



BARRATT
DEVELOPMENTS PLC

What Matters Most

Material issues for sustainability

Our material issues

As a 5-star housebuilder we have a very good understanding of what it takes to be a responsible business in our sector. We know that listening to stakeholders is important and every year we ensure there are numerous opportunities to gather

their feedback. In 2019 we undertook a comprehensive materiality process to understand which sustainability issues matter most to our stakeholders.

We consulted more than 400 people using online surveys and in-depth

interviews (see page 4 for more information). As a result, we have identified 12 material issues that are a priority to address. These have been categorised within the five focus areas of our sustainability strategy.

Our focus areas

The 12 material issues

Keeping people safe and healthy

- 1 Our approach to **health and safety**
- 2 Promoting the **physical and mental wellbeing** of our employees

Innovative, efficient construction

- 3 The **energy use and carbon emissions** of our operations
- 4 **Waste** created by our operations
- 5 Our **innovation**

Attracting, inspiring and retaining people

- 6 How we **recruit and retain** the best talent
- 7 The **development and training** of our employees
- 8 How we are creating **opportunities for young people**
- 9 How we are **engaging with our employees**

Sustainable places to live

- 10 The **lifetime environmental performance** of the homes and buildings we build
- 11 **Affordability** of the homes we build

Sustainable and responsible sourcing

- 12 Having an **energy efficient and low carbon supply chain**

What is materiality?

Materiality is the process of consulting an organisation's internal and external stakeholders, to determine which sustainability issues are the most important to them.

We periodically undertake a comprehensive materiality assessment with our stakeholders. The results help us to prioritise our strategy and respond to changes that might affect the way we approach sustainability.

This helps to ensure that we maintain our leadership position as the UK's leading national sustainable housebuilder.



Materiality Matrix

Our material issues were identified through direct input from employees, suppliers, investors and industry bodies. The priorities of these different groups is summarised in the following matrix.

IMPORTANCE TO EXTERNAL STAKEHOLDERS	Material	<ul style="list-style-type: none"> The ethical working practices, including good labour relations of our suppliers and sub-contractors 	<ul style="list-style-type: none"> The responsible management of timber and natural resources by our suppliers and subcontractors 	<ul style="list-style-type: none"> The energy use and carbon emissions of our operations The lifetime environmental performance of the homes and buildings we build Our business ethics Our approach to health and safety 	
	Close to being material	<ul style="list-style-type: none"> Having an energy efficient and low carbon supply chain How we develop communities with sustainable transport infrastructure 	<ul style="list-style-type: none"> How we deliver on planning promises How we adapt to climate change issues such as flood risk, water scarcity and overheating 	<ul style="list-style-type: none"> Respecting human rights including addressing modern slavery How we design healthy and sustainable communities 	<ul style="list-style-type: none"> Waste created by our operations How we are creating opportunities for young people
	Unlikely to be material	<ul style="list-style-type: none"> The way we anticipate and respond to new and emerging markets 	<ul style="list-style-type: none"> Our innovation Our corporate governance How we engage with local communities where we operate 	<ul style="list-style-type: none"> The impact of our operations on biodiversity and habitats How we promote diversity and inclusion in our employee base How we support diversity and inclusion (in communities) Air quality around our developments How we deliver local employment and support local suppliers 	<ul style="list-style-type: none"> Affordability of the homes we build The development and training of our employees Promoting the physical and mental wellbeing of our employees
	Not material	<ul style="list-style-type: none"> The water use of our operations How we encourage sustainable behaviour in homeowners Our executive remuneration Our impact on cultural heritage 	<ul style="list-style-type: none"> How we pay fair and proportionate taxes How we inspire employees to adopt more sustainable lifestyles Our approach to volunteering and charities 	<ul style="list-style-type: none"> How we ensure responsible selling and marketing and how we protect our customer /data privacy How we tackle the gender pay gap How we are creating opportunities for disadvantaged groups How we help promote industry-wide skills 	<ul style="list-style-type: none"> How we recruit and retain the best talent How we are engaging with our employees
		Not material	Unlikely to be material	Close to being material	Material
IMPORTANCE TO INTERNAL STAKEHOLDERS / BUSINESS					



What stakeholders said

The materiality survey provided us with detail about what matters most to our key stakeholders. We also heard first-hand how they think we are performing and how we should be behaving in the future.

Key themes from stakeholder interviews

Theme 1: Barratt is seen as a sustainable leader in the housebuilding industry

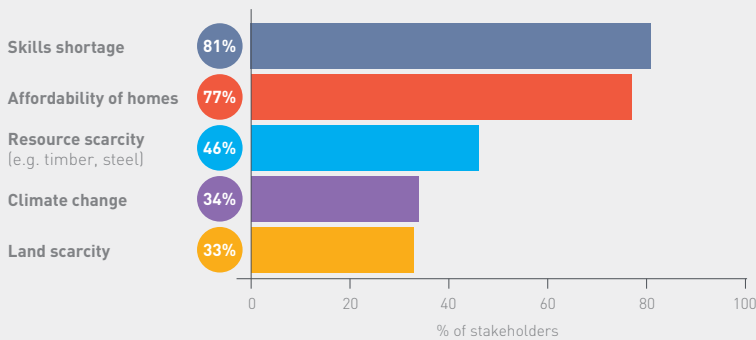
“Barratt is regarded as one of the leading housebuilders regarding sustainability. They take the subject seriously and demonstrate their commitment through actions. These include the company’s participation in the NextGeneration sustainability benchmark and the work done on the Hanham Hall development.”

“Barratt are leading the way”

“Barratt are well ahead of the pack”

Theme 2: Continue addressing the growing challenges of skills shortages and affordability

Wider issues stakeholders feel will have the **BIGGEST INFLUENCE** on the UK housebuilding industry in the next ten years



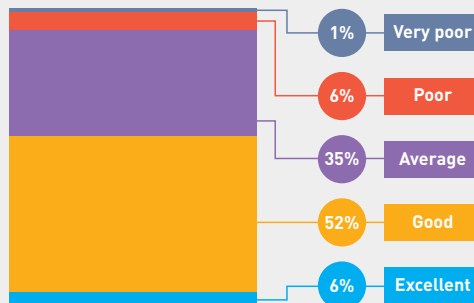
Theme 3: Innovation is critical

“Take a more innovative approach across all sites, rather than just flagship developments.”

“As the largest house builder in the UK, we should be market leaders in innovation.”

Theme 4: Communication is good, could be better

HOW WELL DOES BARRATT DEVELOPMENTS communicate its sustainability strategy and actions?



“Inspire more through effective communication and engagement.”

“Communications can be improved. It would be useful if Barratt communicated information about techniques and materials more clearly across divisions and regions.”

Theme 5: Energy and carbon are important

“Energy efficiency of new homes will become a driver once again, probably as a result of legislation.”

“More should be done for sustainable living ie. alternative energy such as solar panels being fitted to every house as standard.”

“Energy efficiency has dropped off the agenda in the past few years but that it is likely to reappear very soon.”

How we listened

461

stakeholders consulted



376

employees

85

external stakeholders



All regions
of the UK
represented



14 hours

of interviews captured



Input from **40** key suppliers



12 financial institutions/investors and



3 industry bodies covering **80%** of UK
housebuilding activity in this country



We commissioned an independent materiality specialist to conduct the research on behalf of Barratt. This ensures the findings are as impartial as possible and that stakeholders felt comfortable providing honest opinions to us – good and bad.

The process consisted of an online consultation, a series of key stakeholder interviews and an advanced statistical calculation process which calculates materiality based on issue relevance and importance. To determine the material issues stakeholders were

first given a list of 39 sustainability topics to select from and score. A statistical calculation translated these findings into a material issues list. Our senior management then verified the material issues, categorising them into the five focus areas and agreeing on next steps for action.

What we will do

The materiality exercise helps us to shape our future thinking and ensure our sustainability trajectory is the right one. Each time we finish one of these exercises we seek to act on the findings in a number of ways:



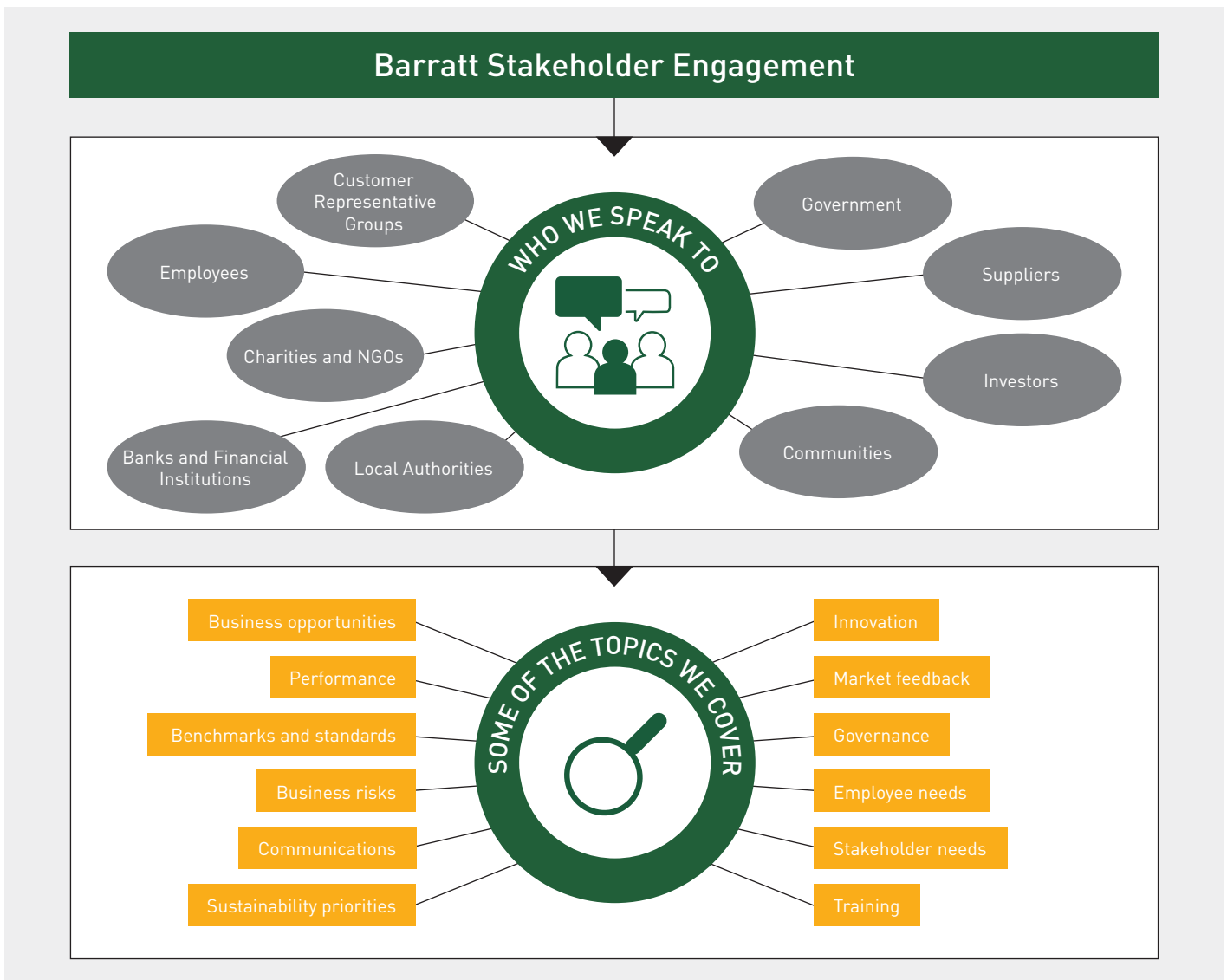
Why stakeholder engagement matters

It is crucial that we engage regularly with stakeholders to help understand more about our performance as a responsible business.

Our formal materiality exercise allows us to ask all stakeholder groups where our focus should be - and why. The process is supported by an ongoing programme of activities that are conducted throughout the year, where we monitor the material issues and identify if there are any shift changes between materiality assessments. Examples of engagement activities

include supplier conferences, engagement with government and local authorities, investor meetings, employee surveys and community events.

The diagram below illustrates our key stakeholder audiences and the information we glean from them using stakeholder engagement activities.



You can find out more about our approach in the Stakeholder Engagement section of our Annual Report and Accounts.

Where next?

Learn more about our sustainability approach by visiting:
www.barrattdevelopments.co.uk/sustainability

If you want to get in touch with our sustainability team please email
sustainability@barrattplc.co.uk



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