Board of Directors and Company Secretary

Our Board

Focused on promoting the success and long-term sustainable value of the Group.

S Corporate Governance F

Board Skills and experience

All Directors are expected to devote the necessary time to fulfil their responsibilities and duties to the Company, with the highest standards of integrity. Each Director has demonstrable experience, skills and knowledge which complement the skills and experience of other Board members and enhance Board effectiveness.

A summary of the Directors' skills is set out on this page, with further details together with their previous experience on pages 104 and 105.

Skill	Total
Housebuilding	3
Property Industry	4
Retail	5
Public Policy	5
Marketing	3
Governance	8
Finance/Accounting	7
Legal	1
Employment/HR	3
Sustainability	6
Digital	5
Financial services	3

Board of Directors and Company Secretary continued

A. Caroline Silver
Chair

N R

Appointed:

Caroline joined the Board on 1 June 2023, succeeding John Allan as Non-Executive Chair on 30 June 2023. She became Designated Non-Executive Director for Workforce Engagement in July 2023.

Skills and qualifications:

Caroline brings a wealth of knowledge and experience to the Board across a number of commercial, financial, investment banking, governance and board leadership roles. Caroline was Chair of PZ Cussons PLC until 31 March 2023 and was Non-Executive Director of Meggitt PLC and M&G PLC. She served on the Board of the London Ambulance Service NHS Trust and as a trustee of the Victoria and Albert Museum. She spent over 30 years in the investment banking sector, holding senior corporate finance and M&A positions at Morgan Stanley and Merrill Lynch, and until 2020, was a partner and managing director at Moelis & Company. Caroline started her career as a Chartered Accountant at PwC.

External appointments:

Caroline is currently a Non-Executive Director at Tesco PLC, BUPA and Intercontinental Exchange, Inc. She is also a member of the International Advisory Board of Adobe Inc, a member of the V&A Foundation, and Chair of the Audit Committee of the National Film and Television School.

B. David Thomas
Chief Executive

D S W

Appointed:

David joined the Board as an Executive Director and Group Finance Director in July 2009, and was appointed Chief Executive in July 2015.

Skills and qualifications:

David brings significant leadership and finance experience acquired over several years in senior positions, and is an Associate of the Institute of Chartered Accountants in England and Wales. He was previously Group Finance Director and Deputy Chief Executive of The GAME Group plc, and Group Finance Director at Millennium and Copthorne Hotels plc. He has also held senior financial roles with House of Fraser plc and Forte plc. David stepped down as a trustee of the Barratt Developments PLC Charitable Foundation in April 2023.

External appointments:

David is a Non-Executive Director of the HBF, Chair of the Future Homes Hub, a representative on the Green Jobs Delivery Group, a member of the Net Zero Buildings Council and a Senior Adviser to the Construction Leadership Council.

C. Steven Boyes
Chief Operating Officer and Deputy Chief Executive

H S W

Appointed:

Steven joined the Board as an Executive Director in July 2001, Chief Operating Officer in July 2012 and Deputy Chief Executive in February 2016. He is responsible for the Group's housebuilding operations and the newly acquired land promotion business, Gladman Developments Limited.

Skills and qualifications:

Steven has over 40 years' experience in the housebuilding industry, having joined as a junior quantity surveyor in 1978. He progressed through the business to assume the roles of Technical Director and Managing Director of Barratt York, before being appointed Regional Director for Barratt Northern in 1999. Steven was previously a Trustee of the UK Green Building Council.

External appointments:

Steven holds no external appointments.

D. Mike Scott
Chief Financial Officer

D

Appointed:

Mike joined the Board as an Executive Director and Chief Financial Officer in December 2021.

Skills and qualifications:

Mike has extensive experience in the housebuilding sector and is a Fellow of the Institute of Chartered Accountants in England and Wales. He was previously Chief Financial Officer of Countryside Properties PLC, having joined as Group Financial Controller in 2014. Prior to this, Mike held a number of senior finance roles at J. Sainsbury Plc, including latterly as Head of Investor Relations, and spent 11 years at PwC.

External appointments:

Mike holds no external appointments.

E. Katie Bickerstaffe
Non-Executive Director

A N R S

Appointed:

Katie joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Remuneration Committee with effect from 4 May 2021.

Skills and qualifications:

Katie brings extensive business transformation experience together with considerable digital expertise. She was a Non-Executive Director at Marks and Spencer Group PLC, and previously Executive Chair of SSE Energy Services, where she led its separation from SSE plc and subsequent sale to OVO Group Ltd. She was also a Non-Executive Director of SSE Plc and Chair of its Remuneration Committee until 2018. Prior to this, she worked in a variety of general management roles in retail and manufacturing businesses.

External appointments:

Katie was appointed as Co-Chief Executive of Marks and Spencer Group PLC in May 2022 and is also a Non-Executive Director of the England and Wales Cricket Board, where she was appointed the Senior Independent Director in May 2023.

F. Jasi Halai
Non-Executive Director

A N R S

Appointed:

Jasi joined the Board on 1 January 2023.

Skills and qualifications:

Jasi brings considerable financial and business skills and experience which complement those of other Board members. She is a Chartered Management Accountant and holds an MSc in investment management from the CASS Business School. Before being appointed to the Board of 3i Group plc, she held a variety of posts there, most recently as Group Financial Controller. She was also a Non-Executive Director and Chair of the Audit Committee at Porvair Plc until January 2023.

External appointments

Jasi is currently Chief Operating Officer and an Executive Director of 3i Group plc, and is also a member of the 3i Executive, Investment, Group Risk and ESG Committees.

G. Jock Lennox
Senior Independent Director

A N R S

Appointed:

Jock joined the Board as a Non-Executive Director in July 2016 and became Senior Independent Director on 4 May 2021.

Skills and qualifications:

Jock, a Chartered Accountant, brings significant business and finance experience to the Board. He was Chairman of Hill and Smith Holdings plc and Enquest plc, stepping down from both positions in 2019. Jock was previously Senior Independent Director of Oxford Instruments plc and Non-Executive Director and Chairman of the Audit Committees of Dixons Carphone plc and A&J Mucklow Group plc. He spent 30 years with Ernst & Young LLP, holding several leadership positions in the UK and globally, including 20 years as a partner.

External appointments:

Jock was appointed Chairman of Johnson Service Group PLC in May 2021. He is also currently Chair of the Audit Committee Chairs' Independent Forum, and has indicated his intention to step down from this role during September 2023.

H. Chris Weston
Non-Executive Director

A N R H

Appointed:

Chris joined the Board as a Non-Executive Director on 1 March 2021 and took over as Chair of the Safety, Health and Environment Committee with effect from 4 May 2021.

Skills and qualifications:

Chris brings to the Board considerable commercial experience, driving performance and growth, including as former Chief Executive Officer at Aggreko Limited and as Managing Director, International Downstream at Centrica plc. Chris joined Centrica after a successful career in the telecoms industry working for Cable & Wireless Plc and One. Tel. Until June 2023, Chris was also a Non-Executive Director on the board of the Royal Navy.

External appointments:

Chris was appointed a Non-Executive Director of Sportquest Holidays Ltd in August 2023.

I. Tina Bains
Company Secretary

D S

Appointed:

Tina was appointed to the role of Company Secretary in January 2016.

Skills and qualifications:

Tina joined the Group in 2008 as Assistant Company Secretary, and was promoted to the role of Deputy Company Secretary in 2011. Prior to this, Tina held various Company Secretarial positions within the private and professional services sectors including TMF Corporate Secretarial Services Limited and Ernst & Young LLP. Tina is a Fellow of the Corporate Governance Institute.

External appointments:

Tina is a Trustee of the Barratt Developments PLC Charitable Foundation.

- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- D Disclosure Committee
- H Safety, Health and Environment Committee
- S Sustainability Committee
- W Workforce Forum
- Chair of Committee

Other Directors who served during FY23

John Allan
Non-Executive Chairman

N R

John joined the Board as a Non-Executive Director in August 2014 and became Chairman in November 2014. He stepped down as Chairman and as a Non-Executive Director on 30 June 2023, having served nine years on the Board.

John brought significant board, business and retail experience gained from both the commercial and financial sectors. John was Chairman of Tesco PLC until 16 June 2023, President of the CBI from 2018 to 2020, stepping down to become Vice President until October 2021. He was CEO of Exel PLC and, when it was acquired by Deutsche Post in 2005, he joined the board of Deutsche Post, becoming CFO in 2007 until his retirement in 2009. John was also chair of Dixons Retail plc and, following its merger with Carphone Warehouse, was deputy chair and senior independent director of Dixons Carphone until 2015. He had previously held a number of other non-executive directorships of Worldpay Group PLC (where he was previously Chair), National Grid plc, the UK Home Office Supervisory Board, 3i plc, PHS Group plc, Connell plc, Royal Mail plc, Wolseley plc and Hamleys plc, and chair of London First. John is currently Chair of the Council at Imperial College.

Nina Bibby
Non-Executive Director

A N R

Nina joined the Board as a Non-Executive Director in December 2012 and did not stand for re-election at the 2022 AGM.

Nina brought a wealth of marketing experience to the Board. She was formerly Chief Marketing Officer at O2 (Telefonica UK) until July 2021, and Global Chief Marketing Officer at Barclaycard, the payments subsidiary of Barclays plc, until 2013. Previously Nina had been Senior Vice President, Global Brand Management at InterContinental Hotels Group plc, and Commercial Strategy Director at Diageo plc. Nina is currently Senior Vice President of Consumer Segment Marketing at Verizon.

Sharon White
Non-Executive Director

A N R W

Sharon joined the Board as a Non-Executive Director in January 2018 and became Designated Non-Executive Director for Workforce Engagement in May 2021. She stepped down from these positions on 30 June 2023.

Sharon brought to the Board over 25 years' experience in the public sector, combined with strong employee stakeholder experience, as Chairman of the John Lewis Partnership, the UK's largest employee-owned business. Her previous roles included Chief Executive of Ofcom and Director General, Public Spending and Second Permanent Secretary to HM Treasury. She had also held roles at the British Embassy in Washington, the No 10 Policy Unit, the World Bank and various Government departments including the Department for International Development, the Department of Work and Pensions and the Ministry of Justice.

Executive Committee

Executive Committee

The Executive Committee currently comprises of:

David Thomas
Chief Executive

Steven Boyes
Chief Operating Officer and Deputy Chief Executive

Mike Scott
Chief Financial Officer

Tina Bains
Company Secretary

Bukky Bird
Group Sustainability Director

Tim Collins
Group Corporate Affairs Director

Jeremy Hipkiss
Group Customer and Change Director

Biographies for David, Steven, Mike and Tina can be found on pages 104 and 105.

The biographies for Bukky, Tim and Jeremy are as follows:

A. Tim Collins
Group Corporate Affairs Director

Tim is responsible for the Group's internal and external communications and public affairs. He is also a Trustee of the Barratt Developments PLC Charitable Foundation.

Career and experience:
Tim joined the Group in 2014 as a regional Head of Communications, before becoming Group Head of Corporate Communications in 2016. He was appointed to his current role and joined the Executive Committee in September 2022. Tim brings significant political and industry experience, having held the roles of Deputy Director of Communications at the Conservative Party, Chief of Staff to the Shadow Housing Minister and Deputy Director External Affairs at the HBF. Tim has a Law degree from University College London.

B. Bukky Bird
Group Sustainability Director

Bukky is responsible for the Group's sustainability strategy and its delivery. She is a member of the Sustainability Committee.

Career and experience:
Bukky joined the Group in 2020 and was appointed to the Executive Committee in September 2022. She brings a breadth of experience acquired from leadership roles in strategy, sustainability, business transformation, engineering, construction and retail operations. She was previously Chief of Staff to the Group CEO at Tesco PLC, as well as the Engineering and Sustainability Director, and before that she worked at WSP Group PLC where she held senior commercial and technical roles. Bukky is a qualified Mechanical Engineer and also holds a Master's degree in Environmental Design and Engineering, both from UCL.

C. Jeremy Hipkiss
Group Customer and Change Director

Jeremy is responsible for the Group's customer journey, including sales, marketing and customer experience strategy and delivery. In addition, Jeremy has executive responsibility for IT and business change. He is also a member of the Sustainability Committee and a Trustee of the Barratt Developments PLC Charitable Foundation.

Career and experience:
Jeremy joined the Group in 2008 and has wide experience in customer experience, marketing and retail operations, having held a similar role at the Spirit Group. Prior to that, Jeremy worked for Allied Domecq PLC and Marston's PLC, having graduated in economics from the University of Leeds.

Regional Managing Directors

The Group operates through six geographic housebuilding regions, along with a commercial division, Wilson Bowden Developments, and a land promoter Gladman Developments. The Regional Managing Directors, Managing Director of Wilson Bowden Developments and Managing Director of Gladman Developments are as follows:

A. Doug McLeod
Regional Managing Director – Scotland

Doug is responsible for the Group's operations in the Scotland Region, which consists of three divisions and our timber frame operation at Oregon.

Career and experience:
Doug joined the Group in January 1974. Formerly Regional Director of Barratt Scotland and Managing Director of Barratt North Scotland, he was appointed to his current role in January 2017.

B. Mike Roberts
Regional Managing Director – Northern

Mike is responsible for the Group's operations in the Northern Region, which consists of five divisions. He is also responsible for the Group's commercial function.

Career and experience:
Mike joined the Group in June 2004. Formerly Managing Director of Barratt North East, he was appointed to his current role in January 2017.

C. David Hesson
Regional Managing Director – Central

David is responsible for the Group's operations in the Central Region, which consists of five divisions. From July 2022, he took over responsibility for Barratt Partnerships and is also responsible for Group Major Projects.

Career and experience:
David joined the Group in March 2020 as Regional Director, and was appointed to his current position in April 2021.

D. Mark Bailey
Regional Managing Director - East

Mark has assumed responsibility for the Group's operations in the East Region following Richard Brooke's retirement on 31 December 2022. The region consists of six divisions and BD Living, our wardrobe manufacturing factory.

Career and experience:
Mark joined the Group in 2012 as Managing Director for the Kent Division, having previously worked at Redeham Homes which he owned and where he was Managing Director. He was appointed Regional Director of the Southern Region in October 2016 and then Group Projects Managing Director in July 2022. Mark was appointed as Regional Managing Director – East in January 2023.

E. Victoria Hesson
Managing Director – Gladman Developments

Vicky joined Barratt on the acquisition of Gladman Developments, the land promotion business acquired by Barratt in January 2022. In addition to Gladman, she also provides advice on the Group's wider strategic land holdings.

Career and experience:
Vicky has over 20 years' experience in the housebuilding industry and has held various roles within other housebuilders prior to joining Gladman in 2013. She has a degree in Architecture and a Master's degree in Town and Regional Planning and is a Chartered Member of the Royal Town Planning Institute.

F. Russell Glimstead
Regional Managing Director – West

Russell is responsible for the Group's West Region, which consists of four divisions.

Career and experience:
Russell joined the Group in 2007 following the acquisition of Wilson Bowden plc. Formerly Managing Director of Barratt Bristol, he was appointed to his current role of Regional Managing Director for the West Region in July 2022.

G. Gary Ennis
Regional Managing Director – London and Southern

Gary is currently responsible for the Group's operations in the London and Southern Regions, consisting of six divisions (two in London and four in Southern).

Career and experience:
Gary joined the Group in 1995. Formerly Managing Director of Barratt North London, he was appointed Regional Managing Director of Southern in January 2006 and of London in October 2016.

H. Nick Richardson
Managing Director – Wilson Bowden Developments

Nick is responsible for the Group's commercial business, Wilson Bowden Developments.

Career and experience:
Nick joined Wilson Bowden plc in 1991 and was appointed to his current role in 1999. Nick joined the Group in 2007 following the acquisition of Wilson Bowden plc. Nick is a Chartered Surveyor.

Corporate Governance Report
Introduction and overview

Governance at a glance

Caroline Silver
Chair

Corporate Governance Statement of Compliance

The Company is subject to the Code, which was issued by the FRC in 2018. The Code can be found on the FRC's website, www.frc.org.uk. The Board confirms that, throughout the year ended 30 June 2023, and as at the date of this report, the Company has applied all of the principles and complied with all relevant provisions set out in the Code, except for Provision 38 (Executive Directors' pension contributions). As set out on page 138 the Company complied with this provision with effect from 1 January 2023 and is therefore now fully compliant. This report, together with the reports from the Nomination, Audit, SHE and Remuneration Committees and the other statutory disclosures, provides details of how the Company has applied the principles of the Code (pages 102 to 171). The Company has also complied with the relevant requirements of the FCA's Disclosure and Transparency Rules and the FCA's Listing Rules, BEIS's Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations and the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting. The Company's Board diversity statement and associated data is included in the Nomination Committee Report on page 120.

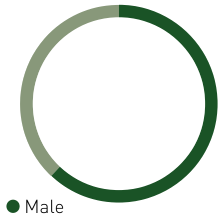
Highlights

During the year, the Board:

- agreed the recruitment of a new Chair and Non-Executive Director;
- agreed a 604 unit private rental transaction with CITRA Living;
- established a new purpose and values for launch in FY24;
- reviewed capital structure and completed a share buyback programme;
- monitored progress on the Diversity and Inclusion strategy; and
- signed the Building Safety Long Form Agreement and the Scottish Safer Buildings Accord.

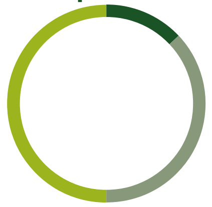
Key stats

Gender diversity



Male	62.5%
Female	37.5%

Independence



Chair	12.5%
Executive Directors	37.5%
Independent Non-Executive Directors	50.0%

Board tenure

0-3 years	62.5%
3-6 years	0.0%
6+ years	37.5%

Board and Committee attendance

During FY23 the Board held ten meetings. Attendance by each Director while they were a member is set out in the table below. The Board, led by Jock Lennox as Senior Independent Director, also attended three additional meetings during the year to discuss the acceleration of the planned Chair Succession1. Attendance at each of the Board Committee meetings is shown on page 116 (Nomination Committee), page 124 (Audit Committee), page 133 (SHE Committee) and page 137 (Remuneration Committee).

● Attended ○ Did not attend

	Board
John Allan – Chair	● ● ● ● ● ● ● ● ● ●
Caroline Silver[2] – Chair	●
David Thomas – Chief Executive	● ● ● ● ● ● ● ● ● ●
Steven Boyes – Chief Operating Officer and Deputy Chief Executive	● ● ● ● ● ● ● ● ● ●
Mike Scott – Chief Financial Officer	● ● ● ● ● ● ● ● ● ●
Katie Bickerstaffe – Non-Executive Director	● ● ● ● ● ● ● ● ● ●
Jasi Halai[3] – Non-Executive Director	● ● ● ● ● ○
Jock Lennox – Senior Independent Non-Executive Director	● ● ● ● ● ● ● ● ● ●
Chris Weston[3] – Non-Executive Director	● ● ● ● ● ● ● ● ● ○
Nina Bibby[4] – Non-Executive Director	● ● ●
Sharon White[5] – Non-Executive Director	● ● ● ● ● ● ● ● ● ○

1 John Allan did not attend any meetings or parts thereof at which his succession was being discussed and stepped down from the Board on 30 June 2023.
2 Caroline Silver joined the Board on 1 June 2023 and took over as Chair on 30 June 2023.
3 Jasi Halai (who was appointed on 1 January 2023) and Chris Weston were unable to attend the January Board meeting due to a prior commitment. Prior to the meeting, Jasi and Chris provided their views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting they were briefed on the business of the meeting and any decisions taken.
4 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.
5 Sharon White stepped down from the Board on 30 June 2023. Sharon was unable to attend the June meeting due to another commitment. Prior to the meeting Sharon provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Corporate Governance Report continued

Implementation of the Code

Section of the Code	How we have applied the Code	Further information
Board leadership and company purpose		
The Board: i. is responsible for the long-term sustainable success of the Company, determines purpose, values and strategy and models the Group's culture; ii. ensures the necessary resources are available to the Group; and iii. engages with stakeholders to inform its decisions.	This section details the main activities and outcomes of the Board in FY23 and how governance contributes to strategy. The Nomination Committee Report describes management of conflicts of interest. The Group's purpose, strategy, Section 172 Statement and information on stakeholder engagement (including engagement with shareholders and employees) are set out in the Strategic Report. The Group's culture and values are set out in this report.	Pages 111 Page 118 Pages 2 to 70 Page 112
Division of responsibilities		
The Chair leads the Board, the Executive Directors manage the business on a day-to-day basis, and the Non-Executive Directors provide constructive challenge and strategic guidance. Board policies and processes are in place to ensure that the Board functions effectively and efficiently.	This section outlines: • Board balance, the division of responsibilities and delegations; and • Chair and Non-Executive Director independence. Membership of and attendance at the Board is given in Governance at a glance, and for the committees in the introductions to each of the relevant committee reports.	Pages 113 to 114 Page 115 Pages 109, 116, 124.133 and 137
Composition, succession and evaluation		
The Board regularly reviews its composition to ensure it remains balanced. Board appointments are subject to a formal, rigorous and transparent procedure, and an effective succession plan is maintained for the Board and Senior Management. The Board undertakes an annual evaluation of its own effectiveness, that of its committees and of individual Directors.	This section details: • the main activities of the Nomination Committee and their outcomes; • the process for Board appointments, succession planning and promotion of diversity and inclusion; and • Board and committee evaluation actions and outcomes. Information on the composition of the Board can be found in Governance at a glance and the Nomination Committee Report.	Page 116 Pages 117 to 121 Pages 122 to 123 Pages 109 and 116
Audit, risk and internal control		
The Board is mindful of the risk environment in which it operates when making any decisions and has established formal and transparent policies and procedures to ensure independence and effectiveness of internal and external audit functions. The Board satisfies itself on the integrity of the financial and narrative statements, and that they present a fair, balanced and understandable assessment of the Group's position and prospects. It maintains sound risk management and internal control systems and regularly reviews the principal and emerging risks impacting the business. The Board assesses the appropriate appetite for risk in striving to achieve the Group's strategic objectives.	This section summarises: • the main activities of the Audit Committee and their outcomes; • the significant issues the Audit Committee considered regarding the Financial Statements and how they were addressed; • systems for risk management and internal control and the Audit Committee's review of their effectiveness; and • the Audit Committee's assessment of the independence and effectiveness of the external audit process and the reappointment of the external auditor. The Directors' Statement of Responsibility for a fair, balanced and understandable Annual Report and Accounts can be found at the end of the Directors' Report. The Board's assessment of the Group's emerging and principal risks and information on how these are being managed, together with the Viability and Going Concern Statements, can be found in the Strategic Report.	Page 127 Page 127 and 128 Pages 129 and 130 Pages 130 to 132 Page 171 Pages 71 to 100
Remuneration		
The Board, through its Remuneration Committee, determines Director and Senior Management remuneration policy and practice in a way that supports the successful delivery of the Group's strategy and promotes its long-term sustainable success. The Board ensures Executive remuneration is aligned to the Group's purpose and values.	This section sets out: • information on the Group's remuneration policy; • how it was operated during FY23, including performance-based remuneration outcomes, and how independent judgement and discretion, if any, was applied; and • how the remuneration policy will be applied in FY24.	Pages 142 to 154 Pages 159 to 163 Pages 156 to 158

Strategic priorities

Great places
Investing in our people
Leading construction
Customer first

Strategic principles

1 Keeping people safe
2 Being a trusted partner
3 Building strong community relationships
4 Safeguarding the environment
5 Ensuring the financial health of the business

Main activities undertaken during the financial year

The Board follows an annual agenda to ensure that all key matters are allocated adequate time for discussion. The routine duties of the Board are detailed in the schedule of matters reserved to the Board (which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance). A description of the key non-routine activities of the Board during the year and how these contributed to the delivery of strategy are as follows:

	Key activities and discussions in FY23 and outcomes
Purpose, strategy, values and culture Link to strategic priorities and principles: 1 2 5 Link to risk: C J	Considered and approved proposals for a new Purpose and Values for the Group for launch in FY24. Reinstated regional visits following COVID and attended sites within the London and Central regions. The Board met with Senior Management and site and sales office employees who provided an overview of the regional, divisional and site operations respectively. This enabled the Board to gain a better understanding of how culture is embedded in the business, and the challenges they face on a day-to-day basis. Considered the outcome of a review of its Modern Slavery and Human Trafficking Statement, approved the statement for publication and requested further work was undertaken to obtain positive confirmation the policies were being adhered to across the Group. The statement can be found on the home page of the Barratt website at www.barrattdevelopments.co.uk. Considered progress on diversity and inclusion within the business and discussed ways in which this can be further embedded in the business including establishing challenging targets for executive and senior management remuneration. As part of its discussions on driving sales within the current market conditions, the Board explored opportunities within the private rental sector. Accordingly, it agreed a contract to sell 604 homes to Citra Living, a subsidiary of Lloyds Bank, see page 26 for further details.
Business performance and resourcing Link to strategic priorities and principles: 1 2 4 5 Link to risk: A B D F K	Approved multiple investments in land. Further information can be found on pages 26 and 27. Monitored the progress of the Sustainability Committee in embedding sustainability in the Group's culture and strategy. Reviewed business resilience in light of the uncertain market conditions and agreed a number of mitigating activities (further information can be found on page 53. Reviewed the SHE plan of work, enforcement agency interventions, site monitoring, and IIR. Key areas of future focus were agreed and are set out on pages 133 to 136. Discussed Non-Executive Director succession, and the acceleration of the planned Chair succession. Approved the appointment of a new Non-Executive Director and Chair Designate, on the recommendation of the Nomination Committee. Reviewed the existing Revolving Credit Facility and agreed to extend it to 2025, linked to internal sustainability targets. Discussed the allocation of capital and dividend policy and agreed and completed a share buyback programme to return up to £200m of surplus capital to shareholders.
Risk management and internal controls Link to strategic priorities and principles: 1 2 3 5 Link to risk: F G I	Reviewed the Company's appetite for risk, identified emerging risks and reassessed the impact and likelihood of principal risks and uncertainties affecting the business. Agreed for management to co-operate with the CMA on their market study into land banking and planning, and to attend four deep dive sessions to provide the CMA with a better insight into the areas of land banks, planning, competition and management companies. Following signature of the Building Safety Pledge to address fire safety issues on buildings 11 metres and above in FY22, carefully considered the implications of entering into the Building Safety Pledge – Long Form Agreement and determined that it was in the best interests of the Company and its stakeholders to do so. Signed up to the Scottish Safer Building Accord, committing to remediate life-critical fire safety works in buildings over 11 metres that we have developed or refurbished over the last 30 years in Scotland.
Stakeholder engagement Link to strategic priorities and principles: 1 2 5 Link to risk: C E H	Reviewed relationships with stakeholders and their views and focus for engagement going forward. Reviewed the customer journey and suggested a number of elements for possible change. Considered how to support employees through the cost of living crisis and agreed monetary support for all employees below senior leadership level to the end of June 2023. Undertook a corporate broker tender, and appointed UBS as joint corporate broker with Credit Suisse Group AG. Following the merger of our joint brokers later in the year, appointed Barclays Bank PLC as joint broker in June 2023. Further details of engagement with our key stakeholders can be found on pages 54 to 65.

Principal risks

A Economic environment
B Land and planning
C Government regulation and political risk
D Construction quality and innovation
E Supply chain resilience
F Legacy properties
G Safety, health and environment
H Attracting and retaining high-calibre employees
I Information technology
J Environmental, social and governance
K Business resilience and continuity

Corporate Governance Report continued
Board leadership and company purpose

Culture in the workplace

The Board sets the culture and tone from the top. It is responsible for ensuring that the right culture is embedded throughout the business, including in our dealings with stakeholders. It derives from our Vision and Purpose, which has been undergoing a review with the outcome due to be announced later in FY24. A strong culture that furthers our purpose, and is firmly embedded across the workforce, underpins our success through the following values agreed by the Board.

Our culture

Value	Culture in action
Do the right thing Ensure what we do is in line with our policies and procedures, and in the interests of our stakeholders.	**Culture in action:** We have always believed leaseholders should not have to pay for necessary remediation to fix building safety issues, caused by the design, construction or refurbishment of their buildings. Following our signing last year of the Building Safety Pledge, we joined the first wave of developers to sign the Scottish Safer Buildings Accord developer commitment letter, further details of which can be found on pages 68 and 221. We have developed a model with the government to support the resettlement of Afghan refugees with 19 homes identified in tranche 1, and tranche 2 launched since the end of FY23. We are discussing ways to encourage other housebuilders to participate in the model. Further information on how we look after the interests of our stakeholders can be found on pages 57 and 58.
Customer focus Strive to meet the expectations and needs of our customers, both internal and external.	**Culture in action:** During FY23, we continued to monitor the impact of rising mortgage rates on our customers. Consequently, we adjusted the level of incentives on offer in order to better serve customers facing cost of living challenges. We also relaunched the Key Worker Deposit Contribution scheme, which was due to come to an end this year. We continue to engage with mortgage providers on Green mortgages, which would reward customers for purchasing our houses which are all EPC rated B or above. We have recently announced an agreement with Citra to develop a further 604 much needed high quality sustainable homes for private rental Further details can be found on page 26.
Resilience and adaptability Look for innovative ways to improve efficiencies across the organisation and recognise there is always room for improvement. Be willing to change the way we do things to meet the requirements of stakeholders and those set by legislation or regulation.	**Culture in action:** Customer demand for housing declined during FY23, and after satisfying the forward order book in the first half of the year, our teams switched their focus to carefully managing build cost inflation and maintaining disciplined investment in work in progress to match the fall in market demand.
Pride in what we do Aim to operate in a way that satisfies the expectations of our stakeholders particularly in terms of quality and service.	**Culture in action:** We have won multiple awards throughout FY23 for quality and service, including an HBF 5 star rating for the 14th consecutive year, and 96 NHBC Pride in the Job awards. These are detailed on page 15. We are particularly proud to be leading the industry in sustainability, including participation in the eHome2 project researching and testing new methods of construction to sustainably mitigate the effects of climate change.

How the Board measures and assesses culture

The Board measures and assesses culture using both internal and external KPIs, as follows:

- **Safety, health and the environment** – there is zero tolerance towards breaches relating to the health and safety of our employees, suppliers, sub-contractors and the general public. The Group is also conscious of the impact that its operations have on the environment. The Board is updated regularly on health, safety and environmental matters, and on any new or ongoing investigations and their outcomes. The SHE Audit compliance KPI, which underpins the quality and service annual bonus performance measure, is set out on page 17, and other environmental and safety targets are detailed on pages 16 and 17.
- **Customer satisfaction** – this is assessed using customer care survey responses and recommendation scores (KPIs can be found on page 16), which form part of the annual bonus performance measures for Executive Directors, and awards such as the HBF 5 star rating and NHBC Pride in the Job awards (details of which can be found on page 15), all of which are regularly reported to the Board.
- **Employee engagement survey** – a survey is conducted annually to assess how the business is meeting the expectations of its employees. It also contains several culture-related questions, to monitor and assess how well the culture is embedded. The results of the survey are reviewed by the Executive Committee and Senior Management team, as well as by the local teams, with key findings reported to the Board. The outcome of our latest employee engagement survey is detailed on page 35.
- **Employee retention** – our employees are our greatest asset. It is important that we do everything that we can to retain them, and this is one of the pillars of our people strategy. The Board monitors employee leaver numbers and reasons, and the steps being taken to attract, recruit and retain employees.
- **Policies and procedures compliance** – core governance policies are reviewed annually by the Board with employees required to regularly complete a variety of e-learning modules. Completion levels are reported to the Board. Business policies, processes and procedures are reviewed regularly. Our internal audit team conduct regular reviews of compliance with policies, processes and procedures, and test that they remain up to date. The team's findings are reported to the Audit Committee and ultimately to the Board. The internal audit team also provides updates to the Audit Committee on any matters raised via the Group's whistleblowing procedure (see page 130).

Board balance

Board roles and their responsibilities

Chair
Caroline Silver
- Leads the Board in the achievement of its objectives, sets its agenda and chairs its meetings.
- Shapes the culture in the Boardroom.
- Responsible for the effectiveness of the Board and its governance.
- Facilitates the effective contribution of Non-Executive Directors and constructive relations between Executive and Non-Executive Directors.
- Ensures the Board receives accurate, timely and clear information.
- Responsible for arranging inductions and continued development for the Directors.
- Ensures effective communication with shareholders and other stakeholders, and participates in corporate relations activities.

Senior Independent Director
Jock Lennox

The following are in addition to his role and responsibilities as an Independent Non-Executive Director.
- Available to shareholders, when required, to address any material issues or concerns which the Chair and/or Chief Executive have failed to resolve.
- Available to shareholders, when required, to listen to their views to gain a balanced understanding of their issues and concerns.
- Evaluates the performance of the Chair, at least annually, with the Non-Executive Directors, and leads the process for the Chair's succession.
- Acts as a sounding board for the Chair and, if necessary, an intermediary for the other Directors.

Chief Financial Officer
Mike Scott
- Develops and implements the Group's financial strategy and policies.
- Responsible for the management of the finance, tax, internal audit, treasury and investor relations functions.
- Supports the Chief Executive with his corporate relations responsibilities with shareholders and other stakeholders.
- Manages the Group's relationship with the external auditor.
- Manages the Group's relationships with its lending banks.
- Chairs the Risk Committee.
- Co-chairs the Workforce Forum.

Chief Executive
David Thomas
- Develops the Group's strategy for the enhancement of long-term shareholder return taking into account the needs of the Group's stakeholders.
- Leads the implementation of the Group's strategy approved by the Board.
- Responsible for the day-to-day leadership and management of the operational activities of the Group in accordance with overall strategy and policy as determined by the Board.
- Chairs the Executive Committee through which he carries out his duties.
- Oversees corporate relations with shareholders and other stakeholders.
- Responsible to the Board for sustainability policies and practices of the Group.
- Co-chairs the Workforce Forum.

Chief Operating Officer and Deputy Chief Executive
Steven Boyes
- Responsible for the Group's operations.
- Day-to-day responsibility for safety, health and environment issues, promoting the well-being of employees.
- Responsible for our procurement function and our land promoter business.
- Responsible for ensuring stakeholder requirements are appropriately addressed.
- Chairs the Operations Committee meetings, the other members of which include the Regional Managing Directors.
- Co-chairs the Workforce Forum.

Independent Non-Executive Directors
Katie Bickerstaffe, Jasi Halai, Jock Lennox and Chris Weston[1]
- Provide an appropriate level of scrutiny, and constructively challenge the Executive Directors, holding management to account and ensuring the needs of stakeholders are appropriately considered.
- Using the broad range of their experience and external perspective, provide specialist advice and an independent perspective in developing strategy.
- Monitor the implementation of the Group's strategy within its risk and control framework and ensure the integrity of financial reporting.
- Ensure that recruitment and succession planning is appropriate and mindful of diversity and balance.
- Review and refresh Remuneration Policy in the context of stakeholder interests, and ensure it is implemented appropriately.

1 Nina Bibby and Sharon White were Independent Non-Executive Directors during the year but stepped down on 17 October 2022 and 30 June 2023 respectively. Caroline Silver was an Independent Non-Executive Director from 1 June 2023 to 30 June 2023 when she succeeded John Allan as Chair.

Company Secretary
Tina Bains
- Supports the Chair and Chief Executive in fulfilling their duties especially in respect of induction, training and Board and Committee effectiveness evaluations.
- Available to all Directors for advice and support.
- Keeps the Board regularly updated on governance matters and best practice.
- Ensures Group policies and procedures are maintained and updated on a regular basis.
- Attends and maintains a record of the matters discussed and approved at Board and Committee meetings.

Corporate Governance Report continued
Division of responsibilities

Decisions, matters reserved to the Board and delegated authorities

The Board makes decisions on strategy and on items set out in the matters reserved for it. It also delegates various operational decisions to several Board and management committees (see below). The schedule of matters reserved to the Board and the Terms of Reference of the Board Committees are available on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. As sustainability is integral to the strategy of the business, details of the Sustainability Committee including members, attendance and actions, can be found in the Strategic Report on page 42.

Board Committee

Audit Committee

- Monitors the integrity of the Group's Financial Statements and formal announcements on its financial performance, including reviewing financial reporting judgements contained within them.
- Advises the Board on whether the Group's Annual Report and Accounts are fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.
- Provides oversight of non-financial information, including sustainability.
- Reviews the Group's internal financial controls and its systems for internal control and risk management.
- Monitors and reviews the independence, objectivity and effectiveness of the external auditor and the internal audit function, and reviews and recommends to the Board the reappointment, remuneration and terms of engagement of the external auditor.
- Develops and implements the Group's policy on the engagement of the external auditor to supply non-audit services.

Remuneration Committee

- Designs and implements the Group's overall remuneration strategy and policy, ensuring alignment with purpose and strategy.
- Sets the remuneration and determines the outcomes for the Executive Directors and Senior Management.
- Monitors performance of long and short-term incentive schemes against both financial and non-financial targets.
- Considers the remuneration and related policies, of the wider workforce when determining Executive Directors and Senior Management's remuneration and incentives.

Nomination Committee

- Monitors the composition of the Board and its Committees to ensure a balance of skills, experience and knowledge, and their progressive refreshment.
- Reviews succession plans for Board and Senior Management to ensure there is a diverse pipeline.
- Promotes diversity of Board Directors and Senior Management.
- Undertakes annual effectiveness evaluations of the Board, its committees and individual Directors.

Disclosure Committee

- Comprising any two of the Chief Executive, Chief Financial Officer and the Company Secretary, meets as required to ensure that the Company remains compliant with the requirements of the UK Market Abuse Regime.

Safety, Health and Environment Committee

- Focuses on the prevention and mitigation of key operational risks relating to SHE.
- Monitors compliance with the SHE management system.
- Oversees direction and implementation of SHE policies and procedures.

Sustainability Committee

- Reviews and scrutinises sustainability strategy and its implementation by the business.
- Reviews and approves plans by the business to mitigate risks and leverage opportunities relating to sustainability and climate changes.
- Develops and implements ESG policies and monitors compliance against these.
- Scrutinises sustainability performance incentives for consideration by the Remuneration Committee.
- Advises the Board on the appetite and tolerance with respect to ESG risks.
- Oversees carbon emission science-based targets and recommends changes where necessary.

Board

Chief Executive

Executive Committee

Chief Operating Officer

Group Management Committee

Risk Committee

- Reviews the effectiveness of the Group's internal control policies and procedures for the identification, assessment and reporting of risks.
- Assesses individual key risks on a rolling basis (including the identification of the Group's principal and emerging risks) together with the appropriateness of any mitigations.

Land Committee

- Reviews and approves all land acquisition and disposal proposals across the Group.
- Refers proposals to the Board for approval depending on the value of the land acquisition or its complexity, e.g. joint venture arrangements.

Treasury Operating Committee

- Reviews the Group's treasury arrangements and approval of changes to debt facilities.
- Obtains Board approval for certain types of facility and where the facility is above the levels delegated to the Treasury Operating Committee.

Allotment Committee

- Approves the allotment of shares within dilution limits and within the authorities obtained from shareholders.

Operations Committee

- Manages operational performance.

Safety, Health and Environment Operations Committee

- Develops the SHE strategy for the Group.
- Ensures that SHE policies and procedures are adequately implemented and adhered to.
- Monitors the effectiveness of the Group's SHE systems.
- Keeps up to date with changes in legislation surrounding SHE matters.

Board independence

All of our Non-Executive Directors were independent in character and judgement during the financial year, which is vital for them in carrying out their respective roles effectively. Caroline Silver was considered to be independent on appointment to the Board and on taking the role of Chair.

This year's review of Directors' conflicts of interest confirmed that none of the Non-Executive Directors have any business or other relationship with the Group (or other outside interests) that might influence their independence or judgement. None of the Non-Executive Directors, or the Chair, has been an employee of any Group company or had a material business relationship with them. None of them has close family ties with any of the Company's advisers, Directors or senior employees, or holds cross-directorships or has significant links with other Directors. None of them represents a significant shareholder.

The Board meets the Code requirement for at least half the Board (excluding the Chair), to be independent (as defined by the Code) Non-Executive Directors. A breakdown of the independence of the Board members is shown on page 109.

The Chair and each of the Non-Executive Directors have demonstrated their commitment to the business during the year, through their attendance at several unscheduled Board calls convened at short notice to discuss a variety of issues requiring decisions outside the normal scheduled meetings. The Chair and the Non-Executive Directors meet regularly without the Executive Directors being present, usually prior to or immediately following Committee meetings, and five of these meetings have been held during the financial year.

Internal controls and risk management

The Board monitors and regularly reviews the effectiveness of the Group's risk management and internal control systems, including controls related to the material financial, operational and compliance performance (see the Audit Committee Report on pages 124 to 132).

The internal audit team has developed a risk framework for all business functions, which has been approved by the Audit Committee. This framework forms the basis of the internal control audit plan for the year ahead, which tests if key controls are being applied effectively in each operating division. Material issues identified during internal audits and follow-up action plans are reviewed by the Executive Directors and by the Board. Any necessary actions are immediately taken to remedy any significant failings in the internal control system. Further details of the work undertaken by internal audit can be found on page 130.

The Group's system of internal control is designed to manage risks that may impede the achievement of the Group's business objectives, and identify and appropriately manage activities where there is a high risk of corruption (including bribery) amongst employees, partners or intermediaries, rather than to eliminate those risks entirely. The system of internal control therefore provides only reasonable, not absolute, assurance against material misstatement or loss. The system of internal control does, however, provide reasonable assurance that potential issues can be identified promptly and appropriate remedial action taken. Further details can be found in the risk management section of the Strategic Report (pages 71 to 100).

The Group operates internal controls to ensure that the Group's Financial Statements are reconciled to the underlying financial ledgers. A review of the consolidated statements and Financial Statements is completed by management to ensure that the financial position and results of the Group are appropriately reflected.

The Board has not identified, nor been advised of, any failings or weaknesses that it has determined to be significant. Therefore, a confirmation of necessary actions has not been considered appropriate.

Fair, balanced and understandable

The Board has considered and reflected on whether the Annual Report and Accounts are fair, balanced and understandable. As part of its considerations, the Board has:

- reflected on the feedback shareholders provided on our 2022 Annual Report and Accounts;
- set aside adequate time to review and discuss significant areas of the 2023 Annual Report and Accounts, assessing its tone, balance and language, while being mindful of the requirements of the Code and the need for consistency between the narrative section of the Annual Report and the Financial Statements; and
- considered the recommendation from the Audit Committee that the report was "fair, balanced and understandable". The process undertaken by the Audit Committee to support the Board's assessment can be found on page 129.

The Board endorses the recommendation of the Audit Committee that the FY23 Annual Report and Accounts are fair, balanced and understandable, and its formal statement on this is contained within the Statement of Directors' Responsibilities on page 171.

On behalf of the Board

Caroline Silver
Chair
5 September 2023

Nomination Committee Report
Board composition, succession and evaluation

Our approach to Board and Committee appointments, succession and evaluation

Caroline Silver
Chair of the Nomination Committee

Focus in the reporting year

- Undertook a robust recruitment process for the appointments of both Jasi Halai and Caroline Silver.
- Assessed the skills and diversity on the Board and its Committees.
- Reviewed the succession plans for the Executive Directors and Senior Management.

Priorities for FY24

- To further assess the composition (including size and diversity) of the Board and its Committees.
- Ensure completion of Caroline Silver's induction process.

Committee membership and attendance[1]

There were three meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

Attended / Did not attend

Committee members	Meetings attended
Caroline Silver[1]	
John Allan[2]	Attended, Attended, Did not attend
Katie Bickerstaffe	Attended, Attended, Attended
Jasi Halai[3]	Did not attend
Jock Lennox	Attended, Attended, Attended
Chris Weston[3]	Attended, Attended, Did not attend
Nina Bibby[4]	Attended
Sharon White[5]	Attended, Attended, Attended

1 Caroline Silver joined the Board and the Committee on 1 June 2023 and took over as Chair of the Committee with effect from 30 June 2023, and no Committee meetings have taken place since then.
2 John Allan did not attend any meetings or parts thereof where his succession was being discussed.
3 Jasi Halai (who was appointed on 1 January 2023) and Chris Weston were unable to attend the January meeting due to a prior commitment. Prior to the meeting, Jasi and Chris provided their views on the meeting agenda which were shared with the other Committee members during the meeting. Following the meeting they were briefed on the business of the meeting and any decisions taken.
4 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.
5 Sharon White stepped down from the Board on 30 June 2023.

Statement from the Chair of the Nomination Committee

I am pleased to present my first Nomination Committee Report having taken over as Chair from John Allan on 30 June 2023. It has been a busy year for the Nomination Committee with a number of changes taking place with the composition of the Board. I would like to thank John Allan and Jock Lennox for steering the Committee through each of these. Full details of the recruitment processes can be found on pages 119 and are summarised below.

The Nomination Committee has throughout FY23 acted in accordance with its Terms of Reference (see page 118) as delegated to it by the Board. The responsibilities of the Nomination Committee are summarised on page 118.

Board changes and succession planning

Following a thorough recruitment process the Nomination Committee appointed Jasi Halai as a Non-Executive Director with effect from 1 January 2023. Jasi succeeds Nina Bibby who, having completed nine years of service, stepped down from the Board at the AGM in October 2022. In addition, the Nomination Committee undertook a robust recruitment process to appoint me as a Non-Executive Director and Chair to take over from John Allan, who stepped down from the Board on 30 June 2023. This search was led by Jock Lennox, and John Allan did not attend any meetings whilst his succession was being discussed.

I would like to take this opportunity to thank Jock for chairing the additional meetings held to discuss and come to a decision on the acceleration of the planned Chair's succession and for guiding Board members through the process seamlessly.

As announced in January 2023, Sharon White stepped down earlier than expected as a Non-Executive Director on 30 June 2023, in order to reduce her non-executive commitments. Sharon made a significant contribution to the Board during her five years with us, including in the last few years as the Designated Non-Executive Director for Workforce Engagement. I will be taking over as the Designated Non-Executive Director for Workforce Engagement.

We are pleased that Nigel Webb has agreed to join the Board as a Non-Executive Director with effect from 1 October 2023. Nigel brings a wealth of experience and knowledge in property, construction and land which complement the existing skills on the Board and address some of the skills gaps identified.

The Nomination Committee will continue to undertake detailed work on succession planning at Board, Senior Management and junior levels to ensure we have a sufficiently diverse pipeline and the right skills and experience to drive our strategy forward.

Skills and experience of the Board

As part of the recruitment process for the new Non-Executive Director and the new Chair, the Nomination Committee reviewed the composition, skills, experience and diversity of the Board and its Committees. This highlighted the need to identify candidates with skills in, amongst other areas, financial experience to support the Chair of the Audit Committee, which both Jasi Halai and I possess. A further review of skills was carried out during FY23, and it was agreed that any further recruitment would focus on land/construction, which will be addressed with the appointment of Nigel Webb.

Diversity and inclusion

The Nomination Committee fully understands the importance of having diversity on the Board, not only in terms of skills and experience but also female and ethnic representation. The Nomination Committee and the Board were therefore disappointed when more than 20% percent of votes were cast against the re-election of John Allan at the 2022 AGM. Having engaged with those shareholders who voted against, it was evident that this was due to the fall in the level of female representation on the Board following Nina Bibby's departure. They did however acknowledge that had they been aware of the recruitment process ongoing at the time, the shortlist for which consisted entirely of female candidates, they would have voted in favour of the resolution.

As set out earlier in my statement, since the October 2022 AGM, various changes have been made to the composition of the Board. With my appointment as Chair and of Jasi Halai as a Non-Executive Director, we meet the recommendations to have a woman in a senior Board position (Chair, CEO, CFO or SID) and to have at least one member on the Board from a minority ethnic background (as defined by the FTSE Women Leaders Review and the Parker Review). Our female representation reached 40% on 1 June 2023, when I joined the Board. As a result of the early departures of Sharon White and John Allan, our female representation on the Board is currently at 37.5%. At the point of making an offer to Nigel Webb to join as a Non-Executive Director, the Nomination Committee was conscious that female representation on the Board would fall to 33.33%. The Nomination Committee, and subsequently the Board, decided that Nigel was the best candidate for the role given that he possesses the skills, knowledge and experience in property, construction and land which complement those of the existing Board members. We are however fully committed to meeting the recommendation to have at least 40% female representation on the Board by the end of 2025. This is a key priority for the Nomination Committee and the Board.

Information on the Board's diversity targets as required by the UK Listing Rules, together with accompanying numerical data, is set out on page 120. In addition, the Nomination Committee has reviewed its Board diversity policy, which applies to the Board and its committees, to ensure it remains fit for purpose.

The Nomination Committee also ensured that the Board considered whether diversity and inclusion across the wider business was being progressed satisfactorily. This review included talent succession and attraction, and the business' credentials as a diverse and inclusive employer. Further information on the Company's progress on diversity and inclusion initiatives can be found on pages 120 and 121 and in the Strategic Report on pages 35 and 36.

FY24 priorities

Our key priorities for FY24 are the continued focus on succession planning and training, particularly given the recent changes to the Board. From FY24 onwards, it has been agreed that diversity and inclusion at all levels across the business will be a matter for the Board to monitor directly rather than through the Nomination Committee. The respective Terms of Reference have been updated accordingly.

Further details of the work undertaken by the Nomination Committee during the year are set out on the following pages.

Caroline Silver
Chair of the Nomination Committee
5 September 2023

Nomination Committee Report continued

Nomination Committee role and activity FY23

Membership and attendance at meetings

The membership of the Nomination Committee and the attendance at each of its scheduled meetings is set out on page 116. The majority of Committee members are considered independent by the Company and in accordance with the Code. Their biographies and qualifications are shown on pages 104 and 105.

Role and main activities undertaken by the Committee during the financial year

The Nomination Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to its annual tasks, such as the review of its Terms of Reference, effectiveness and approval of this report, the Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
Governance	Reviewed the need for training and development in areas identified by Board members including, but not limited to, digital security and technology, Government relations, ESG/Climate.
Composition and Succession	Considered candidates and proposed the appointment of an additional Non-Executive Director and Chair designate. Considered succession plans for Non-Executive Directors, Executive Directors, Executive Committee and Regional Managing Directors, taking into account the need for diversity. Further information can be found above.

Directors' conflicts of interest

The Board has authorised the Nomination Committee to oversee the process for reviewing and making recommendations to the Board concerning any actual or potential conflicts of interest that may arise for any Board member, including details of any terms and conditions that it deems necessary to impose on any authorisation given. Throughout FY23, the Company Secretary maintained a register of Directors' conflicts of interest. A summary of this register was reviewed at each Board meeting so that it continues to remain accurate and current. The full register is reviewed annually by the Nomination Committee, and recommendations are made to the Board regarding any changes to the authorisations that may be required. The Board, when authorising any conflict or possible conflict of interest, does not count in the quorum the Director whose conflict or possible conflict is being discussed and reserves the right to exclude a Director from a meeting whilst a conflict or possible conflict is being considered. The Board may revoke or vary any authorisation at any time. The procedures have operated effectively during the year.

Board changes and succession planning

Succession planning is a live topic at Board and Nomination Committee meetings. All appointments and succession plans are objective, based on merit and the need to promote diversity.

For Non-Executive Directors, the Nomination Committee annually reviews the length of service for each, to determine if a new appointment needs to be made. The Nomination Committee takes into account the cyclicality of the business, as lessons gained through one property cycle can be useful during the next.

For Executive Directors, the Nomination Committee will annually discuss the succession plans for the other Executive Directors and Senior Management below Board level with the Chief Executive. This process helps to identify suitable individuals who could be able to fill senior managerial or Board positions in the future and to determine and address their development needs. As part of their development, senior managers are invited to attend part of a Board meeting to present on their specialist area. This also enables the Board to assess the quality of internal talent, and the individual to get a greater understanding of the workings of the Board.

Succession plans are in place across the business for the wider workforce and our work on developing our employees is set out in the Strategic Report on pages 35 to 39. When considering succession plans, the Board remains cognisant of the need to ensure that there is a diverse range of individuals included in the plan. The business continues to promote diversity and inclusion from within, and further details of the work that has been undertaken in this area can be found on pages 35 to 39.

Board appointment process

Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
The Nomination Committee reviewed the length of tenure of each Non-Executive Director, determined the gaps in experience and considered the existing balance of gender, ethnicity and social backgrounds on the Board to help identify the need to recruit. With Nina Bibby stepping down in October 2022 and John Allan due to complete nine years' service in August 2023, the Nomination Committee agreed to continue the process to identify and appoint at least one Non-Executive Director and a new Chair.	The Nomination Committee reviewed and approved an outline brief and role specification, and appointed Russell Reynolds[1], to identify suitable candidates from a diverse pool of individuals. The Nomination Committee delegated authority to two sub-committees to select candidates for a shortlist. The first was led by John Allan (for the Non-Executive Director) and the second by Jock Lennox (for the Chair).	The short-listed candidates met with the respective sub-committee of the Nomination Committee, with the preferred candidates going on to meet the remaining members of the Board.	The Nomination Committee agreed the preferred candidates for each position, based on the range of skills, experience and knowledge that complemented those of the existing Board members and recommended the same to the Board.	The Board considered each candidate on their merits and approved the appointment of Jasi Halai as a Non-Executive Director with effect from 1 January 2023 and Caroline Silver as a Non-Executive Director and Chair Designate with effect from 1 June 2023.

1 Russell Reynolds Associates are occasionally requested to assist the Company with searches for senior management positions. They have no other connection with the individual Directors or the Company. Russell Reynolds Associates is accredited by the Enhanced Voluntary Code of Conduct for Executive Firms for its support to FTSE 350 Boards in increasing gender diversity. It is also a Co-Founder of The 30% Club, an advocate for improved gender balance on boards. Specific guidance was given to Russell Reynolds Associates to ensure diversity within the candidate long and short lists whilst identifying candidates who had the relevant skills and experience required on the Board.

Induction

Jasi Halai has been through a detailed induction process and Caroline Silver is part way through hers. The induction process was designed to give each of them a good understanding of the business and how it operates to help them fulfil their respective roles effectively. As part of this, they received a comprehensive induction pack, and had meetings with each of:

- the other Board members;
- the Company Secretary;
- members of the Executive Committee;
- the Regional Managing Directors and teams (at the Regional offices);
- heads of key Group functions;
- key external corporate advisers; and
- the external auditor.

Their inductions also included site visits, and details of other opportunities available as part of the induction process. John Allan met with Jasi Halai to listen to her views and feedback on the induction process, which was seen to be comprehensive and well structured. Jock Lennox and/or the Company Secretary will meet with Caroline Silver to gain her views on her induction process once completed.

Q&A with Caroline Silver - Chair and Jasi Halai - Non-Executive Director

We asked both Caroline Silver and Jasi Halai about their experience of joining Barratt.

What were your first impressions of the business when you were approached?

Caroline: When I was first approached for the role, I knew very little about housebuilders. As I looked, I saw a company that leads the industry, in terms of quality, customer and sustainability and is operationally and financially strong.

Jasi: I was impressed by Barratt's 60-year history, and its focus on innovation in construction. I was also interested in Barratt's commitment to building sustainably for people, nature and places, whilst providing sustainable financial returns for shareholders.

What made you decide to join the business?

Caroline: I was impressed with the diversity of background and experience on the Board and the Non-Executive Directors' understanding and involvement. It was clear the executive team are professional, experienced, purpose driven with high integrity and committed to the long-term success of the Company. This was key for me. The key advisers I met endorsed the impression I had of a financially and operationally sound company, with a great team and plenty of ambition.

Jasi: Barratt's vision and impact, its contribution to the UK economy and the communities in which it operates. Barratt creates great places to live, leaving a legacy in every project it delivers, and its regeneration projects are commendable.

What skills and experience do you bring to the role?

Caroline: I have considerable experience in chairing boards to obtain the best from colleagues, working together in a challenging yet supportive way. I am experienced in helping shape strategy and vision and my financial background is helpful. I bring lots of experience in working with investors.

Jasi: I bring particular expertise in finance and accounting, with financial planning and analysis to the role.

How have you found the induction process?

Caroline: It is well organised. I am spending time with every member of the leadership team and am enjoying getting out and about across the business, meeting colleagues and better understanding the culture of the business and the challenges they face.

Jasi: Extremely welcoming, insightful and effective. I have been pleasantly surprised by how Barratt delivers. Its people take pride in what they do and this has been very evident not only through the Board and Committee meetings I have attended but also through the site visits I have conducted.

Nomination Committee Report continued

Reappointment and re-election of Directors

Non-Executive Directors are appointed by the Board for up to three three-year terms subject to annual shareholder re-election and a particularly rigorous review prior to a third term being agreed. Non-Executive Directors will normally step down from their position on the Board and its Committees at the AGM following their ninth anniversary. The length of tenure of Board members is shown on page 109. Each of the Directors has been subject to a formal performance evaluation process during the year, as set out on page 123. The Nomination Committee and the Board are satisfied that each Director continues to be effective in, and demonstrates commitment to, their respective roles. All Directors will be standing for election or re-election at the forthcoming AGM. Biographical details of each of the Directors are set out on pages 104 to 105 of this report, along with reasons why their contribution is, and continues to be, valuable to the Company's long-term sustainable success, and can also be found in the Notice of the 2023 AGM.

Diversity and inclusion

Board diversity

During the year, the Board reviewed its policy on diversity and inclusion. The objective of the policy is to ensure that diversity is reflected within the composition of the Board and throughout the business in its broadest sense, including gender, ethnicity, age, disability, religious belief, sexuality, social class, education experience and ways of thinking. The policy aims for continuous improvement at Board and Senior Management level on all these elements of diversity and to identify the most suitable candidate to join the Board having regard to the individual's skills, experience and knowledge. It also seeks to ensure that, in managing any senior appointment and in succession planning more broadly, the Nomination Committee has regard to the recommendations of the Parker and the McGregor-Smith reviews on ethnicity and race and the benefits of diversity, including gender, ethnicity, social background and cognitive and personal strengths. A copy of our Board diversity policy can be found at: www.barrattdevelopments.co.uk/sustainability/our-policies.

A full explanation of the diversity on the Board and the steps being taken to improve our position are set out in the Nomination Committee Chair's report on page 117. In accordance with the Listing Rules, the following tables detail the diversity profile of the Board and the Executive Committee as at 30 June 2023. This data was collated from our HR database which has been populated using information provided by each individual employee, including Non-Executive Directors. Individuals are asked to select from a series of options on both sex/gender and ethnicity including the below options. Diversity information for employees below the Executive Committee can be found on pages 35 to 39.

Reporting table on sex/gender representation as at 30 June 2023[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	5	62.5	3	5	71.4
Women	3	37.5	1	2	28.6
Not specified/prefer not to say	0	0	0	0	0%

Reporting table on ethnicity representation as at 30 June 2023[1]

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	7	87.5	4	5	71.4
Mixed/Multiple Ethnic Groups	0	0	0	0	0
Asian/Asian British	1	12.5	0	1	14.3
Black/African/Caribbean/Black British	0	0	0	1	14.3
Other ethnic group, including Arab	0	0	0	0	0
Not specified/prefer not to say	0	0	0	0	0

1 A full explanation regarding diversity is provided in the Chair's Statement on page 117 of this report.

Diversity and inclusion throughout the business

The Nomination Committee and the Board recognise the importance of a diverse workforce, at all levels of seniority. Promoting diversity at Senior Management level, and more generally across the workforce, remains an objective for David Thomas, our Chief Executive. David, together with the new Group HR Director, will continue to support the Group Head of Diversity and Inclusion, to drive the agenda forward in this area and undertake a full review of the overall strategy for 2025. The Group's aim is for its employee profile to mirror that of the communities in which it operates and provide an inclusive culture, where everyone can thrive. Further information on the Group's progress on diversity and inclusion can be found on pages 35 to 39. The main objectives, how they are implemented and progress towards them are set out below.

Objectives	Implementation	Progress
Talent: HR processes that support a wide range of skills and backgrounds	Ensure we have a detailed understanding of our people Review the HR lifecycle activity and ensure it is inclusive Tailored support programmes and early careers	A deep dive of data has been undertaken to identify our levels of representation by grade, role and function for all divisions and Group Service Centre teams. This is reported monthly and reviewed in a quarterly scorecard to track change. We also review HR lifecycle data by gender, ethnicity, sexual orientation and disability, from application through employee engagement and exit interview data, to ensure a full understanding of the employee experience for all. Across the HR lifecycle we have made changes to ensure a more inclusive approach, including a review of our preferred supplier list for resourcing agencies, embedding Dignity & Respect into all our talent and early career programmes, a review and update of family friendly policies and externally delivered exit interviews. Catalyst, a female support programme, has run for another successful year and has been joined by Spotlight our support programme for ethnic minority colleagues. Employees are encouraged to self nominate and the sessions are externally facilitated.
Leadership: Role models & allies – leading the change	Leading inclusivity workshops Support difference – Employee network sponsorship Reverse mentoring	All Regional and Managing Directors have received face-to-face workshops, with external facilitation on creating Dignity and Respect for all and how they create psychological safety. Each of our Employee Networks has an Executive Committee member as their sponsor, who supports the activities and objectives of the respective group. Both our gender and ethnicity support programmes include mentoring, which is an opportunity for both our leadership mentors and the programme mentees to share and learn. We were delighted to take part in the inaugural 30% Club, Change the Race Ratio programme, which includes cross-organisational mentoring for high potential talent by the Chief Executive.
Shift attitudes: Support our people's understanding to create the right experience for all	Hear the employee voice Role models and celebrations Zero tolerance on lack of dignity & respect	We have five Employee Network groups, offering a range of activities from webinars, leading discussions, marking of key events and signposting support – Gender, Ethnicity & Religion, Disability, Families (including Carers) and LGBT+. Each network is sponsored by a member of the Executive Committee. We have updated our policy, embedding zero tolerance and shared this through the business via a range of communication channels. Please refer to pages 51 and 55 to 56 for more information on the workforce forum.

Nomination Committee Report continued

Board and Committee evaluation

Each year, the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its Committees and individual Directors. Every three years, the Board undertakes an externally facilitated evaluation. The last one was carried out in 2022. This year's evaluation was carried out internally by the Company Secretary. The next external evaluation is scheduled to be carried out for FY25.

Progress on FY22 evaluation

Progress made against the outcomes of the internal Board evaluation undertaken in FY22 is set out below:

The Board

	Strategy	Diversity and inclusion	Board papers
FY22 outcomes	To hold a strategy day for Directors.	To further embed Diversity and Inclusion throughout the organisation.	To further shorten and standardise papers for Board and Committee meetings.
Progress made in FY23	The format for a strategy day has been agreed. However, due to the change in Chair this will take place in FY24.	Agreed our Diversity and Inclusion strategy to 2025, and supported its rollout across the Group. Requested annual updates on the progress being made as well as regular review of the strategy to ensure it remains fit for purpose.	The Company Secretary, with support from the Chief Executive and the Chair, has worked with paper authors to streamline content and make better use of Executive summaries. This process will continue to evolve during FY24.

Key areas of improvement for the Committees

	Nomination Committee	Audit Committee	Remuneration Committee
FY22 outcomes	Succession for all Directors, but in particular the Executive Directors, and members of Senior Management remains a key priority.	Consider increasing the number of Audit Committee meetings held during the year. Consider increasing the number of private meetings with the Chief Financial Officer (who is relatively new to the business and whose agenda is evolving), and with the Head of Internal Audit due to the increased level work being undertaken around internal controls and assurance in readiness for the implementation of the audit reform recommendations.	Consider if there are any ways in which the Committee could change their overall approach to remuneration to better support the long-term sustainability of the business.
Progress made in FY23	Established an action plan and allocated more time to succession planning.	Kept under review the time allocated to agenda items to ensure that the Committee had adequate time to consider and discuss each item appropriately. Increased the number of private meetings with each of the Chief Financial Officer and the Head of Internal Audit to two per financial year.	During the year, with support from PwC, the Committee has continually considered how to improve its approach to remuneration, in particular, how it can best support and retain employees within this cyclical business.

Board and Committee evaluation process for FY23

Stage 1	Online questionnaires issued to Board and Committee members, and also to those who attend Committee meetings on a regular basis.
Stage 2	The Company Secretary reviewed the responses received and prepared a consolidated report for each of the Board and its Committees to consider.
Stage 3	The reports were shared with each of the respective chairs.
Stage 4	Results were presented and discussed at the June or August Board and Committee meetings.
Stage 5	Actions for improvement were agreed for the next financial year, as set out below.

FY23 Board effectiveness evaluation outcomes

Overall, the results of the evaluation were positive and showed that the Board continues to be run effectively. It is seen as being cohesive and comprising the appropriate balance of experience, skills and knowledge to implement the Group's strategy over the short term. Board meetings operate in a spirit of openness, fostered by the Chairman, in which Directors are able to challenge and discuss openly ideas of importance to the Group, its strategy and risk.

Key areas of improvement for the Board

	Board composition	Strategy	Diversity & Inclusion
FY23 outcomes	To ensure that the Board continues to have the appropriate skills, experience and diversity to help drive the Group's strategy forward.	To review the existing strategy, market evolution and future direction of the business.	Focus on further developing the Group's Diversity & Inclusion agenda and increasing diversity on the Board and throughout the business.
Actions for FY24	To continue to work closely with the Nomination Committee in assessing the skills, experience and diversity required on the Board.	The Board to re-consider strategy and future direction on an ongoing basis as the market evolves.	Support the Group Head of Diversity and Inclusion to drive the Diversity & Inclusion agenda through setting challenging yet achievable targets which will promote engagement and focus on this area across the business.

The Committees

	Nomination Committee	Audit Committee	Remuneration Committee
FY23 outcomes	Continue to focus on Board, Executive Directors and Senior Management succession.	To hold additional deep dive and training sessions to support the Committee's understanding of current and emerging topics, including the impact of potential changes to the various governance and audit landscape. To continue to consider the structure of meetings to ensure that there is sufficient time allocated to address changes that may be required to the Committee's remit in response to the implementation of any governance and audit proposals during FY24 or beyond.	Consider ways to streamline the metrics used for short and long-term incentive schemes.
Actions for FY24	To continue to assess the skills and experience required on the Board and its Committees and make changes to their composition as deemed appropriate, being mindful of the requirements for diversity on the Board. To continue with the succession planning meetings with the Chief Executive.	To determine an agenda of deep dive and training sessions for FY24. To review the annual agenda taking into account potential changes to the Committee's remit that may be required and determine if the current structure remains fit for purpose.	To revisit the rationale for including the metrics within the short and long-term incentive schemes and ensure that they continue to align to the Group's strategy and ultimately remain fit for purpose. Any changes to the metrics for Executive Directors' incentive schemes to be discussed with shareholders and voting proxy agencies prior to the change being put into effect.

Evaluation of individual Directors

The evaluation of the effectiveness of John Allan as Chairman was conducted by the Senior Independent Director with assistance from the Company Secretary in May 2023. John was seen as being supportive but challenging, managing meetings with professionalism and ensuring each Director had the opportunity to express their views. Despite his other commitments, John was seen to be available and flexible, maintaining a high level of engagement with the Company, management and members of the Board. During FY23, the Chairman held one-to-one meetings with each Director to assess the effectiveness of their contributions, the appropriateness of their experience and the effectiveness with which they utilised that experience in furthering the Company's strategy. Any areas of improvement or training and development were agreed. There were no issues of any substance arising from these meetings.

This report forms part of the Corporate Governance Report and is signed on behalf of the Nomination Committee by:

Caroline Silver
Chair of the Nomination Committee
5 September 2023

Audit Committee Report
Audit, risk and internal control

Our approach to managing risk

Jock Lennox
Chair of the Audit Committee

Focus in the reporting year

- Further strengthened our approach to risk management and internal control.
- Continued to assess the impact of the changing business environment.
- Monitored and assessed the accounting for and control over provisions for legacy buildings.

Priorities for FY24

- Review the annual cycle of work for the Committee in view of the extending reporting requirements.
- Continue to scrutinise control and provisions for legacy buildings.
- Continue to consider the implications of any changes in the housing market.

Committee membership and attendance

There were four Audit Committee meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the Committee.

Attended Did not attend

Committee members	Meetings attended
Jock Lennox	Attended, Attended, Attended, Attended
Katie Bickerstaffe	Attended, Attended, Attended, Attended
Jasi Halai[1]	Attended, Did not attend
Chris Weston	Attended, Attended, Attended, Attended
Nina Bibby[2]	Attended
Sharon White[3]	Attended, Attended, Attended, Did not attend

1 Jasi Halai was appointed on 1 January 2023, and was unable to attend the January Committee meeting due to a prior commitment. Prior to the meeting, Jasi provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting, she was briefed on the business of the meeting and any decisions taken.

2 Nina Bibby did not offer herself for re-election and stepped down from the Board at the AGM in October 2022.

3 Sharon White was unable to attend the June meeting due to another commitment. Prior to the meeting Sharon provided her views on the meeting agenda which were shared with the other Committee members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Statement from the Chair of the Audit Committee

I am pleased to present the Audit Committee's report for the year ended 30 June 2023. This sets out our work and how our responsibilities in relation to audit, risk and internal control have been implemented. In performing our duties, we have complied with the requirements of the Code and followed FRC best practice guidance. We work closely with our finance and internal audit teams, and with Deloitte LLP, our external auditor, which helps us to ensure that our internal control processes remain robust and continue to adapt, our financial reporting remains clear, and our critical accounting judgements and key sources of estimation uncertainty are appropriate.

Areas of focus FY23

In last year's report, I set out our priorities for this year and I am pleased to update these as follows:

Risk management and internal control

During the year, the Committee continued to support the Chief Financial Officer, Mike Scott, in embedding the Group's risk management strategy, including a reassessment of the Group's principal risks, details of which can be found on pages 71 to 77.

We have continued to monitor the rollout of the Group's Risk & Internal Control framework (BRICk), as well as further projects to improve the internal control environment and business continuity planning and develop further the risk management process. This included updating our Group & Operational Finance Policy and BRICk, to further enhance our Internal Controls over Financial Reporting (ICoFR).

The linkage of principal risks with mitigating controls and related assurance mapping is now a key foundation to the work of the Committee and the reporting undertaken on risk and control.

Restoring Trust in Audit and Corporate Governance

The Committee has continued to monitor the developments in the debate around Corporate Reporting and Audit Reform. The debate's progress has been slow, nevertheless we have kept an eye on the potential for change and sought to build constructive ideas into the reporting and work of the Committee. Our draft Audit and Assurance Policy continues to evolve and the principles are guiding our approach to assurance on sustainability and non-financial statement reporting. The potential for further developments will be kept under review.

Legacy Properties

At each meeting management has updated the Committee on its assessment of the Group's exposure to the risks derived from both fire safety relating to external wall systems (EWS) and the remediation required to reinforced concrete frames. In particular, careful consideration was given to whether any of the increased costs recorded in the year should have been recognised in the prior year, following which the Committee concluded that they all related to FY23. Further, in view of the identification of new developments requiring investigation relating to reinforced concrete frames, the Committee received a report from management on the associated cause and costs. The Committee agreed the scope of an assessment of the controls in this area to be undertaken in the coming months. Estimating the cost to remediate EWS and reinforced concrete frames continues to be a highly judgemental and complex area as the Group undertakes to fulfil its commitment to do the right thing. The Committee's priority is to ensure that the level and use of the relevant provisions and the related disclosures, including being classified as adjusted items, remain appropriate.

Key areas of focus for FY24

We will continue to monitor and assess the potential impact of the changes for Governance and Audit emanating from the Audit Reform debate. We welcome the consultation on the changes proposed to the UK Corporate Governance Code and will be considering the cost of implementing these as we comment.

We will continue to assess the provisions for legacy properties, in particular the judgements underpinning the provisions and their utilisation. We will receive the report from management on their further assessment of controls relating to reinforced concrete frames and consider any recommendations for improvement.

In light of the continuing increase in reporting and scrutiny over reporting on financial performance, risk, controls and, sustainability, we will review the annual cycle of the Committee and consider whether any enhancements or adaptations would be beneficial.

Jock Lennox
Chair of the Audit Committee
5 September 2023

Audit Committee Report continued

Role and activity of the Audit Committee

Membership and attendance at meetings

Details of the members and attendance at each of the Committee's scheduled meetings is shown on page 124, and the biographies and qualifications of the members are shown on pages 104 and 105. In compliance with the Code, the Committee is comprised exclusively of Non-Executive Directors, and each member is considered to be independent by the Company. The Chairman of the Board is not a member of the Audit Committee. The Board is satisfied that Jock Lennox and Jasi Halai have recent and relevant financial experience. Jock is a Chartered Accountant who has previously chaired several other listed companies' audit committees. He has also been the Chair of the Audit Committee Chairs' Independent Forum since 2016. Jasi Halai, Chief Operating Officer and an Executive Director at 3i Group plc, whom we have recently welcomed to the Audit Committee, is a Chartered Management Accountant and has held a variety of posts at 3i, most recently as Group Financial Controller. She was also a NED and Chair of the Audit Committee at Porvair plc. As part of the effectiveness review, details of which can be found on page 123, the Nomination Committee was satisfied that the Audit Committee has the appropriate skills and experience relevant to the sector in which the Group operates.

In addition, the Company Secretary, Head of Internal Audit, Group Director of Finance, Chair of the Board, Chief Executive, Chief Operating Officer, Chief Financial Officer and representatives from our external auditor, attended each of the Committee meetings. Other Executives and senior managers attended when appropriate for specific agenda items.

After each meeting, the Chair of the Committee reported to the Board on the business undertaken by the Committee and made recommendations to the Board as appropriate. The Committee met the Chief Financial Officer, the Head of Internal Audit and the external auditor separately and independently of management. In addition, the Chair of the Committee separately meets with the external auditor and key management and senior financial managers outside formal meetings.

Role and main activities undertaken by the Committee during the financial year

The main role of the Committee is to assist the Board in fulfilling its governance obligations relating to the Group's financial and non-financial reporting practices and its internal control and risk management framework. It follows an annual work programme to ensure that its roles and responsibilities are completed throughout the year. In agreeing the annual programme, the Committee considers the external environment, internal operation of the business and regulatory changes to ensure that all the main priorities are included.

The Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to the tasks it carries out annually, the Committee carried out the following work during the year:

S Corporate Governance F

Priorities	Work carried out and outcomes
Integrity of Financial Statements and announcements	Considered management's analysis of the costs associated with legacy properties and their presentation in the Financial Statements, concluding that they remain appropriately provided and disclosed. This included matters in relation to EWS; in England following the signing of the LFA in March 2023, in Scotland following the signing of Scottish Accord in May 2023, and also our commitments in Wales, each with differing commitments affecting their presentation in the accounts. In addition, matters in relation to the reinforced concrete frame review were considered and scrutinised. Particular consideration was given to management's analysis that the increased costs appropriately relate to the current year, with which the Committee agreed. Considered the carrying value of goodwill and concluded that no impairment was required. Reviewed the level of third party assurance over the Group's non-financial published information, including TCFD and certain climate-related information, and confirmed that it was appropriate. Reviewed the Annual Report and Accounts to ensure it appropriately messages the performance of the business. Ensured the style and messaging is an appropriate evolution from the prior Financial Statements and announcements, whilst being in line with the wider Board strategies & communications and the Group's statutory requirements. Considered the use of APMs to ensure they properly reflected the underlying trading performance of the Group during the year and concluded that the APMs and the associated disclosures were appropriate.
Risk management and Internal control systems	Monitored improvements to the Group's Risk Management Framework to strengthen the Risk Committee. This included the reassessment of the Group's Principal Risks as set out on pages 71 to 77. Monitored the progress of a Controls Optimisation Project to optimise, rationalise and improve our internal control framework and key internal controls across the business. Considered the new Group & Operational Finance Policy and BRICk and the ongoing programme of work to develop and enhance our Internal Controls over Financial Reporting (ICoFR). Received a report from management on the cause and cost of the recent experience related to reinforced concrete frames and agreed the scope of an assessment of the controls in this area to be undertaken in the coming months. In light of uncertainties in the housing market during FY23, reviewed sensitivity analyses on a range of possible outcomes, including in sales rates and average selling prices and their impacts on the business as a going concern, its viability, and reviews of goodwill, land and work in progress for potential impairment.
Internal audit	Following the IIA assessment last year, the Committee reviewed progress against the recommendations, and reviewed the internal quality self-assessment carried out by the internal audit function against IIA standards for FY23, and concluded that the internal audit function continues to be effective. Challenged how the methodology for delivering significant business change projects should be assessed and how it was being applied, resulting in a review of the broader business change strategy and relevant roles and responsibilities. Approved the annual review and updates to the Risk Assurance Map setting out the assurance provided by each of the three lines of defence over the effective management of the Group's principal risks. Reviewed the output of the annual fraud risk assessment including management controls in place to mitigate the risks identified.
External audit	Reviewed the outcome of the Group's external audit quality indicator assessment. Oversaw the induction of the new Deloitte lead audit partner. The Chair of the Audit Committee met with the Deloitte audit team to discuss their audit plan and risk assessment.
Governance	Reviewed an update to the finance strategy presented by the Chief Financial Officer, advising on improvement options. The Committee will continue to monitor the finance strategy as it evolves. Reviewed the new Document Retention Policy, including piloting the implementation of software to facilitate the identification of data which could be at risk of being outside policy.

FY23 Financial Statements

Significant issues considered during the financial year

The issues considered by the Committee to be the most significant (due to their potential impact on the performance of the Group's activities) in relation to the Financial Statements during the financial year are set out below.

Audit Committee Report continued

FY23 Financial Statements continued

Significant issues considered during the financial year continued

1. Critical accounting judgements and key sources of estimation uncertainty

These are set out in the table below and on the following page.

2. Going concern

The Committee:

- concurred with management's conclusion, and recommended to the Board, that the Company and the Group continue to be a going concern and that the Financial Statements should be prepared on a going concern basis;
- using the Group's business plan, assessed the Group's available facilities, headroom and banking covenants;
- reviewed management's detailed analysis, which included forecasts, scenarios and sensitivities;
- considered the going concern requirements of the Code to ensure compliance; and
- continued to monitor market conditions to ensure any appropriate adjustments are reflected.

The Committee also reviewed management's viability assessment of the Group and agreed that it was appropriate.

Further details on the Group's going concern and viability assessments can be found in note 1 on pages 188 and 189, and the Group's Going Concern and Viability Statements can be found on pages 99 and 100.

3. Financial reporting

The Committee reviewed the integrity of the Financial Statements of the Group and the Company, and all formal announcements relating to the Group and Company's financial performance. This process included the assessment of the following primary areas of judgement and took into account the views of our external auditor.

Significant issues considered by the Committee relating to the Financial Statements for FY23 comprise:

Issue	External auditor challenge	Management response	Audit Committee comments
Margin recognition Development costs are allocated, on a site by site basis, between homes built in the current and future years. The Group's site valuation process determines the profit margin for each site. This requires the estimation of future sales prices and costs to complete. Further detail is given in note 3 on page 191.	The external auditor attended valuation meetings, performed Group-level analytical reviews, and undertook other audit procedures to challenge the margin recognised for the year.	The Committee considered: • feedback from senior management regarding their attendance at valuation meetings and their assurances on the efficiency and consistency of the approach on valuation throughout the business; • management's assumptions and estimates in the assessment of margin recognition based on site performance, in particular, sales prices and build cost, given the dynamic inflationary environment; • ongoing enhancements made to the valuation internal control process following completion of the rollout of the new commercial valuation system and also BRICk internal controls framework; and • the results of the Group's internal audit reviews across the business.	Based on this, the Committee was comfortable with the process and controls adopted by management around the estimation of future income and costs to complete, and thus the process by which the Group's inventory is valued and the margin recognised.
Costs associated with legacy properties Estimations of cost provisions relating to remedial work associated with EWS and reinforced concrete frames, on legacy buildings, have been appropriately provided for and disclosed. This is against the backdrop of Government guidance, industry regulation, and interpretation thereof, continuing to evolve, requiring the Group to adjust its response, similarly as the Group's experience of the scope and cost of remediation also evolves. Further detail is given in note 4 on page 192 and note 20 on pages 212 to 214.	The external auditor challenged the completeness of the basis for the estimated costs, the scope of buildings, contingency, assumptions relating to cost inflation, estimated timing of spend and discount rate.	Following the inclusion of further costs associated with EWS legacy properties as an adjusted item in the FY23 Income Statement, the Committee has reviewed and challenged the provision, assessing its utilisation and continued adequacy, and has agreed that the increase has been appropriately judged, recorded in the correct period, and that accompanying financial and contingent liability disclosures fairly reflect the associated risks and opportunities. The Managing Director of the Building Safety Unit attended the Audit Committee at both half and full year end to further appraise the Committee, whilst also allowing the Committee to question and scrutinise as necessary. Following the recognition of further reinforced concrete costs, the Committee considered the appropriateness of the costs recognised and the related disclosure, and whether such costs had been recognised in the appropriate financial year.	Based on this, the Committee was comfortable with the process and controls adopted by management around the disclosures and estimation of costs and provisions associated with legacy properties.

Fair, balanced and understandable considerations and conclusions

The Committee received a draft of the Annual Report and Accounts prior to its August 2023 meeting, together with supporting material from management and the external auditor. At the meeting, it considered and assessed the process undertaken in drafting the 2023 Annual Report and Accounts to determine whether it was fair, balanced and understandable.

Considerations

- Feedback provided by shareholders on the FY22 Annual Report and Accounts.
- Assurances provided in respect of the financial and non-financial management information.
- The balance between statutory and adjusted performance measures.
- The internal processes underpinning the Group's reporting governance framework and the reviews and findings of the Group's external legal advisers and external auditor.
- A report from the Company Secretary, which confirmed that: i) the process involved collaboration between various parts of the Group, including the Group Finance team, Company Secretariat, Group Communications, Investor Relations and the Sustainability team; ii) the Annual Report and Accounts had been reviewed by the Executive Directors; and iii) the Company had received confirmation from its external advisers that the Annual Report and Accounts adhered to the requirements of the Companies Act, the Code, the Listing Rules and other relevant regulations and guidance.

Conclusions

The Committee concluded that the Annual Report and Accounts for the year ended 30 June 2023:

- clearly, comprehensively and accurately reflect the Group and Company's performance in the year under review;
- contain an accurate description of the business model;
- appropriately reflect the Group and Company's purpose, strategy and culture;
- includes consistent messaging and clear linkage between each of its sections; and
- includes KPIs, which are consistent with the business plan and remuneration strategy.

Accordingly, the Committee recommended to the Board that the FY23 Annual Report and Accounts are fair, balanced and understandable. The Board's formal statement on the Annual Report and Accounts being fair, balanced and understandable is contained within the Statement of Directors' Responsibilities on page 171.

Internal controls and the risk management process

The Committee monitors the Group's risk management and internal control systems, including their effectiveness, on behalf of the Board. The key aspects are as follows:

- a clear organisational structure with defined levels of authority and responsibility at all levels of the business;
- financial and management reporting systems under which financial and operating performance is planned on a three-year basis and budgeted annually. Financial and operating performance is consistently reviewed against budget and forecasts at divisional, regional and Group levels on a monthly basis, variances are explored and, where appropriate, changes made; and the information is used in the preparation of the Annual Report and Accounts;
- identification and review of principal operational risk areas to ensure they are embedded in the Group's monthly management reporting system as routine aspects of managerial responsibility. Details of the risk management system and the principal risks are set out on pages 71 to 77;
- assessment of compliance with internal control and risk management systems, including a consideration of controls over non-financial risks. This assessment is supported by the Group's internal audit team, which is responsible for undertaking a risk-assessed annual audit plan, ad hoc audits and reporting to the Committee, and, if necessary, the Board, on the operation and effectiveness of those systems and any material failings. Following the recognition of additional reinforced concrete frame provisions, the Committee will review the control environment over complex building design in FY24;
- mapping of assurance procedures to the Group's principal risks, to ensure that the mitigating controls are sufficiently robust; and
- consideration and approval of the Group's tax position and strategy.

The Group's operations and financing arrangements expose it to a variety of financial risks that include the effects of changes in borrowing and debt profiles, Government policy, market prices, credit risks, liquidity risks and interest rates. There is a regular, detailed system for the reporting of daily cash balances and forecast cash flows from operations to Senior Management, including Executive Directors, to ensure that risks are promptly identified and appropriate mitigating actions taken. These forecasts are further stress tested at a Group level on a regular basis. In addition, the Group has in place a risk management programme that seeks to limit the adverse effects of the other risks on its financial performance, for example limiting its exposure to institutions with high credit ratings. Financing activities are delegated by the Board to a centralised Treasury Operating Committee. Group Treasury operates according to treasury policies that are approved by the Board and the Treasury Operating Committee.

Development of an Audit and Assurance Policy

The Committee and the Board support the publication of an Audit and Assurance Policy in order to bring greater transparency to the assurance it receives in order to gain comfort over the Group's management of risks, and over the accuracy of its reporting of both financial and non-financial information.

During the year, the Committee reviewed a number of items which support our Audit and Assurance Policy. These included:

- a risk assurance map setting out assurance already in place, using the three lines of defence model, to identify any gaps or areas where improvement in assurance is required;

Audit Committee Report continued

Development of an Audit and Assurance Policy continued

- assurance mapping over the Group's published financial and non-financial information which was reviewed and updated during the year. The Board made the decision to again appoint Deloitte to provide additional independent assurance over certain aspects of the Group's climate-related disclosures, including TCFD and certain other non-financial information; and
- the completion of the annual detailed fraud risk assessment exercise to identify, consider, and assess fraud risks in place across the Group and the associated controls and assurance in place to mitigate and manage these.

The Committee will continue to monitor the development and formalisation of the assurance in place across the Group's risks, key internal controls over financial reporting and financial and non-financial published information, with the view to publishing the Audit and Assurance policy in due course.

Whistleblowing

The Group has a clear whistleblowing policy and procedure, which is communicated to the workforce. Concerns can be raised by employees with managers, or can be reported by anyone, anonymously if necessary, to a confidential and independent hotline. The hotline is available 24 hours a day, with any matters raised being notified to internal audit immediately by email. Matters requiring urgent attention (including corruption, human rights abuse and personal safety) are notified to the Head of Internal Audit by phone immediately, including outside business hours. The Head of Internal Audit reviews matters raised, and ensures each matter is investigated or refers them to other relevant functions across the business, such as the Safety, Health and Environment or HR teams, to investigate as appropriate. Any substantive issues are raised with the Chair of the Audit Committee as they arise. The Head of Internal Audit also updates the Committee on all significant whistleblowing incidents at each of its meetings. The Committee reviews the overall procedure, investigations and outcomes, as well as the availability and frequency of use of the whistleblowing hotline. The Chair of the Committee updates the Board on whistleblowing reports and investigations on a regular basis, and the Board reviews the whistleblowing arrangements and discusses the most significant issues as appropriate.

Internal audit

Information regarding internal audit matters considered by the Committee are set out in the table of work carried out on page 127.

During the year, the Head of Internal Audit completed all recommendations and improvements from the IIA EQA which was undertaken during the previous year. This included the pilot of a guest auditor programme which allowed individuals from across the business to support the internal audit team with specialist technical knowledge and expertise in auditing certain areas of the business. The trial of the programme was successful, providing additional insight and knowledge to support assurance, and the programme will therefore continue to operate for the next year. The Head of Internal Audit conducted a self-assessment during the year in order to assess the effectiveness of the function against the required IIA standards and governance requirements and reported the results to the Committee, who concluded that the function continued to operate effectively.

The Committee again considered the reporting line of the Head of Internal Audit, and confirmed that it continued to be comfortable with the existing reporting line to the Chief Financial Officer given that the Head of Internal Audit had regular formal meetings with the Chief Executive and any issues are reported to the Chief Executive in a timely manner. They were also comfortable with the independent relationship between the Head of Internal Audit, the Chair of the Committee and the wider Committee. The Committee confirmed that they would continue to keep this reporting line under review.

External audit

Audit performance and effectiveness

The Committee annually reviews the external audit plan and process. This year it again approved the audit of key risk areas earlier in the year to reduce pressure on the busy financial reporting period after year end.

In FY22 Deloitte was appointed, after a thorough tender and interview process, to provide assurance over our TCFD and certain non-financial disclosures. The appointment and fees associated with this work are in accordance with our Auditor Independence and Non-Audit Fees Policy.

In forming its conclusion on performance and effectiveness of the external audit, the Committee reviewed amongst other matters:

Feedback from all stakeholders on the external audit.

The external auditor's fulfilment of the agreed audit plan for FY23.

Reports highlighting the material issues and critical accounting judgements and key sources of estimation uncertainty that arose during the conduct of the audit.

The external auditor's objectivity and independence during the process, including its own representation about its internal independence processes.

The challenges raised by the external auditor during the audit.

The Chair of the Committee met with the leaders of the external audit team to assess their experience and understanding of Barratt, which were considered appropriate.

In assessing the effectiveness and performance of the external auditor, the Committee also approved the Group's approach to assessing audit quality. As in FY22, a questionnaire was circulated covering five significant audit areas. A wide range of internal stakeholders were included across the Group's senior leadership. All areas were rated as good, with some challenges identified in project management. The Deloitte team expect to address the highlighted areas of focus in FY24.

During the audit, the external auditor challenged management's judgements and assertions on the following matters in particular:

- margin recognition;
- valuation and completeness of provisions related to legacy developments (EWS and reinforced concrete frames); and
- valuation and completeness of completed development provisions.

The Committee's response to these can be found in the relevant section of the table of significant issues considered by the Committee relating to the Financial Statements on page 128.

The FY21 audit was subject to an Audit Quality Review, the progress of which was regularly reported to the Chair of the Committee, and has now been completed. The Chair of the Committee received a full copy of the findings of the AQR team and has discussed these with Deloitte. Some matters were identified as requiring improvement and the Committee has agreed an action plan with Deloitte to ensure these have been addressed in the audit of the Company's FY23 Financial Statements.

The Committee concluded that the external audit process as a whole had been conducted robustly, the external audit team selected to undertake the audit had done so thoroughly and professionally, and the external auditor had applied sufficient experience and understanding of the housebuilding industry, consulted with experts as necessary, and is of sufficient size to conduct the audit. Deloitte's performance as external auditor to the Group during FY23 was therefore considered to be satisfactory.

In addition, the Committee was satisfied that management had provided the external auditor with appropriate access to Barratt's own people, systems, records and supporting information, whilst acting professionally and with appropriate challenge, enabling the audit to be conducted effectively.

Auditor independence and non-audit fees

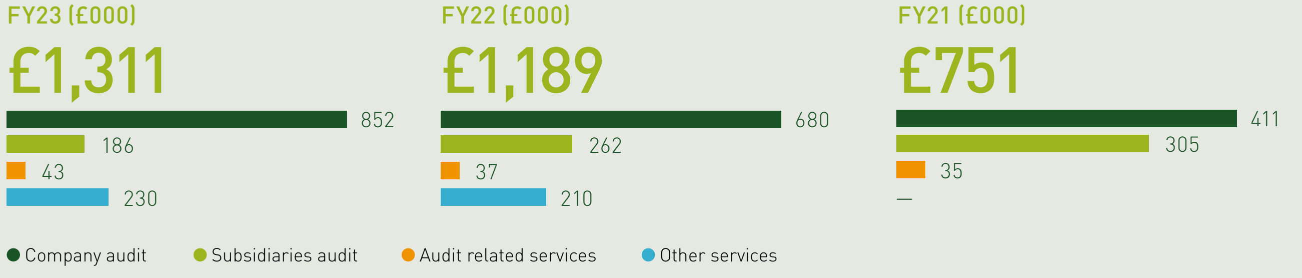
The Company's Policy on auditor independence and non-audit fees is available at www.barrattdevelopments.co.uk/investors/corporate-governance. With effect from 1 July 2021, the policy caps non-audit fees at 70% of the average audit fees over the previous three years. The Committee continually monitors the ratio of non-audit to audit fees to ensure that it does not exceed this cap. For FY23, non-audit fees (including audit-related assurance services) for the Company and its subsidiaries and JV's were £230k, representing 24.3% of the total audit fee. Non-audit fees based on the average of the previous three years' audit fees were 26.5%. Further details of the audit and non-audit fees incurred by the Group can be found in note 3 on page 192. The non-audit fees were for work undertaken by the external auditor for the review of the half year report and also assurance provided over TCFD and certain non-financial disclosures included in our FY23 results.

This Policy also sets out the duties of the Committee relating to the protection of the objectivity and independence of the external auditor. The pre-approval levels and conditions required for different non-audit services that might be required from the external auditor, together with prohibited services, are detailed in the Policy. It also sets out restrictions on the recruitment of employees from the external auditor. The Policy was reviewed and updated in 2023, and is in line with the auditor independence rules of the FRC's Revised Ethical Standard 2019 and includes the FRC's whitelist of permitted non-audit services. There are no conflicts of interest between the members of the Committee and the external auditor.

The Committee requires written confirmation annually from the external auditor that it remains independent. For FY23, the external auditor provided a comprehensive report to the Committee verifying that it had performed its audit and audit-related services in line with independence requirements and explaining why it believed that it remained independent within the requirements of the applicable regulations and its own professional standards. The report also explained why the ratio of audit to non-audit fees, and the extent and type of non-audit services provided, was appropriate. The Committee conducted its own review and endorsed the external auditor's conclusions on compliance with the Policy and independence of the external auditor.

Accordingly, the Committee was satisfied that both the work performed by the external auditor, given its knowledge of the Group, and the level of non-audit fees paid to it, were appropriate and did not raise any concerns in terms of our external auditor's independence.

Total audit and non-audit fees



Audit Committee Report continued

Auditor rotation timeline

2007
Deloitte appointed

2017
Deloitte reappointed following competitive tender

2027
Competitive tender unless particular circumstances require an earlier tender

External audit continued

External audit tender

Deloitte was first appointed as external auditor to the Group in 2007, and was reappointed following a competitive tender in FY17. The Company has therefore complied with the provisions of the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 issued by the CMA on 26 September 2014. Jacqueline Holden replaced Claire Faulkner as lead audit partner with effect from the FY23 audit following a period of transition. Jacqueline was selected after an interview process involving the Chair of the Committee, supported by the then acting Chief Financial Officer. The external audit team's second audit partner was rotated for the FY20 audit and remains in place.

Under current regulations, the Company is not due to re-tender its audit until 2027. Given the continuing effectiveness of Deloitte in its role as external auditor, the Committee currently believes it is in the best interests of shareholders for Deloitte to remain in role and for a competitive tender process to be completed in time for the FY27 audit. The Committee will, however, continue to monitor Deloitte's performance as external auditor and make recommendations accordingly.

The Group has appointed UHY Hacker Young LLP as the auditor for certain of its subsidiaries and JVs with effect from the FY23 audit. This appointment followed a rigorous tender process. The timing of this audit work follows completion of the Group audit and therefore has no bearing on the scope of Deloitte's audit. As well as realising some efficiency, this step provides the opportunity for one of the so called challenger audit firms to gain experience.

Assessment of the external auditor

Having considered the external auditor's performance, the Committee recommended to the Board that the external auditor remains independent, objective and effective in its role and therefore should be reappointed for a further year. On the recommendation of the Committee, the Board is putting forward a resolution at this year's AGM to reappoint Deloitte as external auditor for a further year. The recommendation of reappointment of Deloitte is free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of auditors.

This report forms part of the Corporate Governance Report and is signed on behalf of the Audit Committee by:

Jock Lennox
Chair of the Audit Committee
5 September 2023

Safety, Health and Environment Committee Report

Our approach to managing safety, health and the environment

Chris Weston
Chair of the Safety, Health and Environment Committee

Focus in the reporting year

- Continued to monitor IIR and launched a further campaign focusing on the prevention of slips, trips and falls.
- Considered enhancements to existing safe systems of work such as working at height and activities involving ground workers.
- Assessed the SHE culture within our business via a SHE Climate survey.

Priorities for FY24

- Continue to take action to improve our IIR.
- Further enhance activities around mental well-being and occupational health.
- Keep under review the requirements of the Building Safety Act and adapt accordingly.
- Continue to review our impact on the environment and how we mitigate against this.

Committee membership and attendance

There were two meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

Attended / Did not attend

Committee members	Meetings attended
Chris Weston	Attended, Attended
Steven Boyes	Attended, Attended
Vince Coyle[1]	Attended, Attended

1 Vince Coyle is Group Safety, Health and Environmental Director.

Safety, Health and Environment Committee Report continued

Statement from the Chair of the SHE Committee

I am pleased to present this report as Chair of the SHE Committee. The health and safety of our workforce, customers and the public, and the protection of the environment around our developments, remain a fundamental priority for the Group and is embedded within the day-to-day operations of the business. Overall, our site teams continue to be recognised for achieving high standards of health and safety. Our culture and approach has been further verified by achieving champion status as part of an assessment by Building Safer Futures, a non-profit organisation set up as part of the drive for improvements to building safety in the construction industry.

FY23 areas of focus

Injury and ill health prevention has remained a key area of focus for the business throughout the year. Following the reduction in the Group IIR in FY22, and despite the ongoing action plan for continuous improvement, the IIR has unfortunately increased this year from 262 per 100,000 persons in FY22 to 289 in FY23. Our analysis indicates that the primary contributing factor is slips and trips, which is reflected industry wide, and a further campaign has been put in place which is described below.

We have continued to review all working practices and considered enhancements to existing safe systems of work, especially around working at height and those activities involving ground workers. With effect from 1 July 2022, all ride-on dumpers of six tonnes or more operating on our sites were required to have an enclosed cab to protect the operator. We have worked closely with our sub-contractors to ensure that this new requirement can be adhered to.

During the year, a hearing took place in relation to an incident involving an employee of one of our sub-contractors that occurred within our West Scotland division in 2017. A dumper collided at low speed with the sub-contractor's employee. The sub-contractor had not presented their employee to our site team for an induction on their first day, but based on strict liability and the fact the individual had not been inducted, we accepted responsibility as the Principal Contractor for this technical breach. In addition, both Barratt and the sub-contractor pleaded guilty to insufficient pedestrian/plant segregation being available at the location where the incident occurred. We were fined £8,000 and the sub-contractor £32,000. We took immediate action after the incident to address the circumstances that led to the breaches identified, including reinforcing our policy on site induction, and ensuring that contractors take appropriate steps to segregate workers from their plant movements. We continue to monitor these on a regular basis.

We recognise the importance of ensuring all who work on our sites have an effective induction and hold the relevant competencies for the role they are undertaking. Therefore this year we have further developed our successful Induction Manager App to enhance the process. This has proved effective in ensuring all individuals attending our sites are clear on what we will provide and do, and what is expected from them. We have also continued with our positive engagement with key members of our supply chain in reviewing safe systems of work and developing enhanced controls for their work activities.

During FY23 we further assessed the SHE culture within our business via a SHE Climate survey sent to employees, sub-contractors and suppliers, which was created by the Health and Safety Laboratories for the purposes of benchmarking Health and Safety culture in comparison with organisations across a number of sectors. The overall results were encouraging. We scored above the benchmark (compared with 130 companies in all sectors) in all eight categories, which placed us in the top 5% of comparator companies. A particular strength that was noted, was health and safety communication and Management's commitment to always act on safety concerns which is very encouraging. Detailed action plans are now being developed across the business to address those areas where there is room for further improvement with progress being monitored by the Committee. We intend to repeat the survey bi-annually going forward, and will endeavour to increase the participation from our supply chain in further surveys.

FY24 key priorities

Injury prevention remains a key area of focus for the business, with the aim of improving our IIR. There are further changes that we will be looking to make in terms of mental wellbeing and managing occupational health, and we are working with the HR team to improve business knowledge and awareness. The new Building Safety Act encompasses wide-ranging statutory requirements for high risk buildings and other elements of the built environment and we are looking closely at the detailed competency requirements included already and those arising from the anticipated secondary legislation. We are also committed to minimise the risks to the environment and so in FY24 a key focus area will be continuing to review and enhance our silt water management controls to ensure that contamination events are prevented.

I would like to thank the SHE team, our employees and sub-contractors for the great work that they undertake each day to keep our people safe.

Chris Weston
Chair of the SHE Committee
5 September 2023

Role and activities of the SHE Committee

Membership and attendance at SHE Committee meetings

The membership of the SHE Committee and the attendance at each of its scheduled meetings is set out on page 133.

Only members of the SHE Committee have the right to attend meetings, however, other individuals may be invited, at the request of the Chair, to attend all or part of any meeting where it is deemed appropriate.

Role and main activities undertaken by the Committee during the financial year

The SHE Committee's activities continue to remain focused on the prevention and mitigation of the key operational risks relating to health and safety, and the protection of the environment. By receiving reports and challenging those tasked with SHE performance where necessary, the SHE Committee helps the business to improve its SHE standards. It supports and oversees the direction and implementation of SHE Policy and procedures which encourage efficient working practices, prevention of injury and illness, and support our continuous improvement strategy and ongoing sustainability of the Group.

The SHE Committee continues to work closely with the SHE Operations Committee, which is responsible for the implementation and oversight of the Group's overall SHE improvement strategy on a day-to-day basis. The SHE Operations Committee reports directly to the SHE Committee. The Group Construction and SHE Director presents SHE update reports to each of these Committees and to the Board. The SHE Committee has at least one joint meeting with the SHE Operations Committee each financial year. In addition, the SHE Committee Chair is now invited to attend all SHE Operations Committee meetings. This enables the Committee and its Chair to enhance its understanding of the operational issues faced by the workforce, and to discuss them, and ways to improve them, directly with those responsible for day-to-day SHE management.

The SHE Committee's responsibilities are set out in its Terms of Reference, which can be found on the Company's website at www.barrattdevelopments.co.uk/investors/corporate-governance. In addition to the tasks carried out annually, such as a review of its Terms of Reference and approval of this report, the SHE Committee carried out the following work during the year:

Priorities	Work carried out and outcomes
IIR	Continued to monitor SHE performance targets, key performance indicators and IIR, all of which are available on pages 17 and 24.
	Launched the campaign for increased Near Miss reporting in January 2023, to enable the business to have greater depth of insight into emerging risks and trends.
	Considered, developed and launched a new SHE campaign to focus on slip, trip and fall incidents.
SHE training and compliance	Reviewed the outcome of a benchmarking exercise with HBF members on our Drugs and Alcohol Policy and approach to testing, which showed our Policy was robust compared to others in the industry, and agreed a number of changes on testing.
	Considered and approved the detailed plan of work for the integration of Oregon and Gladman into Barratt SHE management.
	Considered the outcome of the HSE Safety Climate survey, and agreed the actions arising from it.
	Reviewed the new Health and Wellbeing strategy and requested a review of how to measure its effectiveness.
	Considered and agreed a new policy on the arrangements in place for the security and protection of our construction sites.
	Sponsored a review of the documentation site managers are required to complete during the lifecycle of a project and agreed a number of efficiencies which were implemented in FY23.

SHE management system

Our SHE management system continues to be accredited to the international standards ISO 14001 and 45001. We have reviewed the processes which site management are required to undertake and have received considerable feedback from site teams. Where possible, we have either enhanced the practical use of apps or amended forms.

We are focused on having an effective process for near miss reporting. It is essential in our view to consider incidents that may not have caused injury or damage but had the potential to do so. This helps us to ensure that mitigations are in place to try and prevent these incidents from occurring again and from becoming an injury or causing damage.

Health and Safety Climate survey

The Health and Safety Climate survey was undertaken during the year with over 1,600 surveys completed and over 8,000 individual comments captured. Our health and safety culture in particular was considered to be very strong, with positive comments regarding health and safety leadership and the strength of poster campaigns on site. Areas for improvement included simplifying the format and presentation of our SHE procedures and control forms, and ensuring that all members of the workforce pay enough attention to health and safety matters. Additional actions arising from the survey included reviewing our pre-start processes to ensure health and safety continues to be embedded from commencement and that we continue to learn from incidents through an effective communications process. Specific Regional action plans are also being developed and progress is being tracked through the SHE Operations Committee.

Safety, Health and Environment Committee Report continued

Integration of Oregon and Gladman

Having consistent Health and Safety Standards across all of our Group Companies is very important. We have therefore worked with both the Oregon and Gladman teams on their Health and Safety integration which was completed for both organisations in FY23. Both organisations have now implemented SHE training requirements which are consistent with the rest of Group; they are capturing incident and near miss information using the incident app and are also being audited through the annual Divisional audit programme. They also both took part in the recent Safety Climate Survey.

Health and Safety training

We continue to develop our e-learning packages to support our existing training provision. The number of slips and trips has been a primary contributing factor to the IIR and a number of these have involved employees in sales roles. We have therefore, this year, launched a Sales e-learning module to ensure new sales team colleagues are familiar with our controls and that the sales environment is safe for colleagues and customers. The majority of slip incidents continue to be in construction. In co-ordination with other housebuilders, we are introducing a campaign on prevention of slip/trip injuries given that there has been an industry-wide trend in an increase in these types of incidents and therefore a common goal to improve.

Induction is a key control, and it is a mandatory requirement for individuals to complete the induction process and for a record to be maintained on our platform. Based on feedback from our site teams, we launched a new two-stage site induction process, requiring site workers to review a video highlighting our expectations of them and what they should expect from us. Competency cards are increasingly using smart technology, verifiable against the scheme database. Accessibility to the assessment at the end of the induction has been increased through the use of sub-titles and translations for those whose primary language is not English.

A full programme of Board visits and site visits by individual Board Directors has recommenced, with two sites visited by the full Board. The aim is for each Director to visit at least one site a year.

It is also important to us that we are engaging with our high risk contractors. Ongoing work with groundworkers includes SHE seminars in each division every six months, and we have now extended this to include our scaffolding contractors.

Occupational health and wellbeing

The Group continues to promote occupational and mental health for all employees and others working on our sites. With support from the Group HR team, employees were given access to a variety of webinars, e-learning modules and newsletters, all of which contained guidance on staying healthy both physically and mentally. Further details of our health and wellbeing initiatives are given on page 38.

Environmental protection

We have a management system in place that is compliant with environmental standards. Prior to commencing on site, we undertake an assessment of the local environment and put plans in place to prevent contamination of any adjacent watercourses. These plans and controls are reviewed monthly and action is taken where enhancements or maintenance of the controls are required. We are also committed to further minimise the risks to the environment and so a key focus area will be to enhance our policies and procedures, in particular our surface water management plans, whilst continuing to ensure that they are effective and are closely monitored by our Operational teams.

This report forms part of the Corporate Governance Report and is signed on behalf of the SHE Committee by:

Chris Weston
Chair of the SHE Committee
5 September 2023

Remuneration Report
Annual Statement from the Chair of the Remuneration Committee

Our approach to remuneration

Katie Bickerstaffe
Chair of the Remuneration Committee

Focus in the reporting year

- Deferred bonus alignment with best practice and shareholder expectations.
- Review of Remuneration Policy.
- Remuneration outcomes for FY23.
- Remuneration targets for FY24.

Priorities for FY24

- Monitor Executive Directors' and Senior Management's performance against targets.
- Keep metrics used for short- and long-term incentives under review.
- Induct new Group HR Director to the workings of the Committee.

Committee membership and attendance

There were four meetings held during the year ended 30 June 2023. The table below shows the attendance of each Director whilst a member of the committee.

Attended / Did not attend

Committee members	Meetings attended
Katie Bickerstaffe	Attended, Attended, Attended, Attended
John Allan	Attended, Attended, Attended, Attended
Caroline Silver[1]	Attended
Jasi Halai[2]	Attended, Attended
Jock Lennox	Attended, Attended, Attended, Attended
Chris Weston	Attended, Attended, Attended, Attended
Nina Bibby[3]	Attended
Sharon White[4]	Attended, Attended, Attended, Did not attend

1 Caroline Silver was appointed to the Board and the Committee on 1 June 2023.
2 Jasi Halai was appointed to the Board and the Committee on 1 January 2023.
3 Nina Bibby did not offer herself for re-election and stepped down at the AGM in October 2022.
4 Sharon White was unable to attend the June 2023 Committee meeting due to a prior commitment. Prior to the meeting, Sharon provided her views on the meeting agenda which were shared with the other Board members during the meeting. Following the meeting Sharon was briefed on the business of the meeting and any decisions taken.

Remuneration Report continued
Annual Statement from the Chair of the Remuneration Committee continued

Statement from the Chair of the Committee

I am pleased to present my report to you as Chair of the Committee.

When considering the FY24 remuneration outcomes for the Executive Directors and in considering the targets for FY24, the Committee took into account, amongst other factors, the performance of the Group in FY23 and the market conditions in which the Group has operated (as explained in the Chief Executive's Statement on page 23, and the Marketplace section on pages 20 and 21).

Remuneration Policy

Our existing remuneration policy was approved for a period of three years at our 2020 AGM and expires this year. As such, we will be presenting a slightly revised policy to shareholders for approval at our 2023 AGM. During the year, the Committee undertook an in-depth review of the current policy considering a number of factors including the expected economic environment over the next policy period, our strategy, and our experience with the current policy. Following discussions, the Committee believes that overall the policy remains broadly fit for purpose. It is therefore proposing that the only significant change to the policy, as previously communicated, will be with regards to bonus deferral for Executive Directors and Senior Management.

Currently, under the rules of the existing DBP, any bonus earned in excess of 100% of salary is deferred into shares. To bring the policy in line with shareholder expectations and best practice we will, from the date of the 2023 AGM, defer a fixed percentage of any bonus earned. Accordingly, for FY24, we have agreed that one-third of any bonus earned will be deferred into shares. This is in line with current arrangements under which an individual who is able to earn a bonus equivalent to 150% of salary defers one-third of their bonus at maximum. Our proposal therefore ensures that the same proportion of the annual bonus continues to be deferred when maximum opportunity is achieved, but also ensures that one-third of any bonus earned will be deferred for achievement below maximum. The rules of a new DBP which will be used to implement this new approach to deferral will be presented to shareholders at the 2023 AGM for approval.

Other minor amendments have been made to the policy to provide further clarity in respect of potential performance metrics used within the annual bonus and to ensure that the policy remains in line with best practice.

We believe that with these changes, the Remuneration Policy is fit for purpose and aligns the interests of our Executive Directors with those of our shareholders and with our business strategy. It also continues to drive appropriate behaviours for the long-term success of the Company. Details of these changes can be found on page 142.

FY23 performance and reward

The business has continued to deliver a strong operational and a good financial performance throughout the year. In particular, we achieved 17,206 total home completions (FY22: 17,908), despite the challenges posed by the increase in interest and mortgage rates and the continuing significant cost of living pressures faced by our customers. The Board is extremely grateful for the hard work and dedication of our teams and partners over the past year, despite these challenges. The outcome for the FY23 annual bonus scheme was 40.1% of maximum, with no bonus earned in respect of the adjusted PBT performance target. The 2020 LTPP award will vest at 19.6%. Further details can be found on page 161.

The Committee carefully considered the incentive outcomes within the context of the underlying performance of the business, and ultimately decided that the outcomes were reflective of business performance. As a result, the Committee has not used any discretion to determine these outcomes and it has not adjusted any of the performance targets during the year.

2022 LTPP

As highlighted in last year's report, the Committee was mindful of the view of shareholders and proxy voting agencies that remuneration committees should seek to reduce the number of shares granted under a long-term performance award, where the Company's share price has fallen substantially since the previous grant, to avoid potential windfall gains for Executive Directors. As such, at the time of grant of the 2022 LTPP, the Committee agreed to apply a reduction of 15% to the normal level of the award to avoid windfall gains given the decline in the Company's share price since the previous grant in October 2021.

Pensions

With effect from 1 January 2023 the cash supplements in lieu of pension paid to David Thomas and Steven Boyes were reduced from 25% of base salary to a level equivalent to the wider workforce (currently 10% of base salary), in line with our previous commitments and the guidance from the IA. Mike Scott's cash supplement was set at 10% of base salary from the date of his appointment.

FY24 remuneration

Cost of living support

We remain conscious that the cost of living continues to be high and is impacting our employees. In January 2023, we decided to pay a further £1,000 salary supplement, in equal monthly instalments to each of our employees below our senior leadership team (95% of our employees) for the six months to 30 June 2023. With effect from 1 July 2023, we ceased the salary supplement but applied a 4% inflationary increase for all employees below Board level, with a tiered additional increase, up to 6%, for those who received the salary supplement, meaning that on average a 5.3% salary increase was awarded to the wider workforce.

FY24 salary

Having regard to the changes implemented for employees as set out above, and to the benchmarking data provided by PwC, the Committee decided to increase Executive Directors' salaries by 4%, which is lower than the average increase of 5.3% awarded to the wider workforce. The Committee believes that this increase is justified given the continued strength of our operational and financial performance, the ongoing competitive landscape we face across the sector, and to ensure alignment between the Executive Directors and the wider workforce. The Committee further believes that this level of increase is appropriate given the current economic circumstances in which we are operating. Furthermore, the Committee is comfortable that salary levels remain in line with peers.

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed the Non-Executive Directors' fees and concluded that an increase of 4% should also apply to the Non-Executive Directors' base fee, and to their fees as members and chairs of the relevant committees. An increase of 4% was also applied to Caroline Silver's fee as Chair to reflect that she took over as Chair earlier than anticipated and to ensure that her fee remained in line with that of John Allan's. These increases are in line with those made to the base salaries of the Executive Directors and below that applied to the base salaries of the wider workforce.

FY24 annual bonus and 2023 LTPP

The performance measures for the FY24 annual bonus scheme are set out on page 156 together with the rationale for selecting them. The key change is the introduction of a Diversity & Inclusion target to reflect our business focus in this area. This target replaces the Trading Outlets measure. The Committee is of the view that the actual targets for the annual bonus are commercially sensitive and will therefore disclose these with performance against them, in the FY24 Remuneration Report, in line with market practice.

The 2023 LTPP will be awarded to all eligible participants, including the Executive Directors, later this year. Under our Remuneration Policy, the Committee can make awards of up to 200% of salary to Executive Directors. The Committee continues to believe that TSR, Absolute Adjusted EPS, Underlying ROCE and GHG Emissions Reduction remain the most appropriate measures to align the Group's performance with strategy and the interests of stakeholders. Due to the continued uncertainty in market conditions at the time of approving this Remuneration Report, the Committee has not been able to finalise the financial targets for its incentive schemes. We anticipate that the financial targets will be agreed by no later than the end of November 2023. The details of the non-financial targets for the 2023 LTPP can be found on page 157 and the strategic KPIs for each can be found on pages 16 to 17.

The rules of the LTPP are due to expire in November 2023 having been in place for a period of ten years. A new set of rules will therefore be presented for shareholder approval at the 2023 AGM.

Shareholder engagement

I wrote to our 20 largest institutional investors and the proxy voting agencies in May 2023 to gain feedback on the proposed changes to the Remuneration Policy, the remuneration outcomes for FY23 and our proposals for FY24. We received feedback from shareholders representing 10.3% of our issued share capital.

The key topic of discussion was the introduction of the Diversity and Inclusion targets, whereby shareholders recommended that we ensure that these targets are measurable and aligned to the Group's strategy in this area. The Committee confirms that this feedback has been taken into account when setting the specific Diversity and Inclusion targets and in determining how performance will be assessed. All shareholders who responded were very supportive of the FY23 outcomes, the FY24 remuneration proposals and the changes proposed to the Policy.

Employees and remuneration

Our 2022 Gender Pay Gap report was published in December 2022, along with our first Ethnicity Pay Gap report which we chose to publish voluntarily as part of our commitment to becoming a more diverse and inclusive business. Details of the reports, where to find them on our website and our work on improving diversity and reducing these pay gaps can be found on pages 37 to 39.

We continue to seek the views of our Workforce Forum on our approach to pay for employees and Executive Directors during the year. Further details on the Workforce Forum and the matters it discussed during the year can be found on page 55. We continue to make an annual award of Barratt shares to employees below Senior Management to recognise their dedication, commitment and loyalty. Further details can be found on page 37.

Reporting

Our Remuneration Report for the year ended 30 June 2023 comprises three parts: this Annual Statement, our full Remuneration Policy, and the Annual Report on remuneration. Details of how we have applied the relevant requirements of the Code can be found throughout this Remuneration Report.

Conclusion

Throughout the year, the Remuneration Policy operated as intended in terms of Company performance and quantum, and in line with the Code.

The Committee believes that the decisions it has taken in respect of FY23 pay outcomes and its proposed approach to remuneration for FY24 are in the best interests of its shareholders, align with the Group's strategy, reflect the wider business and economic environment and are fair, reasonable and appropriate. I therefore hope that you will support the updated Remuneration Policy and the Annual Report on Remuneration, which will be proposed at the AGM in October 2023. On behalf of the Committee and the Board, I would like to thank you for your continued support of our remuneration framework.

Katie Bickerstaffe
Chair of the Remuneration Committee
5 September 2023

Our remuneration strategy

It is the motivation and engagement of our employees which makes our business operationally and financially strong. It is therefore imperative that our remuneration strategy appropriately rewards our employees for their performance against the Group's key performance indicators, whilst delivering sustainable shareholder value. Our Remuneration Policy therefore aims to:

- promote the long-term sustainable success of the Company and be fully aligned with the performance and strategic objectives of the Group to enhance shareholder value;
- attract, retain, motivate and competitively reward Executive Directors and Senior Management with the requisite experience, skills and ability to support the achievement of the Group's key strategic objectives in any financial year;
- take account of pay and employment conditions of employees across the Group whilst reflecting the interests and expectations of shareholders and other stakeholders;
- reward the delivery of profit and the achievement of the return on capital employed target, whilst ensuring that Executive Directors and Senior Management adopt a level of risk which is in line with the risk profile of the business as approved by the Board;
- ensure that there is no reward for failure and that termination payments (if any) are limited to those that the Executive Director (or member of Senior Management) is legally entitled to; and
- ensure that in exercising its discretion, the Committee robustly applies the aims above.

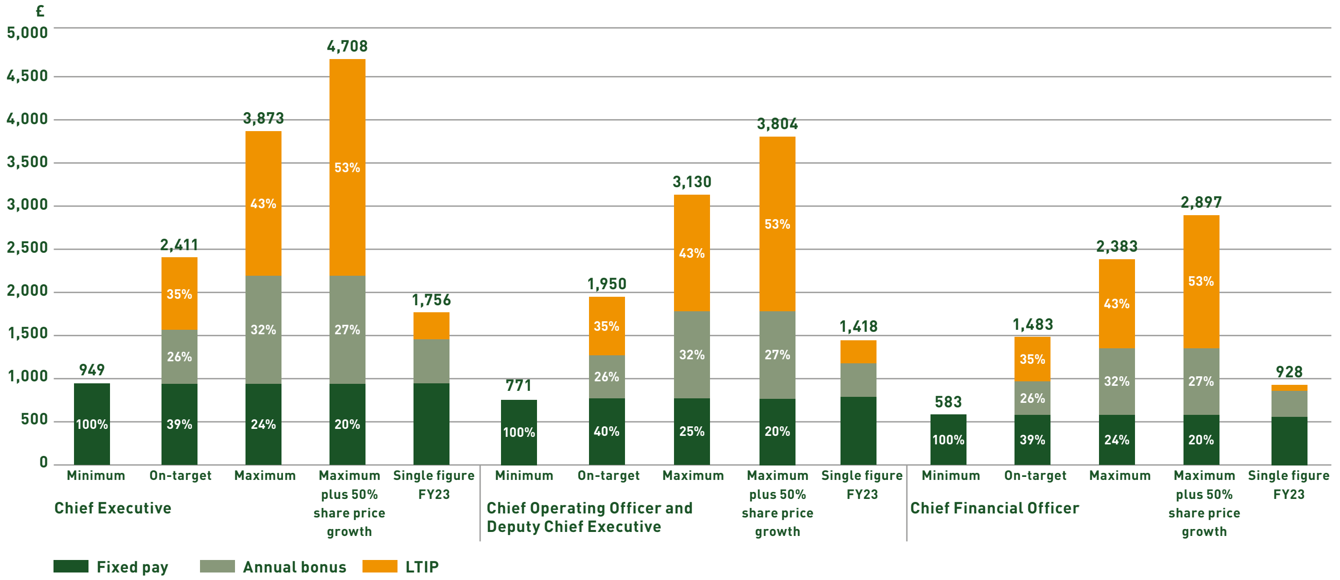
In developing its Remuneration Policy, the Committee has regard to:

- the Group's purpose and strategic priorities, and ensuring that targets support the achievement of these;
- the performance, roles and responsibilities of each Executive Director and member of Senior Management;
- arrangements that apply across the wider workforce, including average base salary increases and pension contributions;
- information and surveys from internal and independent sources; and
- the economic environment and underlying financial performance of the Group.

Remuneration Report continued
Remuneration overview

The overview below outlines the remuneration outcomes for Executive Directors for FY23, together with the minimum, on-target and maximum (with and without share price growth) opportunities for FY24, the FY23 targets set for variable remuneration and our performance against them, and the alignment of our FY23 incentive performance measures with strategy. Full details can be found in the Annual Report on remuneration on pages 155 to 168. Details of Executive Directors' shareholding requirements and whether they have been met are given in Table 16 on page 164.

Executive Directors' Remuneration Policy scenarios for FY24, and FY23 single figure outcomes



Notes:

Minimum pay is fixed pay only (i.e. salary + benefits + pension).

On-target pay includes fixed pay, 50% of the maximum bonus (equal to 75% of salary) and 50% vesting of the LTPP awards (with grant levels of 200% of salary).

Maximum pay includes fixed pay and assumes 100% vesting of both the annual bonus and the LTPP awards.

Maximum pay plus 50% share price growth is the same as maximum pay for fixed pay and annual bonus but assumes a 50% increase in the share price over the performance period for the LTPP.

All amounts have been rounded to the nearest £1,000. Salary levels (which are the base on which other elements of the package are calculated) are based on salaries as at 1 July 2023. The value of taxable benefits is the cost of providing those benefits in the year ended 30 June 2023. The Executive Directors are also permitted to participate in HMRC tax advantaged all-employee share plans, on the same terms as other eligible employees, but they have been excluded from the above graph for simplicity. The LTPP awards allow participants to receive dividend equivalents but these are excluded from the scenario chart, other than for the single figure bar.

The CFO's replacement LTPP awards that are due to vest in October 2023 are included as LTPP in the FY23 remuneration. Dividend equivalents have been included for the LTPP single figure bar.

FY23 performance pay outcomes

Annual bonus outcome

Further details are set out on pages 160 and 161 in the Annual Report on Remuneration.

Target	Threshold	Target	Maximum	Weighting	Outcome achieved
Profit before tax and adjusted items	£1,015m	£1,090m	£1,165m	82.5%	0%
	Actual £884m				
Capital employed	£1,815m	£1,815m	£1,715m	15%	13.6%
	Actual £1,733m				
Quality and service (with health and safety underpin)	(i) Number of divisions achieving minimum 94% SHE monitoring inspections gate on a rolling 12 months' performance basis, (ii) For 75% of this element, divisions achieving minimum 90% for the HBF 8-week National New Homes Customer Satisfaction survey; and (iii) for the remaining 25% of this element, number of divisions achieving minimum 82% for NHBC 9-month Customer Satisfaction Survey.			22.5%	16.5%
	Divisions achieving 90% 8 week score: 23 Divisions achieving 82% 9 month score 16				
Reduction of total waste generated (waste intensity)	4.87 tonnes	4.82 tonnes	4.77 tonnes	15%	15%
	Actual 4.31 tonnes per 100m² legally completed build area				
Trading outlet openings	98 openings	103 openings	108 openings	15%	15%
	Actual 130 openings				

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LTPP vesting outcome

Further details, including the share price used to calculate the estimated value, any value of share price increases and the value of dividend equivalents, are set out in Table 12 on page 162 of the Annual Report on Remuneration.

	Shares awarded Number	Percentage of award vesting EPS	ROCE	TSR	Total	Shares vesting Number	Estimated value £000
David Thomas	282,004	0%	13%	6.6%	19.6%	55,272	299
Steven Boyes	223,183	0%	13%	6.6%	19.6%	43,743	237
Mike Scott	67,681	0%	13%	6.6%	19.6%	13,265	69

Alignment of FY23 incentive performance measures with strategy

Strategic priorities

	Customer first	Great places	Leading construction	Investing in our people
	Anticipate our customers' evolving needs by continuously improving the homes and places we build.	Secure good value land and planning consents where people aspire to live.	Deliver highest quality homes, focus on excellence, embrace MMC.	Attract and retain the best people, invest in their development.

How our incentive structures are aligned to delivering the strategic priorities

	Customer first	Great places	Leading construction	Investing in our people
Annual bonus	• Customer service • Sustainability	• Adjusted PBT • Capital Employed • Sustainability	• Adjusted PBT • Capital Employed • Customer service • Sustainability	• Adjusted PBT • Sustainability • Customer service • Diversity & inclusion
LTPP	• Sustainability	• ROCE • Sustainability	• ROCE • Adjusted EPS • TSR • Sustainability	• Adjusted EPS • Sustainability

Remuneration Report continued
Directors' Remuneration Policy

The Company's current Directors' Remuneration Policy (the "2020 Policy"), was approved by shareholders at the 2020 AGM. A new Remuneration Policy will therefore be presented for approval by shareholders at the AGM in October 2023 (the "2023 Policy"). We consulted with our major shareholders and the main institutional voting agencies on the proposed minor changes to our Remuneration Policy and its proposed implementation for FY24. If approved by shareholders, the 2023 Policy will take effect from the date of the 2023 AGM and remain in force for three years unless changes are required.

The full version of the 2020 Policy can be found on pages 127 to 130 of the 2020 Annual Report and Accounts, which is available on our website at www.barrattdevelopments.co.uk/investors. A description of how the Company implemented the 2020 Policy in FY23 can be found on pages 159 to 163.

Changes to Remuneration Policy

The Committee is only proposing minor changes to the Remuneration Policy, with all other aspects remaining unchanged. The minor amendments are to reflect best practice and governance requirements only. The table below summarises these changes.

Area of policy	Changes to 2023 Remuneration Policy from the 2020 Remuneration Policy
Annual bonus	Underlying policy is unchanged, however minor drafting changes have been made to provide further clarity in respect of potential performance metrics.
DBP	Under the 2020 Policy, bonuses up to 100% of base salary are paid in cash with any bonus earned in excess of this (up to a maximum of 50% of base salary) deferred into shares under the DBP. To bring the policy in line with shareholder expectations and best practice it is proposed that, with effect from FY24, a fixed portion of at least one-third of any bonus earned by Executive Directors will instead be deferred into shares for a period of three years.
Shareholding requirements	Underlying policy is unchanged, however minor wording changes have been made to bring this policy in line with best practice.

Policy table

The proposed 2023 Policy is set out below. Details of how the proposed 2023 Policy will be applied for FY24 are set out on pages 156 to 158.

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Base salary			
To help promote the long-term success of the Company. To reward individuals based on the scope of the role. To attract and retain high calibre Executive Directors to deliver the Group's strategy. To provide a competitive salary relative to comparable companies in terms of size and complexity.	Normally reviewed annually and fixed for 12 months with any increases usually effective from 1 July. The Committee considers: • individual responsibilities, skills, experience and performance; • the level of pay increases awarded across the Group (with the exception of promotions); • the size and responsibility of the role; • economic and market conditions; and • the performance of the Group. The Committee, when setting salaries, takes into account salary levels for similar positions in the housebuilding sector and within companies of a similar size to the Group. The Committee has the discretion to vary salaries in the event there are changes to any of the above within the 12-month period for which salaries have been fixed. Salaries are paid monthly in arrears.	There is no prescribed maximum annual increase. The Committee is guided by the general increase for the broader UK employee population but on occasions may need to recognise changes in the role and/or duties of a Director; movement in comparator salaries; and salary progression for newly appointed Directors. The Committee retains the right to approve a higher increase in exceptional cases, such as major changes to the Executive Director's role/duties; new recruits; or internal promotions to the position of Executive Director whose salary was set lower than the market level for such a role and a higher increase is justified as the individual becomes more established in the role. In these circumstances a full explanation of the increases awarded will be provided in the Annual Report on Remuneration.	N/A
Benefits (taxable)			
To help promote the long-term success of the Company. To attract and retain high calibre Executive Directors. To remain competitive in the marketplace.	Benefits normally include: • company car; • private medical insurance; • some telephone costs; and • contributions towards obtaining independent financial, tax and legal advice. Other benefits offered to the wider workforce will also be offered to Executive Directors on the same basis. The Committee does have the discretion to offer other benefits it deems appropriate to secure the appointment of a new Executive Director or retain an Executive Director (including relocation benefits) and to ensure that the benefits package for existing Executive Directors remains competitive in the UK market.	There is no formal maximum. Benefits are provided based on market rates.	N/A
Pension			
To help promote the long-term success of the Company. To attract and retain high-calibre Executive Directors. To remain competitive in the marketplace.	In accordance with legislation, Executive Directors are enrolled into a workplace pension. If Executive Directors choose to opt out of the workplace pension they can elect to either: • participate in the Company's money purchase pension plan; or • receive a salary supplement. Executive Directors are also eligible to receive an insured lump sum of up to five times pensionable salary on death in service. Steven Boyes remains a deferred member of the defined benefit section of the Group's pension scheme, which closed to new entrants in 2001 and future accrual of defined benefits for current members ceased to be offered on 30 June 2009. The scheme was bought out by an insurer during FY21.	Defined contribution scheme or salary supplement not exceeding the Company's contribution rate available to the majority of the wider workforce, currently 10% of base salary. **Legacy:** Steven Boyes participated in the defined benefit scheme: 1/60 accrual rate and a retirement age of 65.	N/A

Remuneration Report continued
Directors' Remuneration Policy continued

Policy table continued

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Annual bonus			
To motivate and reward Executive Directors for the achievement of demanding financial and non-financial objectives and key strategic measures over the financial year. Variable remuneration allows the Group to manage its cost base by giving it the flexibility to react to changes in the market and any unforeseen events.	The Committee has absolute discretion as to whether or not to award a bonus and as to the level of bonus to be awarded up to the prescribed maximum. The Committee annually sets financial and non-financial performance targets by taking account of the Company's goals and budget for the relevant financial year. Group and individual performance against these targets is measured at the end of the financial year and the level of bonus payable is calculated at that point. This also takes into account the underlying financial and operational performance of the business relative to the sector (as noted in the column to the right). Up to two-thirds of any bonus earned is paid in cash and at least one-third of any bonus earned is deferred into shares under the DBP for a period of three years. The Committee retains the discretion to decide whether or not to pay an annual bonus to an Executive Director who has handed in their notice and to determine, in respect of any employee who is a "good leaver", whether any annual bonus earned should be paid in cash and not deferred into shares. Where the Committee believes that performance does not warrant the level of bonus determined, it may use its discretion to reduce the award (possibly to nil) as it deems appropriate. No Executive Director has any contractual right to receive a bonus. Annual bonus is not pensionable.	The potential annual maximum bonus is 150% of base salary. The level of bonus payable at threshold is set annually but will not exceed 20% of potential maximum bonus (30% of salary). 50% of the potential maximum bonus (75% of salary) is payable for achievement of on-target performance.	The performance targets set are stretching whilst having regard to the nature and risk profile of the Company, its strategy and the interests of its shareholders. When setting bonus targets, the Committee considers the effect of corporate performance on ESG risks and sustainability issues generally to ensure that remuneration structures do not inadvertently motivate irresponsible behaviour. The focus of the performance targets is to deliver profit growth and to ensure that the Company has an adequate land bank acquired within the constraints of its Balance Sheet commitments. Performance measures may include, but are not limited to: • financial items (e.g. profit before tax, margin growth, net debt/land creditors; and land commitment), with a weighting greater than or equal to 50%; and • non-financial items (e.g. quality and service, health and safety, diversity and inclusion objectives; and personal objectives). The Committee has the discretion to: • choose appropriate measures for each award; • vary the elements of each of these items, including targets, and the weightings of each component on an annual basis; and • ensure that they remain aligned to the strategy of the business and to market conditions.
DBP			
At least one-third of any annual bonus earned is deferred into shares and held in this plan for a period of three years and is normally subject to a continued employment condition. The aim is to encourage long-term focus and to further align interests with those of shareholders and discourage excessive risk taking.	Deferred shares are normally granted in the form of a conditional award (but may also be granted as nil or nominal cost options or forfeitable awards in accordance with the rules of the DBP). Deferred shares will normally accrue dividend equivalents in cash or shares, which may be on a reinvestment basis, and which are subject to the same terms, including vesting date, as the deferred share award. Malus and clawback can be applied in certain circumstances to both the cash and deferred element of the bonus. For full details see pages 148 and 149.	At least one-third of any bonus paid is deferred into an award over shares under the DBP, unless the Committee determines otherwise in the case of a "good leaver". The Committee retains the discretion to adjust the proportion of bonus deferred in exceptional circumstances.	No performance conditions apply to the vesting of awards other than a continued employment condition.
LTPP			
To motivate and reward Executive Directors and Senior Management for the delivery of the long-term performance of the Group. To facilitate share ownership by Executive Directors to align their interests with those of our shareholders.	LTPP awards: • are normally granted annually in the form of conditional awards or nil-cost options at no cost to the Executive Director (but may also be granted as nominal cost options or forfeitable awards in accordance with the rules of the LTPP); • are at the discretion of the Committee, taking into account individual performance and the overall performance of the Group; • are subject to the achievement of stretching performance conditions measured over three financial years with a subsequent two-year post-vesting holding period. Awards may therefore only be realised on conclusion of the five-year combined period; and • may, at the discretion of the Committee, accrue dividend equivalents in cash or shares, which may be on a reinvestment basis, and which are subject to the same terms, including vesting date and holding period, as the LTPP award. Any accrued dividend equivalent will be pro-rated, depending on the level of award vesting. Malus and clawback can be applied in certain circumstances to the LTPP award. For full details see pages 148 and 149.	In accordance with the rules of the LTPP, the Committee has the discretion to grant an award up to 200% of base salary to each of the Executive Directors in respect of any financial year of the Company.	Any LTPP awards are subject to performance conditions, which are stretching and aligned with the Group's strategy and the interests of shareholders. Financial performance conditions will have a weighting of at least 50%. The performance conditions are set on the basis that they: • are realistic and attainable; • are for the long-term benefit of the Group; and • do not encourage inappropriate business risks. The Committee has the discretion to determine the weighting of each performance condition on the grant of an LTPP award. No more than 25% of an award will vest at threshold performance (0% will vest below the threshold level) increasing pro-rata to 100% vesting for maximum performance. Overall, the Committee must be satisfied that the underlying financial and non-financial performance of the Group over the performance period warrants the level of vesting as determined by applying the above targets. If the Committee is not of this view, then it is empowered to reduce the level of vesting (potentially to nil).

Remuneration Report continued
Directors' Remuneration Policy continued

Policy table continued

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Sharesave			
To promote long-term share ownership amongst all employees of the Group in a tax-efficient way. To link employee benefits to the performance of the Group. To aid retention of employees.	Under the standard terms, employees must have completed the requisite length of service as at the invitation date to be eligible to participate in the Sharesave. Employees can elect to save between a minimum of £5 and the maximum monthly savings limit as approved by the Committee and the Board within the limits prescribed by legislation and HMRC, for a period of three or five years. Subject to the rules of the Sharesave, at the end of the savings period the employee has six months in which to exercise their option.	Save up to the maximum monthly amount as specified by legislation or HMRC and as approved by the Committee and the Board. The Committee reserves the right to amend contribution levels to reflect changes made by HMRC or the Government from time to time.	Continued employment for the duration of the scheme and "good" and "bad" leaver provisions in line with the rules of the Sharesave.
Shareholding requirements			
To further align the interests of Executive Directors to those of shareholders.	Executive Directors are required to build and retain a shareholding equivalent to 200% of base salary in the Company's shares within five years of the shareholding requirement coming into force or the Executive Director being appointed to the Board, whichever is the later. The share price used for the purposes of determining the value of the shares is that prevailing on 30 June of the given year. The Committee reserves the right to amend the percentage holding required by the Chief Executive and the other Executive Directors depending on market conditions and best practice guidance. Executive Directors are also subject to a post-cessation shareholding requirement of 200% of their salary or their actual level of shareholding at cessation of employment if lower (based on their salary and the share price at the date of cessation of employment). The Committee has implemented suitable measures to ensure continued enforcement of the shareholding requirement during the post-cessation shareholding period. The Committee retains the discretion to waive the post-cessation shareholding requirement in exceptional circumstances. Details of the Executive Directors' shareholdings can be found in Table 16 on page 164.	N/A	N/A

Purpose and link to Company's strategy	How operated in practice	Maximum opportunity	Description of performance metrics
Non-Executive Directors' fees (including the Chair)			
To attract and retain high quality and experienced Non-Executive Directors (including the Chair).	The remuneration of the Non-Executive Directors is set by the Board on the recommendation of a committee comprising the Chair and the Executive Directors. The Board sets the remuneration of the Chair. The Chair and the Non-Executive Directors' fees are reviewed annually and are normally set by reference to the level of fees paid to the Chairs and Non-Executive Directors serving on boards of similarly sized, UK-listed companies, taking into account the size, responsibility and time commitment required of the role. The Chair's and Non-Executive Directors' fees are paid in cash, monthly in arrears. Neither the Chair nor the Non-Executive Directors participate in any performance-related schemes (e.g. annual bonus or incentive schemes) nor do they receive any pension or private medical insurance or taxable benefits other than the potential to receive gifts at the end of a long-standing term of appointment. Expenses incurred by the Chair and the Non-Executive Directors in the performance of their duties for the Company (including taxable travel and accommodation benefits in connection with travelling to a permanent workplace) may be reimbursed or paid for directly by the Company, as appropriate. Additional fees are payable to the Chairs of the Audit, the Remuneration and the SHE Committees, the Senior Independent Director, the Designated NED for Workforce Engagement and for membership of Board Committees. Additional fees may be paid where, in exceptional circumstances, the normal time commitment is significantly exceeded.	Non-Executive Director fees must remain within the aggregate limit approved by shareholders from time to time. The current aggregate limit is £1,000,000.	N/A

Remuneration Report continued
Directors' Remuneration Policy continued

Performance conditions and target setting

The Committee annually reviews the performance measures and targets taking into consideration a number of factors including the performance of the Group throughout the previous financial year, internal and external forecasts and consensus figures for the performance period and the Group's strategy.

The annual bonus scheme is measured against key financial (Adjusted PBT and Capital Employed) and non-financial metrics (quality and service, health and safety, and diversity and inclusion). Both the financial and non-financial measures are aligned to our strategy, and allow individuals to focus on the key factors that will help drive short and long-term operational and financial success of the business.

The LTPP is assessed against measures that, focus on delivering attractive cash returns to our shareholders, align the Group's performance with strategy and the interests of stakeholders and encourage efficiency throughout the business.

Value delivered to shareholders is recognised through relative TSR, which is measured against both the 50+/50- FTSE group and a housebuilder index. This ensures that strong returns are delivered against an appropriate size group of companies and an index of our peers. Adjusted EPS and underlying ROCE ensure that we are efficiently and effectively managing the business, whilst aligning the Executive Directors with the interests of shareholders. GHG emissions reduction targets ensure we remain on track to achieve our published sustainability commitments.

Targets are set within the context of both internal and external forecasts and are designed to be appropriate within the context of the Group's strategic objectives and historical and expected performance levels. The performance targets are designed to be sufficiently stretching in order to ensure that maximum payout is only achieved for delivering exceptional performance.

Guidelines on responsible investment disclosure

In line with the IA's Guidelines on Responsible Investment Disclosure, the Committee is satisfied that the incentive structure and targets for Executive Directors do not raise any ESG risks by inadvertently motivating irresponsible or reckless behaviour. The Committee considers that no element of the remuneration package will encourage inappropriate risk taking within the Company.

Committee discretion

The areas of the Policy over which the Committee has discretion are included in the policy table set out on pages 142 to 147. However, we have summarised the key discretions below:

- amendment of salary or the award of higher increases in exceptional circumstances;
- variation of benefits offered to secure new appointments or retain existing Executive Directors;
- whether or not to make a bonus award and whether payment should be made to anyone who has handed in their notice to leave the business;
- what performance conditions should be attached to annual bonus and LTPP awards and the weighting of each to be applied;
- determining the timing of awards and/or payments, including grant, vesting or release dates;
- determining the quantum of awards and/or payments (within the limits set out in the policy table on pages 142 to 147);
- determining the application of dividend equivalents, whether they should be issued in shares, including on a re-investment basis, or cash and retaining the ability to adjust the amount paid;
- determining the extent of vesting based on the assessment of performance or such other factors as it considers appropriate;
- the settlement of any share awards in cash in exceptional circumstances;
- making the appropriate adjustments required in certain circumstances (e.g. change of control, rights issues, corporate restructuring events, and special dividends);
- determining "good leaver" status for incentive plan purposes and applying the appropriate treatment, including the timing of any vesting;
- determining the extent to which malus and/or clawback should apply to any award;
- determining the level of post-cessation shareholding the Executive Directors need to hold; and
- determining the exceptional circumstances under which the post-cessation shareholding requirements can be waived.

If an event occurs which results in the annual bonus plan or LTPP performance conditions and/or targets being deemed no longer appropriate (e.g. a material acquisition, divestment or wider market or economic circumstances that the Committee deem relevant), then the Committee will have the ability to adjust appropriately the measures and/or targets, and/or to alter the weighting of the measures. The Committee also has the discretion to increase or decrease any annual bonus or LTPP awards (potentially reducing them to nil) in the event that the formulaic outcome is not reflective of overall Company performance or aligned with the underlying financial and/or non-financial performance of the Group, or where environmental incidents, health and safety incidents or other wider economic or market circumstances warrant an adjustment to the final outcome in order to determine a reasonable and appropriate result. The Committee also retains discretion to adjust LTPP vesting outcomes to avoid windfall gains in the event the share price has fallen materially before a given award is made. Any exercise of discretion will be fully explained in the corresponding year's Remuneration Report.

Malus and clawback

Malus and clawback is applicable to any annual bonus paid or deferred for a period of three years beginning on the date of the award and to any share awards granted under the LTPP for a period of five years beginning on the date of the award.

In the case of malus, the Committee may, at any time prior to the payment of any bonus or any deferred or LTPP shares becoming vested shares, decide to reduce the amount of bonus to be paid and/or reduce the number of deferred or LTPP shares (including to nil) on such basis as it considers to be fair, reasonable and proportionate where, in the opinion of the Committee, there are exceptional circumstances.

In the case of clawback, the Committee may decide that the individual to whom the payment was made and/or deferred and/or LTPP shares were granted shall be subject to clawback, on such basis as it considers to be fair, reasonable and proportionate, if in relation to the bonus paid and/or the deferred or LTPP shares that have vested, in the opinion of the Committee there are exceptional circumstances.

Exceptional circumstances include (without limitation):

a. a material misstatement in the published results of the Company or Group or any member of the Group;

b. an error in assessing any applicable performance conditions or the amount of bonus to be paid and/or the number of deferred or LTPP shares subject to an award;

c. the assessment of any applicable performance conditions and/or the amount of bonus to be paid and/or the number of deferred or LTPP shares subject to an award being based on inaccurate or misleading information;

d. serious misconduct on the part of an individual(s);

e. a breach by the individual of any restrictive, confidentiality, or non-disparagement covenants or other similar undertakings, whether contained in the individual's employment contract and/or settlement agreement and/or any other agreement between the individual and any member of the Group;

f. where, as a result of an appropriate review of accountability, the Committee determines that an individual(s) has caused wholly or in part a material financial loss for the Group as a result of:
   - reckless, negligent or wilful actions or omissions; or
   - inappropriate values or behaviour;

g. material breach of health and safety or environmental regulations;

h. material failure of risk management;

i. a member of the Group is censured by a regulatory body or suffers, in the Committee's opinion, a significant detrimental impact on its reputation, provided that the Committee determines that, following an appropriate review of accountability, an individual(s) was responsible for, or had management oversight over, the actions, omissions or behaviour that gave rise to that censure or detrimental impact; or

j. the Company or entities representing a material proportion of the Group become insolvent or otherwise suffer a corporate failure so that ordinary shares in the Company cease to have material value, provided that the Committee determines, following an appropriate review of accountability, that an individual(s) should be held responsible (in whole or in part) for that insolvency or failure.

Where clawback is to be applied, the Committee may determine that:

- any bonus will be retrospectively recalculated and, if bonus monies have been paid, the relevant individual(s) will be required to reimburse the Company for an amount up to the total amount of the original net bonus paid less any bonus that the Committee determines would have been paid regardless of the event in question;
- that the number of deferred or LTPP shares be retrospectively recalculated. If the deferred or LTPP shares have been granted, the number of shares awarded will be reduced accordingly. If the deferred or LTPP shares have vested and shares have been issued or transferred to the individual(s), they will be required to repay the value of the relevant number of shares based on the Company's closing share price as at the date the shares were issued; and
- malus will be applied to an alternative unvested award to satisfy a clawback event on a vested/released award.

Recruitment of Executive Directors

The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract candidates of the appropriate calibre and experience needed for the role. The remuneration package for any new recruit will take into account the skills and experience of the individual, the market rate for a candidate of that experience and the importance of securing the relevant individual. Internal pay relativities and the terms and conditions of employment of the new and existing Executive Directors will be considered to ensure fairness between them. The Committee will determine the remuneration for any new Executive Directors in accordance with the Remuneration Policy then in force and will take into consideration each of the following elements:

Salary and benefits – the Committee will take into account market data for the scope of the job, the remuneration for the relevant role, the salaries of and benefits provided to existing Executive Directors, the new Executive Director's experience, location and current base salary and benefits package. In the event an Executive Director is recruited at below market levels, their base salary may be re-aligned over a period of time (e.g. two to three years) subject to their performance in the role. The Committee may also agree to cover relocation costs if it deems it appropriate.

Pension – Executive Directors will be auto-enrolled from the date of recruitment unless they opt out. If an Executive Director chooses to opt out they may elect to receive a pension supplement in cash. The Committee has discretion to determine the level of pension supplement to be awarded to the Executive Director, up to a maximum which is equivalent to the percentage normally offered to the wider workforce. Alternatively, the Executive Director may choose to join the defined contribution money purchase pension plan provided they meet all of the eligibility criteria. The Executive Director also has the option to receive some of their pension entitlement in cash and have the remainder contributed to the defined contribution money purchase pension plan, provided this does not, in aggregate, exceed the agreed percentage.

Annual bonus and LTPP – new Executive Directors may be able to participate in the annual bonus scheme and the LTPP on terms to be considered by the Committee on a case by case basis. Any award made to a new Executive Director will usually be on the same terms as set out in the policy table on pages 144 and 145. The level of the award will be no greater than that made to existing Executive Directors (150% of salary for the annual bonus and 200% of salary for the LTPP) and will be pro-rated based on the number of weeks remaining outstanding of the relevant performance period.

Buyout of existing entitlements – the Committee may also consider buying out existing entitlements that an individual would forfeit on leaving their current employer, again this would be reviewed on a case by case basis. In determining any potential awards to be granted to a new recruit, the Committee will consider the relative levels of certainty and balance of fixed to variable compensation in the forfeited package in totality, including salary, benefits and other components. The Committee would however in all cases seek validation of the value of any potential entitlement that is being forfeited and take into account the proportion of any performance period remaining of the award, the type of award (i.e. cash or shares) and the performance achieved (or likely to be achieved). Replacement share awards, if any, will seek to reflect (to the extent possible) the value, degree of conditionality and form of award of the entitlement forgone.

Remuneration Report continued
Directors' Remuneration Policy continued

Recruitment of Executive Directors continued

In structuring any buyouts, existing arrangements will be used where possible, however, the Company may also make use of the flexibility provided by the UKLA Listing Rules to make awards without prior shareholder approval. Buyouts may therefore fall outside normal policy maximum levels.

Where an individual is recruited internally to the position of Executive Director, the Company will seek to honour any pre-existing contractual commitments, taking into account the remuneration of the existing Executive Directors.

Executive Directors' service contracts

Details of the Executive Directors' service contracts are included in Table 1 below and their remuneration for FY23 is shown in Table 7 on page 159. The Company's policy is for all Executive Directors' (including new appointments) service contracts to be for a rolling 12-month period, which can be terminated by 12 months' notice given by either the Company or by the Executive Director at any time. The service contract normally entitles an Executive Director to the provision of a company car, annual medical screening, permanent health insurance, private medical insurance, some telephone costs, contributions to the cost of obtaining independent financial and tax advice and payment of legal fees on cessation of employment. The Committee regularly reviews contractual terms for Executive Directors to ensure that they continue to reflect best practice.

All Executive Directors' appointments and subsequent reappointments are subject to election and annual re-election by shareholders at the Company's AGM.

Table 1 – Executive Directors' service contracts

Executive Director	Service contract date	Date of appointment	Notice period
David Thomas	16 January 2013	21 July 2009	12 months
Steven Boyes	21 February 2013	1 July 2001	12 months
Mike Scott	28 June 2021	6 December 2021	12 months

The service contracts for Executive Directors are available for inspection by any person at the Company's registered office during normal office hours and on the Company's website: www.barrattdevelopments.co.uk/investors.

Executive Directors' policy on payment on loss of office

There are no specific provisions for compensation on early termination (except for payment in lieu of holidays accrued but untaken) or loss of office due to a change of ownership of the Company. The Committee reserves the right to make additional payments where such payments are made in good faith: (a) in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or (b) by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment. The Committee may also provide a contribution towards reasonable legal costs and the provision of outplacement services.
The Committee will apply mitigation against any contractual obligations as it deems fair and reasonable and will seek legal advice on the Company's liability to pay compensation. The Committee may also seek to reduce the level of any compensation payable and will take into account, amongst other factors, the individual's and the Group's performance; the Director's obligation to mitigate their own loss; and the Director's length of service when calculating termination payments. The Committee reserves the right to phase any such payments if it deems that it is appropriate to do so. Any amount that the Committee decides to pay an Executive Director will be based on the main elements of executive remuneration namely, base salary, annual bonus and LTPP (subject to the Committee's discretion), benefits and pension. Regarding salary, benefits and pension, there will be no compensation in the event of termination by the Company due to gross misconduct. In other circumstances, Executive Directors may be entitled to receive notice pay or payment in lieu of notice. The Committee also takes into account the rules of the annual bonus and LTPP schemes when determining any payments for loss of office as follows:

Annual bonus – in accordance with the provisions contained within the service contracts, Executive Directors are not usually entitled to any bonus payments (other than in circumstances where they are deemed by the Committee as a "good leaver", which includes, but is not limited to, redundancy, retirement, ill health, disability, death or any other circumstances which the Committee may decide), unless they remain employed and are not under notice as at the payment date. The default position will be that such payment will be pro-rated depending on the proportion of the bonus period worked by the relevant individual unless the Committee decides otherwise. Any bonus payment to the leaving Executive Director will normally be paid entirely in cash. The Committee retains the ultimate discretion to make bonus payments and determine the basis on which they are made and their value, taking into account the individual circumstances of the departure, the treatment of other incentive awards and the performance of the individual.

Deferred bonus – if the Executive Director is deemed to be a "good leaver" (as defined above), their deferred share awards will vest on the normal vesting dates unless the Committee, in its discretion, determines that they will vest on an earlier date (other than in the case of death when deferred share awards will vest immediately, unless the Committee, in its discretion, determines that they will vest on the normal vesting dates). In all other cases, the award of deferred shares will lapse immediately on the date that the Executive Director's employment with the Company ends and there is no entitlement to any compensation for the loss of shares. In the case of vested nil-cost options, any leaver, other than an employee who has been summarily dismissed) may exercise their option within 12 months of their cessation date.

LTPP – under the rules of the LTPP, unless the Executive Director is deemed by the Committee to be a "good leaver" (as defined on page 150) any unvested LTPP awards held by them will lapse on cessation of their employment. For "good leavers", the Committee would normally pro-rate the number of awards for time, measuring performance over the original performance period and vesting shares at the end of the vesting period. The Committee has discretion to test performance at an earlier date, shorten the vesting period and/or disapply time pro-rating. Any exercise of discretion would be explained in full to shareholders in the following year's Remuneration Report. Following the vesting of each award, the normal post-vesting holding period will apply, unless the Committee determines otherwise.

Corporate events

In the event of a change of control of the Company, the Committee may determine that:

- annual bonus awards for the year during which the change of control occurred may either continue to be determined on the basis of the whole year or may be pro-rated to the date of the change of control;
- unvested deferred bonus awards will vest on the change of control, unless the Committee agrees with the acquiring company that they will be exchanged or replaced with equivalent awards over shares in another company, continuing to their normal vesting date; and
- unvested LTPP awards will vest on the date of the change of control, subject to time pro-rating (unless the Committee considers it appropriate to disapply time pro-rating) and the Committee's assessment of the extent to which the performance conditions have been achieved on such basis as it may determine, unless the Committee agrees with the acquiring company that they will be exchanged or replaced with equivalent awards over shares in another company, continuing to their normal vesting date and subject to the same or equivalent performance conditions.

In the event of a demerger, distribution (other than an ordinary dividend) or other transaction which would affect the current or future value of any award, the Committee may allow awards to vest on the same basis as for a change of control described above. Alternatively, an adjustment may be made to the number of shares if considered appropriate.

Differences between Executive Directors' and employees' remuneration

The following differences exist between the Company's Policy for Executive Directors' remuneration as set out in the Policy table on pages 142 to 147 and its approach to the payment of employees generally:

- a lower level of maximum annual bonus opportunity may apply to employees other than the Executive Directors. All employees, including Executive Directors, are subject to similar performance targets; however, the weightings against the various targets may vary;
- for the Executive Directors and some members of Senior Management, up to two-thirds of any bonus earned is paid in cash and the remainder is deferred into shares under the DBP for a period of three years;
- Executive Directors and some members of Senior Management may opt to receive a cash supplement in lieu of pension. The cash supplement or employer's contribution rate for all Executive Directors will be at the maximum rate of employer's contribution for the wider workforce, currently 10%;
- Executive Directors are able to participate in the LTPP. A number of select employees at Senior Management level may also be invited to participate in the LTPP at the Committee's discretion, with grants based on a combination of performance share awards and restricted share awards; and
- in July 2023, and over the previous five financial years, employees below Senior Management have been awarded a smaller number of shares under an employee long-term incentive plan. This award was not available to Senior Management or Executive Directors.

In general, these differences arise from the development of remuneration arrangements that are market competitive for the various categories of individuals. They also reflect the greater emphasis placed on performance-related pay for Executive Directors.

Performance scenario charts

Performance scenario charts setting out policy minimum, on-target, maximum and maximum plus 50% share price growth for FY24, are shown on page 140, along with the single figure outcome for FY23. The figures are split by the different elements of pay.

Non-Executive directorships

Subject to Board approval, Executive Directors are permitted to accept one Non-Executive directorship outside the Company and retain any fees received from such a position. Board approval will not be given for any Non-Executive position where such appointment would lead to a material conflict of interest or would have an effect on the Director's ability to perform their duties to the Company.

Chair and Non-Executive Directors' letters of appointment

The Chair and each of the Non-Executive Directors are appointed for an initial three-year term under terms set out in a letter of appointment. Their appointments can be terminated by the Board without compensation for loss of office subject to the notice periods in their respective letters of appointment. The notice periods, applicable from either party, are three months for the Chair and one month for each of the Non-Executive Directors. The Chair and each of the Non-Executive Directors usually serve a second three-year term subject to performance review and can serve a further term of three years subject to rigorous review by the Chair and the Nomination Committee.

Remuneration Report continued
Directors' Remuneration Policy continued

Chair and Non-Executive Directors' letters of appointment continued
Details of the letters of appointment for the Chair and Non-Executive Directors being proposed for election or re-election at the forthcoming Annual General Meeting are set out in Table 2 below. Their letters of appointment are available for inspection by any person at the Company's registered office during normal office hours and are available on the Company's website: www.barrattdevelopments.co.uk/investors.

Table 2 – Non-Executive Directors' letters of appointment

Non-Executive Director	Date elected/ re-elected at AGM	Date first appointed to the Board	Date last reappointed to the Board	Unexpired term at 30 June 2023
Katie Bickerstaffe	17 October 2022	1 March 2021	N/A	8 months
Jasi Halai	N/A	1 January 2023	N/A	30 months
Jock Lennox	17 October 2022	1 July 2016	1 July 2022	24 months
Caroline Silver	N/A	1 June 2023	N/A	35 months
Chris Weston	17 October 2022	1 March 2021	N/A	8 months

Gifts to Directors on leaving employment
The Committee reserves the discretion to approve gifts to long-serving Directors who are retiring or who are "good leavers" e.g. those leaving office for any reason other than dismissal or misconduct. The value of the gift for any one Director shall be limited to a maximum of £5,000 (excluding any tax or VAT liability). Where a tax or VAT liability is incurred on such a gift, the Committee has the discretion to bear the cost of such liability on behalf of the Director in addition to the maximum limit.

Legacy arrangements
The Committee reserves the right to make any remuneration payments and/or payments for loss of office (and to exercise any discretions available to it in connection with such payments) notwithstanding that they are not in line with the 2023 Policy set out above where the terms of the payment were agreed (i) before the date the Company's first remuneration policy came into effect; (ii) before the 2023 Policy came into effect, provided that the terms of the payment were consistent with the remuneration policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a Director and, in the opinion of the Committee, the payment was not in consideration for the individual becoming or having been a Director of the Company. For these purposes "payments" includes the Committee satisfying awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted.

Process for determining the Remuneration Policy
The process used to formulate the remuneration policy was as follows:

Stage 1
Remuneration consultant benchmarks best practice to help the Committee determine areas of focus.

Stage 2
Remuneration consultant and management provide detailed insight into the areas of focus to determine how the policy might be amended and implemented annually over its life.

Stage 3
Committee discusses and approves the proposed policy, taking into account the remuneration of the wider workforce.

Stage 4
Chair of the Committee consults with shareholders and main investor representative bodies to obtain their views.

Stage 5
Feedback from the consultation is considered by the Committee and a final updated policy is approved.

Stage 6
Final policy is disclosed in the Annual Report and Accounts and presented to shareholders for approval at the AGM.

As part of this process, the Committee considers the budgeted salary increases and other remuneration arrangements and employment conditions for all employees when determining remuneration for the Executive Directors.

It is expected that future salary increases for the Executive Directors will be no more than that given to the wider workforce, except in exceptional circumstances, such as where a recently appointed Executive Director's salary is increased to reflect their growth in the role over time or where significant additional responsibilities are added to the role.

As a key principle, management provides the Committee with visibility of the potential impact of proposed changes to the Executive Directors' Remuneration Policy on the wider employee population.

How the Committee has addressed the requirements of the Code in determining Directors' Remuneration Policy and practices

Code requirement	
Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	Variable remuneration for any year is set out clearly in the prior year's Annual Report, together with performance targets (unless they are deemed to be commercially sensitive). Outcomes are aligned with strategic objectives through the use of appropriate performance targets, which align them with shareholder interests and the Group's strategy and provide for the long-term success of the Company, in the interest of the workforce and other stakeholders.
Simplicity – remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Company operates a UK market standard approach to remuneration which is familiar to stakeholders. Performance targets are readily understandable and published as part of the year-end results.
Risk – remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	The Committee has discretion to ensure that variable pay outcomes are in line with Company and individual performance. Share awards are subject to post vesting holding periods, and malus and clawback as set out on pages 148 and 149.
Predictability – the range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	Minimum, on-target and maximum outcomes for Directors are shown annually in this report (see page 140). Limits and discretions for each type of reward are explained in the policy table which can be found on pages 142 to 147.
Proportionality – the link between individual awards, the delivery of strategy and the long-term performance of the company should be clear. Outcomes should not reward poor performance.	The Company's incentive plans reward the successful implementation of strategy through the alignment of performance targets with strategic KPIs. The performance underpin which applies to both the annual bonus and LTPP outcomes ensures that poor performance is not rewarded. The Committee also has discretion to override formulaic outcomes.
Alignment with culture – incentive schemes should drive behaviours consistent with company purpose, values and strategy.	Our remuneration strategy ensures that performance targets do not encourage inappropriate behaviours. The targets that are selected help align the interests of the workforce with those of the Company's purpose and strategy as illustrated on page 141.

Statement of consideration of pay and employment conditions elsewhere across the Group
The level for all employees' salaries is determined with reference to the rate of inflation, salaries for similar positions throughout the industry and general themes and trends in respect of remunerating employees. In determining the Policy for Executive Directors' remuneration, and in determining the annual increase in base salary, the Committee takes into consideration the pay and employment conditions of all employees across the Group. While the Company did not explicitly consult with employees when drawing up the Policy, during the year, the Workforce Forum discussed remuneration strategy, including executive reward strategy, and was asked for feedback for management.

The Company also operates a Sharesave scheme and makes conditional awards of shares to all employees. This enables all employees to become shareholders in the Company, and to comment on the Group's Policy in the same way as all of our other shareholders.

To build the Committee's understanding of reward arrangements applicable to the wider workforce, it is provided with data on the remuneration structure for senior management levels below the Executive Directors, as well as corresponding comparison benchmarking information for each role. In addition, the Group provides a number of ways in which employees can ask questions and give feedback on such matters should they so wish. This includes the Employee Communications mailbox, personal development reviews, the Workforce Forum, a dedicated Workforce Forum email address and an email address for employees to directly contact the Designated Non-Executive Director for Workforce Engagement. Details of engagement with the workforce, including on executive remuneration are provided in the Stakeholder engagement section of the Strategic Report on page 55. The Committee reviews this feedback, which provides further context in relation to pay and conditions throughout the organisation. These valuable insights were considered when the Committee developed the 2023 Policy.

Remuneration Report continued
Directors' Remuneration Policy continued

Statement of consideration of shareholder views

Each year we update our major shareholders on the Committee's application of the Policy and our performance in advance of the publication of our Annual Report and Accounts. The Committee takes into account shareholder feedback received from this exercise and any additional feedback received during any meetings from time to time, as part of the Company's annual review of the Policy. In addition, the Committee will seek to engage directly with major shareholders and their representative bodies should any material changes be proposed to the Policy. In May 2023, we consulted with our major shareholders and the main institutional voting agencies over the proposed minor changes to the Policy, and no areas of concern were raised. Details of the votes cast for and against the resolution to approve last year's Remuneration Report can be found in Table 22 on page 168.

Annual Report on Remuneration

In this section, we provide an overview of the Committee and its advisers, as well as how the proposed Policy will be applied in FY24 and how the current Policy has been implemented throughout FY23, together with the resulting payments to Directors. The Annual Report on Remuneration will be subject to an advisory vote at the 2023 AGM.

Membership and attendance at Committee meetings

Membership of the Committee comprises all of the Non-Executive Directors, and attendance at each of its scheduled meetings during the year is set out on page 137. The Committee is chaired by Katie Bickerstaffe. The Executive Directors are not members of the Committee and no Director or senior manager is present at the Committee's meetings when their own remuneration is being considered.

Advisers to the Remuneration Committee

In carrying out its principal responsibilities, the Committee has the authority to obtain the advice of external independent remuneration consultants and is solely responsible for their appointment, retention and termination. In line with best practice, the Committee assesses annually whether the appointment remains appropriate or if it should be put out to tender. The last such tender took place in 2017, resulting in PwC being appointed as the advisers to the Committee with effect from 1 January 2018. PwC is a signatory to the Remuneration Consultants Group's Code of Conduct. As part of the annual review and reappointment process, the Committee satisfied itself that PwC remained objective and independent during the year.

In addition to remuneration advice, PwC also provides taxation, consultancy, corporate finance and internal audit services to the Group. PwC is also currently the independent adviser to the Sustainability Committee and advises our Business Safety Unit. PwC has no current connections with the Company (save as described in this section) nor with any individual Directors.

During the year, the Committee has taken advice from PwC on best practice in executive remuneration and benchmarking. The Chair of the Committee also sought advice from PwC, independent of management, on various matters to be discussed at committee meetings particularly regarding the review of Policy. The fees payable to PwC are based on an annual fixed fee for a specified service with anything outside this scope being charged on a time and disbursement basis. PwC's fees for services provided to the Committee during the year under review were £189,567 (FY22: £130,200).

The Committee also receives input into its decision making from the Chief Executive, the Company Secretary, and the Group HR Director, none of whom were present at any time when their own remuneration was being considered.

Role and main activities undertaken by the Committee during the financial year

The Committee's role is to determine and agree the Policy for Executive Directors and Senior Management whilst taking into account the remuneration of the wider workforce. It follows an annual work programme which was fully completed during the year. The Committee's responsibilities, as delegated by the Board, are formally set out in its written Terms of Reference, which are available from our website at www.barrattdevelopments.co.uk/investors/corporate-governance. Details of the annual evaluation of the Committee's performance can be found on page 123 and key activities undertaken in the year are set out in the table below:

Priorities	Work carried out and outcomes
Executive Directors' remuneration	With assistance from its remuneration consultants, the Committee reviewed the Policy approved by Shareholders at the 2020 AGM, discussed and agreed a number of proposed changes (see page 142).
	Considered salaries of Executive Directors and Senior Management for FY24 in the context of the remuneration of the wider workforce. The outcome of this review is set out on page 156.
	Considered and agreed amendments to the structure of the bonus scheme for FY24; considered the structure of the 2023 LTPP and determined it remained appropriate (see pages 156 to 158 for further details).
	Discussed future performance measures and targets for both the annual bonus and LTPP plans and agreed to introduce a Diversity & Inclusion measure for the FY24 annual bonus.
	Discussed and approved publication of the 2022 Gender and Ethnicity pay gap reports.
	Considered whether the Group's current remuneration structures remained appropriate and support the future strategy of the business, including the potential introduction of a restricted share plan, which was agreed for Senior Management below Board level.
Governance	Undertook benchmarking for the new Chair's fees, prior to her appointment. The Committee revisited the new Chair's fee in June 2023 and agreed an increase (see page 158) to reflect the acceleration of her succession to the position of Chair.
	Considered severance agreements in relation to a member of senior management.

Remuneration Report continued
Annual Report on Remuneration continued

Statement of implementation of the Remuneration Policy for FY24

Executive Directors' remuneration for FY24 will be based on the Remuneration Policy to be proposed at the October 2023 AGM, subject to approval by shareholders. This is set out on pages 142 to 154.

Base salary

The Committee reviewed the salaries of the Executive Directors in June 2023, taking into account their individual performance during the year, the annual salary review for other employees in the Group where average salary increases were at 5.3%, and the multiplier effect of an increase in base salary on the Directors' package as a whole. The Committee also took into account the performance of the Company and ensured that after any increase the salaries would remain within the range for similar sized companies and the housebuilding sector. Accordingly, the Committee believed that it was justified in awarding a salary increase of 4% for each of the Executive Directors, which is below the average salary increase awarded to the wider workforce. The Executive Directors' salaries with effect from 1 July 2023 will therefore be:

Table 3 – Executive Directors' salaries

Executive Director	Salary with effect from 1 July 2023 £000	Salary with effect from 1 July 2022 £000
David Thomas	**836**	803
Steven Boyes	**674**	648
Mike Scott	**514**	494

Pension

Each of the Executive Directors will continue to receive a pension contribution (or cash supplement) which is in line with the wider workforce, currently 10% of base salary.

Annual bonus

Executive Directors and Senior Management will participate in the Group's annual bonus scheme in accordance with the Policy.

The Committee has agreed to include a new Diversity & Inclusion measure for FY24. Diversity & Inclusion is a key strategic priority for the business. The Committee and the Board recognise the need for the business to reflect the communities within which it operates. Whilst steps have been taken to improve diversity & inclusion within the Company, the Committee believes that further focus is required to drive this agenda forward. A key area that can help us to do this, is to ensure that we are attracting, and recruiting from, a diverse range of candidates.

The Committee is of the view that the individual annual bonus performance targets are commercially sensitive. Therefore, in line with market practice, these will be disclosed, with performance against them, in next year's Remuneration Report.

The performance measures, their reasons for selection and the maximum bonus payment against each of them expressed as a percentage of salary for FY24 will be:

Table 4 – FY24 annual bonus performance measures

Financial Performance measures	Definition	Reason for selecting	Weighting (% of salary maximum)
Adjusted profit before tax	Profit after all finance costs/income and the Group's share of the profits from its joint ventures, excluding adjusted items.	Rewards outperformance against stretching targets and is a key measure of our performance.	82.5
Capital employed	Average net assets calculated by a three point average excluding goodwill and intangibles, tax, net cash/(debt), retirement benefit assets/obligations, derivative financial instruments, land, land creditors, trade payables and legacy property provisions.	Ensures efficient use of available capital.	15.0
Non-financial performance measures			
Quality and service (with a health & safety underpin)	A three stage assessment is applied: (i) A Division must achieve a minimum SHE monitoring inspections gate on a rolling 12 months' performance basis, to be considered for the customer service element; (ii) To earn any bonus for this element, the Division must achieve a minimum score for the HBF 8-week National New Homes Customer Satisfaction survey; and (iii) If the minimum score for the 8 weeks survey is achieved, the Division will be considered for a further proportion of this element if they achieve the minimum score for the NHBC 9-month Customer Satisfaction survey.	Ensures a focus on quality and service to our customers without compromising the health and safety of our employees, customers, suppliers, sub-contractors and members of the public.	22.5
Diversity and inclusion	To change our attraction and recruitment process to ensure that we have more diverse pools of talent to recruit from which results in enhanced diversity being recruited into the business.	To focus individuals on ensuring that, as part of any recruitment process, they identify a shortlist of candidates which will help further improve diversity within the business.	15.0
Reduction of waste	Reduction of site waste (tonnes of waste for every $100m^2$ of legally completed build area).	Focus individuals on reducing the amount of construction waste intensity, which is a key element of our overall carbon reduction and sustainability strategy.	15.0
Total bonus achievable as a % of salary			**150.0**[1]

1 One-third of any bonus earned will be deferred into shares and held in the DBP. Dividend equivalents will accrue against any shares deferred into the DBP.

The Committee will continue to have an overriding discretion in respect of any bonus payment in accordance with its Policy. In addition, any bonus awarded for FY24 will be subject to the malus and clawback provisions set out in detail on pages 148 and 149.

LTPP

The Committee intends to grant an LTPP award to Executive Directors later this year ("2023 LTPP"). Under the Remuneration Policy and the rules of the LTPP, the award can be up to 200% of base salary. The Committee remains mindful of the need to avoid windfall gains for Executive Directors, as evidenced by its decision to reduce the quantum of the 2022 LTPP award grant. There has been little movement in the share price since October 2022 and therefore the Committee is minded to grant an award of up to 200% of base salary. The Committee will however monitor the share price up until the day before the grant to determine the final quantum of the 2023 LTPP. In addition, the Committee recognises that the 2023 LTPP award should be subject to performance targets which are stretching and challenging whilst aligned with the short and long-term performance of the Group and its strategy, as well as the interests of shareholders. During the financial year, the Committee agreed the performance conditions and their respective weightings for the 2023 LTPP. These are set out in the table below. Having discussed potential target ranges for each of the financial performance conditions, the Committee agreed that, due to the continuing uncertain market conditions at the time of approving the Remuneration report, it would be prudent to defer the finalisation of the financial targets until later in the year. The Committee anticipates that this will be by no later than December 2023. The non-financial targets are set out in the table below. Full details for the targets for each performance condition will be announced at the time of granting the 2023 LTPP, and in next year's Remuneration Report.

Table 5 – 2023 LTPP performance measures

Performance condition and definition	Reason selected	Weighting (of total award)	Below Threshold (0% Vesting)	Threshold (25% Vesting)	Maximum (100% Vesting)
TSR against the FTSE: The Company's TSR over the Performance Period must be at least at the median of a ranking of the Total Shareholder Return of each of the members ranking 50 above and 50 below the Company in the FTSE Index at the start of the Performance Period (1 July 2023 to 30 June 2026) based on market capitalisation as at the day before the start of the Performance Period.	To ensure that the comparator group remains current and relevant whilst factoring in the continued movement in the Company's market capitalisation.	15%	Below median	Median	Upper Quartile
TSR against a housebuilder index[1]**:** The Company's TSR over the Performance Period must be at least the Index average of the Housebuilder Index over the same period.	To ensure rewards are linked to outperformance of our peers.	15%	Below Index average of peer group	Index average of peer group	Index average +8% per annum
Absolute Adjusted EPS for the financial year ending 2026[2]**:** Calculated by dividing the adjusted profit after tax for the year attributable to ordinary shareholders by the weighted average number of ordinary shares in issue during FY26, excluding those held by the Employee Benefit Trust which are treated as cancelled.	To ensure efficient and effective management of our business and align interests with those of shareholders.	15%	TBC	TBC	TBC

Remuneration Report continued
Annual Report on Remuneration continued

Statement of implementation of the Remuneration Policy for FY24 continued

LTPP continued

Table 5 – 2023 LTPP performance measures continued

Performance condition and definition	Reason selected	Weighting (of total award)	Below Threshold (0% Vesting)	Threshold (25% Vesting)	Maximum (100% Vesting)
Underlying ROCE for the financial year ending 2026[2]: Calculated as earnings before amortisation, interest, tax, operating charges relating to the defined benefit pension scheme and adjusted items, divided by average net assets adjusted for goodwill, intangibles and land payables, tax, cash, loans and borrowings, retirement benefit assets/obligations, derivative financial instruments and legacy property provisions.	To ensure efficient and effective management of our business and align interests with those of shareholders.	40%	TBC	TBC	TBC
GHG emissions reduction[3]: Reduction of our absolute scope 1 and 2 (operational) GHG emissions by 29% by 2025 (from 2018 levels) and to net zero by 2040.	To ensure we focus on reducing our emissions by meeting our science-based target of a 29% reduction in absolute scope 1 and 2 greenhouse gas emissions.	15%	29% reduction	33% reduction	38% reduction

1 The housebuilder index will comprise: Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Redrow, Taylor Wimpey and Vistry Group.

2 Targets will be based on current corporation tax rates.

3 Further information on scope 1 and 2 GHG emissions can be found in the Strategic Report, pages 97 and 98.

For the TSR, EPS and Underlying ROCE performance targets, vesting will be on a straight-line basis between threshold and maximum. For the GHG performance target, vesting will be on a straight-line basis between 29% and 33% reduction, and on a straight-line basis between 33% and 38% reduction. In addition, all LTPP awards are subject to a two-year post-vesting holding period and an overriding Committee discretion, as set out in the Policy table on page 146. The Committee retains discretion to adjust the number of shares vesting from the 2023 LTPP award to mitigate against any potential windfall gains. The 2023 LTPP will also be subject to the malus and clawback provisions summarised on pages 148 and 149.

Non-Executive Directors' fees

During the year, a committee of the Board comprising the Chair and the Executive Directors reviewed Non-Executive Directors' fees and concluded that an increase of 4% should apply to all fees paid to the Non-Executive Directors. This increase is in line with the salary increase awarded to the Executive Directors and lower than the salary increase awarded to the wider workforce. Caroline Silver became Chair on 30 June 2023 on a fee of £350,000, broadly in line with that paid to John Allan at that time, and also received a 4% increase from 1 July 2023 to reflect her taking on the role as Chair earlier than previously anticipated. The annual fees payable to the Chair and Non-Executive Directors with effect from 1 July 2023 will therefore be:

Table 6 – Non-Executive Directors' fees

Role	Fee as at 1 July 2023 £000	Fee as at 1 July 2022 £000
Chair[1]	364	353
Non-Executive Director base fee	70	67
Committee membership (per committee)	3	3
Chair of Audit Committee	18	17
Chair of Remuneration Committee	18	17
Chair of Safety, Health and Environmental Committee	18	17
Senior Independent Director	18	17
Designated NED for Workforce Engagement[2]	0	10

1 The Chair's fee as at 1 July 2022 is that of John Allan, and as at 1 July 2023 is Caroline Silver's.

2 Sharon White received £10,000 in respect of her work as Designated Non-Executive Director up until 30 June 2023 when she stepped down from the Board. Caroline Silver took over this role on 1 July 2023 and will not receive any additional fees for this position.

Directors' remuneration outcomes for the year ended 30 June 2023

Single figure of remuneration

The total remuneration for each of the Directors who served during the financial year ended 30 June 2023 is set out in Tables 7 and 8. The salary for all Directors is the amount received in the year.

Table 7 – Executive Directors' single figure of remuneration (audited)

	Base Salary £000		Benefits (taxable)[2] £000		Annual bonus[3] £000		LTPP £000		Sharesave[6] £000		Pension benefits £000		Replacement Award[7] £000		Total[8] remuneration £000		Total[8] fixed remuneration £000		Total[8] variable remuneration £000	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23[4]	2021/22[5]	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
David Thomas	**803**	780	**29**	28	**483**	1,151	**300**	578	**—**	6	**141**	195	**—**	—	**1,756**	2,738	**973**	1,003	**783**	1,735
Steven Boyes	**648**	629	**30**	31	**390**	928	**237**	458	**—**	5	**113**	157	**—**	—	**1,418**	2,208	**791**	817	**627**	1,391
Mike Scott[1]	**494**	277	**18**	9	**297**	402	**69**	53	**—**	—	**49**	28	**—**	160	**928**	929	**561**	314	**366**	615
Total	**1,945**	1,686	**77**	68	**1,170**	2,481	**606**	1,089	**—**	11	**303**	380	**—**	160	**4,102**	5,875	**2,325**	2,134	**1,776**	3,741

1 Mike Scott was appointed a Director on 6 December 2021, and his remuneration for 2021/22 therefore reflects only a partial year.

2 Benefits (taxable) include the provision of a company car or car allowance, private medical insurance, some telephone costs and contributions towards obtaining independent financial and tax advice, and are provided based on market rates.

3 Annual bonus for 2021/22 includes amounts deferred for David Thomas and Steven Boyes (see Table 10 on page 161).

4 Performance conditions for the LTPP were tested after 30 June 2023. 19.6% of the award granted to each of the Executive Directors is due to vest in October 2023 (see Tables 11 and 12 on pages 161 and 162 for further details). The market price of the shares has been calculated based on an average market value over the three months to 30 June 2023 £4.71 per share). None of the value of the award is attributable to share price growth.

5 In accordance with regulatory requirements, the values in this column have been re-calculated using a share price of £3.56 per share being the market value of the shares on the vesting date, 24 October 2022, as opposed to the market price of £4.94 per share calculated based on an average market value over the three months to 30 June 2022 disclosed in last year's Remuneration Report.

6 The Sharesave shares granted in 2016 for David Thomas and 2018 for Steven Boyes, which matured on 1 July 2021, were subject to a continued employment condition and completion of a savings contract. There are no performance conditions for Sharesave shares. The value is calculated using the difference between the exercise price and the mid-market closing price of a share on the date of maturity. The relevant prices were £4.82 and £6.792 for David Thomas' options, and £4.49 and £7.112 for Steven Boyes' options.

7 Details of Mike Scott's Replacement Awards were shown on page 120 of the 2022 Annual Report. The value shown in the Replacement Award column relates to the Deferred Bonus shares which vested in December 2022. The value of the replacement LTPP awards vested in October 2022 and vesting in October 2023 are included in the relevant LTPP columns.

8 The total remuneration figures in the last three columns of the above table may not add up to the sum of the component parts, due to rounding.

Table 8 – Non-Executive Directors' single figure of remuneration (audited)

	Fees £000		Benefits (taxable) £000		Total £000	
	2022/23	2021/22	2022/23[3]	2021/22[4]	2022/23	2021/22
John Allan[1]	**405**	343	**1**	2	**406**	345
Caroline Silver[2]	**7**	—	**—**	—	**7**	—
Nina Bibby[2]	**22**	75	**4**	—	**26**	75
Katie Bickerstaffe	**93**	92	**—**	—	**93**	92
Jasi Halai[2]	**40**	—	**—**	—	**40**	—
Jock Lennox	**110**	109	**—**	—	**110**	109
Chris Weston	**93**	92	**—**	—	**93**	92
Sharon White	**86**	85	**—**	—	**86**	85
Total	**856**	796	**5**	2	**861**	798

1 John Allan's Fees include £52,470 paid in lieu of notice after he stepped down from the Board with effect from 30 June 2023.

2 Caroline Silver and Jasi Halai were appointed to the Board with effect from 1 June and 1 January 2023 respectively, and Nina Bibby stepped down on 17 October 2022. Their fees therefore reflect a partial year.

3 Benefits (taxable) for 2022/23 for John Allan include £1,068 expenses incurred in attending the Company's main corporate office and for Nina Bibby relate to gifts, including tax payable on them, presented to her on leaving the business.

4 Benefits (taxable) for 2021/22 include expenses incurred in attending the Company's main corporate office of £1,648 for John Allan.