

# Carbon Reduction Plan

Supplier name: Wates Construction Limited

Publication Date: 27<sup>th</sup> June 2024

# About Wates Group

The Wates Group, established in 1897, is the UK's leading family-owned development, building and property maintenance company. We employ over 4,300 people and work with a wide range of public and private sector customers and partners. At Wates Group, we are committed to reimagining places for people to thrive by engaging with our customers, supply chain partners and the communities we serve. We are driven by our shared purpose and three enduring promises to ensure thriving places, people and planet.

In 2022 we won the Queen's Award for Enterprise in the Sustainable Development category, making it the third time we have received the award.

# About Wates Construction

Wates Construction Ltd is a wholly owned subsidiary of Wates Group Limited. Wates Construction, the largest arm of Wates Group, is a UK-wide contractor working to shape a better built environment and lasting social legacy. Our expertise on complex projects within the public sector, education, residential, commercial and blue light sectors, means we efficiently deliver high performance buildings that enhance the places and communities around them. We are proud to offer a diverse and inclusive workplace, which has the development, safety and wellbeing of our people at the fore. For more information and examples of our work, visit: <https://www.wates.co.uk/services/construction/>. SES Engineering Services & Wates Smartspace are part of Wates Construction Ltd. SES Engineering Services has a separate carbon reduction plan and has therefore not been included in this carbon reduction plan for Wates Construction Ltd.

# Wates Smartspace

Wates Smartspace works for banks, retailers, property developers, pharmaceutical and distribution businesses, broadcasters, owners and occupiers of commercial offices and public sector organisations. Project values range from £20k to £85m. The business has established a strong reputation for delivering projects to tight timescales and in live environments, frequently working around business critical equipment. In 2023 we delivered projects across the UK for both public and private sector customers. These were a range of 'CAT A' (basic landlord fitout) and 'CAT B' (style, fittings etc) fitouts, extensions, structural alterations and critical resilience projects, often with our people working as an unobtrusive presence within live operational environments.

# Commitment to achieving Net Zero

As part of Wates Group Ltd, Wates Construction Ltd. is committed to achieving carbon neutrality for its Scope 1 and 2 emissions by the end of 2025 and Net Zero emissions by the end of 2045.

Wates Construction Ltd. is committed to protecting the environment by demonstrating high standards of environmental responsibility in all our operations and minimising the environmental impacts associated with our activities and services. The whole of Wates Group is also committed to the long-term sustainability of the built environment and has set a near-term science-based target that was externally validated by Science Based Target Initiative (SBTi) in October 2022. This was followed by a long-term Net-Zero carbon validated target in 2023.

The targets are as follows:

- Wates Group commits to reduce absolute Scope 1 and Scope 2 GHG emissions by 46.2% by 2030 from a 2019 base year.
- Wates Group commits that 89% of our suppliers by emissions covering purchased goods and services, will have science-based targets by 2027.
- Wates Group commits to reduce absolute scope 1 and 2 GHG emissions 90% by 2045 from a 2019 base year & reduce absolute scope 3 GHG emissions 90% within the same time frame

The target boundary includes land-related emissions and removals from bioenergy feedstocks.

## Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions.

Baseline Year: 2019
Additional Details relating to the Baseline Emissions calculations.
Wates Construction is a bidding entity which is part of Wates Group Limited. Wates Group Limited collects and reports carbon emissions at a group level based on an operational control boundary as defined by the Greenhouse Gas Protocol. The baseline emissions data set out in this carbon reduction plan have been approximated by apportioning emissions based on the bidding entity and its share of Wates Group Limited total revenue. The baseline waste data reporting represents waste removed by waste contractors directly employed by Wates Group bidding entities and excludes waste removed by third parties employed through subcontractors and Logistic Work Packages. Scope 3 transportation figures have been estimated based on available financial figures. The employee commuting figure has been estimated using the Quantis tool, as recommended by the GHG protocol.
We continually review our greenhouse gas emissions data to improve data quality and reporting. In the case that we identify any material changes, we may recalculate the data in the future.

Baseline year emissions: 2019	
Emissions	TOTAL (tCO <sub>2</sub> e)
Scope 1	7,141
Scope 2 (Market based)	1,937
Scope 3 (Included Sources)	Upstream Transport: 2,695 Waste: 95 Business Travel: 3,944 Employee Commuting: 4,941 Downstream Transport: 0* Total Scope 3: 11,674  *Downstream Transport is not applicable to Wates Construction Limited as we did not sell products that were transported or distributed to the end consumer during the reporting year.
Total Emissions	20,752

## Current Emissions Reporting

Reporting Year: 2023	
Emissions	TOTAL (tCO <sub>2</sub> e)
Scope 1	1,977
Scope 2 (Market based)	82
Scope 3 (Included Sources)	Upstream Transport: 1,756 Waste: 240 Business Travel: 2,199 Employee Commuting: 378 Downstream Transport: 0*

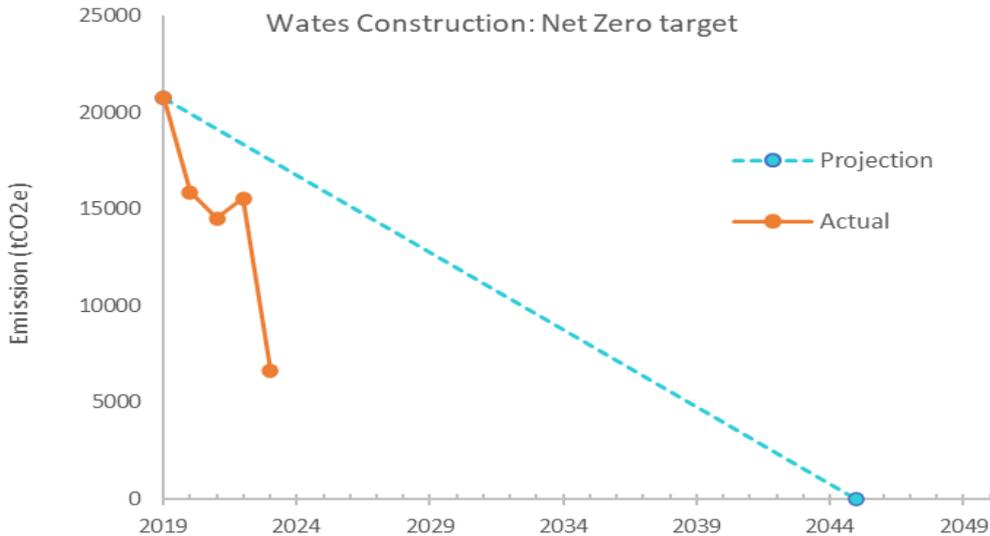
	Total Scope 3: 4,573 *Downstream Transport is not applicable to Wates Construction Limited as it did not sell products that were transported or distributed to the end consumer during the reporting year.
Total Emissions	6,632

The Quantis tool used for calculating employee commuting has been retired, therefore we have changed to using the UK Department for Transport’s modal comparisons TSGB01 statistical data set for calculating employee commuting.

# Emissions Reduction Targets

Wates Group commits to achieve Net Zero by the end of 2045. The targets will be set in line with the reduction pathways for limiting global temperature rise to 1.5°C. We have set near-term science-based targets, which have been validated by the SBTi. This requires us to reduce our scope 1 and 2 emission by 46.2% by the end of 2030. For targets covering scope 3 emissions, Wates Group also commits that 89% of its suppliers by emissions covering purchased goods and services, will have science-based targets by the end of 2027.

Wates Construction Ltd. comprises 60% of Wates Group by turnover. The progress against Net Zero target by the end of 2045 can be seen in the graph below.



# Carbon Reduction Projects

## Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline and will be in effect when performing the contract. The carbon emission reduction achieved from 2019 to 2023 is 14,119tCO<sub>2</sub>e, a reduction of 68% against the baseline. This is due to the carbon reduction initiatives outlined below and some work streams moving to other business entities within the group.

No	Emission Reduction Initiative	Action	Completion Date
1	Environmental Management System	In 2023 Wates environmental management system underwent a successful surveillance audit against ISO 14001:2015	2023
2	Renewable Electricity	91.3% of the electricity supplied was sourced from renewable energy tariffs backed by REGOs	2023
3	External Assurance	In early 2024, The Carbon Trust was engaged to undertake limited assurance of Wates Group Ltd's 2023 Scope 1, 2 and selected Scope 3 emissions (for waste and business travel), using the international standard ISO 14064-3. The Carbon Trust's full statement is available at: <a href="https://www.wates.co.uk/wp-content/uploads/2024/05/Wates-Verification-Statement.pdf">https://www.wates.co.uk/wp-content/uploads/2024/05/Wates-Verification-Statement.pdf</a> To reach its opinion, the Carbon Trust undertook a range of procedures over the GHG data. A summary of this work is included within its assurance opinion.	2024
4	Long-term Net Zero Science-Based Target	Set Long term Net Zero science-based targets for Scope 1, 2 & 3 carbon emissions	2023
5	Engage with supply chain to set science-based targets	Run workshops with the Supply Chain Sustainability School to set science-based targets and report on their carbon emissions.	2023
6	Establish a technical excellence centre	Establish a technical excellence centre to drive carbon reductions on our construction projects	2023
7	Trial tools to measure Scope 3 emissions data	Trial different approaches to capture category 1 Scope 3 data to allow more accurate reporting and benchmarking.	2023

No	Emission Reduction Initiative	Action	Completion Date
8	Energy profiling	Develop an energy profiler to accurately forecast our power needs on projects and drive carbon reductions.	2023
9	Launch updated company car scheme	All new company cars to be electric. Older fossil-fuel powered vehicles will be phased out as their leases expire.	2023
10	Launch a new salary sacrifice scheme for EVs and PHEVs	Staff will be able to sacrifice part of their salary before tax to lease electric or plugin hybrid electric vehicles making these more affordable and reducing grey fleet emissions.	2023

In the future we intend to implement further measures such as:

No	Emission Reduction Opportunity	Action	Target Date
1	Develop a sustainable procurement policy to drive emission reductions	Produce a sustainable procurement policy that will drive emissions reductions through our procurement processes.	2024
2	Engage with selected supply chain partners to set science-based targets	Run dedicated workshops with select top spend supply chain partners to set science-based targets and report on their carbon emissions.	2024
3	Trial wider suite of tools and calculators to measure Scope 3 emissions data	Trial different approaches to capture category 1 Scope 3 data to allow more accurate reporting and benchmarking.	2024
4	Wider adoption of whole life carbon assessments	To expand embodied and operational carbon measurement and reduction by carrying out whole life carbon assessments on a larger number of projects.	2024
5	100 % Renewable Electricity	Purchase all electricity used by the Group from renewable sources.	2025
6	100% of electric plant or other zero carbon technology	Eliminate use of diesel for all plant across the Group. This is dependent on suppliers offering alternative equipment and bringing these to market. At present, we are maximising the use of grid connections to minimise the need for diesel generators. We are also taking steps to reduce diesel consumption on our projects through more efficient plant and site mobilisation process.	2030
7	Transition the entire van fleet to low- or zero-carbon vehicles.	Transition the group's entire van fleet to low- or zero-carbon vehicles. This is dependent on the availability of electric charging infrastructure and the range and availability of new electric vans. Waiting times can exceed 1 year.	2030

# Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the Group Sustainability Director, Cressida Curtis, on behalf of the board of directors.

*Signed on behalf of the Supplier:*



Date: 27<sup>th</sup> June 2024

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<sup>1</sup> <https://ghgprotocol.org/corporate-standard>

<sup>2</sup> <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup> <https://ghgprotocol.org/standards/scope-3-standard>