BARRATT DEVELOPMENTS PLC

What Matters Most

Our Materiality Report 2024

What Matters Most

To identify and prioritise the issues that matter most to our stakeholders and our business, we analyse our stakeholders' expectations as well as the social, environmental and economic impacts along our value chain in a materiality analysis.

Read more about our strategy and commitments:

Annual Report and Accounts

https://www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/publications

Building Sustainably

https://www.barrattdevelopments.co.uk/building-sustainably/our-sustainability-framework

"As the expectation on businesses to respond to societal change reaches unprecedented levels, it is imperative that we keep our sustainability strategy current and impactful by listening to our stakeholders and understanding the challenges and opportunities ahead of us. Only by adapting and innovating can we meet the demands of today whilst ensuring a resilient future."

David Thomas, CEO

How Materiality Has Shaped Our Strategy

We undertake a review of our strategy every 3-4 years[1]. At the core of this is a materiality assessment whereby we evaluate the relative importance of key sustainability issues to our stakeholders. This ensures our strategy focusses on what matters most and is future-proofed and focused on building long-term value.

2014	2016		2019		2021		2024
First materiality exercise carried out with internal stakeholders and suppliers	Refreshed materiality exercise with over 300 internal and external stakeholders	Sustainability framework 2016 – 2020 published	Materiality re-assessment	Sustainability framework 2020+ published	Horizon scanning and deep dive analysis of key issues Internal and external stakeholder engagement	Building Sustainably framework published	Materiality assessment Customer insight SWOT analysis

Annually

- Benchmarks and indices
- Regulatory reviews
- Press and media analysis
- Continuous stakeholder engagement
- Policy engagement – see here for further detail

The objectives of our latest materiality assessment were to:

- Achieve a formally ratified list of material topics to feed into the ongoing evolution of our sustainability strategy so it continues to be focused, efficient and relevant;
- Explore and articulate stakeholders' positions and considerations for Barratt's future strategy development.

[1] Unless there are significant changes to our business model or external drivers.

How We Gathered Insight

Materiality Assessment

63
suppliers

1,802
customers

2,462
consulted through interviews and online questionnaires

576
employees

21
other stakeholders including academics, landowners and industry peers

Plus desktop research of industry and academic sources

+

SWOT analysis

+

Regulatory review

"Involve the supply chain early-on in your strategy development to ensure they are able to contribute to the success of the project."

- SUPPLIER

The insight we have gathered will be used in a number of ways

Develop proposals – to evolve the sustainability framework, setting targets and long-term ambitions against material issues.

To identify how we future proof the business through prioritisation, innovation, investment and regulatory compliance.

For reporting purposes – to ensure our disclosures are focused, targeted and relevant.

To define which areas of policy advocacy to focus on.

"We should be leading the way, not merely doing what we need to, we should be doing everything that we can. Industry is moving too slowly when urgent action is required."

- OFFICE-BASED EMPLOYEE

Final Material Issues

There has been an evolution in the material issues as perceived by stakeholders with existing issues redefined and new issues emerging.

Output from 2019 materiality assessment

1. Our approach to **health and safety**
2. Promoting the **physical and mental wellbeing** of our employees
3. The **energy use and carbon emissions** of our operations
4. **Waste** created by our operations
5. Our **innovation**
6. How we **recruit and retain** the best talent
7. The **development and training** of our employees
8. How we are creating **opportunities for young people**
9. How we are **engaging with our employees**
10. The **lifetime environmental performance** of the homes and buildings we build
11. **Affordability** of the homes we build
12. Having an energy **efficient and low carbon supply chain**

In the latest analysis we have seen an increase in social, strategic and systemic issues from a predominantly operational focus in 2019 as well as a stronger focus on key enablers for our strategy.

Environment
- Nature in our value chain
- Innovation and managing energy efficient and carbon across our value chain
- Sustainable homes
- Resource efficient home design and operations
- Positive landscape development*
- Protect and enhance local eco systems*
- Water risk in value chain*

Society
- Health and safety
- Sector skills investment
- Diverse, inclusive and rewarded talent pool

Governance
- Climate related operational and systemic risks
- Supply chain capacity, security and responsibility*
- National policy and infrastructure advocacy*

*New material issues

We also observed a number of common perspectives on our approach:

We have a role to play in ensuring that responding to **social need** is as important as environmental impact whilst ensuring our **strategic priorities** are focused.

Clarity of communications, particularly **customer-centric** and **thought leadership** are key opportunities.

We must **"walk-the-walk"** in all areas of the business so that sustainability in practice day to day is visible.

We are a **mature sustainability practitioner** and **resilient** in face of uncertainty.

Regulatory Review

We conducted a detailed review of sustainability regulations and voluntary standards more broadly, recognising that the housebuilding sector continues to face significant sustainability related legislative and policy requirements. Alignment to and clarity on the Future Homes Standard is a major priority. Additionally, the evolution in best practice frameworks is expected to shape legislation in the short to medium term. In particular:

Disclosure requirements:

Sustainability Disclosure Requirements (SDR) incorporate international best practice sustainability reporting standards. New and standardisation of reporting requirements will impact Barratt, and further focus will be placed on sustainability data.

Embodied carbon:

Standardisation of building embodied carbon measurement methods and target standards.

Nature and land-use change:

New standards for measuring GHG emissions from land-use change and the financial impact of nature could deepen typical sustainability reporting.

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