
ST. MODWEN DEVELOPMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2020

Section 172 statement

The Directors are committed to compliance with reporting regulations and are pleased to provide a statement that supports Section 172(1) of the Companies Act 2006.

This requires that the Directors promote the success of the Company for the benefit of the members as a whole, having regard to the interests of stakeholders in their decision making. In particular, we are required to make a statement describing how the directors have had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006 when performing their duties under section 172.

St. Modwen Developments Limited is a wholly owned subsidiary company of St. Modwen Properties PLC and does not have any employees. Decisions and policies affecting Group employees, environmental considerations, wider stakeholders and key areas of business conduct and culture are taken at Group level and details can be found in the St. Modwen Properties PLC annual report for the financial year ended 30 November 2020. This includes its S.172 statement on page 12, available to view at www.stmodwen.co.uk.

Set out below are some details of how St. Modwen Developments Limited has had due regard to the matters set out in Section 172(1):

The likely consequences of any decision in the long term and the desirability of the company to maintain a reputation for high standards of business conduct

The strategy of the Group applies to the Company, as a member of the Group, and shapes the Company's business operations and activities. Details of the Group's long-term strategy can be found in St. Modwen Properties PLC's 2020 Annual Report from page 14, which is available at www.stmodwen.co.uk. Policies and practices are applied throughout the Group via management teams and a common corporate governance framework. One of the Company's key values is doing the right thing. To ensure the highest level of compliance with all applicable legal and regulatory requirements the Company operates within the parameters of Group policies such as the anti-bribery policy and gifts and hospitality policy as well as adopting measures to prevent Modern Slavery in business activities.

As a subsidiary of St. Modwen Properties PLC, the Company holds the same values and principles, which underpin all of its operations. By considering these alongside set strategic priorities and the governance framework, we aim to make reasoned and cogent decisions.

Promoting the success of the Company

By monitoring and considering trends relevant to property development and investment there is a concentration on activities in sectors that have long-term structural growth, particularly in residential development and logistics. This is driven by the continued rise of e-commerce and increased supply chain requirements.

By growing our retained pipeline of developed assets, we also deliver sustainable income for the Company whilst continuing our non-core disposal programme and closely managing costs. With regards to commercial contracts, decisions were made that were in alignment to Group core values and strategy, the financial case, and our approach to risk management, which included the internal control framework and risk evaluations (climate risk also included). Further details on our risk management can be found on page 38 of St. Modwen Properties PLC's 2020 Annual Report.

The need to foster the Company's business relationships with suppliers, customers and others

Understanding and engaging with our stakeholders is key, we aim to know our customers and partners and what drives them by listening, including taking into account the results of customer and supply chain feedback.

To ensure business continuity we maintain a resilient supply chain, with trusted and verified suppliers via a supplier selection process and in the year developed a supply chain charter applicable group-wide. With responsible operating practices we maintain good relationships, for example through prompt payment practices and terms and focus on safety for our partners, customers and the group's employees; our responsible business approach is to positively impact working practices.

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**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 2020**

In accordance with requirements, this section 172(1) statement will be published on St. Modwen Properties PLC's website www.stmodwen.co.uk.

This report was approved by the board on 20 May 2021 and signed on its behalf.



Robert Hudson
Director