

BARRATT DEVELOPMENTS PLC

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Introduction

Barratt Developments PLC 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 (1st July 2016 to 30th June 2017). Our Chief Executive, on behalf of the Board, has responsibility for this statement and our Group HR Director is the Executive Sponsor. Individual Group Functional Directors are accountable for each key risk within their respective area. This statement will be reviewed and published annually on our [PLC website](#).

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. All of our operations and activities are UK based.

We directly employ 6,193 employees.¹ We operate a centralised procurement team that procures 95% of housebuilding materials through 160 Group construction materials agreements. Our 27 divisions locally source the remaining 5% of materials. 90% of our centrally procured materials and components are assembled and/or manufactured in the UK, with 8% from Europe and less than 2% from the rest of the world. We have our own production facility manufacturing wardrobes based in Leicestershire. 2% of our revenue is from development of commercial property undertaken through Wilson Bowden Developments using main contractors.

We have a diverse sub-contractor labour force (supporting over 6,500 sub-contractor companies) including groundworkers and housebuilding trades.

Further information on our business and our supply chain management can be found in our 2017 [Sustainability Report](#) and [Annual Report](#).

Policies and due diligence

Code of Conduct

All of our suppliers and sub-contractors are required 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 sub-contractors do not meet our standards. Barratt reviews compliance by carrying out risk assessments, periodic review meetings and comprehensive audits where there is higher risk. We will report any serious violations and actions taken in our annual Sustainability Report.

Barratt is committed to ensuring our 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.

¹ Employee numbers, excluding sub-contractors at June 30th 2017

Suppliers and sub-contractors are required to 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. They are also required to provide evidence of their own policies and compliance as appropriate and provide means for workers to report or discuss non-compliances confidentially.

Assessing the risk of modern slavery

Based on our annual risk assessment, 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 pro-active in ensuring we are making our workforce and sub-contractors aware of the potential risks.

We have reviewed our exposure to risk of modern slavery across all aspects of our business and have focused on four key areas:

Direct, temporary and agency employment practices

All of our direct employees are, as an absolute minimum, paid in accordance with UK legislation. It is our intention to move all employees to the UK Living Wage during the current financial year.

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. We have made changes to our temporary and agency contracts and met with all of the agencies and labour providers on our preferred supplier list to explain these requirements, and all have signed the revised contracts.

Sub-contractors

We have informed all of our sub-contractors of our requirements regarding modern slavery and revised our Code of Conduct and contract clauses. We have included information on the UK Modern Slavery Act 2015 (the 'Act') and its requirements on our commercial website [here](#). Following our initial risk assessment, we requested clarification from three higher risk sub-contractor trades (security, landscaping and cleaning) about their employment and payment practices.

Materials suppliers

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

Risk assessment criteria are based on where the materials are manufactured and the value of the business conducted with the supplier. We have risk assessed all of our Tier 1 suppliers against these criteria. Through this process we identified 12 higher risk Tier 1 suppliers and they have provided additional information on their processes to protect against modern slavery and forced labour in Tiers 2 and 3 of their supply chains. We concluded this assessment in early 2017. We have yet to risk assess our construction material supply chain beyond Tier 1. We will continue to work with the [Supply Chain Sustainability School](#) (the 'School') to establish an efficient process for mapping risk within our supply chain.

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 requirements. We risk assessed all new IT service providers in the reporting year and none were deemed high risk.

Whistleblowing

Employees, sub-contractors or suppliers who become aware of possible improper, unethical or illegal behaviour are encouraged to raise the matter with their manager or alternatively refer the matter to a confidential and independent telephone number, Barratt Safecall on 0800 915 1571 or barratt@safecall.co.uk, available 24 hours a day, seven days a week. We have had no incidences of whistleblowing regarding modern slavery in the reporting year.

Training and awareness

We developed our own in-house e-learning training, mandated its completion for all Directors and Heads of Function, and issued it to all employees. This covered the requirements of the Act and included content tailored to the procurement, HR, commercial and construction function groups. We raised awareness on our construction sites and our divisional offices through a poster campaign and updates within our half yearly internal sustainability update to all employees. Messaging is reinforced through face to face sustainability update presentations given to Regional and Divisional Managing Directors at least once a year.

Through our partnership with the School, we have collaborated with a number of representatives from the construction industry to establish various learning materials for the sector's supply chain. We will work with the School to create learning and training materials on ways of undertaking efficient risk mapping of the supply chain. We have also mandated and successfully signed up all 160 of our centrally procured construction materials suppliers as members of the School so that they can access these training materials. We have also invited our sub-contractors to attend regional events organised by the School and to sign up as members in order to gain access to this training.

Key performance indicators

Performance against the KPIs identified in our first Modern Slavery Statement is set out below. We will review these KPIs annually.

KPI	Performance Data
The number of higher risk materials suppliers reviewed for commitment and actions to address modern slavery risks	12 of 12
The number of higher risk sub-contractors reviewed for commitment and actions to address modern slavery risks	280 (80% of 350 contacted)
The number of Directors and Function Heads trained on modern slavery through a tailored e-learning module	249 (84% of 296 as at the end of June 2017)

The PLC Board approved this Statement on 14 December 2017 and is signed on its behalf by:

David Thomas
Chief Executive

20 December 2017