Our year at a glance

87% FTSE4Good Index Score
Gold and 3rd place in NextGeneration Housebuilders Sustainability Benchmark (with 81%)
94B Highest score for a UK national housebuilder with 94B in our first submission to the Carbon Disclosure Project

FTSE confirms that Barratt Developments has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index company FTSE, FTSE4Good is an equity index series that is designed to facilitate investment in companies that meet globally recognised corporate responsibility standards. Companies in the FTSE4Good Index Series have met stringent environmental, social and governance criteria, and are positioned to capitalise on the benefits of responsible business practice.

Our year at a glance

**87% FTSE4Good Index Score**

**Gold and 3rd place in NextGeneration Housebuilders Sustainability Benchmark (with 81%)**

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**CUSTOMER FIRST**

**HBF 5 Star**
Home Builder Status – for the 6th year running

**Home of the Future**
Design competition launched

**16,447 homes**
Legally completed, an increase of 11% from 2014

**26.5% increase**
in affordable homes

**81 Pride in the Job awards**
– more than any other housebuilder

---

**GREAT PLACES**

**16 Built for Life awards**
bringing our overall total to 33

**17% of completed units**
built on strategic land

**12 JV partnerships**
on active housebuilding projects

**57%**
Legally completed units on brownfield land

**Developer of the year**
for our Southern Region for 2015 from the Urban Design Group

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**LEADING CONSTRUCTION**

**1,600 homes**
Connected to low carbon district heating systems

**100%**
of Group procured timber from certified sustainable sources

**95%**
of construction waste recycled

**3%**
Reduction in gross operational carbon emissions

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**INVESTING IN OUR PEOPLE**

**5,971**
direct employees as at 30th June 2015

**327**
New graduates, trainees and apprentices

**78%**
Employee engagement score – in top UK quartile

**76%**
Employee engagement participation rate
In this 12th year of reporting, we have been actively communicating our new vision, Building Excellence, and focusing on delivering against our priorities and principles.

Building Excellence with sustainability

During the year, we committed to becoming established as the leading national sustainable housebuilder, and have been working to embed sustainability throughout our divisions. Although it is great to have achieved improvements in our performance against external benchmarks, such as our NextGeneration ‘Gold’ status, we know that there is more to be done. Given the continuing demand for housing, the skills shortages facing the industry, and the pressure on material resources due to climate change and other factors, we must continue to demonstrate genuine performance improvements. These must include both resource efficiency and the provision of social benefits – including job creation and skills development – while delivering design excellence and sustainable places to live.

At the heart of our approach is a commitment to long-term partnerships across our supply chain. We already use innovative techniques to collaborate with our suppliers to help achieve offsite and efficiency improvements. Next we will review our processes to identify improvements in waste and energy performance, further reducing our costs and our carbon footprint.

We are focused on delivering quality homes and driving performance improvements in our own business, while influencing the sustainability of the whole sector. And we continue to consider how best to engage key stakeholders to shape our sustainability framework, which we aim to publish during 2016.

David Thomas
Chief Executive
September 2015

A feedback form can be found at: www.barrattdevelopments.co.uk/sustainability/contact-and-feedback. This report relates to the full scope of our operations for the period 1st July 2014 to 30th June 2015 (referred to in this report as 'this year').
The infographic below provides an illustration of our socio-economic footprint for the financial year 2015.

We regularly assess the economic benefits of our individual developments as part of the planning process. We also measure the social and environmental contributions of the whole Group. We believe this helps demonstrate the overall contribution made by our business to the UK economy and wider communities.

As for 2014, this year we have also produced socio-economic footprints for each individual division, based on verified data. This helps us engage at a more local level about our wider impacts. The analysis estimates significant contributions to economic outputs, job creation, infrastructure and community facilities, in addition to school places created. For methodology see ‘our impact’.

The assessment was carried out by independent consultants Nathaniel Lichfield & Partners (NLP) who analysed socio-economic impacts through the delivery chain for new housing based upon Barratt datasets, published research and national statistics. All figures are based on financial year end 30th June 2015.
Sustainability is integral to our vision

Our vision is to lead the future of housebuilding by putting customers at the heart of everything we do.

Sustainability is integral to the delivery of this vision and in helping to tackle the wider challenges we face as a sector. To build a sustainable business that delivers value for shareholders, employees, partners and communities, we must act responsibly. Our approach to sustainability will help us to maximise long-term value socially, environmentally and financially.

What matters most

Housebuilding requires long-term investment, so we constantly engage with a diverse array of stakeholders, commission research and insight studies, and conduct internal and external benchmarking to help us understand and respond to the wider social, economic and environmental impacts of the business.

To develop our vision and to create our longer-term aspirations, we assessed the most important sustainability issues for our business. These are the issues that matter most to our key stakeholder groups (customers, local, regional and national government, landowners, shareholders, suppliers, NGOs and employees) and those where we believe we can make the most difference. More detail on how we engage with our stakeholders is available on our website.

12 key sustainability issues were identified in 2014, and we’ve continued to test our thinking this year, refining some of the issues based on a better understanding of why they matter to us and our stakeholders. These 12 issues continue to inform our sustainability reporting structure:

- Helping to address the shortage of homes
- High-quality homes, informed by customers
- Delivering land availability and effective planning
- Building community support
- Sustainable places to live
- Biodiversity and natural habitats
- Efficient, low-carbon homes
- Supply chain capacity and sustainable sourcing
- Investing in product innovation and development
- Keeping people safe
- Attracting, inspiring and retaining talent
- Operating efficiency

How we manage sustainability

The Board has overall responsibility for our sustainability framework, with delivery delegated to the Executive Committee to ensure it is embedded into the business. More detail on our governance structures and risk management is available on our website.

Further Information

This icon indicates that further information, including this 2015 Sustainability Report, is available to download from our website: www.barrattdevelopments.co.uk/sustainability/a-sustainable-future

Governance arrangements

Details of our general corporate governance structure, of which sustainability is a part, are contained in our Annual Report and Accounts. In turn, we set out the specific governance arrangements related to our sustainability programme on our corporate website.

Risks and opportunities

Significant risks (including social and environmental) that could impact on the future of the business are reviewed and form part of the principal risks and uncertainties disclosed in our Annual Report and Accounts; with our approach to managing key sustainability risks and opportunities detailed on our corporate website.

Delivering results

We will tackle these issues by driving progress across our four priority areas, each of which has an action plan for the short term and the long term, so that we can make quick improvements and far-reaching changes that define our roadmap to 2020. These four priorities are underpinned by our five core principles, which we apply at all times and in everything we do.

By focusing on our vision, priorities and principles, we will be acting sustainably and responsibly: delivering value across the housebuilding value chain, creating sustainable returns for shareholders, providing customers with a first-class experience, and making a positive difference in the communities in which we operate.

Six sustainability building blocks

To ensure that our sustainability programme is managed effectively, there are six main areas of focus:

- Remuneration linked to sustainability: We have incentives linked to customer service, employee engagement, health and safety, and land buying (including management of flood risk and environmental sustainability). As our sustainability framework develops, we will keep these under review.
- Management systems: Integrated safety, health and environmental (SHE) management systems to OHSAS 18001 and ISO 14001 across all 27 divisions.
- Sustainability data: Key sustainability performance indicators are integrated into divisional reporting. Our sustainability report is assured to AA1000, the sustainability assurance standard.
- Sustainability benchmarks: The Carbon Disclosure Project, FTSE4Good and the NextGeneration index help us to identify risks and opportunities, and check our performance.
- Building for Life: We use Building for Life 12® and our own Great Places standard to deliver design excellence.
- Future-proofing: A rapidly changing marketplace means we must invest for the long term, so we actively research, engage and test innovation, informed by stakeholder collaboration and insight.

Customer first

Great homes, and an outstanding experience that meets customers evolving needs

Keeping people safe

Being a trusted partner

Safeguarding the environment

Building strong community relationships

Ensuring the financial health of our business

Investing in our people

Attracting, retaining and investing in people, creating a great place to work with an inclusive culture

Leading construction

Delivering the highest quality through a focus on excellence, and innovative, efficient methods

Six sustainability building blocks

See page

4  Barratt Developments PLC

Sustainability Report 2015

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Sustainability Report 2015

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Sustainability Report 2015

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Sustainability Report 2015

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Sustainability Report 2015

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Sustainability Report 2015

4  Barratt Developments PLC

Sustainability Report 2015
WHAT MATTERS MOST

Helping to address the shortage of homes

At a time of population growth and changing work and lifestyles, Britain has a shortage of homes of every type. People need access to a range of homes, in the right places, of different sizes, prices and tenures, and they also need access to mortgages to support home ownership.

Affordability of homes

This year, 19% (or 3,102) of new build completions, including joint ventures, were affordable homes (2014: 16% or 2,311) – more than any other housebuilder. We continue to engage with our housing association partners at local, regional and national levels and we attend Home Builders Federation (HBF) and Homes and Communities Agency (HCA) public land and funding groups. At the design and planning stage, we work closely with all parties to identify specific local housing needs, and to develop a range of house types and tenures to meet those needs. Our homes are designed to reduce monthly energy and water costs for our customers; improving day-to-day affordability.

Affordability of mortgages

Following the April 2014 implementation of the mortgage market review, we published new step-by-step guidance to help interested buyers to become ‘mortgage fit’, and will be supporting this with a further comprehensive guide for customers. We continue to work closely with both lenders and our recommended brokers to ensure that customers have access to independent advice and a choice of mortgage products from a broad range of providers that specifically support new build in their criteria, products and processes.

During this year:

- Leeds Building Society launched a range of improvements to their lending criteria for affordable housing, stimulating a sector which has traditionally not been well supported.
- Aldermore now supports Help to Buy shared equity with a criteria that will consider creditworthy applicants that might not meet established High Street lending requirements.
- Both Santander and Skipton Building Society have announced a range of improvements to their new build criteria, allowing access to more customers at improved rates, backed by a service proposition designed to help them move quickly to secure their new home.

Case study

Affordable housing meets long-term needs in Smethwick

At Smethwick, 226 homes, of which 44% are affordable, are being built on former brownfield land, cleared five years ago and unused ever since. The homes are made up of two-, three-, four- and six-bedroom properties, the majority of which will be two-storey houses, with flats over garages also provided. This is the biggest housing development in the area for the last 40 years and demonstrates our commitment to partnership working with Smethwick Borough Council and the HCA in providing homes that meet local needs.

Case study

Affordability is key in Camden

Recognising the unique affordability pressures on people living in central London, we worked with the London Borough of Camden and our partners Newlon Housing Trust to agree rents and income levels at our Courtyards development, which are affordable for local people and meet their needs. Amongst the 164 flats provided there are:

- 82 (50%) affordable units, with a mix of 13 social/target rented family units
- 31 one- and two-bed affordable rent units which have rents capped below the Local Housing Allowance, substantially below market levels
- 10 one- and two-bed intermediate rent units, with levels set substantially below market rent, for people on low incomes unable to purchase a property on the open market or on a shared ownership basis, and
- 28 shared ownership properties, made available for customers with a maximum income of £42,000 for a one-bed and £50,500-£55,000 for a two-bed home.

Designed around courtyards, the Code for Sustainable Homes Level 4 scheme, with a Combined Heat and Power system, will have landscaped areas at the ground floor, rooftop gardens on the fifth floor and private amenity space for all homes.

Courtyards is a well-designed scheme offering a range of affordable housing in a high value area which will create a mixed, inclusive and sustainable community with excellent access to public transport, retail, leisure facilities and schools.

Sarah Timewell, Senior Project Manager at Newlon Housing Trust

OUR ASPIRATIONS

Continue to play a leading role in delivering a range of homes, tenures and access to mortgages

2015 HIGHLIGHTS

10.8%

increase in homes built

26.5%

increase in affordable homes

£392m

local contributions including affordable housing sales and s106/equivalent contributions

2016 ACTIONS

Working with lenders, regulators and the Council for Mortgage Lenders to promote lending that encourages sustainable housebuilding, specifically: Affordability of new build, based on reduced running costs

Support for affordable homes programmes, such as the Government’s Starter Home plan and shared ownership scheme

Promoting positive valuation attitudes to offsite construction methods

Improved loan to value for new build
Buying a home is the single biggest investment most people make. Customers expect new builds to be high-quality and value for money.

Demographics and technology are changing the way people work and live and we need to respond to the challenges and opportunities presented by these changes.

We are pleased to have achieved HBF 5 Star status for the sixth year running, and will continue to focus on delivering a great quality product and resolving issues as quickly as possible.

We have thoroughly reviewed our product quality control procedures using new technology, thereby ensuring consistent application of high standards. The Customer Journey and Quality Assurance Manual now includes an additional, detailed Final Inspection Form for both homes and flats to ensure consistency. A new cultural change programme is supporting our Customer First priority, while a new Code of Conduct is assisting our subcontractors to improve customer satisfaction and the efficient resolution of issues.

Improving customer service

Customer Service Academy

We have developed classroom and online training resources to clearly define the behaviours that help us deliver first time, every time. 513 of our employees have gone through this Customer Service Academy programme during the year. We have also created online training modules for two of our Barratt Homes brand pillars (Build Quality and Thoughtful Design) to help our sales advisors inform customers about the sustainability features of our homes.

Increasing customer insight

A comprehensive review of demographics resulted in the launch of our downsizer range for older property owners who want aspirational homes for their retirement. During the year, we commissioned our Future Home Design report, examining current and future trends in home design to inform our long-term thinking. As part of this process, we launched a competition for architects in conjunction with The Architects’ Journal (see Case study: Future Home Design challenge).

During the year, we have researched a number of specific topics with customers, including their views about our brands and aspects of our product design and services. The customer journey has been mapped and additional customer satisfaction surveys developed to improve measurement of the end-to-end customer experience. We are piloting analysis of customer feedback from National House Building Council (NHBC) surveys to produce actionable, themed insights to aid planning and decision-making. All previous customer insight and market research has been catalogued to make it accessible for the whole business.

Case study: Future Home Design challenge

We constantly review current and future customer trends and their likely impact on home design, internal layout and specification as well as development layout.

To inform our Future Home Design, we reviewed previous research and studies and held supplier workshops to share insights. We spoke to new customers, industry experts, niche property owners and businesses, developing new home solutions, in particular using new technologies.

Working with The Architects’ Journal, we challenged architects to design a range of homes to meet the future needs of consumers into the 2020s. More than 400 entries were received, with the winner to be announced in October 2015.

Case study: Smart homes customer options

We continue to explore the opportunities that ‘smart homes’ technology can offer our customers – for example, in our West Midlands division, we are piloting a variety of smart thermostats.

These products give our customers greater control of their heating system, including the ability to adjust it remotely online.

One of the devices monitors customer behaviour and predicts their heating needs. Another can use the geolocation functionality in a user’s smartphone to turn the system on as they leave the house and back on as they near home.

If the trial is successful, we will consider offering these devices across all new sites in future.

Sustainability communications to customers

This year, we launched a guide for customers on how we build our homes sustainably, and how they can live more sustainably in our homes, together with online materials for our Barratt Homes brands focusing on their energy efficiency, smart design and consideration for ecology and biodiversity. www.barratthomes.co.uk/New-is/Warm

Within the eight-week NHBC survey, 84% of customers said they were made aware of the sustainability, environmental and energy features of their home before purchase (6,798 responses).

Harnessing technology

A new Customer Services System was launched to process customer contacts quickly and efficiently, and allow the causes of issues to be tracked and measured. We are also piloting the use of handheld devices for customer service activities and plan to roll out their use in the next year to improve internal communications and speed up responses to customers.

2015 HIGHLIGHTS

5 Star

Only national housebuilder to gain Home Builders Federation (HBF) 5 Stars, six years running

Home of the Future design competition launched

2016 ACTIONS

Continue to focus on delivering high quality product

Launch new IT system to measure supplier performance and identify causes of customer issues

Roll out the Customer Insight Programme

Implement the Customer First Development Programme

Develop action plan for Future Home Design recommendations

Retain HBF eight-week customer survey 5 Star status

Sustainability Report 2015

8 Barratt Developments PLC

Sustainability Report 2015
Delivering land availability and effective planning

To build homes in the places that people want to live, we need a consistent supply of land that meets current and future requirements. Planning processes need to deliver sustainable development – but as our population increases and the risks associated with climate change become clearer, competition for land will increase.

Identifying and securing land

We continue to improve efficiency in our land buying and planning processes, with an emphasis on a strategic, research-based approach to finding the best sites in the most desirable and sustainable locations, assisted by valued local relationships.

We currently have a 3.3 year landbank and a 1.2 year supply of conditionally contracted land.

Obtaining planning permission continues to be a constraint for new build developments. However, we have demonstrated the capability to bring forward land through the system within the context of the National Planning Policy Framework.

Land acquisition processes

We have updated our Group policies and procedures for land acquisition and planning in line with our focus on strategic land and previous changes to the National Planning Policy Framework.

When we buy land, we assess a multitude of risks including contamination and floods. Any residual risk is further reduced through our industry-leading remediation and design processes, which are pre-approved by the relevant local authority and, where necessary, the Environment Agency. The timescales and complexity of some remediation schemes are significant, and therefore detailed due diligence at the outset is vital (see Case study: Bringing brownfield back to life).

Sustainable Drainage Systems were incorporated in 66% of our developments to reduce the risk of flooding. We are looking at how these surface water management features can be designed into beneficial local ecology and biodiversity.

Private sector partnerships

In recent years, we have built strong relationships with private sector landowners, land promoters and agents. At year end, we had 12 active joint venture partnerships and had completed 848 units in the year. In all, more than 8,000 homes will be built through these partnerships.

Public sector partnerships

The Group has played an important role in helping the Government exceed its target of releasing public sector land and creating 150,000 plots by 2020.

We have worked extensively with the Homes and Communities Agency (HCA) and Greater London Authority (GLA) to deliver new housing. In the period 2011-2015, we acquired 22 sites from the HCA and GLA, which will accommodate 3,808 homes with a development value of about £1.0bn.

We have also acquired sites from other government departments, local authorities and the NHS. This year, 3,950, or some 25% (2014: 3,928, 28%) of our housing completions were developed on public land. We have 5,113 (2014: 3,913) plots approved for purchase, representing a development value of about £1.3bn (2014: £1.0bn).

2016 ACTIONS

Monitoring the delivery of our strategic land plans

Proactively engaging and responding to opportunities to purchase public land

2015 HIGHLIGHTS

57% of units on brownfield sites

£957m invested in new land

17% of completed units built on strategic land

78% increase in strategic land delivery

OUR ASPIRATIONS

Increase legally completed units built on strategic land by 20% by 2017

Case study
Bringing brownfield back to life

The Built For Life award-winning Holligate Park is a 24-acre regeneration scheme at the former Cotgrave colliery site, closed since the early 1990s. Working with the HCA and Rushcliffe Borough Council, we are creating a sustainable new community with 470 new homes, jobs and local investment.

Construction work started in December 2014, to be completed in 2020. The £100m development, featuring extensive green spaces, allotments, orchards and play areas, is dual-branded Barratt Homes and David Wilson Homes and will include 141 affordable homes with all properties achieving Lifetime Homes standard. All excavation materials are being retained on site, topsoil is coming from one of our sites nearby and we have remodelled an existing fishing lake, Heron Lake, to accommodate surface water drainage and create additional capacity.

Unlocking strategic land

As the long-term developer on strategic sites, we have more control and interest in creating high-quality homes and developments that work for local communities and future customers. We have increased our delivery from 10% of completed units from strategic sites in 2014 to 17% in 2015.

This year, we have prepared Regional Strategic Land Plans and a National Delivery Strategy to define how we will meet our long-term goals. In 2016, the emphasis will be on robust monitoring to ensure delivery of these plans.

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As set out by the Government in 2015.

By 2030, over 82% of the UK’s population will live in urban areas and household numbers are projected to rise to 25.1 million, up from 24.7 million in 2015. Research carried by House, Legal & General with the Centre for Economics and Business and reported by the Financial Times.
Communities want to have significant input into what homes, infrastructure and facilities are needed in their local area.

Communities have an expectation to be proactively consulted, needing to understand the wider benefits of housing schemes to their specific area, and want to have an open dialogue with developers from planning, through site construction, and post development completion.

Social and economic value

We are committed to contributing far-reaching and long-lasting social and economic benefits for the communities in which we work.

We work closely with local authorities to deliver social infrastructure to meet the needs of local communities, such as highways and public transport improvements, new schools and school places, sports facilities and medical centres (see our socio-economic footprint on pages 2-3). The construction process brings additional investment in the form of supply chain, employment, training and skills opportunities. This year, our Regional Strategic Land Plans include proposals for broadening and deepening our local relationship networks.

Kickstarting community connections

We recognise that there is much more to creating stronger communities than the design of the development. Our site managers begin building community connections from the first day on site, supporting local initiatives, community websites and events for residents to strengthen these links and help new communities get to know each other.

Our research shows that homeowners and community volunteering initiatives by employees, focusing on activities that best reflect the needs of their local community and issues of direct significance for them.

This year, we contributed £433,678 to charitable causes, of which £88,373 is from employee fundraising. In addition to the efforts made by our divisions, we have raised funds through a national charity event organised by Group Procurement involving our suppliers: donations made to the RSPB as part of our national partnership (we donate to the RSPB every time our customers complete an eight-week survey); and through funds raised by our graduates on behalf of the Princess Trust.

Our graduates actively connect with communities across the UK through The Princess Trust and their ‘Building Careers’ workshops – an innovative approach to improving the image of housebuilding amongst young people. We will be promoting our support for volunteering in 2016, and continue to encourage our employees to take part in ‘Inspiring the Future’, going into schools to inspire pupils about working in housebuilding and construction.

Community involvement and charitable giving

We continue to support and promote a wide range of charitable giving and community volunteering initiatives by employees, focusing on activities that best reflect the needs of their local community and issues of direct significance for them.

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Creating great places requires an open economic benefits for the communities reaching and long-lasting social and economic benefits for the communities in which we work.

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10www.inspiringthefuture.org

Case study: Consultation and collaboration to achieve shared goals

Our Ganger Farm development, near Southampton, had been used by Test Valley Borough Council to provide overflow football pitches for generations of young footballers. The land was within designated countryside, opposite historic gardens, and previous efforts to develop the land for housing had been resisted.

Painstaking consultation with local sports clubs, MP, local councillors and community groups – to understand what sporting provision they would like to see on the site – resulted in a vision for a sports hub. This included a two-storey, state-of-the-art pavilion, two all-weather pitches for rugby, football and hockey, six grass pitches, play areas, running and fitness trails, an ecology walk, edible landscaping and allotments.

Both the sporting and housing elements of our proposals received almost universal support, with both Romsey Rugby Club and Romsey Hockey Club speaking in support at committee stage, leading to unanimous approval. With councillors publicly applauding the exemplar approach to consultation, the developer and local community worked positively together to meet shared goals.

Case study: Innovating to build new schools

Through close partnership with local authorities and communities at planning stage, we gain an understanding of specific local needs for community facilities. As a result, we often contribute to the provision of schools, medical and community centres. In 2015, we paid £22.9m in Section 106 agreements to support education, with £8.6m spent on physical works at schools.

As part of our planning agreement with Bedford Borough Council, David Wilson South Midlands provided 1.75 hectares of land, significant infrastructure and funding for a new £3m school building at Kempston Rural Lower School, part of the Westford Village development. The school, rated as Outstanding in its most recent Ofsted report, will operate as a two-form entry school for its reception age children, catering for additional pupils from the new developments. Additional contributions have been made to Great Denham Primary School, a new by-pass and other local amenities. The school is a ‘Sunesis Keynes’ pre-designed model, which allows for specific customisation and enables a fast build.

2015 HIGHLIGHTS

£39m expenditure on physical works benefiting local communities

4,057 new school places provided

24 divisional socio-economic footprints created

£433k £433,678 contributed to charitable causes

OUR ASPIRATIONS

Every employee has the opportunity for one day per year of volunteering by 2020

2016 ACTIONS

Continue to celebrate proactive approaches to community consultation

Ensure our community efforts create effective local benefits, and can be captured and demonstrated

Engage with local schools and colleges to raise the profile of the housebuilding industry
Placemaking is one of our business priorities.

Our customers, the communities in which they live, local authorities and landowners all expect attractive developments based on quality design and expert landscape management, supported by infrastructure that stands the test of time.

Placemaking

Placemaking is one of our business priorities and our design process is informed by clear placemaking objectives, based on established urban design principles.

Built for Life Awards 2014-15

1. The Rise, Scotswood (North East)*
2. Cherry Knowle, Sunderland (North East)
3. Grey Towers Village, Nunthorpe (North East)
4. Greenhills, Coalville (East Midlands)
5. Abbots View, Coalville (East Midlands)
6. St Matthias, Fishponds (Bristol)
7. Autumn Brook, Yate (Bristol)
8. Newbury Racecourse, PH1 (Southern)
9. Spiers Meadow, North Poppley (Southern)
10. Foxfield Grove, Petersfield (Southampton)
11. Barnet & Southgate College (North Thames)*
12. Castle Hill, Ph1 (Kent)
13. Bure Meadows, Aylsham (Eastern Counties)
14. Artisan Place, Harrow (North Thames)*
15. Madden Gardens, Letchworth (North Thames)*
16. Poppy Fields, Charing (Kent)*

Our design ethos encourages the creation of new residential communities in sustainable locations. We aim to design schemes which contribute to the wider neighbourhood, enhance the local environment, and provide a legacy of well designed places for future generations.

Improving design standards

Our Great Places approach encompasses Building for Life (BfL) and established best practice urban design principles. We have mature and robust design guidance and an advice service for all of our divisional offices and their design teams, supported by:

- A dedicated Group Urban Design team, with a remit to promote design quality across the business and to lead by example in placemaking
- Design champions in every division
- A Great Places booklet demonstrating our commitment to quality placemaking
- A layout review process focusing on achieving design quality and efficient land use
- Consultant briefings to reinforce the design message to all of our designers
- Great Places awards internal recognition for well delivered designs, for both low-rise housing and specialist multi-storey apartment schemes

We remain committed to designing and delivering great places to live. Our design ethos encourages the creation of new residential communities in sustainable locations. We aim to design schemes which contribute to the wider neighbourhood, enhance the local environment, and provide a legacy of well designed places for future generations.

Sustainable places to live

<table>
<thead>
<tr>
<th>Sustainable places to live</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Built for Life accredited developments (number)</td>
<td>–</td>
<td>17</td>
<td>16(^*)</td>
</tr>
<tr>
<td>Publicly accessible green space or parks incorporated (% developments)</td>
<td>42</td>
<td>57</td>
<td>58</td>
</tr>
<tr>
<td>Cycle storage (% legally completed units)</td>
<td>45</td>
<td>47</td>
<td>48</td>
</tr>
<tr>
<td>Within 1,000m of a public transport node (% legally completed units)</td>
<td>95</td>
<td>91</td>
<td>95</td>
</tr>
<tr>
<td>Sustainable transport alternatives (% of developments)</td>
<td>11</td>
<td>11</td>
<td>19</td>
</tr>
</tbody>
</table>

Award

Southern Region ‘Developer of the Year’. This Urban Design Group award recognises success in contributing more sustainable towns and cities, through a commitment to good design.

Our Aspirations

We have committed to use the nationally recognised Building for Life design tool, and our own Great Places standard for placemaking.

2016 Actions

Establish design training and layout review process to develop placemaking skills across the business.

Produce Great Places Guide – a detailed design manual integrating ecological considerations to help our designers and consultants realise our design aspirations.

Complete our Art of Placemaking learning resource and training.
Biodiversity and natural habitats

**What Matters Most**

Biodiversity and natural habitats

Biodiversity in the UK has been damaged over the past 50 years through habitat loss and the needs of our increasing population. Ecology and biodiversity are potentially sensitive issues for regulators, local authorities, local communities, investors, NGOs and employees — and, in response, developments should protect and enhance habitats to encourage wildlife and biodiversity.

**Enhancing ecology**

Development and environmental improvements rely on careful site selection and design. Our approach to biodiversity and conservation is informed by legislation and planning policy. However, we are constantly reviewing ways of going beyond our statutory obligations to adopt a more holistic approach.

Highlights from the last year include:

- Exemplar projects championing green infrastructure — Kingsbrook at Aylesbury has been cited as a best practice example by the UKGBC (see Case study)
- Dedicated RSPB/Barratt Biodiversity Advisor recruited — providing a focal point for the partnership, delivering advice for developments and upgrading processes and procedures
- Employee engagement plan and online workspace — dedicated engagement via intranet and internal magazine to promote the RSPB partnership and involve all our employees in best practice sharing
- Landscape Design Guidance — revised to integrate minimum standards for ecology and biodiversity such as native species planting and hedgahog habitats
- Great Places Guide — ecology and biodiversity integrated as a common theme for consideration from project start-up to completion, and aftercare
- Long-term stewardship — partnering with the Land Trust on five of our larger developments (with three more at bid stage) means that these spaces will be sustainably managed, enhancing biodiversity and improving the health and wellbeing of our customers and the communities we create
- Supply chain benefits shared — by reviewing RSPB supply agreements with our own, we identified £23,000 in potential savings for the RSPB, which can be re-invested by the charity

**2015 HIGHLIGHTS**

- 57% of completed units built on brownfield land
- 19% of developments now have biodiversity action plans
- 554,819 trees and shrubs planted or retained on developments
- 634 hectares of green space created

**Ours Aspirations**

Seeking to create a net positive impact across our development portfolio by 2020

- Encourage local community engagement, supported by our national partnership with the RSPB to ‘Give Nature a Home’
- Review our current practices and establish a set of best practice standards for ecology and biodiversity consideration at land acquisition

**2016 Actions**

Engage with technical and construction teams to embed new guidance

**Case Study**

Setting the benchmark for biodiversity gains

For the past two years, we have been working in close partnership with Aylesbury Vale District Council and the RSPB to bring forward a commercially viable development that delivers real biodiversity gains and healthy, well-functioning ecosystems to benefit nature and people.

The Kingsbrook masterplan provides 2,450 homes, schools, employment and community facilities, forming an urban extension to the east of Aylesbury. Within the site are 100 hectares of green infrastructure providing a fully integrated network of open spaces for both people and wildlife.

The first phase, Oakfield Village, includes:

- Retention, enhancement and creation of wildlife habitat — wetland, grassland and woodland
- Cultivation and planting of nationally important Black Poplar
- Multi-functional areas of open space — formal and informal parks, natural play areas, a community orchard; and
- Residential areas with tree-lined streets, planting, sustainable drainage and other features providing green corridors for wildlife.

The RSPB field team is monitoring the site and intends to repeat the surveys in future to see how nature is responding. Kingsbrook will establish and maintain a resilient ecological network, enabling local residents and visitors to enjoy the health benefits of outdoor recreation. Communities will be invited to become active participants in green space and conservation projects.

**Biodiversity and natural habitats**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Area of greenspace on sites (hectares)</td>
<td>556</td>
<td>611</td>
<td>634</td>
</tr>
<tr>
<td>Area of wildlife habitats created or retained (hectares)</td>
<td>739</td>
<td>150</td>
<td>192</td>
</tr>
</tbody>
</table>

*Includes public open space and private gardens.

12 Put simply, this means that Barratt will seek to demonstrate that, by 2021, the Group will have a net positive impact on ecology and biodiversity across its development portfolio.
The UK Government is committed to reducing greenhouse gas emissions by 80% by 2050. The houses we build today will have a social cost over their lifetime, measured in carbon emissions and water consumption throughout their use. At the same time, our customers expect today’s new homes to have lower lifetime running costs, compared to older properties.

We strive to deliver homes that enable our customers to experience the benefits of energy and water efficiency without sacrificing comfort levels. This is our Fabric First, Fit and Forget ethos. Understanding how homes function is fundamental to our efforts to reduce energy usage and loss. Thermal imaging site visits have helped us to target enhancements that will result in improved comfort, lower lifetime carbon emissions and reduced bills for customers (see Case study: Thermal imaging looks to ensure construction quality). Our presence on numerous industry and governmental work groups assists us to stay abreast of the regulatory changes in the sector. The benefits of our investment in research and development, reducing carbon emissions and customer energy bills, will only be realised by influencing how homes are used after handover. We have developed and improved the information we give to our customers to help them live in their home sustainably, and we are also exploring the role that enhanced technology and the ‘Smart Home’ sector can deliver. Water efficiency measures are installed in every new home, designed to reduce use to 100-125 litres of water per person per day.

Low carbon district heating

Local authority carbon reduction and energy security targets are driving an increase in district heating as a planning requirement throughout the UK, for residential, commercial and leisure centres and extensions to provide heat to neighbouring developments. For example, the Greater London Authority has set a target of 25% of its energy supply to come from decentralised sources by 2025. Rather than individual boilers in each apartment or house, hot water is piped directly into homes from a larger, efficient, shared boiler through a network of pipes. We have partnered with EON Community Energy to connect 6,000 homes to these low-carbon schemes to date, with plans to connect 7,500 more homes over the next five years. We represented the sector on the steering committee of the industry-led Heat Trust scheme, which will help to ensure rigorous protection and set customer service standards for customers on heat networks. Any Energy Services Company (ESCO) partnering with us will need to be approved under this newly launched scheme.

Thermal imaging looks to ensure construction quality

During the last two winters, thermal imaging site visits were carried out across all the divisions by our Group Design and Technical Department. Each visit required a completed, unoccupied property that had been heated overnight to 25°C to provide a temperature gradient between inside and outside the house. Thermal images were taken of critical junctions and elements of the build, which were analysed looking at design and construction constraints at each point. The results were overwhelmingly positive, with many of the perceived weak spots found to be well built and detailed across all sites. Where some small areas of improvement were noted, these are already being actioned both at a divisional level in terms of ensuring standards on site, and at the Group level when a detail or product was seen as an improvement opportunity.

Our aspirations

To develop cost-effective solutions acceptable to customers as we move towards higher energy efficiency requirements on all sites

2016 actions

Learn from pilots on smart thermostats and continue research into home automation

Further research and development of our Fabric First approach

2015 highlights

1,600 homes connected to low carbon district heating systems

45%

All homes have water-saving devices
Supply chain capacity and sustainable sourcing

To address ongoing housing skills shortages, respond to customer needs, changing legislation, predicted materials and utility price rises over the next 10 years, we will need a highly motivated and innovative supply chain.

Strategic management

Our Group Procurement function centralises buying where there is universal demand for a product, material or service across the business. This delivers cost and sustainability benefits. Key areas of consideration are recycled and recyclable content, ecological impacts, embodied energy and material use by design. A number of our suppliers provide innovative takeback schemes – for example, for carpet offcuts and empty paint tins (see Case study: Supply chain innovation).

Engaging with suppliers

Our suppliers are critical to us achieving our vision, and we invest in our relationship with them. In addition to our national supply chain meetings, we also surveyed 71 Group suppliers to validate our sustainability priorities and to gain an overview of how our other suppliers approach energy and waste management. We discovered that:

- Our top 25 suppliers by expenditure generate 93% of the carbon emissions in our supply chain
- Carbon emissions from our supply chain are estimated to be seven times greater than our own operational emissions
- Many of our suppliers are proactively engaged in resource efficiency, circular economy and low carbon product development.

We conducted a detailed desk-based study on the carbon emissions arising from the manufacture of products we use to build our homes. Following this study, we held a workshop with 10 of our most energy intensive and highest contract value suppliers, to understand their approaches to energy and carbon management. These suppliers proved to be a great source of knowledge and experience and we will continue to work with them to identify potential supply chain collaborations on energy, carbon and waste reduction.

Our Group Procurement team conducted an internal self-assessment with the Sustainability Supply Chain School, consulted with existing suppliers using that tool and have assessed its potential to build competency across all our supply chain partners in resource efficiency and sustainable sourcing.

We continue to challenge both existing and potential new suppliers to innovate and improve the product we deliver on site. This can be from a build, logistics or customer perspective.

Group procurement materials purchased by value (%)

- Timber 14%
- Brick and block 11%
- Plumbing/heating components 11%
- Plastics 11%
- Windows 8%
- Kitchens 7%
- Other 7%
- Plasterboard 6%
- Appliance 4%
- Roofing components 4%
- Sanitary ware/ceramics 4%
- Insulation 4%
- Steel 3%
- Consumables products 2%
- Waste management 2%

Group procurement materials manufacturing by origin (%)

- UK Manufacture 73.9%
- UK Assembly/EU Material 16%
- EU Manufacture 8.13%
- ROW Manufacture 1.97%

Case study

Supply chain innovation

One of our national flooring suppliers, Designer Contracts, has been awarded ‘Take Back Partner of the Year’. They provide flooring for 30% of our homes and divert 90% of its fitters’ surplus carpet into felt underlay, with the remainder used in the equestrian sector for arena flooring.

Case study

Strategic partnerships

We form strategic partnerships with key suppliers, working collaboratively to develop solutions to future challenges. Over the last 12 months, we have worked closely with one such supplier, Sheffield Insulation Group SIG, to analyse trends in the housebuilding process and the wider industry, and to define future viable offsite systems.

This mutually supportive relationship underpins a decision by SIG to purchase Metechino and Roofspace. We are now trialling 116 pre-fabricated units from Metechino in London, whilst Roofspace remain a core supplier of our ‘room in the roof’ solutions.

Local supply chain commitments

The vast majority of our 5,830 suppliers and 6,340 subcontractors are local SMEs, with whom we typically have long-term partnerships. We often support the development of small companies with practical assistance to help them to meet the requirements of being a Barratt supplier.

Prompt payment is one very practical way that we can provide support. Our commercial business review is identifying ways we can improve our payment processes through e-commerce, while our standard payment terms are in line with the requirements of the Construction Supply Chain Payment Charter.

Through our business process review and ongoing Group agreement renewals, we are identifying ways to make ordering and delivery more efficient, consequently reducing both deliveries to sites and transport impacts adjacent to sites for existing communities.

2015 HIGHLIGHTS

- Supply chain carbon footprint assessment completed
- 11 energy intensive suppliers supported

2016 ACTIONS

- Continuous improvement and innovative solutions developed in collaboration with supply chain
- Maintain 100% timber sourced from sustainable sources (for Group Timber Agreement)
- Targetted engagement based on hotspot analysis to improve resource efficiency and share learnings across suppliers
- Create a supplier sustainability brief setting out our expectations for Group supply agreements

Decc predicts 60% electricity price rise for domestic households by 2030. For industrial and commercial consumers, Decc predicts 97% increase in price by 2030.


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Case study
Getting to grips with innovation

In December 2014, we invited 50 of our existing suppliers and consultants to a ‘Sandpit day’ at Edgbaston Cricket Ground in Birmingham.

During a Sandpit day, we use games and workshops to share insights into each other’s businesses and explore future collaboration and innovation opportunities.

In the morning, we focused on how Barratt drives continuous improvement, regulatory compliance and the use of offsite construction techniques. During the afternoon, the supply chain businesses shared their approaches to innovation, and we explored ideas for future collaborations.

The day was extremely successful, with numerous future collaborative opportunities identified. This year, we intend to run two further Sandpits, one with potential new supply chain partners, and one with a selection of our subcontractors.

The Construction 2025 strategy sets challenging targets for the sector: 50% less carbon emissions, 50% quicker and 33% less cost. With this in mind, the industry needs to innovate to improve construction efficiency and reduce its impact.

We are actively researching offsite options that enable us to continue to deliver high-quality homes, whilst taking account of changes in legislation, customer needs, material preferences and skill shortages that will challenge us over the next 10 years.

A Technical and Innovation Director has been appointed to lead the business’s approach to offsite construction.

Our target is that, by 2020, 20% of our homes will have an offsite construction component, potentially improving build speed, health and safety, waste on site and working conditions.

We have been working with our suppliers to increase the use of timber frame units on our sites. We anticipate about 1,300 units will be used in our next financial year. To support this we have:

- Reviewed the most popular timber frame construction house types
- Identified timber frame champions within divisions
- Issued a timber frame guide book.

We are also reviewing other advanced offsite materials, including light gauge steel frame, with trials beginning in September 2015.

Our roof tile supplier supplies A+ rated tiles (2008 BRE Green Guide). Their thin leading-edge tiles have 15% less raw material input than standard flat interlocking tiles, and contain by-products from other industrial processes which replace 35% of normal cement required. Only one tile type is required, thus reducing packaging and delivery trips and ensuring that 240 tiles per pallet can be delivered against the normal 192.

Units delivered using offsite technologies in 2015

<table>
<thead>
<tr>
<th>Technology</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timber frame</td>
<td>919</td>
</tr>
<tr>
<td>Roof cassettes</td>
<td>1,117</td>
</tr>
<tr>
<td>Prefabricated Utility Cupboards (PUCs)</td>
<td>25</td>
</tr>
<tr>
<td>Modular roof</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td>2,057</td>
</tr>
</tbody>
</table>

(12% of LCU)

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1. Keeping people safe

Employees, subcontractors, customers and the communities we operate within expect us to ensure safe working environments. By making health and safety a priority, we continue to play our part in improving workplaces for all concerned.

Safety First

The overarching goal of our Health and Safety strategy – Safety First – is to achieve an injury-free working environment. Whilst we believe all injuries are avoidable, our primary target is for a year-on-year improvement in injury rate.

Increased activity levels across the industry, in terms of site openings and production volumes combined with shortages of skilled staff, has increased the risks of accidents on sites. In the 12 months to 30th June 2015, we incurred 381 (2014: 379) reportable incidents per 100,000 employees (including subcontractors). We remain focused on continuing to enhance health and safety performance across our business, and (in July 2014) appointed a Board level Safety, Health and Environment Committee.

All of our divisions maintained their Health and Environment Committee. Stewart Ponton, Safety, Health and Environment Manager, East Scotland, along with one of our groundwork subcontractors, for failing to plan, monitor and coordinate work on a site, which resulted in a worker being injured by a reversing plant vehicle. In March 2015, the business was fined £10,000 plus costs.

2015 HIGHLIGHTS

96% compliance assessed during 4,269 monitoring visits (2014: 96%)

94.3% of the workforce are Construction Skills Certified

One silver and six bronze awards as part of the Considerate Constructors Scheme

No HSE Prohibition Notices or Improvement Notices

582 519 911 329 379 281

Reportable injury rate (per 100,000 employees, including subcontractors)

2010 2011 2012 2013 2014 2015

OUR ASPIRATIONS

Continuous improvement and industry-leading health and safety performance

2016 ACTIONS

Maintain a Five Star safety management system as assessed by the British Safety Council

Maintain our Injury Incidence Rate (IIR) at the level recorded in 2015

96% 97% 96% 96%

HSE internal audit performance (% score)

2012 2013 2014 2015

3. Case study: Keeping the next generation safe

Across Britain, our divisions invest time and effort to ensure the health and safety of everyone around our sites, especially young people. In one recent example, Stewart Ponton (Safety, Health and Environment Manager, East Scotland), along with construction workers Iain Winning and Robbie Clarke, visited Clovenfords Primary School to deliver a safety talk on the dangers of building sites. The hour-long presentation, to students from grade one to grade seven, included guidance on safe play and a Personal Protective Equipment clothing demonstration.

Our Safety First presentation has been carefully designed to be enjoyable for pupils and, crucially, to raise awareness of the dangers of construction sites, so they know the hazards and risks.”

Stewart Ponton, Safety, Health and Environment Manager, East Scotland
We are doing this in a number of ways:

choice and to attract potential employees.

the image of housebuilding as a career

Industry Training Board (CITB) to improve

Federation (HBF) and the Construction

we are working with the Home Builders

Together with other major housebuilders,

Experienced workers recruitment:

Our overall engagement score exceeded

IBM’s high-performing UK norm by 6% and our scores are among the top 10% measured by IBM in the UK.

More than 75% of our employees agreed or strongly agreed that the company is positively addressing safety, reputation, environmental management and diversity. The survey also highlighted that we have more work to do on improving the retention of our most talented people.

Recognition, reward and

benefits to boost retention

Staff turnover increased to 19% (18% in 2014). As a result, we have continued to focus on improving our people’s development and success through many different routes. We recognise the outstanding contributions of our employees through quarterly awards for sales staff, apprentices and site managers, as well as with individual and team excellence awards. We gave more than 1,000 awards (430 instant and 687 formal) through our Get Recognised programme. This enables our people to be nominated by their colleagues for a job well done, with awards of £100 cash or a day’s holiday.

Listening and acting

In our second year of working with IBM on our employee engagement survey, we included new questions on the effective communication of our newly-launched company vision and the credibility of the survey. The survey covers a broad range of topics about employees’ experiences, with a focus on measuring both the level of employee engagement and the extent to which employees can ‘give of their best’. Great efforts to increase the survey participation rate from last year’s 57% were rewarded with a 76% response rate – a huge improvement and our highest-ever participation rate. This means that the results of the survey are representative of the significant majority of our employees.

The building and construction industry continues to face a shortage of skilled workers, having lost 350,000 employees since the 2007 peak. As demand and production grows, attracting and retaining the best people and investing in new skills and ways of working are a priority.

Tackling the recruitment challenge

Together with other major housebuilders, we are working with the Home Builders Federation (HBF) and the Construction Industry Training Board (CITB) to improve the image of housebuilding as a career choice and to attract potential employees.

We are doing this in a number of ways:

> Experienced workers recruitment: We are seeking experienced workers ‘lost to recession’, people from other industries or sectors with transferable skills, and those without construction experience or qualifications but with good background building and construction knowledge through full-time study. An assessment and conversion programme, created in collaboration with the HBF, is enabling us to identify and deliver training for potential employees.

> Digital routes to market: Developing a new mobile-accessible careers website, promoting us as an employer of choice and to drive more traffic through to our careers website.

> Regional collaborations: A new East Regional Academy aims to recruit and develop our apprentice and trade population, and promote us as an employer for entry-level candidates.

> Skills and mentoring: We are proud to have become a patron of the West Midlands Construction University Technical College, working in partnership with other housebuilders to build a curriculum and mentor students.

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My Barratt Benefits and discount programme

We constantly review the range and effectiveness of the employee benefits we offer. This year, we relaunched ‘My Barratt Benefits’ to a new digital platform and launched a new discount programme which has already been used by around a third of employees. In addition, we introduced a salary sacrifice dental plan via BUPA, and salary sacrifice health assessments, including cancer screening. To reinforce the value of the benefits and rewards provided, Total Reward Statements and individualised Benefits Summaries are sent to all monthly paid employees.

Nurturing future talent

We are investing in three main areas to attract and grow our future talent – namely, apprenticeships, graduates and undergraduates – as well as our Foundation Degree with Sheffield Hallam University.

We continued to recruit more apprentices than any other member of the Major Home Builders Group and we plan to recruit 170 more, bringing the total in training to more than 450 – around 75% of our directly-employed workforce. Our awards further endorse our contribution to the provision of local, entry level employment opportunities.

One of our apprentices, Katherine Colley, was recently named the ‘Best Apprentice/Trainee Under 25’ at the 2015 Women in Construction Awards. Katherine Colley, one of our apprentices, was recently named the ‘Best Apprentice/Trainee Under 25’ at the 2015 Women in Construction Awards.

We enhanced our one-year accelerated programmes for graduates in sales or construction roles with the potential to fast-track into future management positions. In 2016, we plan to double the numbers on our Accelerated Construction Programme from 14 to 28.

Our Residential Development and Construction Foundation Degree programme, in conjunction with Sheffield Hallam University, offers the perfect alternative to traditional academic routes for those who wish to work while gaining a degree-level education. Already accredited by the Chartered Institute of Building, in 2015 the BSc (Hons) top-up award was accredited by the Royal Institute of Chartered Surveyors.

Diversity and inclusion

We are committed to providing an inclusive working environment where everyone feels valued and respected. Currently 13% of senior managers are female, while 27% of our graduates recruited in 2014 were from ethnic minority backgrounds.

Our Diversity and Inclusion Regional Pilot has increased recruitment of a more diverse workforce within the East region. An online training module and half-day workshop, which all line managers in the region completed, received extremely positive feedback.

We now plan to extend this pilot nationally to ensure we encourage a more diverse and inclusive working environment.

Leadership and development

We are committed to developing effective leaders across the business, ensuring that we have robust succession planning at all levels. Around 54% of our managers have participated in leadership programmes, which include bespoke development days to help leaders focus on achieving effective personal progress.

Provision of 360º feedback for leaders is a key priority. Over the last 12 months, 200 managers have had this feedback, led from the top by our Executive team. We have seen a huge uptake in e-learning, with over 2,000º online courses completed, and we are also investing in the training of coaches as a further way to support employee development.

Case study

Investing in skills education speeds progression

Sean Regan (second from the right) joined in September 2014 as an Assistant Site Manager in Manchester. He is currently completing the Foundation Degree programme in Residential Development and Construction at Sheffield Hallam University, and was awarded the 2014 Foundation Degree Student of the Year award. Prior to joining Barratt, Sean was an apprentice plumber and then a self-employed contractor.

Sean Regan, on a site visit at St Mary’s Park, Hartley Wintney.

I was attracted to the Foundation Degree programme by Barratt’s strong sustainable approach to construction. The programme lets me have a hands-on approach to site management whilst achieving the academic degree to support it. 

Sean Regan, Manchester Division, Barratt Developments.

Below: Apprenticeships National Awards 2014 winner. Phil Evans, Grants and Funding Manager, received the award from a representative of the sponsor, BT.

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Bean Edwards, on a site visit at St Mary’s Park, Hartley Wintney.
Operating efficiency

Increasing demand for new housing means we have to become more resource and energy efficient, produce less waste, generate less carbon emissions, use less water and ensure careful stewardship of all building materials.

In response, the divisions created sustainability action plans and identified sustainability champions. We have also promoted resource efficiency via the intranet and our Foundations magazine. Implementation of a data collection system has been put on hold whilst our financial management IT system is upgraded. Meanwhile, we have undertaken a first review of our sustainability data collection process, with a focus on streamlining divisional data collection.

Waste reduction

A key area of success is the segregation of waste for recycling on-site. This is now a standard procedure across the Group, as demonstrated by our 95% recycling rate. In 2015, we didn’t achieve further reductions in waste generated during the construction process. It increased to 6.59 tonnes of waste per 1,000 sq. ft. We have renewed our focus on the quantity of waste generated, in order to tackle an increase in both tonnage and costs between 2013 and 2014. We have developed a cross-disciplinary Waste Reduction Plan, to review opportunities to design out waste and revise our waste policy related to above-ground construction processes. Our leading construction priority and commitment to offsite construction techniques will support long-term reductions in waste generation.

Reducing impacts, changing behaviours

Careful stewardship of our design and construction processes improves resource efficiency and reduces waste, carbon and water consumption. All our divisions are certified to ISO14001, and we have had no environmental fines or prosecutions. A review of our system against the international standard will be undertaken this year in line with our sustainability framework.

This year, we have been gaining a better understanding of our waste and energy performance. We issued all divisions with an understanding of our waste and energy performance. We issued all divisions with our first Carbon Disclosure Project Submission score, a 3% reduction in gross greenhouse gas emissions.

Understanding our carbon footprint

Our efficiency measures, which we formally assess annually, continue to ensure we are below the eligibility requirements for the Government’s CRC Energy Efficiency Scheme.

Greenhouse gas emissions (tonnes CO₂e)

This year, we took part in the Carbon Disclosure Project for the first time, and achieved a score of 94B. This made us the highest scoring national housebuilder, an encouraging reflection of our commitment to managing the challenges and opportunities of climate change, both in our operations and in the homes we build.

We have carried out sample energy assessments at 12 sites and four divisional offices as a follow-up to previous energy savings opportunities identified and implemented in 2010. This will help us prioritise further energy savings, behaviours and technological changes, inform the development of our longer term targets and meet the requirements of the Energy Savings Opportunity Scheme.

Where practical, securing early mains connections is one priority which would help us to reduce diesel consumption at site start-up.

We have been working with our principal waste contractor to begin to understand the carbon emissions from the waste we generate, and we hope to extend this to our other waste contractors.

Greenhouse gas emissions (tonnes CO₂e)

<table>
<thead>
<tr>
<th>Scope</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1: Office and site: diesel, LPG, gas, refrigerant loss and company-owned vans</td>
<td>16,287</td>
<td>17,315</td>
<td>18,224</td>
</tr>
<tr>
<td>Scope 2: Office and site: purchased electricity</td>
<td>13,035</td>
<td>14,053</td>
<td>11,843</td>
</tr>
<tr>
<td>Scope 3: Office: business travel by car, rail and plane</td>
<td>6,874</td>
<td>7,752</td>
<td>8,172</td>
</tr>
<tr>
<td>Scope 3: Office and site: electricity transmission and distribution losses</td>
<td>1,221</td>
<td>978</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>36,196</td>
<td>40,349</td>
<td>39,217</td>
</tr>
</tbody>
</table>

KPI – total CO₂e emissions (Scope 1, 2 and 3) per 1,000 sq. ft.

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.77</td>
<td>2.78</td>
<td>2.36</td>
<td></td>
</tr>
</tbody>
</table>

Water efficiency

This year, our water consumption has increased on our construction sites, but remained stable within our offices.

We have been working with our principal pumps on the River Thames have been utilised to deliver and remove materials at Fulham Riverside, London.

Barges on the River Thames have been utilised to deliver and remove materials at Fulham Riverside, London.

Increasing demand for new housing means we have to become more resource and energy efficient, produce less waste, generate less carbon emissions, use less water and ensure careful stewardship of all building materials.

In response, the divisions created sustainability action plans and identified sustainability champions. We have also promoted resource efficiency via the intranet and our Foundations magazine. Implementation of a data collection system has been put on hold whilst our financial management IT system is upgraded. Meanwhile, we have undertaken a first review of our sustainability data collection process, with a focus on streamlining divisional data collection.

Waste reduction

A key area of success is the segregation of waste for recycling on-site. This is now a standard procedure across the Group, as demonstrated by our 95% recycling rate. In 2015, we didn’t achieve further reductions in waste generated during the construction process. It increased to 6.59 tonnes of waste per 1,000 sq. ft. We have renewed our focus on the quantity of waste generated, in order to tackle an increase in both tonnage and costs between 2013 and 2014. We have developed a cross-disciplinary Waste Reduction Plan, to review opportunities to design out waste and revise our waste policy related to above-ground construction processes. Our leading construction priority and commitment to offsite construction techniques will support long-term reductions in waste generation.

Reducing impacts, changing behaviours

Careful stewardship of our design and construction processes improves resource efficiency and reduces waste, carbon and water consumption. All our divisions are certified to ISO14001, and we have had no environmental fines or prosecutions. A review of our system against the international standard will be undertaken this year in line with our sustainability framework.

This year, we have been gaining a better understanding of our waste and energy performance. We issued all divisions with an understanding of our waste and energy performance. We issued all divisions with our first Carbon Disclosure Project Submission score, a 3% reduction in gross greenhouse gas emissions.

Understanding our carbon footprint

Our efficiency measures, which we formally assess annually, continue to ensure we are below the eligibility requirements for the Government’s CRC Energy Efficiency Scheme.

Greenhouse gas emissions (tonnes CO₂e)

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Greenhouse gas emissions (tonnes CO₂e)

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## OUR 2015 TARGETS AND PERFORMANCE UPDATE

<table>
<thead>
<tr>
<th>Progress update</th>
<th>2016 actions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Best practice and benchmarking performance</strong></td>
<td></td>
</tr>
<tr>
<td>Establish an enhanced reputation as the national leading sustainable housebuilder within the Next Generation benchmark, FTSE4Good and Carbon Disclosure Project, and in ongoing performance improvement against the ‘issues that matter most’.</td>
<td></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Move to a sustainability data capture system incorporated within the normal management reporting cycle.</td>
<td><strong>As above.</strong></td>
</tr>
<tr>
<td>Finance system implementation, waste reduction project and energy savings review is informing our future data collection requirements.</td>
<td></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Build on our first Carbon Disclosure Project benchmark submission and improve our scoring.</td>
<td><strong>As above.</strong></td>
</tr>
<tr>
<td>Scored 94B in the Group’s first submission in Autumn 2014.</td>
<td></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Continue to engage with and participate in the Next Generation benchmark, FTSE4Good, and deliver improvements in our scores.</td>
<td><strong>As above.</strong></td>
</tr>
<tr>
<td>Next Generation score improved from 70 to 81% in 2014.</td>
<td></td>
</tr>
<tr>
<td>FTSE4Good Score improved from 81 to 86%.</td>
<td></td>
</tr>
<tr>
<td><strong>Engagement and Communication</strong></td>
<td></td>
</tr>
<tr>
<td>Validation of material issues through targeted engagement with key stakeholder groups.</td>
<td></td>
</tr>
<tr>
<td>Targeted stakeholder engagement on material issues undertaken with graduates, suppliers, NGOs. Deeper engagement on land and planning, offsite manufacture, energy, carbon and waste.</td>
<td><strong>Continue to engage our key stakeholders to finalise our sustainability framework.</strong></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Update our sustainability strategy, with input from external stakeholders and communicate it throughout the business.</td>
<td><strong>Approach agreed by Executive and Group PLC in Spring 2015.</strong></td>
</tr>
<tr>
<td>Engagement process underway and formal launch to follow the publication of the Sustainability Report.</td>
<td></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Progressively move sustainability reporting online and provide regular updates on initiatives and progress towards our goals.</td>
<td><strong>Sustainability webpages refreshed as part of PLC website upgrade.</strong></td>
</tr>
<tr>
<td>Sustainability content integrated into first induction module, HR welcome pack and Careers website.</td>
<td><strong>Engage the business on our sustainability framework internally.</strong></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Incorporate sustainability training modules within our intranet-based learning system for all staff.</td>
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<td><strong>Increase of 26.5% affordable homes built.</strong></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Continue to engage with national and local authorities, public and private landowners and housing associations to deliver affordable homes.</td>
<td><strong>Increase in affordable homes contributions through Section 106 payments.</strong></td>
</tr>
<tr>
<td>Maintain Home Builders Federation 5 Star Home Builder status.</td>
<td><strong>Maintain 5 Star status.</strong></td>
</tr>
<tr>
<td>5 Star status achieved.</td>
<td><strong>Maintain 5 Star status.</strong></td>
</tr>
<tr>
<td><strong>2015 target:</strong> Develop a ‘customer first’ culture change programme.</td>
<td><strong>Evaluate outcome of pilots and roll out ‘Customer First’ culture change programme.</strong></td>
</tr>
<tr>
<td>Piloted Exeter and North Thames Divisions.</td>
<td><strong>Evaluate outcome of pilots and roll out ‘Customer First’ culture change programme.</strong></td>
</tr>
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</tr>
<tr>
<td>--------------------------------------------------------------------------------</td>
<td>------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>High-quality homes, informed by customers continued</strong></td>
<td></td>
</tr>
<tr>
<td>Dashboard developed and pilot launched.</td>
<td></td>
</tr>
<tr>
<td>2015 target: Further develop our customer sustainability communications and engage our sales staff.</td>
<td>Further develop our customer sustainability communications and engage our sales staff.</td>
</tr>
<tr>
<td>Sustainability Guide to our homes and Guide to Living Sustainably launched.</td>
<td></td>
</tr>
<tr>
<td>Further training of advisors on sustainability facts launched via e-learning module.</td>
<td></td>
</tr>
<tr>
<td>&gt; Four e-learning modules launched.</td>
<td>&gt; Complete roll-out of the programme.</td>
</tr>
<tr>
<td>&gt; One operatives course and one general Customer Service course in place.</td>
<td>&gt; Launch new IT system to measure supplier performance and identify causes of customer issues.</td>
</tr>
<tr>
<td><strong>Delivering land availability and effective planning</strong></td>
<td></td>
</tr>
<tr>
<td>2015 target: Increasing the proportion of homes we build on strategic land towards 15%.</td>
<td></td>
</tr>
<tr>
<td>&gt; In 2015, 17% of our completed units were built on strategically sourced sites.</td>
<td>&gt; Embedding actions to achieve 20% strategic land output by 2017 within Regional Strategic Land Plans and monitoring progress.</td>
</tr>
<tr>
<td>&gt; Regional Strategic Land Plans and a National Strategic Land Delivery Plan developed.</td>
<td>&gt; Proactively engaging and responding to opportunities to purchase public land.</td>
</tr>
<tr>
<td><strong>Building community support</strong></td>
<td></td>
</tr>
<tr>
<td>Every employee is able to commit one day per year to volunteering by 2020.</td>
<td></td>
</tr>
<tr>
<td>A code for volunteering has now been included within HR codes for divisions to record volunteering time.</td>
<td>Engage divisions on volunteering opportunities to support our priorities and principles.</td>
</tr>
<tr>
<td>2015 target: Embed the use of the updated 2014 Barratt Consult manual and continue to celebrate effective community engagement throughout our divisions.</td>
<td></td>
</tr>
<tr>
<td>&gt; Updated Barratt Consult Manual shared with divisions.</td>
<td>&gt; Continue to celebrate proactive approaches to community consultation.</td>
</tr>
<tr>
<td>&gt; Best practice shared via divisional, regional and national forums.</td>
<td></td>
</tr>
<tr>
<td>2015 target: Engage divisions on new charitable giving and volunteering policy.</td>
<td></td>
</tr>
<tr>
<td>Our Community and Charitable giving policies are both available on our website and actively delivered by our divisions.</td>
<td>Ensure our community efforts create effective local benefits and can be captured and demonstrated by divisions and Group.</td>
</tr>
<tr>
<td>2015 target: Educate managers and enable them to engage with Inspiring the Future, doubling the number of employees registering in the year.</td>
<td></td>
</tr>
<tr>
<td>42 were registered in 2015 compared to 18 (2014).</td>
<td>&gt; Providing the frameworks which enable leaders and managers to engage with local schools and colleges.</td>
</tr>
<tr>
<td>&gt; Providing the frameworks which enable leaders and managers to engage with local schools and colleges.</td>
<td>&gt; Working in partnership with the Inspiring the Future and Construction Ambassador networks.</td>
</tr>
<tr>
<td>&gt; Working in partnership with the Inspiring the Future and Construction Ambassador networks.</td>
<td>&gt; Engage with local schools and colleges to raise the profile of the housebuilding industry.</td>
</tr>
<tr>
<td>2015 target: Scope out the options for a national charity.</td>
<td></td>
</tr>
<tr>
<td>We have been focussing on integrating our partnership with the RSPB across the Group.</td>
<td>Continue to communicate and encourage volunteering and charitable giving opportunities.</td>
</tr>
<tr>
<td><strong>Sustainable places to live</strong></td>
<td></td>
</tr>
<tr>
<td>Continued commitment to Built for Life commendation and our own internal design standard, Great Places.</td>
<td></td>
</tr>
<tr>
<td>&gt; 16 Built for Life Awards.</td>
<td>&gt; Continue to design new developments to Built for Life.</td>
</tr>
<tr>
<td>&gt; 2 Outstanding schemes.</td>
<td></td>
</tr>
<tr>
<td>2015 target: All proposed land acquisitions considered by our land committee will be assessed against Building for Life 12 criteria.</td>
<td></td>
</tr>
<tr>
<td>Revised Great Places brochure launched September 2014. Detailed design guidance created. We have conducted 10 divisional reviews, totalling 37 scheme reviews to date. Our layout review challenge has extended to 123 personnel from Barratt and its partners.</td>
<td>Continue to assess all proposed land acquisitions considered by our land committee against Building for Life 12 criteria in England (or equivalent Great Places standard in Scotland and Wales).</td>
</tr>
<tr>
<td>2015 target: Enable our divisions to communicate socio-economic benefits to the communities in which we operate.</td>
<td></td>
</tr>
<tr>
<td>Socio-economic footprints were made available to all divisions, and used widely to engage communities, local authority government representatives and landowners.</td>
<td>Divisional socio-economic footprints to be used to engage stakeholders at local, divisional and regional levels.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## OUR 2015 TARGETS AND PERFORMANCE UPDATE

### Progress update

#### Biodiversity and natural habitats

**Seeking to create a net positive impact across our development portfolio.**

<table>
<thead>
<tr>
<th>2015 target</th>
<th>2016 actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working with the RSPB to review landscape and design guides, policy and practice against best practice.</td>
<td>Engage with RSPB to review our current practices and establish a set of best practice standards for ecology and biodiversity consideration at land acquisition.</td>
</tr>
<tr>
<td>Reviewed and updated the Barratt landscape and ecology design guides in collaboration with the RSPB. Ecological considerations have been integrated within the Great Places guide.</td>
<td>In light of regulatory changes, continue to review new product solutions to meet Fabric-First challenges.</td>
</tr>
<tr>
<td>Review how we define and measure our contribution to enhancing habitats and biodiversity on our developments.</td>
<td>Launch and engage divisions on the implementation of revised ecology practice guidance, landscape design guides and Great Places guide.</td>
</tr>
<tr>
<td>Engage employees in improving development design and build to enhance the build of our homes for nature.</td>
<td>Continue to engage divisions and encourage local community engagement supported by our national partnership with the RSPB to ’Give Nature a Home.’</td>
</tr>
<tr>
<td>Scope out the development of an appropriate accreditation system for our developments.</td>
<td>Revised landscape design guides to inform the potential for an appropriate accreditation system for our developments.</td>
</tr>
</tbody>
</table>

**Efficient, low carbon homes**

**To develop cost-effective solutions acceptable to customers as we move towards higher energy efficiency requirements on all sites.**

<table>
<thead>
<tr>
<th>2015 target</th>
<th>2016 actions</th>
</tr>
</thead>
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<tr>
<td>Further research and development of our ‘Fabric First’ approach with a view towards ‘Zero Carbon’ from 2016.</td>
<td>In light of regulatory changes, continue to review new product solutions to meet Fabric-First challenges.</td>
</tr>
<tr>
<td>Delivering Sandpit sessions and innovation workshops with current and new suppliers looking at innovations to deliver a Fabric-First solution. Market review of new product solutions is ongoing.</td>
<td>Learn from pilots on smart thermostats and continue research into home automation and smart homes options e.g. security, safety, lighting control and data.</td>
</tr>
<tr>
<td>Further research and consideration of using smart/remote technologies.</td>
<td>Maintaining a watching brief.</td>
</tr>
<tr>
<td>Improve our understanding of embodied carbon in our housetypes and look to minimise moving forwards.</td>
<td>Integration of findings from thermal imaging performance work into technical quality manual.</td>
</tr>
<tr>
<td>Partnered with NHBC Foundation, Crest Nicholson, Stewart Milne and BRE to consider embodied energy of AIMC4 house types versus standard constructed house types.</td>
<td>Continue to review water-saving technologies as introduced by suppliers.</td>
</tr>
<tr>
<td>Continue assessing the performance of the homes we build, and translate into best practice.</td>
<td>Contributed to Housing Standards review supporting the development of the new Part G levels.</td>
</tr>
<tr>
<td>Water use minimisation strategies employed in every new house.</td>
<td>Continue to review water-saving technologies as introduced by suppliers.</td>
</tr>
</tbody>
</table>

**Supply chain capacity and sustainable sourcing**

**Continual improvement and innovative solutions developed in collaboration with supply chain.**

<table>
<thead>
<tr>
<th>2015 target</th>
<th>2016 actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>12% of units built using offsite construction techniques.</td>
<td>Maintain current target.</td>
</tr>
<tr>
<td>Drive continuous improvement and seeking innovative sustainability and offsite solutions in collaboration with our supply chain.</td>
<td>Presenting on Vision, Customer First, Leading Construction programmes and sustainability performance, highlighting key areas of immediate focus: waste, energy and carbon.</td>
</tr>
<tr>
<td>Engage suppliers on business vision and longer term sustainability goals, via the annual supplier conference.</td>
<td>Create a supplier sustainability brief outlining our expectations.</td>
</tr>
</tbody>
</table>

**Key:**
- **aspiration**
- **achieved**
- **on track**
- **not met**
- **maintain**
## Progress update

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<td><strong>Supply chain capacity and sustainable sourcing continued</strong></td>
<td></td>
</tr>
<tr>
<td>Audit compliance with Sustainable Procurement policy.</td>
<td></td>
</tr>
<tr>
<td>71 suppliers responded. 68% of suppliers asked have targets for energy or carbon reduction. 81% of suppliers who responded have operational goals and targets for waste reduction.</td>
<td></td>
</tr>
<tr>
<td><strong>Review feasibility of gathering Scope 3 GHG data from all materials suppliers to set a baseline and 2020 goal.</strong></td>
<td></td>
</tr>
<tr>
<td>Completed desk-based research on supply chain carbon emissions and hot spot analysis.</td>
<td></td>
</tr>
<tr>
<td>Workshop held with 10 high energy and carbon intensity suppliers.</td>
<td></td>
</tr>
<tr>
<td><strong>Evaluate and pilot opportunities for improving transport logistics and reduced fuel consumption.</strong></td>
<td></td>
</tr>
<tr>
<td>Business process review and Group supplier agreements have highlighted opportunities for rationalising ordering processes to reduce delivery trips.</td>
<td></td>
</tr>
<tr>
<td><strong>Launch online supplier webpage to improve information and engagement with suppliers and potential new suppliers.</strong></td>
<td></td>
</tr>
<tr>
<td>Supplier page launched.</td>
<td></td>
</tr>
<tr>
<td><strong>Conduct gap analysis via the Sustainability Supply Chain School and pilot with a selected group of priority material suppliers.</strong></td>
<td></td>
</tr>
<tr>
<td>Self-assessment process completed to date by Group Procurement team.</td>
<td></td>
</tr>
<tr>
<td>Consulted on the benefits of the School with existing suppliers.</td>
<td></td>
</tr>
<tr>
<td><strong>Put processes in place to achieve 45 days payment from June 2015 as per the Construction Prompt Payment Charter.</strong></td>
<td></td>
</tr>
<tr>
<td>Standard payment terms comply with the Prompt Payment Charter.</td>
<td></td>
</tr>
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</table>

## Investing in product innovation and development

- To apply offsite based products and systems in 20% of our homes by 2020.
  - 12% units built using offsite construction techniques.
    - Review potential for alternative build systems and offsite technologies.
    - Developing Industrialised House Building research project.
  - Reviewed 10 system types and over 100 manufacturers. Introduced New Product Introduction process to deliver offsite systems into the business. The assessment matrices for all systems include labour reduction and re-skilling.
    - Continue to apply labour and re-skilling assessment methodology.

## Keeping people safe

- Maintain Injury Incident Rate (IIR) at the level recorded in 2015.
  - Continuous improvement and industry leading Health and Safety performance.
    - We have examined our reporting, in addition to requesting a British Safety Council audit, which assessed our management system as 5 Star.
      - Maintain 5 star safety management system status as assessed by the British Safety Council.
    - IIR increased 1% from 379 to 381 per 100,000 employees.
      - Maintain our Injury Incidence Rate (IIR) at the level recorded in 2015.
  - Work with the Home Builders Health and Safety Forum to develop a home builders Occupational Health Strategy.
    - We have contributed fully to the development of this sector-wide strategy, and await its publication.
### OUR 2015 TARGETS AND PERFORMANCE UPDATE

**Attracting, inspiring and retaining talent**

- **Recruit 1,100 employees through our Future Talent Programme over a three-year period, ongoing growth to 2020.**

  - 2015 target: **Recruit 350 employees through our Future Talent Strategy.**
    - We recruited 327 new graduates, trainees and apprentices through our Group programmes.
    - Maintain an average of three training days per annum per employee.
    - Achieved 3.8.
    - Maintain upper quartile UK FTSE 250 performance in our engagement survey.
    - Achieved 78% engagement score.
    - Improve response rate to employee engagement survey annually.
    - Improved from 57% to 76%.
    - Tailoring our Leadership Programme to suit the needs of our future leaders in a dynamic marketplace.
    - Business process reviews being supported by leadership training programme.
    - Rolling out of training for all managers on diversity and inclusion.
    - Pilot to be rolled out.
    - Improving training and best practice sharing.
    - Workspaces and learning management system rolled out.
    - Review in-house skills and training needs associated with resource efficiency, energy and carbon.

**Operating efficiency**

- **Reduce carbon intensity from our construction operations, offices and business mileage by 10% by 2025.**
  - 2015 target: **1% reduction in Scope 1, 2 and 3 greenhouse gas emissions (per 1,000 sq. ft.).**
    - Achieved 15% reduction in carbon intensity from 2.78 to 2.36 tonnes CO₂e per 1,000 sq. ft.
    - Energy Savings Assessments carried out at 12 sites and four divisional offices.
    - Review our operational carbon footprint and define our 2020 goal.
    - Our energy-saving opportunities review has helped us to identify further short-, medium- and long-term energy efficiency opportunities on sites and in offices.
    - Analyse total waste generation, and put in steps to seek to reduce waste generation by at least 2% annually.
    - Cross-departmental waste reduction working group has begun to analyse opportunities for improvement.
    - Analysis of future opportunities for reduction in total waste generation as a result of deployment of innovative offsite methods of construction.
    - As part of waste reduction working group.
    - Divisions received a sustainability scorecard in December 2014 ranking their FY2014 energy, carbon and waste performance in league tables.
    - Develop and implement employee engagement plan on resource efficiency, and celebrate successes.

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25 Carbon intensity is tonnes of CO₂e per 1,000 sq. ft. We measure Scope 1, 2, 3 emissions which include energy and fuel use on site, in offices, and includes all business mileage. Our Group target is based on a 2015 baseline.
ASSURANCE STATEMENT

This is the 12th Sustainability Report from Barratt Developments PLC ("Barratt") and covers the reporting period from July 2014 to June 2015. Ocean Certification Limited was commissioned by Barratt to assure the contents of the report.

The purpose of this assurance is to inform stakeholders that the claims and data contained in this report are based on actual and reliable information and that it has been appropriately evaluated by Barratt Developments and interpreted into a true reflection of its sustainability performance. Barratt has reviewed and communicated its corporate performance in the form of a Sustainability Report which describes how it delivers on the requirements of its Sustainability Policy.

What we did to form our conclusions
Our assurance engagement has been planned and performed in accordance with the AA1000 Assurance Standard (2008) principles and to meet the requirements for a Type 2 assurance engagement. The AA1000AS (2008) assurance principles of Inclusivity, Materiality and Responsiveness have been used as criteria against which to evaluate the report. In order to form our conclusions we undertook the steps outlined below:

- Internet searches to corroborate claims
- Verification and validation of data collection and aggregation processes
- Interviews during certification assessments to test how the sustainability agenda is embedded and stakeholder dialogue managed within the organisation
- Visits to 65 active construction development sites during 2014/15
- Interviews with Managing Directors, Directors and Senior Managers (in four Divisions) in regard to their views on sustainability, the voracity of information gathered and the sustainability initiatives as they are implemented. Samples of data sets from the Barratt sustainability questionnaire – 2015 for sites and offices were verified
- Meetings with senior Barratt Developments PLC staff including:
  - Tom Keevil, Group General Counsel and Company Secretary
  - Patrick Law, Group Corporate Affairs Director
  - Sarah Pratt, Head of Corporate Sustainability
- Interview with Neil Jefferson, Business Development Director, NHBC.

Limitations of our review
Reliance has been placed on existing third party report information from regular certification assessment visits and reports commissioned by Barratt. In addition, testimonial evidence gathered during interviews with Divisional and Group personnel has been included. It is noted that information in regard to the Greenhouse Gas Emissions and Carbon Reduction energy efficiency scheme is included in this year’s report.

Our conclusions
Based on the scope of our review, our conclusions are outlined below:

- **Inclusivity**
  - Has Barratt been engaging with stakeholders across the business to develop its approach to sustainability?
  - Barratt continues to demonstrate its commitment to be accountable to those on which it has an impact and is able to demonstrate stakeholder engagements with several organisations including the Homes and Communities Agency (HCA) and the Home Builders Federation (HBF). There are also a number of private partnerships demonstrated, for example initiatives on new techniques for construction.

- **Responsiveness**
  - Has Barratt responded to stakeholder concerns?
  - In verifying this report, evidence was observed to illustrate how Barratt is responding to evolving stakeholder requirements and working in cooperation with interested parties such as NHBC and its suppliers and customers and we are not aware of any matters that would lead us to conclude that Barratt has not applied the responsiveness principle in considering the matters to be reported. Indeed there is evidence to suggest that Barratt takes the lead in approaching and including stakeholders in its decision-making processes.

- **Materiality**
  - Has Barratt provided a balanced representation of material issues concerning its sustainability performance?
  - Barratt has continued to test its material issues and, from its engagement with relevant stakeholders, has sought to clearly define the issues and why they are important to Barratt and its stakeholders.

This Sustainability Report continues to provide relevant coverage of Barratt’s sustainability strategy and performance integrated in the new vision for the business (launched in October 2014) "To lead the future of housebuilding by putting customers at the heart of everything we do” defined in the four core priorities of “Customer First, Great Places, Leading Construction and Investing in Our People” and five principles which support the delivery of a successful, long-term sustainable business.

The report itself is again supplemented with a full suite of KPIs and secondary performance indicators, gathered through a well-established and rigorous annual Group sustainability questionnaire process with the data reviewed by Group Finance and an external consultant before being compiled and then analysed for key trends, both internally and externally. In addition, this year evidence has been provided of positive responses in internal and external engagement surveys on sustainability topics.

The report has enhanced the theme of practical case studies of the way Barratt strives to meet its targets whilst continuing to focus on performance against targets and improvement areas for the next reporting period. Emissions have been identified and measured using Scopes 1–3 of the WRI GHG Protocol.

Observations and areas for improvement
In order to demonstrate continuous improvement of future Sustainability Reports, Barratt would benefit from consideration of the following:

- Having clear accountability at Group, Regional and Divisional level and empowerment of Divisions to look for ways to reduce and eliminate waste, along circular economy principles
- Improve the traceability and governance link between stakeholder engagement on social and environmental issues and how this influences business strategy
- To maximise the demonstration of benefit to the communities in which it operates, Barratt should establish a framework for volunteering and charitable donations that allow for local flexibility but ensures maximum value is delivered to communities and can be captured and celebrated at Divisional and Group level.

13th August 2015
J Martin Thornley B.Sc, CMIOSH, IRCA Lead QMS Auditor on behalf of Ocean Certification Ltd.

Martin Thornley is a Chartered Member of the Institute of Occupational Safety and Health and is registered as a Lead Auditor with the International Register of Certified Auditors (IRCA). As a registered lead auditor he undertakes third party assessments of quality, environmental and health and safety management systems on behalf of Ocean Certification Ltd.