



DNV

WHEN TRUST MATTERS

Independent Limited Assurance Report

to the Directors of Barratt Developments PLC

DNV Business Assurance Services UK Limited (“DNV”, “us” or “we”) were commissioned by BDW Trading Limited to provide limited assurance to Barratt Developments PLC (“Barratt Group”) over Selected Information presented in the “Barratt Developments PLC Annual Results Announcement for the year ended 30 June 2021” and the “Annual Report and Accounts 2021” (together, the “Reports”) for the reporting year ended 30 June 2021.



Our Conclusion: Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the Selected Information, and is to be read in the context of this Independent Limited Assurance Report, in particular the inherent limitations explained overleaf.

Our observations and areas for improvement will be raised in a separate report to Barratt Group’s Management. Selected observations are provided below. These observations do not affect our conclusion set out above.

- Barratt Group collate the greenhouse gas (GHG) and energy data from their divisions annually at year end, via manually completed sustainability questionnaires. As data is manually collated once per year, there is a risk of human error or omissions in the data and there was limited time for Barratt Group or the divisions to investigate variances. We understand that Barratt Group are considering implementing more regular data collection and we recommend this is initiated on a monthly or quarterly basis, to provide additional oversight of the division’s data and to reduce the risk of unidentified errors in the data.
- Barratt Group adjusted the control approach of their GHG emissions reporting from financial to operational control and have restated the data in the Reports accordingly. When applying this adjustment, Barratt Group moved the reporting of leased and owned cars from Scope 3 to Scope 1. This is a positive change and is now consistent with the reporting of leased and owned vans in Scope 1.
- Barratt Group implemented a new digital tool to collect information on reportable accidents and incidents. The tool feeds directly to a database allowing the traceability of the reportable accidents and incidents back to the data source. As the year ended 30 June 2021 was a transition year for the tool, Barratt Group also maintained off-line records of reportable accidents and incidents to help ensure data availability was not compromised. For the next reporting period, once the transition period of the tool is complete, we recommend Barratt Group utilises the tool as the primary source of reporting to reduce the complexity and resource associated with maintaining double records.
- Data for construction waste generated and diverted from landfill was submitted monthly by the divisions to Barratt Group and checked against the waste provider’s invoices. We found this approach meant there were appropriate controls in place around the data. In addition, the justification for any variances between the data submitted by the divisions and the waste provider’s invoices had been identified and recorded to aid the assurance process.

Selected information

The scope and boundary of our work is restricted to the 2021 performance data included within the Reports (the “Selected Information”), listed below:

- GHG emissions and energy:
 - Scope 1 (tonnes CO₂e)
 - Scope 2 (tonnes CO₂e) – market-based and location-based
 - Scope 3 – Category 3: Fuel & energy related activities (tonnes CO₂e)
 - Scope 3 – Category 6: Business travel (tonnes CO₂e)
 - Scope 3 – Category 11: Use of sold products (tonnes CO₂e)
 - Carbon intensity – market-based and location-based (scope 1 and 2 emissions per 100 sq.m. of legally completed build area) (tonnes CO₂e/100m²)
 - Scope 1 and 2 energy consumption (MWh)
- Reportable Injury Incidence Rate (IIR) (per 100,000 persons including sub-contractors)
- Health and Safety (Safety, Health and Environment (SHE) audit compliance) (%)
- Construction waste intensity (tonnes per 100 sq.m of legally completed build area)
- Diversion of construction waste from landfill (%)

Our competence, independence and quality control

DNV established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

To assess the Selected Information, which includes an assessment of the risk of material misstatement in the Reports, we have used Barratt Group’s Carbon Reporting Methodology 2021 for GHGs and energy (found [here](#)), the UK’s Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR) for health and safety and the construction waste definition (the “Criteria”), which can be found in Appendix A.

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Reports or on Barratt Group’s website for the current reporting period or for previous periods.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:

- Conducting interviews with Barratt Group’s management, including Group Finance, to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
- Conducting teleconferences with three divisions (Southampton, West London and Yorkshire West), to review processes and systems for preparing site level data consolidated at Group. We were free to choose the divisions on the basis of their material contribution to Barratt Group’s data;
- Performing limited substantive testing on the most significant contributors (division level), to check that their data had been appropriately measured, recorded, collated and reported;
- Reviewing that the evidence, measurements and the context provided to us by Barratt Group for the Selected Information is prepared in line with the Criteria;
- Assessing the appropriateness of the Criteria for the Selected Information; and
- Reviewing the Reports and accompanying narrative to the Selected Information in regard to the Criteria.

DNV Business Assurance Services UK Limited

London, UK
01 September 2021

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities. Our assurance relies on the premise that the data and information provided to us by Barratt Group have been provided in good faith. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Limited Assurance Report.

Responsibilities of the Directors of Barratt Group and DNV

The Directors of Barratt Group have sole responsibility for:

- Preparing and presenting the Selected information in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Selected Information that is free from material misstatements;
- Measuring and reporting the Selected Information based on their established Criteria; and
- Contents and statements contained within the Reports and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Barratt Group in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Reports.

DNV Business Assurance

DNV Business Assurance Services UK Limited is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance.
www.dnv.co.uk/BetterAssurance

Appendix A. Barratt Group's "Criteria"

The table below has been prepared by Barratt Developments PLC. It is intended to provide readers with a summary of the methodologies used by the company to prepare the Selected Information.

KPI	Definition	Methodology
Reportable Injury Incidence Rate (IIR) (per 100,000 persons including sub-contractors)	Normalised metric demonstrating reportable injuries incidences per 100,000 FTE employees and sub-contractors. The Injury Incidence Rate (IIR) is the number of reportable injuries (those reportable to the HSE as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) that occur on construction sites where we are defined as Principal Contractor (Construction Design & Management Regulations) or occur within premises under our control, in a period, per 100,000 FTE employees and sub-contractors. Any injuries that have not been included in the injury rate once publicly declared will be included in the following year's data.	Number of reportable injuries/full-time equivalent (FTE) (sub-contractors & employees) x 100,000
Health and Safety (Safety, Health and Environment (SHE) audit compliance) (%)	The percentage of internal inspections which are compliant with Safety, Health and Environmental (SHE) guidelines.	Site visits are conducted by the SHE team throughout the year. Each site is rated out of 100. The SHE audit compliance is the average score over the 12 month period.
Construction waste intensity (tonnes per 100 sq.m of legally completed build area)	<p>Normalised metric to demonstrate construction waste tonnage per 100 sq. m. of above-ground legally completed residential and commercial construction area.</p> <p>Construction waste is defined as materials or substances created as a by-product of the above-ground construction process that must be removed from the construction site and disposed of via either landfill or an alternative disposal route.</p>	Tonnes of waste removed from site per 100 sq. m. of legally completed floor area.
Diversion of construction waste from landfill (%)	Above-ground construction waste disposed of by means other than landfill.	Tonnes of waste diverted from landfill / total waste tonnage removed from site x 100