

Carbon Reduction Plan

Supplier name: SES Engineering Services Limited
Publication Date: 30th June 2023

About the Wates Group

The Wates Group, established in 1897, is one of the leading privately-owned construction, residential development, and property services businesses in the UK. We employ approximately 4,000 people and work with a wide range of public and private sector customers and partners. Everything we do is guided by our purpose of working together to inspire better ways of creating the places, communities, and businesses of tomorrow. To fulfil our ambition to be a truly inclusive employer and to reflect the richness of the communities in which it is our privilege to work, we are committed to doubling the proportion of women at all levels of our business, encouraging more people with disabilities to work in our sector and to becoming more ethnically diverse. In 2022 we won the Queen's Award for Enterprise in the Sustainable Development category. This is the third time we have received the award. Visit us at: wates.co.uk

SES Engineering Services (SES)

SES is a wholly owned subsidiary of Wates Construction Limited which is a wholly owned subsidiary of Wates Group Ltd. SES provides market-leading technical solutions for the built environment through the design, manufacture and installation of building services. With more than 50 years' experience SES provides complex technical solutions for clients across a range of sectors. Through its offsite manufacturing facility, Prism, SES provides an innovative alternative to labour-intensive, time-consuming on-site production and assembly.

The combination of SES' innovative approach, use of the latest technology to deliver great buildings, its commitment to reducing its impact on the environment and its exemplary HSE record bring benefits not only to SES and its clients but also to the wider industry. SES employs approximately 430 staff.

Prism

Prism Offsite Manufacturing is a highly acclaimed specialist business that provides a wide range of offsite products to support MEP installations on projects. Established in 2007, Prism is part of SES Engineering Services, owned by the Wates Group, and we are proud to share a strong engineering heritage coupled with an enviable construction expertise. Underpinning our commitment to quality and innovation in offsite technology is the continued acknowledgement of our product excellence by our industry peers.

Commitment to achieving Net Zero

As part of Wates Group Ltd, **SES Engineering Services** 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**.

SES Engineering Services 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. The target is 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.

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

Separately, the Group has committed to achieving Net Zero by the end of 2045 and we will be submitting a further science-based net zero target on that basis

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. Please note that baseline emissions have been revised and updated as a reflection of adjustments made on the boundary of bidding entities.

Baseline Year: 2019	
Additional Details relating to the Baseline Emissions calculations.	
<p>SES is a bidding entity which is a wholly owned subsidiary of Wates Construction Ltd which is a wholly owned subsidiary 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 have been approximated by apportioning emissions based on the bidding entity and its share of Wates Group Limited total revenue. 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 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.</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 may recalculate the data in the future.</p>	
Baseline year emissions: 2019	
Emissions	TOTAL (tCO₂e)
Scope 1	1,016
Scope 2 (Market)	276
Scope 3	Upstream Transport: 384

(Included Sources)	<p>Waste: 14</p> <p>Business Travel: 561</p> <p>Employee Commuting: 703</p> <p>Downstream Transport: 0*</p> <p>Total Scope 3: 1,662</p> <p>*Downstream Transport is not applicable to SES Engineering Services Limited as we did not sell products that were transported or distributed to the end consumer during the reporting year.</p>
Total Emissions	2,954

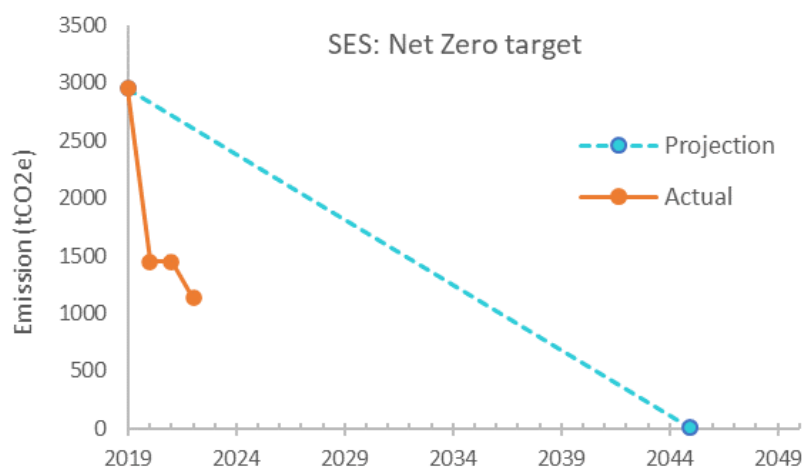
Current Emissions Reporting

Reporting Year: 2022	
Emissions	TOTAL (tCO ₂ e)
Scope 1	304
Scope 2 (Market based)	23
Scope 3 (Included Sources)	<p>Upstream Transport: 235</p> <p>Waste: 10</p> <p>Business Travel: 196</p> <p>Employee Commuting: 366</p> <p>Downstream Transport: 0*</p> <p>Total Scope 3: 807</p> <p>*Downstream Transport is not applicable to SES Engineering Services Limited as it did not sell products that were transported or distributed to the end consumer during the reporting year.</p>
Total Emissions	1,134

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 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 2022 equates to 1,820 tCO₂e, a 62% reduction against the baseline. This is due to the carbon reduction initiatives outlined below.

No	Emission Reduction Opportunity	Action	Completion Date
1	Environmental Management System	In 2022 Wates environmental management system underwent a successful surveillance audit against ISO 14001:2015	2022
2	Renewable Electricity	86.6% of the electricity supplied was sourced from renewable energy tariffs backed by REGOs which is an increase on 2021.	2022
3	External Assurance	In early 2023, The Carbon Trust was engaged to undertake limited assurance of Wates Group Ltd's 2022 Scope 1, 2	2023

No	Emission Reduction Opportunity	Action	Completion Date
		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: www.wates.co.uk/CTA Limited assurance represents a substantially lower level of audit than a reasonable assurance engagement. 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.	
4	Near-term Science-Based Target	Set near-term science-based targets for Scope 1, 2 & 3 carbon emissions	2022

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

No	Emission Reduction Opportunity	Action	Target Date
1	Set Net Zero Science-Based Target	Set a net-zero target and have this validated by the Science Based Targets initiative (SBTi).	2023
2	Develop a sustainable procurement policy to drive emission reductions	Produce a sustainable procurement policy that will drive emissions reductions through our procurement processes.	2023
3	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
4	Establish a technical excellence centre	Establish a technical excellence centre to drive carbon reductions on our construction projects	2023
5	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
6	Energy profiling	Develop an energy profiler to accurately forecast our power needs on projects and drive carbon reductions.	2023
7	Zero Emission Sites Working Group	Identify solutions to run construction sites with zero Scope 1 and 2 greenhouse gas emissions.	2023
8	100 % Renewable Electricity	Purchase all electricity used by the Group from renewable sources.	2025
9	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	2045

No	Emission Reduction Opportunity	Action	Target Date
		grid connections to minimise the need for diesel generators. We are also taking steps to reduce diesel energy consumption on our projects through more efficient plant and site accommodation.	
10	Launch updated company car scheme	All new company cars to be electric. Older fossil-fuel powered vehicles will phased out as their leases expire.	2023
11	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

Declaration and Sign Off

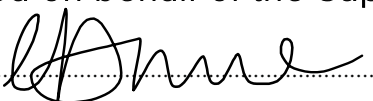
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the Group Safety, Health Environment, Quality & Sustainability Director, John Dunne, on behalf of the board of directors.

Signed on behalf of the Supplier:

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Date: 29/06/2023.....

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

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

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