

BARRATT DEVELOPMENTS PLC

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT 2016

Introduction

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

This is Barratt's statutory Modern Slavery and Human Trafficking Statement for the period 1 July 2015 to 30 June 2016. The statement will be reviewed and published annually.

About our business and supply chains

Barratt Developments PLC is the UK's largest housebuilder. 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. These activities are supported by expertise in partnerships, procurement, design and strategic land. All of our operations and activities are UK based.

We directly employ 6131 employees¹. We operate a centralised procurement team, who procure 95% of housebuilding materials through 200 group materials agreements, the remaining 5% of materials are sourced locally. 90% of our group agreement construction materials and components are manufactured in the UK, with 8% in Europe and less than 2% in the rest of the world. We have our own factory manufacturing wardrobes based in Leicestershire.

We have a diverse sub-contractor labour force (supporting over 6800 subcontractor companies) including groundworkers and housebuilding trades.

Policies and due diligence

Code of Conduct

All our suppliers and sub-contractors are expected to follow our Code of Conduct and Supplier Charter, which are based on the [Ethical Trading Initiative Base Code](#) and international labour laws.

We seek to work with companies who share our principles and who are prepared to commit themselves to meeting the requirements of these codes. We are committed to working with suppliers to support necessary improvements, however we will also take action if suppliers and subcontractors are not prepared to make necessary improvements. Barratt reviews compliance through periodic review meetings and auditing where there is higher risk. We will publicly report any serious violations and actions taken in our annual Sustainability Report.

Barratt is committed to ensuring business policies, procedures, requests and contracts do not place unnecessary demands on a supplier which may lead them to violate their obligations. This could include late payment, low payment, and high pressure time demands.

Suppliers and subcontractors are expected to maintain their own ethical sourcing policy, and apply these standards to their own business, and communicate and ensure compliance of this Code across all workers, suppliers and any sub-contractors engaged in their supply chain. Suppliers and subcontractors should also

¹ As at June 30th 2016

provide means for workers to report or discuss non-compliances confidentially. We ask suppliers and subcontractors to provide evidence of their own policies and compliance as appropriate.

Assessing the risk of modern slavery

We have reviewed our exposure to risk of Modern Slavery across all aspects of our business, and have focussed risk assessments on four key areas:

- **Direct, agency and temporary employment practices** including temporary and agency employment, for example at our sites or own factories in the UK.
- **Subcontractor relationships**, where we consider employment and payment practices.
- **Material suppliers**, where we assess risk based on geography, material or component type and our relationship with the supplier.
- **IT Services**

Based on our 2015/2016 risk assessment, we believe the business has a low overall risk of modern slavery in both our own operations and in our supply chain. We understand that however low the risk we must be pro-active in ensuring we are addressing any residual risk, make our workforce aware and remain vigilant.

Direct, Temporary and Agency Employment Practices

All of our direct employees are paid as an absolute minimum, in accordance with UK legislation and this is kept under review.

We expect all agency providers to be able to satisfy us that staff all have written employment contracts, have not had to pay for the opportunity to work, and are legally able to work within the UK. Within the tender process we will be taking consideration of the agency's ability to respond to our requests for compliance. We have contacted all temporary agencies and labour providers to make them aware of our intentions.

Subcontractors

All our subcontractors have been informed of our expectations on modern slavery, and revisions have been made to our Code of Conduct and contract clauses. We have included information on the Act and its requirements on our Commercial Website [here](#).

Materials Suppliers

All suppliers have been informed by letter of our requirements in relation to ethical sourcing, and we have revised our standard terms and conditions. The requirements of the Act were highlighted at our national supplier conference and within workshops with our local buying teams.

A risk assessment of all our group agreement suppliers and our London-specific group agreement suppliers is based on geography of manufacturing location and scale of spend. For those materials suppliers assessed at the first stage as high risk, we have requested further information on their Ethical Sourcing Policy and will take appropriate steps based on this information.

IT Services

We have included revised terms and conditions within IT services contracts, and have written to all key suppliers to inform them of our expectations.



Whistleblowing

Employees, sub-contractors or suppliers who become aware of possible improper, unethical or even illegal behaviour are to raise the matter with their manager or alternatively refer the matter to a confidential and independent telephone number Barratt Safecall 0800 915 1571 or barratt@safecall.co.uk, available 24 hours a day, seven days a week.

Training and Awareness

We will provide training for all senior management and other key employees in procurement, HR, commercial and construction teams through an online e-learning module, and awareness will be raised for all employees through internal communications channels. We will be providing information for site based employees and sub-contractors in site cabins at all of our sites.

As partners with the Supply Chain Sustainability School, (Homes Group) we have collaborated with the Modern Slavery Special Interest Group. This ensures that 95% of our materials suppliers on group agreements have access to online information and training resources on what Modern Slavery is and how to respond. We are reviewing how we provide access for our subcontractor providers to this material.

Effectively addressing modern slavery risks

We will review our performance in addressing modern slavery risks, and will publish our performance against appropriate KPIs in our annual Modern Slavery Statement. KPIs will develop over time and our initial key measures are:

- The number of high risk materials suppliers and subcontractors reviewed for commitment and actions to address modern slavery risks
- The number of identified key employees trained on Modern Slavery through an e-learning module

Our Chief Executive holds overall responsibility for these policies, our Group HR Director is the Executive Sponsor, with accountability held by Group Directors for each key risk area.



David Thomas
Chief Executive

October 2016