
Modern Slavery and Human Trafficking Statement

1. Introduction

We uphold high quality labour standards and human rights within our value chain through a risk-based approach to procurement, supplier development and continuous improvement.

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 2019 to 31st December 2020) 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, Oregon Ltd, Brooklands Milton Keynes LLP, SQ Holdings Limited, Harrow View LLP, Fulham Wharf LLP and Nine Ems LLP¹ ('The Group' or 'Barratt') to prevent human trafficking and slavery in our business and supply chain.

As allowed by the regulations, the release of this statement has been delayed due to COVID-19. In response to the COVID-19 pandemic, the Group took the decision to temporarily close its sales centres, construction sites and offices from 27th March and phased re-opening until 30th June 2020. Due to temporary closure the work associated with risk assessment and statement development was delayed.

We implemented extensive working practices and protocols to enable a safe return to operations. Our sites are operating safely with COVID-19 working practices and protocols that have been established in line with the latest guidance from Government, Public Health Authorities and the Construction Leadership Council.

We undertook a pulse survey following the return to work by all group employees, other than those shielding, which showed that employees were very positive about the way in which management had dealt with COVID-19 related matters, particularly in respect of pay and communication. We have also enhanced our induction, training and support for our employees and sub-contractors in response to COVID-19, and we ensure that suppliers and sub-contractors are paid promptly.

2. Responsibility

Our Chief Executive, on behalf of the Board, has responsibility for this statement and our Group Human Resources 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.

¹ For year end FY 20 Fulham Wharf was only £23m turnover and below the £36M statutory threshold, however we have included it for completeness

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3. About our business and supply chains

We are the country's leading sustainable national housebuilder with an annual turnover of £ 3.4bn. 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 6,655 employees². 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. The Group acquired Oregon Ltd, a structural timber manufacturer on June 27th 2019. Oregon Ltd's 6 main timber suppliers (representing 90% of their materials expenditure) are also suppliers to the main housebuilding Group. 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 6,144 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 [2020 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.

4. Policies and due diligence

4.1 Living Wage

Barratt is an accredited living wage employer. We are committed to ensuring all those who work directly or indirectly providing labour on our sites or within our offices are paid the real living wage as defined by the Living Wage Foundation³. We have updated our standard T&C's to mandate the payment of the living wage within our supply chain. To support this, we have implemented spot checks by divisions on higher risk trades and put in place remediation feedback systems internally. For those working in jurisdictions other than the UK, our expectation included within our contract requirements is that local statutory minimum wages are paid, however we do not currently audit this'

² Employee numbers, excluding sub-contractors at 30 June 2020.

³ <https://www.livingwage.org.uk/>

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4.2 Code of Conduct

All of our suppliers and sub-contractors are required to follow our Code of Conduct and [Sustainable Procurement Policy](#). 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 our requirements. 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.

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

5. Assessing the risk of modern slavery

We base our risk assessment process on the following criteria: potential for materials to come from high risk countries; products and services using low skilled labour; reliance on temporary and transient labour; supply chain leverage; and the opportunity to do more.

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, and are working to better understand the risks further down our supply chain.

5.1 Actions taken to mitigate risks.

5. 1 (a) 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 FY21.

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5.1 (b) 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](#). Our risk assessment processes undertaken by our divisional commercial teams identified three higher risk sub-contractor trades (security, landscaping and cleaning). Due diligence checks have been undertaken on their employment and payment practices. During FY19 and up to COVID-19 hibernation in March 2020, 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. These were moved online due to the COVID-19 pandemic.

5.1 (c) 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. Our early risk assessment processes identified low risk in our Tier 1 supply chain. In 2020 we have undertaken enhanced risk assessments using the criteria stated above, in addition to assessing additional risks arising from COVID 19 and Brexit. We have identified material categories which are low risk (Bricks, Silo Mortar, Art Stone and timber products) because of the management processes we have implemented through our supplier agreements and materials sourcing standards. There are a number of categories where further investigation is required based on risk of components being sourced from high risk countries. These include Mechanical and Engineering equipment, steel, and other products with components originating in Far East e.g. sanitaryware and ironmongery. Further work is planned to gain more visibility of the due diligence checks in the supply chains of these products on a category basis.

We will develop a plan to integrate risk assessment, due diligence, training and awareness processes into Oregon Ltd.

5.1 (d) IT Services

Two areas of higher risk have been identified namely the provision of outsourced IT helpdesk, and the disposal of waste IT assets, where low skill, low pay workers can be at risk. As a minimum contractual requirements are in place, however we will undertake due diligence checks.

6. 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.

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7. Training and awareness

We mandate e-learning training to all Directors and Heads of Function, contracts managers, the Group Procurement team and specific members of our Group Commercial team. This training is bespoke and covers the requirements of the Act with content tailored to the procurement, HR, commercial and construction function groups.

We held a workshop in our North West division with representatives from security, landscaping and waste management service providers to advise them of the requirements of the Act, our standards and simple due diligence actions they can take. Our Construction teams held face to face briefing sessions with site trades across our construction sites to coincide with Anti- Slavery Day in October 2019. Messaging is reinforced through sustainability update presentations given to the Executive, Regional and Divisional Managing Directors at least once a year by the Director of 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 122 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 22% of our top 100 sub-contractors by spend are members of the School.

8. Key performance indicators

Performance against the KPIs identified is set out below.

KPI	Performance Data
The number of risk assessments completed of higher risk sub-contractors (security, landscaping, cleaning)	351
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.	414 of 430 as at 28 th January 2021.

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
26th February 2021