

Section 172 Statement

In accordance with the requirements of the Companies (Miscellaneous Reporting) Regulations 2018, the Board is pleased to provide a statement describing how the directors discharged their duties and had regard to the matters set out in section 172(1) (a) to (f) of the Companies Act 2006.

Whilst the day-to-day management of the company/group is delegated to the CEO, who along with the Executive Committee oversee the execution of the strategy and operations of the business, the Board is kept fully apprised of material issues and this includes regular updates on matters affecting stakeholders.

Long-term decisions: The Board fully recognises that major decisions will have a significant impact on the business and the long-term success of the Group. During the year, this understanding was particularly acute in its discussion throughout the process of receiving a cash offer from Blackstone and making the recommendation to accept the proposed offer to shareholders. The Board completed a session on director duties training to refresh their understanding to ensure that they took account of all key factors before making its recommendation.

Stakeholders and Board engagement

Employees: The Group employs over 700 people, they not only deliver the strategy but embody the brand and live out St. Modwen's purpose.

Board engagement and influence on decision making

The Board places great emphasis on employees as part of decision-making and has taken the opportunity to seek direct feedback in order to supplement their understanding of the business. Regular management meetings are held to inform senior staff about matters affecting them as employees, at which their feedback is sought. The CEO and CFO as members of the Executive Committee consider employee matters and relay up to the Board. The Group HR Director (also a member of the Executive Committee) attends Board meetings as required.

Initiatives during the year to further increase the level of communication with employees, taking into consideration the changing nature of how employees work, included online town hall/all hands meetings led by the CEO, weekly e-newsletters on wellbeing and general news and updates including technical 'teach-in's' from across the business.

Throughout the pandemic employee feedback was sought through employee pulse surveys, focus groups, and a health and wellbeing survey.

Customers and Supply Chain: Customers comprise everyone that uses or buys the properties St. Modwen develops and the services it delivers. They have a choice, and we want them to choose St. Modwen. The supply chain is an extension of St. Modwen and helps it to deliver the products and services.

Board engagement and influence on decision making

The Board knows that customers together with the health and success of our supply chain are critical to future success. They receive regular updates in connection with these key stakeholders and support company initiatives to improve these relationships.

Customer feedback reports and site visits were undertaken, including to one of the carbon-neutral Passivhauses in development to help to gain an insight into the latest progress and plans for sites. A St. Modwen Homes presentation on a new customer relationship management system was also given, with the Homes business utilising technology to 'join' up the full customer experience.

The Group aims to maintain a resilient supply chain, with trusted and verified suppliers that share its values and standards. St. Modwen Logistics launched its first Supply Chain Forum, to welcome and recognise key supply chain partners who work across developments. Forging strong relationships with supply chain partners is key to fulfilling the Responsible Business ambitions.

Investment Community: The investment community includes organisations that own shares or hold debt in the business or may be interested in doing so in the future.

The Executive team has continued to work hard to develop good working relationships and communication over the period with our shareholder and lenders.

Regulators: Regulators set laws that define or guide the conduct of people and organisations, such as the Health and Safety Executive.

Board engagement and influence on decision making

The Board received regular updates on any relevant changes in regulation and legislation in connection with the construction industry, housebuilding and health & Safety as well as compliance related changes.

Also see section on Policymakers on page 12 for examples of engagement with key bodies.

Communities and environment: None of the Group's activities are carried out in isolation; St. Modwen operates within communities, with a diverse range of people, businesses and other organisations and is mindful of the environments within which people live and work.

Board engagement and influence on decision making

The Board considered all major projects and initiatives and received regular updates on progress. The business supports and hosts a variety of activities to encourage community cohesion in line with the purpose 'Changing places. Creating better futures.' The impact the business can have on both the community and environment is a key consideration, not least because it shapes how St. Modwen can successfully deliver on its purpose.

As part of the Responsible Business ambition to achieve operational net zero carbon by 2025 and fully net zero carbon by 2040, St. Modwen made a commitment to join the Business Ambition for 1.5°C. For more information on objectives/ambitions such as this, and examples of activities and approaches in action please visit www.stmodwen.co.uk.

Partners: Partners are the organisations St. Modwen forges relationships with to ensure it can deliver on its activities, from joint ventures to local authorities.

Board engagement and influence on decision making

During the year the Board was provided with a presentation which set out events planned for the year to engage with key partners. As part of the plan, the business units held national and regional meetings with agent networks to identify key opportunities.

Representatives from a key partner Homes England, met with the Board to offer insight into the industry and offered their thoughts on the future plans of the Group.

Other examples include partnerships with The Ahead Partnership relating to careers based activities alongside schools and colleges and Women into Construction, whereby two participants were successfully received into the Apprenticeship Programme.

St. Modwen Logistics undertook a new approach at their agent launch events, making a donation on behalf of every attendee to events at Tamworth, Gatwick, Basingstoke, Newport and Gloucester.

Please see <https://www.stmodwen.co.uk/delivering-responsibly/> for more.

Policymakers: Policymakers set rules and guidance that govern how St. Modwen operates. They can significantly influence the operating landscape so it is key to anticipate and understand relevant policies and political changes.

Board engagement and influence on decision making

Senior management engages with key policymakers and provides the Board with updates at Board meetings. Regular engagement with industry and governmental bodies such as the Home Builders Federation (HBF) and the Department for Levelling Up, Housing and communities (DLUHC), as well as local authorities in regards to planning reform.

St. Modwen also actively participates in white papers and consultations including the Lords Built Environment Committee Group consultation in September 2021 in relation to UK housing demand and to changes to Part L of the Building Regulations.

Senior management's successful approach to considering stakeholders will continue into 2022 and remains a key feature of ongoing Board and business management decisions.