
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 (1st July 2018 to 30th June 2019) published in compliance with the Modern Slavery Act 2015 (the 'Act'). It sets out the steps taken by Barratt Developments PLC, its housebuilding divisions, BDW Trading Limited, David Wilson Homes Limited, Wilson Bowden Developments Limited, BDWZest Developments LLP, Nine Elms LLP, Brooklands Milton Keynes LLP, SQ Holdings Limited, Barratt Metropolitan LLP, Enderby Wharf LLP and 51 College Road LLP ('The Group' or 'Barratt') 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

We are Britain's largest housebuilder with an annual turnover of £4.763 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 6,503 employees¹. 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. Wilson Bowden Developments deliver our commercial developments, which account for less than 2% of our revenue, 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 is available in our 2019 Integrated Annual Report and Accounts.

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

¹ Employee numbers, excluding sub-contractors at 30 June 2019.

Modern Slavery and Human Trafficking Statement

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. We review compliance by carrying out risk assessments, periodic review meetings and comprehensive audits where there is a recognised higher risk.

There have been no serious violations reported in FY19.

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.

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 our standard terms and conditions to include relevant clauses for direct, temporary and agency contracts, construction materials suppliers and sub-contractors.

Assessing the risk of modern slavery

Based on our programme of risk assessments 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 three areas:

Direct, temporary and agency employment practices

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 agency providers to be able to satisfy us that all of their employees have written employment contracts, have not had to pay for the opportunity to work, and are legally able to work within the UK. We continue to reiterate these requirements to agencies and labour providers on our preferred supplier list, and we advise new suppliers as we begin to work with them. In 2019, we introduced a new agency portal, which has increased the visibility of agency labour providers. This will help us to better audit compliance throughout FY20.

Sub-contractors

We have informed all of our sub-contractors of our requirements regarding modern slavery. We continue to provide information on the Act and its requirements on our commercial website [here](#). In FY18, 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. During FY19, we invited these trades 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.

Modern Slavery and Human Trafficking Statement

Materials suppliers

We have informed our construction material suppliers of our requirements in relation to ethical sourcing. We also reiterated the requirements of the Act 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 will continue to work with the School to establish an efficient process for mapping risk within our supply chain.

Whistleblowing

Employees, sub-contractors and 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, 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

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.

In 2019, we have continued to raise awareness on our construction sites and our divisional offices through a poster campaign and updates within our half yearly internal sustainability report to all employees. Messaging is reinforced through face to face sustainability update presentations given to the Executive, 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 91 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 seven regional sub-contractor events organised by the School and to sign up as members in order to gain access to this training. To date 17% of our top 500 sub-contractors are members of the School. The top 500 have a turnover with us of £424m of which members of the School account for 24.5%.

Modern Slavery and Human Trafficking Statement

KPI	Performance Data
The number of risk assessments completed of higher risk sub-contractors (security, landscaping, cleaning)	351 ²
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.	420 of 430 as at 30 th August 2019.

Key performance indicators

Performance against the KPIs identified is set out below. We will review these KPIs annually.

In FY20 we will:

- Plan to assess risk in tiers 2, 3 and 4 of our higher risk materials suppliers.
- Collaborate with the partners of the Homes Leadership Group to raise awareness with our suppliers and develop standardised pre-qualification criteria.
- Work towards Living Wage Foundation accreditation, including our suppliers and subcontractors.
- Refresh our site based awareness campaign.

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

David Thomas
Chief Executive
30th August 2019

² 19 new risk assessments received in the reporting year

