

Barratt Developments PLC Modern Slavery and Human Trafficking Statement

1. Introduction

Barratt Developments PLC is committed to trading ethically, with zero tolerance for modern slavery (including human rights violations, child and forced labour or human trafficking in any form), in our own operations and our supply chain.

Through our Building Sustainably framework we commit to 'Valuing human rights and championing fairness by preventing modern slavery within our supply chain and being a committed Living Wage Employer.' We uphold high quality labour standards and human rights within our value chain through a risk-based approach to procurement, supplier development and continuous improvement. We have policies and procedures in place that support the core values of the United Nations Universal Declaration of Human Rights and the UN Guiding Principles of Business and Human Rights.

This is Barratt's Modern Slavery and Human Trafficking Statement for the period 1st October 2021 – 30th September 2022 published in compliance with the Modern Slavery Act 2015 (the 'Act') within six months of our year end 30th June 2022. It sets out the steps taken by Barratt Developments PLC and the relevant subsidiaries or entities in which it has an interest (as are listed in the Appendix) (the 'Group' or 'Barratt'), to prevent human trafficking and slavery in our business and supply chain.

We continue to implement working practices and protocols to enable safe operations in response to ongoing COVID-19 challenges.

2. Responsibility

Our Chief Executive, on behalf of the Board, has responsibility for this statement and our Group Human Resources Director is the Executive Sponsor. Individual Group Functional Directors are accountable for compliance with the Act. Divisional Managing Directors are responsible for their local supplier relationships and compliance with the requirements of the Act. This statement will be reviewed and published annually on our PLC website.

The Group's Sustainability Committee, chaired by our Chief Executive and attended by three additional members of the Board, became operational in the year and meets quarterly. This Committee is responsible for:

- Scrutinising the sustainability strategy, which includes modern slavery risk;
- Ensuring our Building Sustainably Framework is embedded across the Group's operations; and
- Ensuring that the Group is mitigating its sustainability risks and leveraging opportunities in the short, medium and longer term.

This is supported by operational groups responsible for delivering on our commitments in their functional areas. For further details on our ESG governance structure see <https://www.barrattdevelopments.co.uk/building-sustainably/managing-sustainability>

3. About our business and supply chains

We are the country's leading sustainable national housebuilder with an annual turnover of £4.8bn. Our vision is to lead the future of housebuilding by putting customers at the heart of everything we do.

Our principal activities comprise acquiring developable land, obtaining planning, and building high-quality homes and communities. All of our operations and activities are UK-based. We now operate 29 divisions with the opening of two new divisions in July 2022 in our Northern and East regions. We directly employ 6,837¹ employees. We have a centralised procurement team that procures 95%² of our housebuilding materials through 160 Group construction materials agreements. Our divisions locally source the remaining 5% of materials. Around 90% of components centrally sourced are assembled and/or manufactured in the UK, 8% of our materials or their component parts are sourced from Europe and less than 2% are sourced from elsewhere in the world.

Oregon Timber Frame Ltd is our timber frame manufacturing business, operating solely for the Group. It fulfils part of the Group's main housebuilding business's timber frame supply needs and has 3 main timber suppliers (representing 90% of their materials expenditure).

BD Living is a division within the Group, responsible for manufacturing and supplying wardrobes to our housebuilding business.

Wilson Bowden Developments Limited is responsible for our commercial developments, which account for less than 2% of our revenue. Main contractors are used for the delivery of Wilson Bowden's commercial developments.

We have a diverse sub-contractor labour force (supporting over 5,000 sub-contractor companies across our divisions) including groundworkers and housebuilding trades.

With the acquisition of Gladman Developments in January 2022, Barratt also now operates a land promotion business under the Gladman brand.

Our supply chain is an integral part of our operations, and our success and reputation is linked to their performance and ethics. Further information on our business and our supply chain management is available in our [2022 Integrated Annual Report and Accounts](#).

In FY19 we became the first UK housebuilder to sign up to the [Gangmasters and Labour Abuse Authority Construction Protocol](#), in order to share materials and information to support the eradication of modern slavery and human trafficking.

¹ Employee numbers (headcount) including Gladman, excluding sub-contractors at 30 June 2022.

² For low rise developments and excluding ground worker materials. For high rise developments – primarily in London – 45% of materials are procured through Group supply agreements.

4. Policies and due diligence

4.1. Human Rights

This year, we began working on the development of our first human rights policy, which involved undertaking engagement workshops with key Group functions to ascertain internal perceptions of risks and opportunities following best practice guidance within the UN Guiding Principles on Business and Human Rights. This will form the basis of a framework to apply a consistent, leading practice approach to material human rights risk across our value chain.

4.2. Living wage

Barratt is an accredited living wage employer. We are committed to ensuring all those who work directly or indirectly providing labour on our sites or within our offices are paid the real living wage as defined by the [Living Wage Foundation](#). Our standard terms and conditions mandate the payment of the living wage within our supply chain. To support this, we have implemented spot checks by divisions on higher risk trades that work on our sites and put in place remediation feedback systems internally. We have presented our audit results to the Living Wage Foundation and are on track to achieve full compliance by December 2022. We are in negotiation with one sub-contractor to align them with the real living wage requirements. All other suppliers and sub-contractors are in compliance. For those working in jurisdictions other than the UK, our expectation included within our contract requirements is that local statutory minimum wages are paid, however we do not currently audit this.

4.3. Code of Conduct

All of our suppliers and sub-contractors are required to follow our [Code of Conduct](#) and our [Sustainable Procurement Policy](#) specifies that suppliers must maintain their own ethical sourcing policies and apply these standards to their own business, across all of their workers, suppliers and any sub-contractors engaged in their supply chain. We seek to work with companies who share our principles and work according to our policies on health and safety, ethics, compliance and environment standards and who are prepared to commit themselves to meeting our requirements. We are committed to working with suppliers to support necessary improvements; however, we will also take action if suppliers and sub-contractors do not meet our standards. We review compliance by carrying out risk assessments, periodic reviews and comprehensive audits where there is a recognised higher risk.

Suppliers are also obliged to provide evidence of their own policies and compliance as appropriate and provide the means for workers to report or discuss non-compliances confidentially. All our standard terms and conditions include relevant clauses for direct, temporary and agency contracts, construction materials suppliers and sub-contractors.

4.4. Purchasing practices

We are committed to ensuring our business policies, procedures, requests and contracts do not place unnecessary demands on our suppliers, which may lead them to violate their obligations. This could include late payment, low payment, and high-pressure delivery demands. We adhere to the Prompt Payment Code to support the liquidity of our partners recognising that effective payment systems are critical to safeguarding people working in supply chains.

4.5. Additional policies:

The following Group policies support our commitment to eliminate Modern Slavery and Human Trafficking:

- [Health and Safety](#)
- [Ethics](#)

5. Assessing the risk of modern slavery

We base our risk assessment process on the following criteria: potential for materials to come from high-risk countries; products and services using low skilled labour; reliance on temporary and transient labour; supply chain leverage; and the opportunity to do more.

Based on the criteria above we believe the business has a low overall risk of modern slavery in both our own operations and in our immediate supply chain. However, we are proactive in ensuring we are making our workforce, sub-contractors and suppliers aware of the potential risks, and are working to better understand the risks further down our supply chain.

5.1. Actions taken to mitigate risks

5.1.1. Direct, temporary and agency employment practices

We directly recruit and manage our employees; all of our employees are in the UK where, although modern slavery exists, it is less prevalent than some other countries and we have formalised people policies, processes and controls in place. All of our direct employees are, as an absolute minimum, paid in accordance with the UK living wage, or London living wage (as applicable).

We require all agencies and labour providers we directly engage to supply workers to be able to satisfy us that the people they supply have written employment contracts, have not had to pay for the opportunity to work, and are legally entitled to work in the UK. We continue to reiterate these requirements to agencies and labour providers on our preferred supplier list, and we advise new suppliers of these requirements at the outset. Through our online recruitment system launched in 2019 (Eploy), we introduced a new agency portal, which has increased the visibility of agency labour providers, and plans are in place to audit our agencies quarterly. We are working to reduce the number of agencies on our system through a more robust tendering process and all will be signed up to a new Group contract with updated clauses to reflect policies.

5.1.2. Sub-contractors

We have informed all our sub-contractors of our requirements regarding modern slavery. We continue to provide information on the Act and its requirements on our commercial website which can be accessed [here](#). Our risk assessment process undertaken by our divisional commercial teams identified three higher risk sub-contractor trades (security, landscaping and cleaning). We invited these trades to attend sub-contractor breakfast briefings and to join the Supply Chain Sustainability School, (the 'School') in order to give them access to courses and training materials designed to help eliminate Modern Slavery and Forced Labour, which are available online. Further information regarding the School and our participation can be found in section 7 below.

5.1.3. Materials suppliers

We have informed our construction material suppliers of our requirements in relation to ethical sourcing. We have also reiterated the requirements of the Act at our national supplier conference and within workshops with our local buying teams. Our early risk assessment processes identified low risk in our Tier 1 supply chain. We have undertaken enhanced risk assessments using the criteria stated in section 5, in addition to assessing additional risks arising from COVID 19 and Brexit, this has identified material categories which are low risk (e.g. Bricks, Silo Mortar, Art Stone and timber products) because of the management processes we have implemented through our supplier agreements and materials sourcing standards. We are continuing to work on developing due diligence checks of categories where further investigation is required based on risk of components being sourced from high-risk countries. These include Mechanical and Engineering equipment, steel, electrical accessories and shower enclosures.

We are also in the process of integrating risk assessment, due diligence, training and awareness processes and procedures into Oregon Timber Frame Ltd.

5.1.4. IT Services

The two primary outsourced services for IT services are the disposal of IT assets and our IT helpdesk. The disposal of waste IT assets which involves low skill, low paid workers can present a higher modern slavery risk. As a minimum, we have contractual requirements in place to mitigate against this and going forward due diligence checks will be implemented to ensure the measures our supplier has in place are appropriate to tackle this risk. Our IT helpdesk is located in Romania and is operated by highly skilled professionals, and therefore at low risk of modern slavery.

6. Whistleblowing

Employees, sub-contractors and suppliers, both past and present, who become aware of possible improper, unethical or illegal behaviour are encouraged to raise the matter with their manager, the Group Head of Legal or other assigned point of contact or alternatively use our confidential and whistleblowing service, (Safecall: 0800 915 1571 or barratt@safecall.co.uk), available 24 hours a day, seven days a week. We have had no instances of whistleblowing regarding modern slavery in the reporting year.

7. Training and awareness

We mandate e-learning training to all Directors and Heads of Function, contracts managers, the Group Procurement team and specific members of our Group Commercial team. This training is bespoke and covers the requirements of the Act with content tailored to the procurement, HR, commercial and construction function groups.

Human rights and modern slavery are key issues within our Building Sustainably framework, and as such we include awareness and training on modern slavery as part of our wider framework updates across the whole Group throughout the year.

Through our partnership with the Supply Chain School, and in our role as Chair of the Homes Leadership Group we have collaborated with a number of representatives from the construction industry to establish various learning materials for the sector's supply chain. We have mandated and

successfully signed up 130 of our centrally procured construction materials suppliers as members of the School so that they can access these training materials. 89 of these have achieved the highest attainment level on the Supply Chain School sustainability matrix in relation to modern slavery³. We are reviewing how we enrol sub-contractors to engage with the school as part of the wider human rights programme, however to date 23% of our top 100 sub-contractors by spend are active members of the School.

8. Key performance indicators

The development of our human rights framework will entail a wholesale review of our approach to broad human rights impacts including modern slavery. This will involve developing the necessary tools and capabilities for carrying out risk assessments and due diligence in relation to salient human rights issues and a means of monitoring performance through associated KPIs which will be published in our next statement.

Performance against KPIs is set out below. KPI	Performance Data
The number of Directors and Function Heads, Contracts Managers, Group Procurement Team and Group Commercial team trained on modern slavery through a tailored e-learning module.	431 out of 459 as of 25th September 2022

This statement is made pursuant to section 54 of the Modern Slavery Act, is approved by the Barratt Developments PLC Board on 17 October 2022 and is signed on its behalf by:

David Thomas Chief Executive

17th October 2022

³ As at 30 June 2022

Appendix

Companies and entities within the Barratt Developments PLC organisational structure, on whose behalf this statement is made and which form part of the Barratt Developments PLC business or supply chain:

- BDW Trading Limited
- David Wilson Homes Limited
- Wilson Bowden Developments Limited
- Oregon Timber Frame Ltd
- Gladman Developments Limited
- Brooklands Milton Keynes LLP
- Blackhorse Road LLP
- Harrow View LLP
- Fulham Wharf LLP
- Wichelstowe LLP