Group Sustainability

Aspire Session 9am

BARRATT DEVELOPMENTS PLC

New Lubbesthorpe, Leicester

TODAYS AGENDA

MORNING SESSION

- Meet the team
- Context and drivers
- Creating value for stakeholders
- Our refreshed framework
- Current focus areas

STAKEHOLDER ENGAGEMENT TASK

Stakeholder Engagement

- Who are our most important stakeholders and why?
- How best to engage?

AFTERNOON SESSION

- Waste Wise Plastic Update
- Feedback and discussion on the task.
- Closing Remarks

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CONTEXT

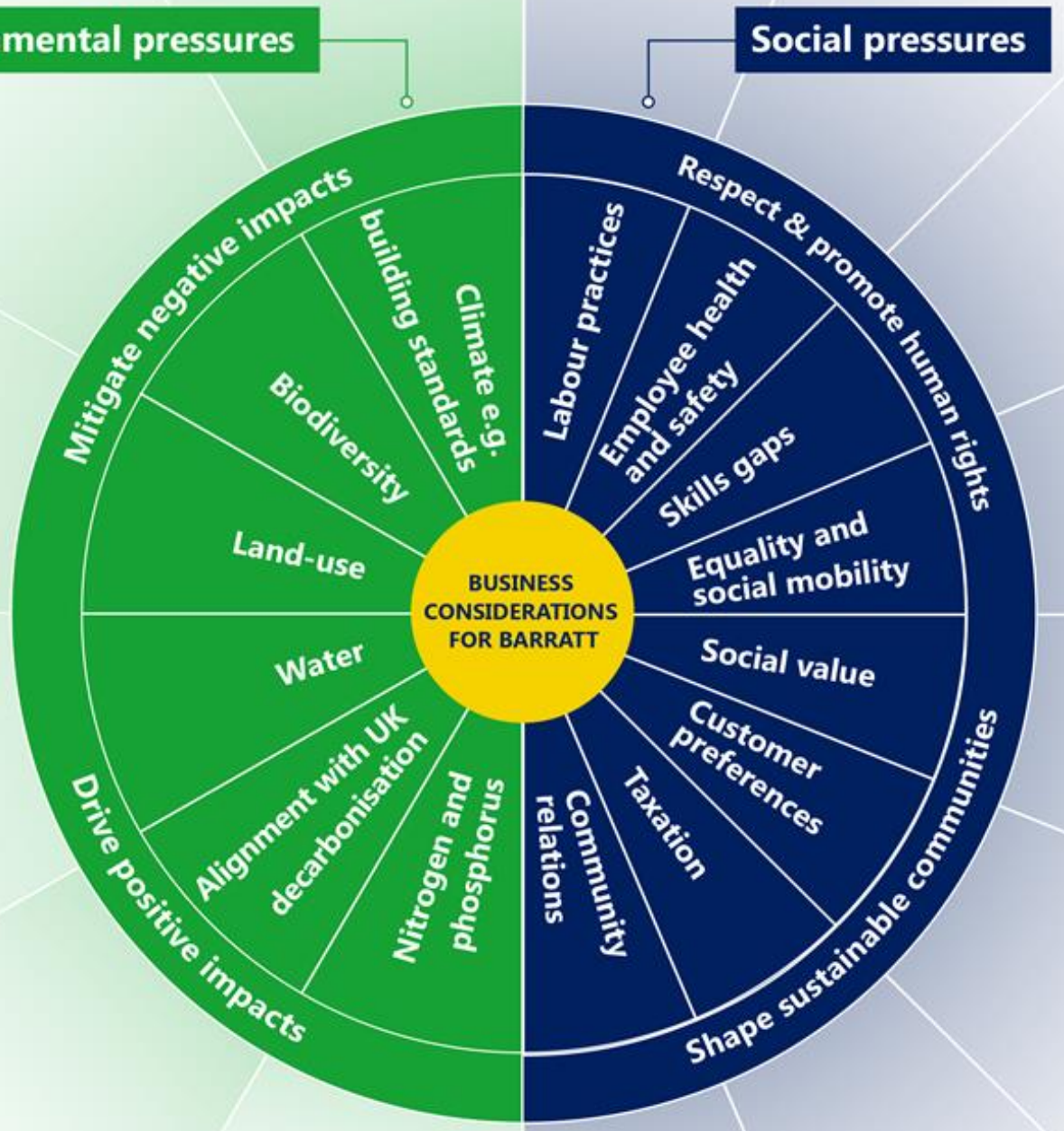
"BE A PART OF THE SOLUTION Not PART OF THE Pollution"

Doncaster, November 2019

THE TIME TO ACT IS NOW

Unprecedented change in housebuilding sector due to the alignment of several key factors:

- Heightened government agenda
- International climate conference – COP26, Glasgow November 2021
- Stakeholder demands
- Early action for supply chain readiness



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ENVIRONMENTAL AND SOCIAL LEGISLATION AND DRIVERS

0-3 YEARS

- Future Homes Standard (& Building Regs Part L 2020 changes)
- The UK Environment Bill
- Local Biodiversity Net Gain policy
- Climate Related Disclosures (TCFD)
- Combustion vehicle ban
- Plastic Packaging Tax
- Red diesel
- The London Plan

3+ YEARS

- Defra 25 year plan
- The Planning White Paper
- Water legislation
- National Planning Policy Framework

ACCELERATING TRENDS

- Changing customer preferences
- Social mobility
- Carbon pricing

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STAKEHOLDER ENGAGEMENT

- Customers
- Colleagues
- Suppliers
- Investors
- Government
- Competitors
- Leading experts

Department for Education

Department for Business, Energy & Industrial Strategy

FUTURE HOMES TASK FORCE

appg Net Zero All-Party Parliamentary Group

COP 26 GLASGOW

INVESTORS

INVESTOR INTEREST AT ITS HIGHEST

Dramatic sustainable fund growth: £109.2bn in Q4

ESG priority for 77% millennials

30% of our investors asked for details on climate risk

- Investor interest in sustainability has significantly increased in recent times.
- Businesses which are strong on sustainability can avoid risks, reduce future costs and also drive growth through opportunities.
- The current generation of investors has different attitudes to climate change and social issues than their predecessors.

CUSTOMER PREFERENCES

- Greater importance of outside space and access to greenspace
- Connectivity and active travel options
- Energy efficient homes

PHYSICAL ENVIRONMENT THAT PROMOTES WELLBEING	REDUCED RUNNING COSTS DUE TO ENERGY EFFICIENCY	ELECTRIC VEHICLES

POTENTIAL BUYERS WILLING TO PAY
<£5K TO MAKE HOMES CHEAPER TO RUN

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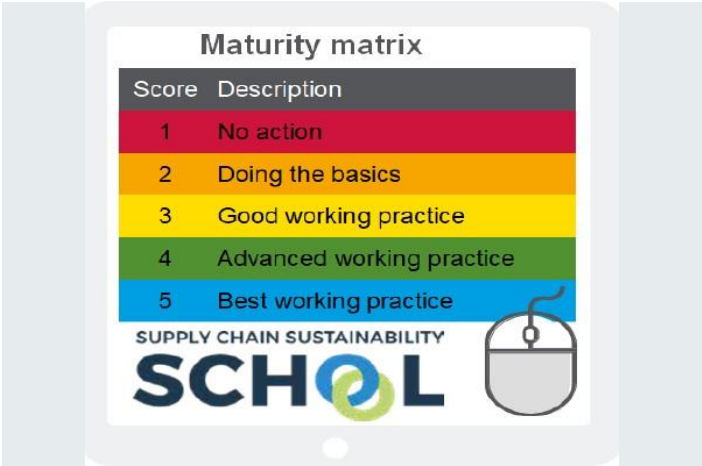
SUPPLY CHAIN



- Supplier maturity matrix
- Quality data
- Innovation and knowledge

- Oregon acquisition in 2019
- 30% of homes to be built through offsite methods by 2025

- Collaboration
- Supplier trials
- Working groups

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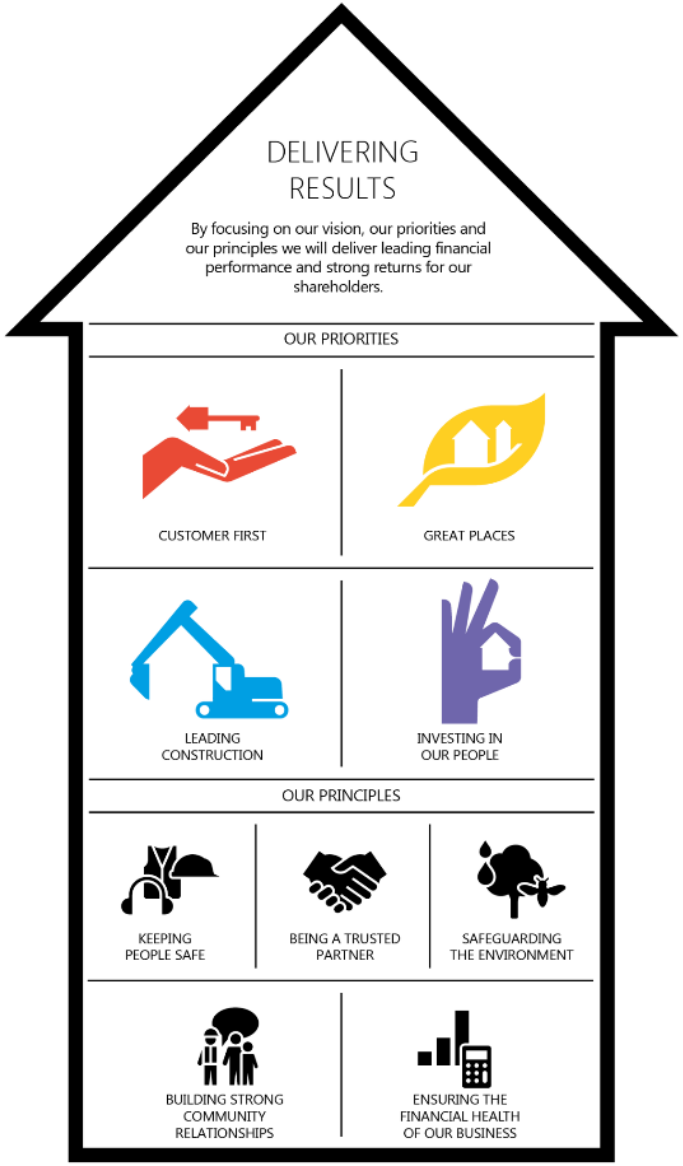
THE IMPORTANCE OF OUR CLEAR AND UNIFYING PURPOSE

- Delivering our priorities and principles
- Sustainability creates long term value for the business
- Focus on measurable targets to deliver what matters most for stakeholders

OUR PURPOSE
To lead the future of housebuilding by putting customers at the heart of everything we do



5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2020 HOME BUILDERS FEDERATION

BUILT FOR LIFE

NHBC Pride in the Job

Living Wage Employer

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APPROACH TO REFRESH OUR SUSTAINABILITY FRAMEWORK

2019 materiality survey

Please enter own data here. Data removed for confidentiality purposes

Carbon	Health, safety, wellbeing
Waste	Recruit & retain
Innovation	Development
Supply chain	Creating opportunities
Lifetime of homes	Employee engagement
Affordability	

Sustainability Framework 2020

- Horizon scanning
- Socio-economic issues
- Material issues from stakeholders
- Response to COVID-19
- Current and emerging legislation

Gap analysis

Building Sustainably

- Environment
- Communities
- People

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Building Sustainably

Key enablers

- Sustainable Sourcing
- Stakeholder Engagement:
  - Colleagues
  - Customers
  - Policy influencing
- Trust & Transparency
- Innovation

Environment

Biodiversity
- Biodiversity net gain

Resilience
- Protect natural resources and ensure resilience to future climate change risks

Resources
- Construction waste intensity
- Diversion of construction waste from landfill
- Water use in homes
- Timber certified for net zero deforistaton

Carbon
- Scope 1 & 2 (operational) carbon emmissions
- Scope 3 (indirect) carbon emmissions
- Renewable electricity
- Car fleet free of combustion engines
- Zero carbon homes
- Modern methods of construction

Communities

Placemaking
- Great Places standards for placemaking
- Single use plastics in marketing

Affordability
- Green mortgages for customers and green finance products for business

People

Human Rights
- Modern slavery and human rights, including living wage employer

Our People
- Employee engagement, turnover and training
- Support for disadvantaged groups and opportunities for young people
- Female and BAME representation

Keeping People Safe
- Injury incidence rate
- Average absence rate
- Health and wellbeing programmes

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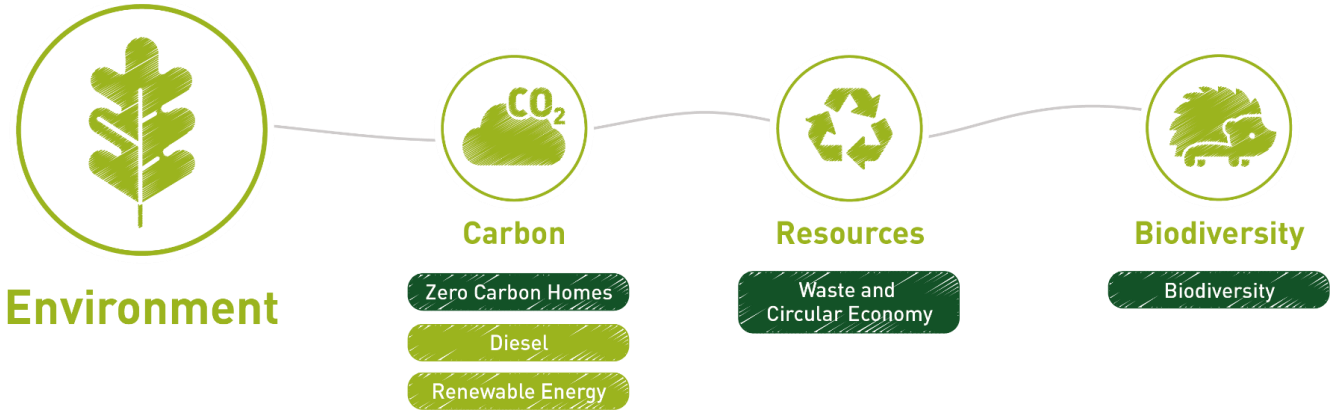
GOALS & TARGETS: ENVIRONMENT



Environment

- Eliminate fossil fuels from operations
- Protect natural resources
- Business resilience to climate risks

- Science Based carbon emission targets
- New homes zero carbon from 2030
- Net positive impact for biodiversity
- 20% reduction in waste by 2025

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GOALS & TARGETS: COMMUNITIES

Communities

- Provide a positive legacy
- Promote sustainable living
- Unlock green lending products

- Promote Great Places guidance more widely including with external audiences
- Continue to adapt to emerging focus areas and incorporate into placemaking design.

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GOALS & TARGETS: PEOPLE

People

- Enhance health, safety and wellbeing for all
- High quality labour standards & human rights
- Investing in development & success

- Aim for 100% of new developments to include socio-economic footprint assessments, and include indicators for mental health, wellbeing and social cohesion.

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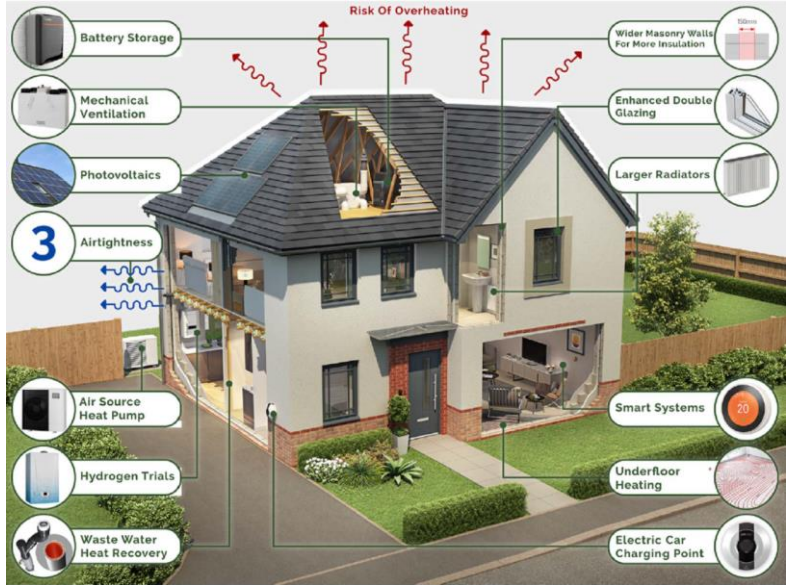
CURRENT PRIORITIES: WASTE, DIESEL, BIODIVERSITY AND ZERO CARBON HOMES



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WASTE

Construction, demolition and excavation waste is responsible for approximately 60% of all UK waste.

FOCUS

- By FY26 Reduce construction waste intensity by 20% from 2015 levels (5.67 tonnes / 100m2).
- Maintain diversion from landfill rate at 95% for construction waste.
- Packaging - design out & reduce
- Eliminate single-use plastics

DIESEL

Diesel makes up 60% of Barratt's operational emissions (this mostly comes from Telehandlers)

FOCUS

Reduce by:

- Early grid connections operational carbon emissions by 29% from 2018.
- Trial hydro treated vegetable oil (HVO) as an alternative fuel.
- Rightsized generators

BIODIVERSITY

The UK is currently placed 12 lowest out of 240 countries and territories worldwide for biodiversity intactness, retaining only half of its biodiversity.

FOCUS

- Create a net positive impact for ecology and biodiversity across all developments that we progress through planning.

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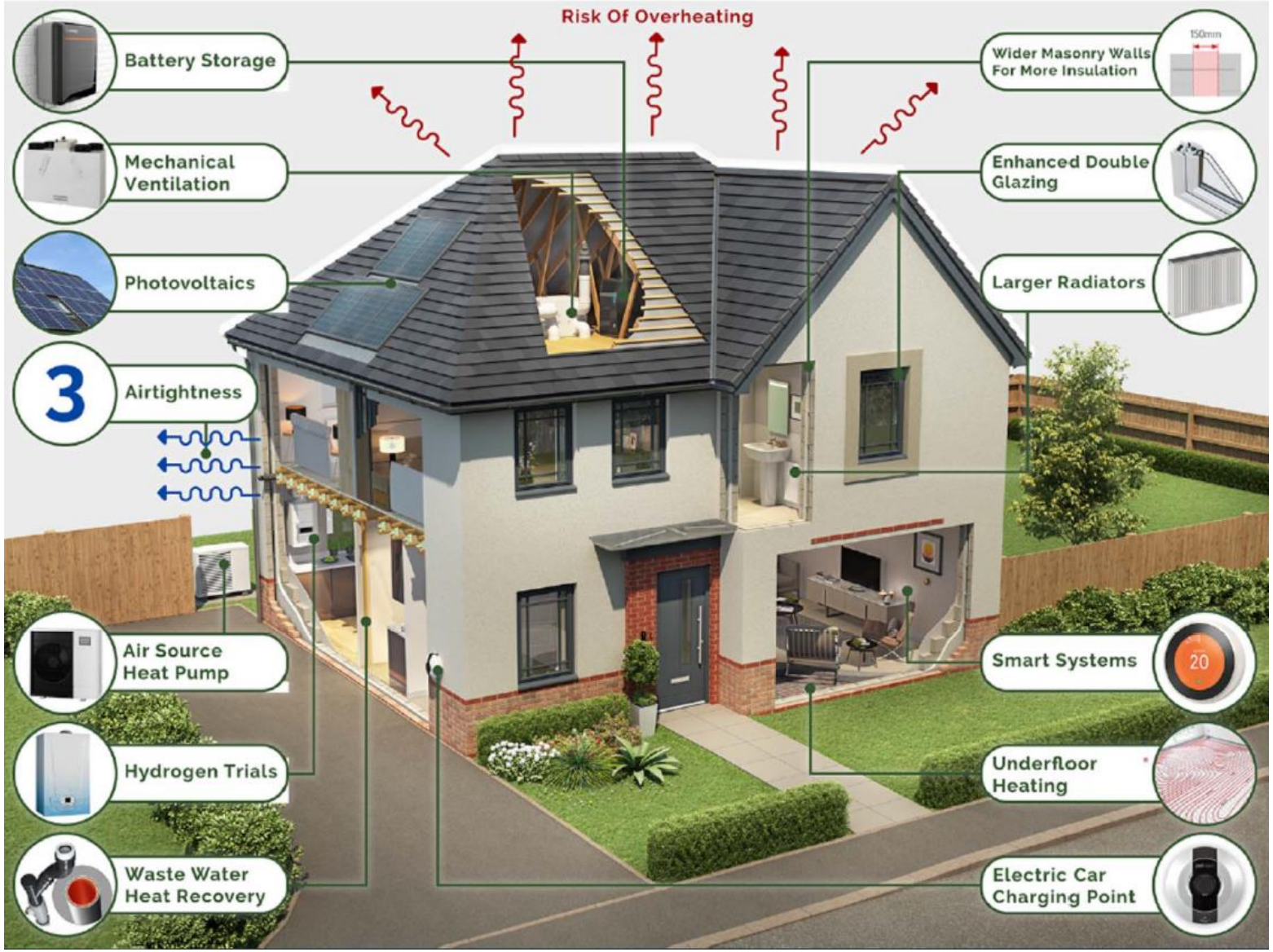
ZERO CARBON HOMES



FOCUS

Group Design and Technical are the driving force behind Barratt's target to build zero carbon homes from 2030

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THE TASK- GROUP ALLOCATION

Group A	Group B

THE TASK

Objective:
Identify and discuss key themes and priorities for stakeholder engagement.

Questions:

- Consider the range of your stakeholders and rank them in order of importance to creating a positive legacy of sustainability.
- With the ranking in mind, suggest initiatives we could look at to best engage the top two stakeholders you have listed.

Action:

1. Working in each team, collect your thoughts ready to input into this afternoon's session – 1 slide each
2. Select a representative to present back
3. We will then have a group discussion about the most effective strategy for stakeholder engagement.

Any Questions?

See you this afternoon!

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Fairfield Croft, York