

# Carbon Reduction Plan

Supplier name: Wates Residential 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 Residential

Wates Residential is one of the leading developers in London and the South, working with public and private sector clients to build more and better-quality homes. Wates Residential applies a special type of regeneration to every scheme that it develops. This looks beyond bricks and mortar and is focused on supporting the wider long-term development of sustainable communities. By engaging with key stakeholder groups early, the team ensures that local needs are placed at the heart of every development. As a developer and contractor Wates Residential aims to leave a positive legacy in the communities where it operates by targeting local procurement, the creation of local training and employment opportunities, and investing in local charitable organisations and community groups. Developments are designed with whole life carbon in mind. Visit us at: [www.wates.co.uk/residential](http://www.wates.co.uk/residential). Wates Residential employs 389 staff.

## Commitment to achieving Net Zero

As part of Wates Group Ltd, Wates Residential 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 Residential 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 our long-term Net-Zero carbon target 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% by 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 baseline year and includes some reduction activities that took place in that year. Please note that baseline emissions reflect the boundary of bidding entities.

Baseline Year: 2023	
Additional Details relating to the Baseline Emissions calculations.	
<p>Wates Residential 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 emissions data set out in this carbon reduction plan are based on emissions from the direct operations of Wates Residential in its operation for the reporting year. The 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. Scope 3 upstream transportation figures have been estimated based on a representative sample of projects. Business travel is based on actual recorded data for the entity. The employee commuting figure has been estimated using the Department for Transport national travel database in line with the averaging method as recommended by the GHG Protocol.</p> <p>We continually review our greenhouse gas emissions data to improve data quality and reporting. In the case that we identify any material changes, we will review and consider recalculating the data in the future.</p> <p>2023 was the first year of reporting for Wates Residential, as carbon emissions for our Wates Residential offering were previously reported under the wider Wates Construction Limited’s carbon reduction plan which was the contracting entity.</p>	
Baseline year emissions: 2023	
Emissions	TOTAL (tCO <sub>2</sub> e)
Scope 1	449
Scope 2 (Market based)	130
Scope 3 (Included Sources)	Upstream Transport: 468 Waste: 38 Business Travel: 356 Employee Commuting: 107 Downstream Transport: 0* Total Scope 3: 969

	*Downstream Transport is not applicable to Wates Residential Limited as we did not sell products that were transported or distributed to the end consumer during the reporting year.
Total Emissions	1,548

## Current Emissions Reporting

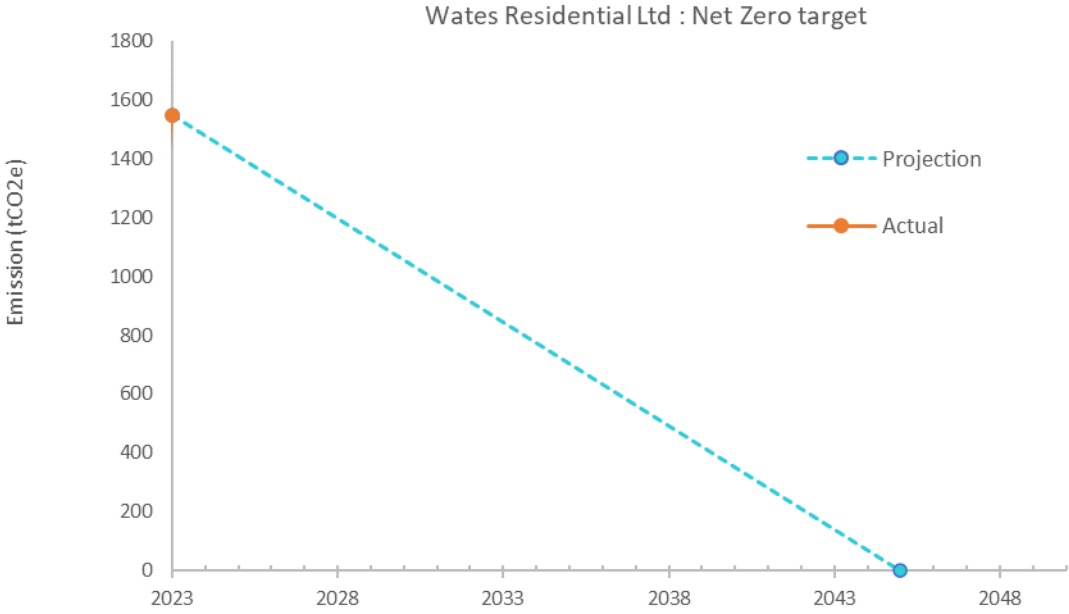
Reporting Year: 2023	
Emissions	TOTAL (tCO <sub>2</sub> e)
Scope 1	449
Scope 2 (Market based)	130
Scope 3 (Included Sources)	Upstream Transport: 468 Waste: 38 Business Travel: 356 Employee Commuting: 107 Downstream Transport: 0* Total Scope 3: 969  *Downstream Transport is not applicable to Wates Residential Limited as it did not sell products that were transported or distributed to the end consumer during the reporting year.
Total Emissions	1,548

## 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.

The financial year 2023 is the baseline year for Wates Residential Ltd, as its activities were previously covered under the Carbon Reduction Plan of Wates Construction Ltd. therefore a progress map from baseline will be seen from the financial year 2024 Carbon Reduction Plan.



# Carbon Reduction Projects

## Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented in the year 2023 and will be in effect when performing the contract.

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	2024

No	Emission Reduction Initiative	Action	Completion Date
		<p>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></p> <p>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.</p>	
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	Engaged 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	Established a technical excellence centre	Established a technical excellence centre to drive carbon reductions on our construction projects	2023
7	Trialled tools to measure Scope 3 emissions data	Trialled different approaches to capture category 1 Scope 3 data to allow more accurate reporting and benchmarking.	2023
8	Energy profiling	Developed an energy profiler to accurately forecast our power needs on projects and drive carbon reductions.	2023
9	Launched 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	Launched 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 in table below. The carbon emissions reductions will be achieved due to the carbon reduction initiatives outlined further below.

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 key 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 new emerging and different approaches to capture category 1 Scope 3 data to allow more accurate reporting and benchmarking.	2024
4	Analysis of previous WLCA	Complete a study of representative previous projects to compare built form, construction methods, materials etc. and recommend preferred approaches	2024
5	100% Renewable Electricity	Purchase all electricity used by the Group from renewable sources.	2025
6	100% of plant electric or other zero carbon technology	Eliminate use of gas oil 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 processes.	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 Executive Managing Director, Helen Bunch, 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>