

FY22 ESG basis of reporting

06/09/2022

1 Introduction

Reporting period	1 st July 2021 to 30 th June 2022
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This document summarises the basis under which Barratt Developments PLC and its subsidiaries (together 'the Group') reports selected performance metrics linked to environmental, social and governance issues over which it obtains limited assurance. The basis of reporting for each metric in this document is applicable to all presentations of that metric for the consolidated Group in its Annual Report and Accounts, all transmissions through the Regulatory News Service and publications to its website, www.barrattplc.co.uk.

Deloitte LLP have provided independent third-party limited assurance in accordance with the International Standard for Assurance Engagements 3000 ('ISAE 3000') and Assurance Engagements on Greenhouse Gas Statements ('ISAE 3410') issued by the International Auditing and Assurance Standards Board ('IAASB') over the following ESG metrics:

Greenhouse gas (GHG) emissions and energy consumption	<ul style="list-style-type: none"> • Scope 1 GHG emissions [tCO₂e] • Scope 2 GHG emissions [tCO₂e] • Scope 1 and 2 carbon intensity [tCO₂e/100m²] • Scope 3: business travel [tCO₂e] • Scope 3: fuel & energy related activities [tCO₂e] • Scope 3: use of sold products [tCO₂e] • Scope 1 & 2 energy consumption [MWh]
Construction waste	<ul style="list-style-type: none"> • Construction waste intensity [tonnes/100m²] • Diversion of construction waste from landfill [%]
Health & safety	<ul style="list-style-type: none"> • Reportable injury incidence rate (IIR) [No. injuries per 100,000 persons incl. sub-contractors] • Health and safety (SHE) audit compliance [%]

Our Assurance Statement is publicly available on the PLC [website](#).

2 Greenhouse gas (GHG) emissions and energy consumption

For energy and GHG indicator definitions and methodology, please see the Carbon Methodology Statement available on our [website](#).

3 Construction waste

3.1 Policy

The Group waste collection data includes waste from all residential and mixed construction sites where the Group is the principal/main contractor.

It **excludes**: joint ventures where the Group is not the principal/ main contractor; Wilson Bowden Developments; the normal domestic waste created by customers when they move into their homes which is collected by local authority contractors.

It **includes**: construction sites where the Group is a principal/main contractor and where sub-contractors are undertaking construction activities.

The construction waste recorded for the reporting period is the waste removed from the Group's site or otherwise recycled or disposed of during that period.

All construction waste removed from site is weighed by the waste contractor and a collection receipt provided. Exact figures are taken from the weighed construction waste taken away from site for disposal by the approved waste management contractor. Estimates are only applied in exceptional circumstances in which the actual data is unavailable, and are approved by the Group Commercial Director.

Waste streams not being collected by the waste contractor are recorded by the buying department as follows:

- Plasterboard offcuts are removed from site by the plasterboard supplier for recycling.
- Timber waste is removed by a wood recycling charity for use in community training projects and is reported separately.

3.2 Assured metrics

3.2.1 Construction waste intensity [tonnes per 100 sq. m of legally completed build area]

Construction waste intensity is a normalised metric to demonstrate tonnage of construction waste generated per 100 sq. m. of above-ground legally completed residential construction area.

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.

Specific inclusions:

- All material discarded for removal in segregated and mixed waste areas, including waste intended for recycling, incineration or landfill
- Damaged materials
- Off-cuts
- Single use packaging

Specific exclusions:

- All waste from demolition, excavation or dredging activities

- Any materials intended for immediate re-use on site, e.g. a material offcut of a suitable size to be used elsewhere on site
- Any materials or tools (including pallets) that are to be returned directly to the supplier for resale or re-use, such as broken pallets under a collection agreement
- Waste from divisional and group offices
- Waste from the BD Living and Oregon factories
- Waste from site cabins collected by the local authority
- Waste from Wilson Bowden Development sites

Legally completed build areas in square feet are converted to square metres by multiplying by 0.092903.

Legally completed build area **includes** all habitable areas of a building and multiple floors where applicable. On certain contracts for which title to land is transferred to the customer before construction is complete, build area is recognised as completed in proportion to the construction work completed. It **excludes** outside areas such as patios, garden areas, parking and garages, sheds and other external storage areas. It **excludes** communal area such as landings and shared hallways. It **excludes** the floor area of commercial premises including those constructed by Wilson Bowden Developments.

3.2.2 Diversion of construction waste from landfill [%]

The Group defines 'Diversion from landfill' as construction waste (as defined in 3.2.1 above) with a final disposal route other than landfill. The term 'diversion from landfill' is not interchangeable with 'recycled'. Diversion from landfill encompasses many disposal routes, of which recycling is only one.

The Group's waste contractors use Environment Agency quarterly returns to calculate the overall landfill diversion percentage for each disposal site, which is then multiplied by the construction waste tonnage to that particular disposal site to give the tonnes of construction diverted from landfill. The Group then divide tonnes of waste diverted from landfill by the total construction waste tonnage removed from site and multiply by 100 to calculate the diversion from landfill %.

Specific inclusions:

- Waste composted
- Waste incinerated for energy
- Waste destroyed through mass burn
- Waste recycled or repurposed
- Waste re-used where it has first been removed from site via a waste contractor

Specific exclusions:

- All landfill waste
- Re-use items where the material or tool has been re-used on site or collected by the initial suppliers for the purpose of re-use (including pallet collection schemes)

4 Health & safety

4.1 Reportable injury incidence rate (IIR) [No. injuries per 100,000 persons inc. sub-contractors]

The IIR is the number of reportable injuries, being those reportable to the Health & Safety Executive (HSE) as required by the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013¹, that occur on construction sites where we are defined as Principal Contractor² or occur within premises under our control, in a period, per 100,000 FTE employees and sub-contractors. In exceptional circumstances where there are delays in recording an injury until after the injury rate has been publically declared, these will be included in the following reporting period.

All injuries are recorded via the Logincident App. This includes those of subcontractors, so is reliant on them reporting any injuries that occur and confirming if these are reportable under RIDDOR. Site teams input the incidents and the classification is validated by the Group SHE team who receive copies of all reports. A report of all reportable injuries in the reporting period is extracted from this system.

The average number of employees is the total number of hours worked by employees in the year divided by 37.5. Subcontractors on site are the average number of subcontracted workers on sites recorded by site managers. The sum of these two figures equals average employed (incl. subcontractors).

IIR is calculated as number of reportable injuries divided by average employed (incl. subcontractors) multiplied by 100,000 persons.

4.2 Health and safety (SHE) audit compliance [%]

SHE audit compliance is the average score achieved by the Group's sites in the reporting period, expressed as a percentage of the maximum score attainable, in a standardised site survey documenting compliance with Group SHE policy.

Site visits are conducted by the SHE team, independent of the site team, throughout the year, with an aim of visiting every site on a monthly basis. The SHE audit compliance is the mean score over the 12 month period to the reporting date.

Sites are scored out of a total of 100 across criteria covering the completeness of safety documentation; the adherence of site activities to SHE policy; and the implementation of measures to address the principal health and safety risks. Each site is then assigned a risk rating factor, which is applied against the overall score to give a final score, reflecting the complexity and size of the development, as follows:

- Standard Scheme – 50 or less operatives on site x 1.0
- Medium Output – 51 - 150 operatives on site x 1.015

¹ <https://www.hse.gov.uk/riddor/>

² As defined in Construction Design & Management (CDM) Regulations 2015, a principal contractor is the contractor with control over the construction phase of a project involving more than one contractor.

- High Output – 151 or more operatives on site x 1.025

All reports need to be actioned by the site team, but if a final score of 90% or below is recorded, an action plan must be agreed between the Managing Director and SHE Manager to address any management failures and prevent a reoccurrence

SHE audit compliance **includes** all housebuilding divisions, but **excludes** non-housebuilding business units such as BD Living and Oregon.