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 Homes Limited is a wholly owned subsidiary company of St. Modwen Properties PLC. Decisions and policies affecting Group employees, environmental considerations, wider stakeholders and key areas of business conduct and culture are largely 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 at www.stmodwen.co.uk. As is normal for large companies, we delegate authority for day-to-day management of the Company to senior management, overseeing execution of the business strategy, financial and operational performance related matters and related policies that are specific to that of St. Modwen Homes Limited.

Set out below are some details of how St. Modwen Homes 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. Many 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 its 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 for residential development and a governance framework, we aim to make reasoned and cogent decisions.

Interests of employees
St. Modwen Homes Limited provides resources and frameworks for employees employed under the Group that specifically work on St. Modwen Homes projects. These employees are provided with targeted support in their training and development to enhance their knowledge and skills and further their careers. There is also a clear competency framework to ensure health and safety training and support is easily accessible and relevant to their roles. This became even more critical and with a greater emphasis during the covid-19 pandemic. Management is also committed to encouraging and supporting careers via apprenticeships and building relationships with colleges to provide work placements and enable young people entry to the housebuilding sector.

Promoting the success of the Company
By monitoring and considering trends relevant to the residential property industry, we know and understand what attracts our house-buying customers; thoughtful design and innovation, customer care and a commitment to first-time buyers underpins the Company's approach.

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 Annual Report.

The need to foster the Company's business relationships with suppliers, customers and others
Understanding and engaging with our stakeholders is key. Management places significant focus on stakeholder considerations throughout decision making. We aim to know our customers and partners and what drives them by listening, including considering the results of customer and supply chain feedback. Ongoing focus on customer service and satisfaction means St. Modwen Homes ranked as one of the highest housebuilders in the UK for net promoter score and NHBC customer recommend. In 2020, St. Modwen Homes launched an initiative to provide workers in critical industries amongst the covid-19 crisis with bespoke deals, resulting in 25% of all home sales being made to key workers.

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 a focus on safety for our partners, customers and the group's employees; our responsible business approach is to positively impact working practices.

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

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

Robert Hudson
Director