

Independent Limited Assurance Report to the Board of Directors of Barratt Developments Plc

Independent Limited Assurance Report by Deloitte LLP to the Board of Directors of Barratt Developments Plc (the “Company”) on the description of activities undertaken to meet the Recommendations of the Task Force on Climate-Related Disclosures (“TCFD”) and selected Environmental, Social and Governance metrics (“Selected ESG metrics”) (together the “Selected Information”) within the Annual Report for the reporting year ended 30 June 2023.

What we found: Our assurance conclusion

Based on our procedures described in this report, and evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information, as presented on pages 80-97 and 239 of the Annual Report, for the year ended 30 June 2023, and as listed below, has not been prepared, in all material respects, in accordance with the Applicable Criteria defined by the Directors.

What we looked at: Scope of our work

Barratt Developments Plc has engaged us to provide independent limited assurance in accordance with International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (“ISAE 3000 (Revised)”) and the International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Emissions* (“ISAE 3410”), issued by the International Auditing and Assurance Standards Board (“IAASB”) and our agreed terms of engagement.

The Selected Information includes the Selected ESG metrics listed in the table below and indicated with a * in the Annual Report, and the TCFD as disclosed on pages 80-97 in the Annual Report.

Selected ESG Metrics	Unit of Measurement	Reported Value
Scope 1 emissions	tCO ₂ e	23,580
Market based Scope 2 emissions	tCO ₂ e	1,329
Location based Scope 2 emissions	tCO ₂ e	5,515
Selected Scope 3 emissions categories: Category 3: Fuel and energy related activities Category 6: Business travel Category 11: Use of sold products	tCO ₂ e	6,234 4,016 1,217,738
Scope 1 and 2 market based carbon intensity	Tonnes CO ₂ e/100m ² legally completed build area	1.60
Scope 1 and 2 location-based carbon intensity	Tonnes CO ₂ e/100m ² legally completed build area	1.86
Scope 1 energy consumption (MWh)	MWh	110,996
Scope 2 energy consumption (MWh)	MWh	28,722
Reportable Injury Incidence Rate (IIR)	Per 100,000 persons (including subcontractors)	289
Health and Safety (Safety, Health and Environment (SHE) audit compliance)	%	96
Construction waste intensity	Tonnes per 100m ² legally completed build area	4.31
Diversion of construction waste from landfill	%	96

Construction waste intensity	Tonnes per 100m ² house build equivalent area	4.34
Average Dwelling Emission Rate (DER) of homes completed	Kg CO ₂ e/m ² /year	16.02

The Selected Information, as set out above, needs to be read and understood together with the Applicable Criteria which:

- For the Selected ESG metrics, are defined within the Basis of Reporting prepared and published by Barratt Developments PLC at <https://www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications>
- For the TCFD disclosures, is Section C of the TCFD Annex¹ entitled 'Guidance for all sectors'.

The Selected Information is reported on a group basis and therefore reflects information provided by both the Company and its subsidiaries.

Inherent limitations of the Selected Information

We obtained limited assurance over the preparation of the Selected Information in accordance with the Applicable Criteria. Inherent limitations exist in all assurance engagements.

Any internal control structure, no matter how effective, cannot eliminate the possibility that fraud, errors or irregularities may occur and remain undetected and because we use selective testing in our engagement, we cannot guarantee that errors or irregularities, if present, will be detected.

The self-defined Applicable Criteria, the nature of the Selected Information, and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

Our engagement provides a limited assurance report over the preparation of the Selected Information in accordance with the Applicable Criteria. TCFD as applied by all companies includes information based on climate-related scenarios that are subject to inherent uncertainty because of incomplete scientific and economic knowledge about the likelihood, timing, or effect of possible future physical and transitional climate-related impacts. The scope of our engagement and our responsibilities do not involve us performing work necessary for any assurance on the reliability, proper compilation or accuracy of the prospective information provided as part of the TCFD scenario analysis and transition plans.

The Applicable Criteria is internally generated by Barratt Developments Plc. We draw your attention to the following specific limitations:

- The Reportable IIR metric is derived from reported injuries relating to employees and subcontractors. As a result, our testing may not identify misstatements relating to completeness, for example in instances where injuries may have occurred but have not been reported.
- The SHE Audit Compliance metric involves an inherent level of judgement regarding the allocation of compliance and site-level risk ratings. As a result, our procedures did not include validation that compliance and site-level risk rating allocations made by management are appropriate.

¹ [Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures](#)

Directors' responsibilities

The Directors are responsible for preparing an Annual Report which complies with the requirements of the Companies Act 2006 and for being satisfied that the Annual Report, taken as a whole, is fair, balanced and understandable.

The Directors are responsible for:

- Selecting and establishing the Applicable Criteria.
- Preparing, measuring, presenting and reporting the Selected Information in accordance with the Applicable Criteria.
- Publishing the Applicable Criteria publicly in advance of, or at the same time as, the publication of the Selected Information.
- Designing, implementing, and maintaining internal processes and controls over information relevant to the preparation of the Selected Information to ensure that they are free from material misstatement, including whether due to fraud or error.
- Providing sufficient access and making available all necessary records, correspondence, information and explanations to allow the successful completion of the Services.

Our responsibilities

We are responsible for:

- Planning and performing procedures to obtain sufficient appropriate evidence in order to express an independent limited assurance conclusion on the Selected Information.
- Communicating matters that may be relevant to the Selected Information to the appropriate party including identified or suspected non-compliance with laws and regulations, fraud or suspected fraud, and bias in the preparation of the Selected Information; and
- Reporting our conclusion in the form of an independent limited Assurance Report to the Board of Directors.

Our independence and competence

In conducting our engagement, we complied with the independence requirements of the FRC's Ethical Standard and the ICAEW Code of Ethics. The ICAEW Code is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We applied the International Standard on Quality Management (UK) 1 ("ISQM (UK) 1"), issued by the Financial Reporting Council. Accordingly, we maintained a comprehensive system of quality including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

What we did: Key procedures

We are required to plan and perform our work to address the areas where we have identified that a material misstatement in respect of the Selected Information is likely to arise. The procedures we performed were based on our professional judgment.

In carrying out our limited assurance engagement in respect of the Selected Information, we performed the following procedures:

- Evaluated the suitability of the Applicable Criteria as the basis for preparing the Selected Information.
- Considered the risks of material misstatement of the Selected Information, including performing analytical procedures.
- Through inquiries of management, obtained an understanding of Barratt Developments Plc, its environment, processes and information systems relevant to the preparation of the Selected Information sufficient to identify and assess risks of material misstatement in the Selected Information, and provide a basis for designing and performing procedures to respond to assessed risks and to obtain limited assurance to support a conclusion.
- Through inquiries of management, obtained an understanding of internal controls relevant to the Selected Information, the quantification process and data used in preparing the Selected Information, the methodology for gathering qualitative information, and the process for preparing and reporting the Selected Information. We did not evaluate the design of particular internal control activities, obtain evidence about their implementation or test their operating effectiveness.
- Through inquiries of management, documented whether an external expert has been used in the preparation of the Selected Information, then evaluated the competence, capabilities and objectivity of that expert in the context of the work performed and also the appropriateness of that work as evidence.
- Inspected documents relating to the Selected Information, including board committee minutes, to understand the level of management awareness and oversight of the Selected Information.
- Conducted site visits at a sample of sites, selected on a judgemental basis to determine consistency in understanding and application of the Applicable Criteria.
- Read the narrative accompanying the Selected Information with regard to the Applicable Criteria, and for consistency with our findings; and
- Accumulated misstatements and control deficiencies identified, assessing whether material.

In relation to the TCFD only, we:

- Reviewed documentation relating to the governance, strategy and financial planning and risk management processes.
- Interviewed those responsible within the organisation to understand:
 - The role of the Board in relation to climate-related risks and opportunities and management's role in assessing and managing climate-related risks and opportunities;
 - The nature of climate-related risk and opportunities identified including time horizons; the impact of climate-related risks and opportunities on the business, strategy and financial planning; and the impact of identified and considered climate scenarios on the strategy; and
 - The process for identifying climate-related risks; the process for managing climate-related risks; and how these processes are integrated into the overall risk management; and
- Evaluated and reviewed the TCFD disclosure for consistency of knowledge and understanding obtained during course of our work.

In relation to the Selected ESG metrics only, we:

- Performed enquiries and interviews with management to understand how the Applicable Criteria were applied in the preparation of the Selected ESG Metrics;
- Performed procedures over the Selected ESG Metrics, including, the recalculation of relevant formulae used in manual calculations and assessment of whether the data has been appropriately consolidated.

- Performed procedures over underlying data on a statistical sample basis to assess whether the data has been collected and reported in accordance with the Applicable Criteria, including verifying to source documentation.
- Performed procedures over the Selected ESG Metrics including assessing management's assumptions and estimates.

We were not engaged to and did not perform the following procedures as part of our assurance work:

- An assessment as to if the activities undertaken, as described in the TCFD disclosures, fulfil the requirements to comply in full with TCFD.
- An assessment as to the appropriateness of assumptions made including those made in preparation and application of climate scenarios and setting of targets.

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. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Use of our report

This report is made solely to the Board of Directors of Barratt Developments Plc in accordance with ISAE 3000 (Revised) and ISAE 3410 and our agreed terms of engagement. Our work has been undertaken so that we might state to the Board of Directors of Barratt Developments Plc those matters we have agreed to state to them in this report and for no other purpose.

Without assuming or accepting any responsibility or liability in respect of this report to any party other than Barratt Developments Plc and the Board of Directors of Barratt Developments Plc, we acknowledge that the Board of Directors of Barratt Developments Plc may choose to make this report publicly available for others wishing to have access to it, which does not and will not affect or extend for any purpose or on any basis our responsibilities. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Barratt Developments Plc and the Board of Directors of Barratt Developments Plc as a body, for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

Deloitte LLP

London

5 September 2023