

Housing Market Intelligence Conference

16 November 2020

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Barratt Developments PLC



BARRATT
DEVELOPMENTS PLC

New Lubbethorpe, Leicester

A year in review



Sustainability at Barratt

A lasting legacy for future generations

Creating value for stakeholders

A clear strategy and delivery plan

Making change happen



**A LASTING LEGACY:
PURPOSE LED
ORGANISATIONS**

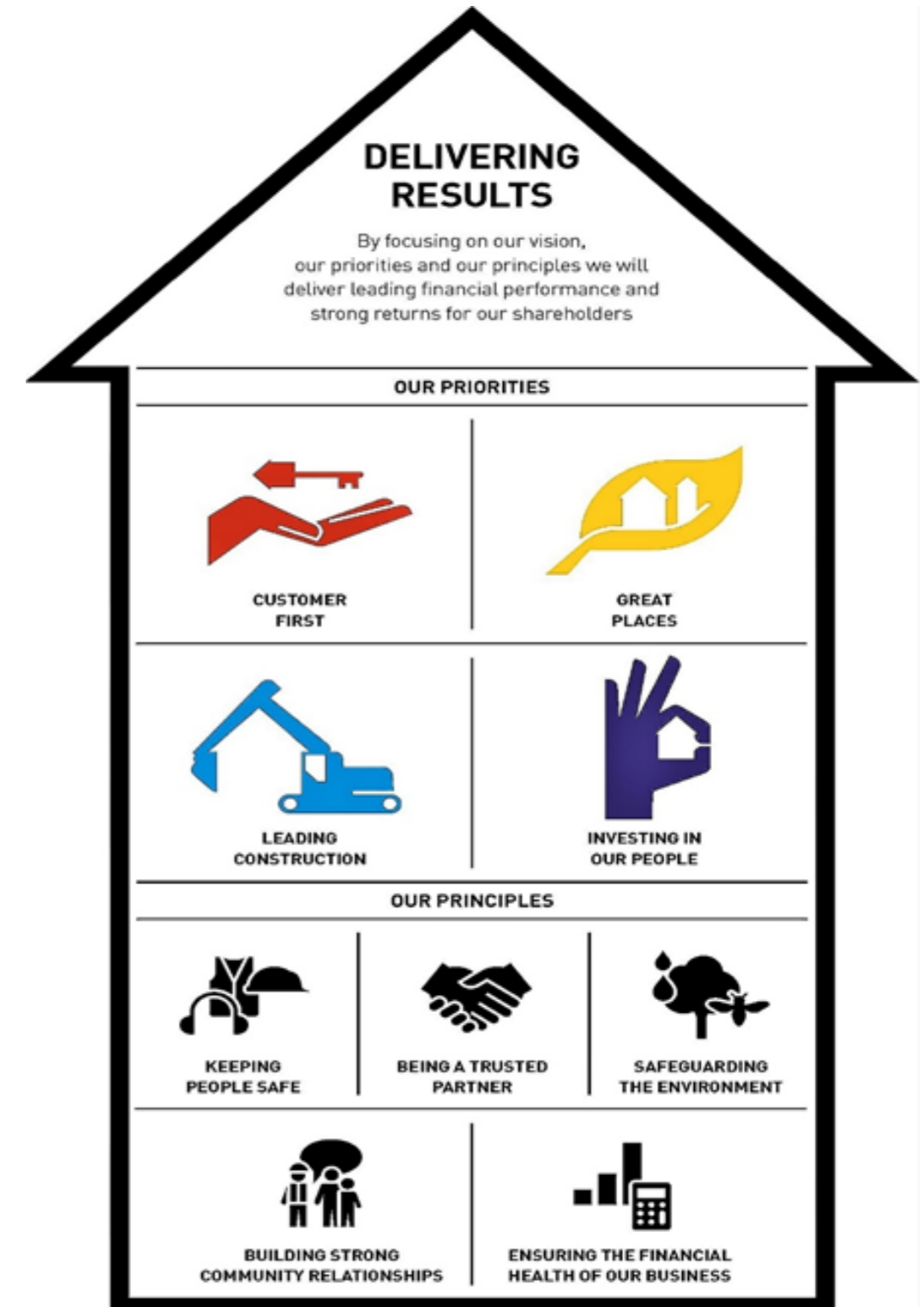
The importance of our clear and unifying purpose

- Leading national sustainable housebuilder
- 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





**CREATING VALUE FOR
STAKEHOLDERS**

Creating value for stakeholders

- Barratt's 2019 materiality survey found internal and stakeholder alignment on many issues:
 - ✓ Evolving customer preferences
 - ✓ Government policy, local authority requirements, legislation
 - ✓ Investor expectations
 - ✓ Supplier partnerships

Evolving customer preferences

- Flexible living space, green spaces, digital
- Greater agility to create interconnected communities: health and wellbeing, sustainable transport
- Corporate accountability



Government and sector collaboration

- Climate moving up government agenda: within Number 10 and across departments
- Labour's Green Economic Recovery Report
- BEIS Economic Recovery Taskforce
- COP26 focus – part of COP26 Business Leaders
- APPG Net Zero – Decarbonisation Report
- HBF Future Homes Taskforce



What investors are telling us

- An understanding of specific **business impacts** and **materiality** - essential to help gauge risk
- A need for **benchmark unification**
- A clear **strategy and plan** to address these impacts

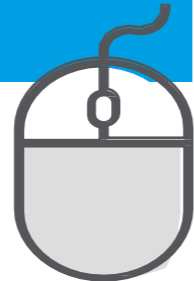
Supplier partnerships and the supply chain

- Supplier maturity matrix
- Good quality data
- Innovation and knowledge
- Acquired Oregon Timber Frame Ltd in 2019
- Committed to 25% of homes to be built through offsite methods by 2025

Maturity matrix

Score	Description
1	No action
2	Doing the basics
3	Good working practice
4	Advanced working practice
5	Best working practice

SUPPLY CHAIN SUSTAINABILITY
SCHOL





A CLEAR STRATEGY & DELIVERY PLAN

Our Sustainability Framework

BUILDING EXCELLENCE

Sustainability Framework 2020+

Our ambition is to be the leading national sustainable housebuilder



BARRATT
DEVELOPMENTS PLC

SUSTAINABLE DEVELOPMENT **GOALS**



Riverside Quarter, Aberdeen. RSPB Nature of Scotland award winner.

Keeping people safe and healthy

Innovative, efficient construction

Attracting, inspiring and retaining people

Sustainable places to live

Sustainable and responsible sourcing

Our carbon footprint

Value chain emissions

65%
supply
chain

<1%
direct
emissions

34%
homes
in use

Science based
target reductions

24% per m²

29% per m²

Zero Carbon

by 2030

by 2025

from 2030

Some key environmental targets





- ✓ **Net zero** carbon in own operations by 2040
- ✓ New standard **homes zero carbon** from 2030
- ✓ **Science-based** carbon targets for Scope 1, 2, 3
- ✓ 25% **offsite** methods by 2025
- ✓ 100% of own electricity **renewable** by 2025
- ✓ Net positive impact for **biodiversity** from 2020 onwards.







Our continued aim is to be the **leading national sustainable housebuilder.**

The path to future homes

30% REDUCTION

- 1 Improved insulation 
- 2 Efficient services (e.g. boiler) 
- 3 Heat recovery (e.g. flue gas, waste water) 
- 4 Natural ventilation 

80% REDUCTION

- 5 Improved airtightness 
- ? 6 Mechanical ventilation with heat recovery 
- ? 7 Renewable technology (e.g. heat pumps, PV panels) 
- ? 8 No gas boiler (green electricity / storage) 

100% REDUCTION

- ? 9 Advanced glazing 
- ? 10 Smart home technology 
- ? 11 Emerging technology (e.g. fuel cell) 

Possible future solutions





**MAKING CHANGE
HAPPEN**

Enabling transformation

- Government policy
- Organisational culture and passion

Policy influence



Clear, long-term roadmap



Unlock the supply chain



Raise public awareness



Address skills shortages

- Common language and definitions
- One national standard
- Outcomes, not solutions
- Commitment to deliver across government cycles



Policy influence



Clear, long-term roadmap



Unlock the supply chain



Raise public awareness



Address skills shortages

- Research and development
- Provide right financial stimulus package
 - Direct incentives for supply chain to develop low carbon materials, products and services
 - Link incentives to outcomes, not specific technologies or solutions
 - Align with retrofit solutions to generate scale where practical



Policy influence



Clear, long-term roadmap



Unlock the supply chain



Raise public awareness



Address skills shortages

- Public/Consumer awareness campaign
 - Behaviour change
 - Home management education
- Government and Treasury support for Green Mortgages



Policy influence



Clear, long-term roadmap



Unlock the supply chain



Raise public awareness



Address skills shortages

- Ambitious green job creation and workforce reskilling
- Incentives to scale up renewable technology and industry through apprenticeships and programmes
- Further Education curriculum, working with industry experts and employers
- Funding e.g. retraining of trades



THE NET ZERO DECARBONISATION REPORT PUTTING NET ZERO AT THE HEART OF UK POLICY

Key Findings and Recommendations



November 2020

Organisational culture and passion

- Clear purpose
- Senior leadership
- Simple and focused
- Build ownership within the business
- Connect and collaborate with supplier partners
- Align with culture and values



At Barratt:

- ◆ Passion to do the right thing
- ◆ Practical and durable solutions
- ◆ Regular drumbeat of communications

Leading national sustainable housebuilder

- The right legacy for future generations
- Creating value for all stakeholders
- A clear sustainability strategy and delivery plan

Thank you.

