

Wates secures £90M sustainability-linked loan to further ESG ambitions

3 years ago



Wates Group has secured a £90m sustainability-linked loan (SLL) from a three-bank syndicate led by [Lloyds Bank](#).

The facility, for which Lloyds Bank also acted as the Sole ESG Coordinator, will help Wates achieve its ESG objectives and see it work towards three ambitious KPIs to achieve margin discounts on its funding. [HSBC](#) and [AIB](#) also provided equal funding on the deal of £30m each. The three-year facility is believed to be the second largest SLL provided in the sector.

The first KPI is that 35% of Wates' top 200 suppliers have Science Based Target Initiative (SBTi) approved targets in place by December 2024. This is linked to the company's Scope 3 emissions. These currently make up around 98% of its greenhouse gas emissions.

Wates' second KPI is to create nearly £370m of social value over the next three years. To achieve this objective, it will create jobs, support growth and promote healthier lifestyles in the communities it operates in.

Finally, the business will continue to aim for more balanced representation as part of its existing inclusion and diversity strategy by improving the number of women in senior leadership positions.

Wates employs around 3,800 people across its divisions. In 2020, it set out its ambitious strategy to eliminate waste and be carbon neutral from its Scope 1 and 2 emissions by 2025, alongside enhancing the natural environment of the communities it operates in. Recently, to mark its [125th anniversary](#), Wates also announced a [programme to open doors for more women into construction](#) across all levels, over and above its existing recruitment schemes.

Philip Wainwright, chief financial officer at Wates Group, said: "Sustainability is a key element of our Guiding Framework that's why we launched our 2025 sustainability goals in 2020.

"We are continually reviewing how we can embed sustainability into what we do and we're pleased that we have been able to identify and agree on three additional metrics with our lenders that will drive sustainability outcomes and demonstrate our commitment around Scope 3, social value and diversity.

"We already have a close working relationship with Lloyds Banking Group through the Wates Innovation Network and it's encouraging to not only have the support of three banks, but also to see them being prepared to increase their level of exposure, which is a real vote of confidence in our ability to meet these KPIs."

Max Jones, relationship director in Lloyds Bank's construction and infrastructure team, said: "Now's not the time for firms within the built environment to rest on their laurels when it comes to creating a greener, more welcoming industry. Wates have long been a leader for sustainability in the industry we're looking forward to helping them reinforce and build upon that position."