppliers and other third parties, for target-setting, data capture, R&D, and needs



Ability to create roadmaps for lower-carbon versions of building elements in the future



Expanded use of electrification and renewable alternatives to power operations



Alignment with company clients when it comes to sustainability ambitions

The way forward

What did it take to develop a plan for net zero? It began with lots of listening, consultation, research, and workshopping. Over 50 different operating unit leaders, representatives, and procurement managers from across the business helped gather data and studied procurement contracts to paint a picture of climate risks and opportunities. Developing a solid understanding of Scope 1 (direct), Scope 2 (indirect generated from purchased electricity, steam, heating and cooling), and Scope 3 (all other indirect) emissions was also key, to develop sector-leading targets and a clear plan of attack to introduce new processes that track and minimize operational emissions.

“This project was about leading on decarbonization and accelerating Laing O’Rourke’s transition pathway,” says Will Rayward-Smith, consulting partner at Deloitte, who collaborated with the company in developing its new strategy. “It’s not just about reducing risks and doing the right thing. It’s also about realizing the business growth opportunities that come with net zero. Whether it’s using renewable or hydrogen

energy, designing low emissions housing and buildings, or developing new products to support greener concrete, it’s about redefining supply chain partnerships and reimagining the way construction is done.” For example, as a result of the transition toward net zero, Laing O’Rourke’s engineers can now create a future roadmap to produce lower-carbon versions for each building element over the coming years, according to Rayward-Smith.

“The majority of our emissions relate to purchased materials, especially diesel fuel and concrete,” says Sam Donaldson, hub sustainability lead at Laing O’Rourke. “To accelerate decarbonization, we need to work closely with our suppliers to set targets, capture data, do R&D, and more. We also need to encourage the electrification or the use of renewable alternatives to power our own operations, and invest in commercial solar panels, batteries and renewable energy tariffs. Our new strategy factors all of this in and will have a direct impact on the planet.”

Let's talk sustainability

How is your organization building a comprehensive strategy that can help you realize your net-zero ambitions and have a positive impact on the future of the planet? Discover how Deloitte's worldwide team of industry-focused specialists can help you create a vision and navigate risks as you move forward on your sustainability journey. Contact us to get the conversation started.

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The view ahead

"We've received great feedback since launching our new sustainability strategy. Our targets and new processes make it really easy for our people to get involved and directly contribute toward the decarbonization and modernization of construction."

—Josh Murray,
Group Director, People and Corporate Affairs, Laing O'Rourke

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