

# **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 human rights violations, child and forced labour or human trafficking in any form), in our own operations and our supply chain.

This is Barratt's Modern Slavery and Human Trafficking Statement for the period (1<sup>st</sup> July 2017 to 30<sup>th</sup> June 2018) published in compliance with the Modern Slavery Act 2015 (the 'Act'). It sets out the steps taken by Barratt Developments PLC ('The Group') and its housebuilding divisions to prevent human trafficking and slavery in our business and supply chain.

### **Responsibility**

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 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](#).

### **About our business and supply chains**

Barratt Developments PLC is the UK's largest housebuilder with an annual turnover of £4.87 bn. 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 6,329 employees<sup>1</sup>. 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 our subsidiary, 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.

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 can be found in our 2018 integrated report and accounts.

### **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 work according to our policies on health and safety, ethics and environment standards 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 report.

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<sup>1</sup> Employee numbers, excluding sub-contractors at June 30<sup>th</sup> 2018

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 delivery demands.

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 the means for workers to report or discuss non-compliances confidentially. In 2017 we revised standard terms and conditions and inserted relevant clauses for direct, temporary and agency contracts, construction materials suppliers and sub-contractors.

### **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, sub-contractors and suppliers aware of the potential risks. We have reviewed our exposure to risk of modern slavery across all aspects of our business and in 2018 focused on the following 3 areas:

#### **Direct, temporary and agency employment practices**

All of our direct employees are, as a minimum, paid in accordance with the UK living wage, or London Living Wage. We require 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. In 2017 we met with all of the agencies and labour providers on our preferred supplier list to explain these requirements.

#### **Sub-contractors**

We have informed all of our sub-contractors of our requirements regarding modern slavery, and continue to provide information on the Act and its requirements on our commercial website [here](#). During the year we completed our detailed risk assessment and information gathering from three higher risk sub-contractor trades (security, landscaping and cleaning) about their employment and payment practices. We are actively targeting these trades and inviting them to attend sub-contractor breakfast briefings to join the Supply Chain Sustainability School, (the 'School') in order to give them access to training materials on eliminating Modern Slavery and Forced Labour.

#### **Materials suppliers**

All construction material suppliers have been informed of our requirements in relation to ethical sourcing, and 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 School to establish an efficient process for mapping risk within our supply chain. One material supplier with manufacturing operations in China confirmed that following the introduction of the act, health and safety and labour issues have been improved.

#### **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](mailto: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

In 2017 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. In 2018 we mandated the e-learning training to all contracts managers, the Group Procurement team and specific members of our Group Commercial team. 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 by the Head of Corporate Sustainability.

Through our partnership with the 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 146 of our centrally procured construction materials suppliers as members of the School so that they can access these training materials. In the year we have invited our sub-contractors to attend 8 regional sub-contractor events organised by the School and to sign up as members in order to gain access to this training. To date 27% of our top 500 sub-contractors are members of the school. The top 500 have a turnover with us of £1.7bn and 48.61% of this turnover is delivered by members of the school.

### 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 risk assessments completed of higher risk sub-contractors (security, landscaping, cleaning)	332 (100% of 332 contacted)
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.	350 of 383 as at end of June 2018.

In FY 2019 we will:

- Become a member of the Gangmasters and Labour Abuse Authority's (GLAA) Construction Forum;
- Continue to ensure that all our employees are trained on the Act, highlighting key signs and indicators that someone may be a victim of modern slavery;
- Continue to monitor construction material supplier base, and build a more accurate risk map beyond Tier 1;
- Join the Supply Chain Sustainability School labour group which seeks to set minimum standards for the industry in respect of identification and management of Modern Slavery.

This statement is pursuant to section 54 of the Modern Slavery Act and was approved by the PLC Board and is signed on its behalf by:

**David Thomas**  
**Chief Executive**

10 September 2018