

SUSTAINABLE PROCUREMENT POLICY



Established in 1897, we are one of the UK's leading family-owned development, building and property maintenance companies. In 2025, we generated £29.2m in statutory profit before tax from a turnover of £2.56bn, working with a wide range of public and private-sector customers and partners. With 6,000 employees and 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 an Investors in People Gold-accredited company, driven by our purpose of reimagining places for people to thrive.

Our sustainability strategy focuses on reducing greenhouse gas emissions, driving positive outcomes for nature and optimising the use of materials through circularity. Through this we will:

- Deliver our near-term Science-Based Target of reducing absolute scope 1 and 2 GHG emissions 46.2% from a 2019 base year, reduce absolute scope 3 GHG emissions from use of sold products 68.0% within the same timeframe and support 77.0% of our suppliers by emissions covering purchased goods and services to have science-based targets by the end of 2030
- Deliver our Science-Based Net Zero Target of a 90% reduction of Scopes 1, 2 and 3, in line with a 1.5°C pathway by the end of 2045
- Achieve zero avoidable waste by 2045
- Assess and disclose nature-related risks and opportunities across our value chain in alignment with the TNFD framework by 2030
- Maximise onsite/local net gains for biodiversity on projects where we have design input/responsibility

Our supply chain partners play a critical role in achieving these targets and are expected to align with the requirements set out in our Sustainability Playbook, supported by training, collaboration and ongoing engagement.

Sustainability forms a key part of the evaluation process in procurement and is managed continuously. Sustainable procurement training is part of relevant colleagues' performance development reviews. As a Gold member of the Supply Chain Sustainability School, we offer free training and workshops to our supply chain to improve our collective knowledge and performance. 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.

Procurement and commercial teams are responsible for implementing this policy through sourcing decisions, supplier selection, and contract management and performance review, and are supported by sustainability colleagues.

Performance against this policy is monitored through defined KPIs, reviewed regularly by senior management, and used to drive continuous improvement and corrective actions where required.

We adopt a risk-based approach to sustainable procurement, focusing proportionately on areas of environmental, social and ethical risk and opportunity.

In adhering to this policy, we will:

- Source FSC/PEFC/"Grown in Britain" or equivalent sustainable timber
- Use circular economy principles and prioritise resource efficiency to eliminate waste streams
- Work with our supply chain to reduce carbon emissions from materials, products and services
- Engage with supply chain to reduce drivers of biodiversity loss and promote nature recovery across the value chain
- Drive social value outcomes in our communities
- Pay our suppliers on time
- Champion supplier diversity by working with social enterprises, ensuring all suppliers have a fair chance to compete
- Behave ethically and promote our Code of Conduct 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 suitable alternatives and whole-life cost analysis when assessing procurement options

We ensure continual improvement of our operational systems to meet our legal and other compliance obligations. We monitor our environmental performance through a regular review of our environmental management system and associated objectives and targets.

This policy applies to all Wates Group operations, subsidiaries, joint ventures under operational control, and to our supply chain partners and contractors working on our behalf. It supports the UN Sustainable Development Goals, the objectives of the Paris Agreement, and our Science Based Targets aligned to a 1.5°C pathway.

We welcome suggestions for our continual improvement and opportunities to navigate with our established partners and peers across the sector to accelerate progress.

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 Officer, June 2026