Wates Group Tax Strategy

For The Year Ended 31 December 2026

Reimagining places for people to thrive

Wates

Background

Our business is based on good governance, respect and fairness. We apply the same principles to our tax strategy. We ensure timely correct tax payments complying with all the regulations, laws and reporting requirements by applying robust controls.

Securing and maintaining the trust of all our stakeholders, including HMRC is paramount to the business.

Scope

This tax strategy applies to Wates Group Limited, its subsidiaries and all entities over which it has effective control ("the Group"). It covers taxes and duties set out in para 15(1) Schedule 19, Finance Act 2016 for all UK operations. The publication of this strategy is regarded as satisfying the requirements under para 16(2) Schedule 19, Finance Act 2016 for all UK operations and it applies from the date of publication until it is superseded.

The Group's tax strategy, which covers both the internal governance of tax matters and the approach to tax, is approved by the Group Board.

Approach to Tax

Wates is proud to champion responsible business behaviors. We manage our tax affairs with the highest standards of integrity, consistent with the Group's wider corporate reputation and in line with its overall high standards of governance.

The Group takes a principled and low-risk approach to tax.

The Group does not have a target effective tax rate and internal governance does not include pre-determined levels of acceptable tax risk.

Timing of Tax Payments

We commit to paying our taxes in full and on time, in compliance with both the letter and the spirit of the law, and with full disclosure to the tax authorities.

Quality of Data

We take great care in ensuring that the quality of data and calculations is fundamental to the Group's approach to the preparation of all our tax returns.

Relationship with HMRC

We strive to maintain and develop an open, transparent, and trusting relationship with HMRC. We operate a real-time working relationship with our dedicated customer compliance manager at HMRC acting promptly to establish certainty and achieve early resolution of any uncertain tax positions. The Group values its low-risk status and engages with HMRC through a collaborative, professional working dialogue.

Tax Risk Management and Governance

The Group Board has ultimate responsibility for the Group's approach to tax and receives regular updates from the Chief Financial Officer on tax matters and risks.

The Group Tax Manager is responsible for:

- Embedding the Tax Strategy consistently across the business and implementing processes and controls to deliver the correct amount of tax.
- Monitoring and updating those processes and controls to support the business as it develops and in response to changes in tax legislation and best practice.
- Supporting the Group Board and the business in meeting its commercial goals and, through the Chief Financial Officer, maintaining the profile of tax on the Board's agenda.

The Group has a low level of appetite for risk and seeks to keep its tax affairs simple. We recognise that in practice tax risks will arise both from ongoing business activity and differences in interpretation. External advice is sought where necessary, for example in connection with uncertain tax positions or appropriate risk controls.

The Group has an internal audit function. Group Audit Committee meetings (attended by the Chief Financial Officer) include a standing item to provide updates on any significant tax risks and developments.

A detailed tax controls and responsibilities matrix, maintained by the Group Tax Manager, sets out the tax controls in place and the role of the person responsible for them. Financial processes and controls have been appropriately documented.

The Group Tax Manager regularly updates the Group Financial Director on tax matters affecting the Group as well as on the tax status.

Staff And External Tax Advisors

Wates Group employs qualified financial and tax staff, and we partner with external advisers to deliver our tax compliance and statutory filings. Partnering with external advisers provides Wates with comfort that we are receiving expertise across a range of compliance activities.

We engage tax advisers to provide specialist input on areas of uncertainty, review the implications for our business of new tax legislation and provide support where necessary.

Wates

Pillar 2 Requirement

As a UK group, with effect from 1 January 2024, we are subject to the OECD's global minimum corporate income tax regime (Pillar 2) on a global basis. This ensures that we pay a minimum tax rate of 15%.

Attitude to Tax Planning

The Group has an obligation to its shareholders to deliver value and to manage costs in a responsible manner. The Group will apply relevant tax laws in a reasonable way and in the spirit in which they were intended.

In the normal course of business, the Group will use tax planning opportunities in the spirit in which they were designed to be used and that it will not take an aggressive stance in the interpretation of tax legislation.

The Group's Code of Conduct sets out the principles we believe should guide our actions.

It requires decisions to be legal, made with integrity and to stand up to external scrutiny.

All staff are required to follow the Code of Conduct, including in dealings which relate to tax.

The Group may utilise available tax allowances, incentives, and reliefs where these align with our commercial activities and will apply them in the manner intended.

The business will seek advice from professional firms on complex and non-routine tax matters where it considers necessary to ensure that the law is interpreted and applied correctly.

The Group is made up of businesses trading in the UK, consequently all taxes are paid in the UK.

May 2026

Wates