

# SUSTAINABLE PROCUREMENT POLICY



**Established in 1897, we are the UK's leading family-owned development, building and property maintenance company. We employ over 4,000 people and work with a wide range of public and private sector customers and partners. Now in our fourth generation of family ownership, we're committed to the long-term sustainability of the built environment and to making our industry more inclusive and representative of the communities we work in. We are driven by our shared purpose of working together to inspire better ways of creating the places, communities and businesses of tomorrow.**

Our aim is to help our customers create better buildings while leaving a positive legacy on the world around them. Driven by the principles of our Guiding Framework, we are committed to making our business more sustainable and delivering sustainable outcomes through our supply chain and procurement activities. This will enable us to:

- Achieve our stated targets and goals
- Ensure we remain the service provider of choice

In order to make our business more sustainable we have committed to achieving the following. We will become a Net Zero carbon business and lead the sector by example when it comes to decarbonisation. We will optimise the use of materials and avoid waste through resource efficiency. We will facilitate positive change for the natural environment. Our 2025 targets are set out below:

- Achieve a pre-manufactured value target of 65% for our residential and construction business
- Become carbon neutral for our Scope 1 & 2 emissions for all group companies
- Achieve an aggregate Biodiversity Net Gain of 20% for our residential, construction and developments businesses

We have committed to 89% of our suppliers (by emissions) to have a science-based target in place in 2027 and to reducing our absolute Scope 1 and 2 emissions by 46.2% against a 2019 baseline. We therefore encourage our suppliers to set their own science-based targets. We have also submitted a net zero science-based target to reduce our Scope 1, 2, and 3 greenhouse gas emissions.

A science-based target follows a carbon reduction pathway that is in line with the scale of reductions required to keep global warming below 1.5°C from pre-industrial levels, helping prevent the worst impacts of climate change and future-proof business growth.

Our supply chain is essential in helping us meet these targets, bringing long-term social, economic and environmental benefits through procurement activities.

**The Executive Committee has overall responsibility for ensuring this policy is complied with. It will be reviewed at least once a year and at such other times as may be required, to ensure it remains relevant and appropriate to the aims and objectives of our business.**

**For and on behalf of the Executive Committee**

**EOGHAN O'LIONAIRD**  
Chief Executive  
May 2023

Sustainability forms part of the evaluation process in procurement and is managed continuously. Sustainable procurement training is part of relevant staff's PDRs. As a partner of the Supply Chain Sustainability School we offer free training and workshops to our suppliers to improve our collective knowledge. Our commitment to sustainable procurement covers all our engagement with the supply chain as we adopt the principles set out in BS ISO 20400:2017. In adhering to this policy, we will:

- Use circular economy and resource efficiency to eliminate waste streams
- Work with our supply chain partners to reduce carbon emissions from products and services
- Engage with suppliers regarding positive impacts on nature and mitigate risk of pollution
- Drive social value outcomes in our communities
- Pay our suppliers on time
- Champion supplier diversity by working with small and minority owned groups and social enterprises, ensuring all suppliers have a fair chance to compete
- Behave ethically and promote ethical behaviour throughout our supply chain
- Comply with legislation, share best practice and investigate any deviations in our supply chain
- Respect all internationally recognised human rights and promote the Wates Modern Slavery Act policy
- Consider sustainable alternatives and whole-life cost analysis when assessing procurement options

This policy applies to all our employees and those working with us or on our behalf. Successful implementation requires everyone to cooperate, commit and assist us to ensure that sustainable procurement issues and risks are given adequate consideration.

**CREATING  
TOMORROW  
TOGETHER.**