

Section 172 statement

The Board recognises the importance of working and engaging with a number of key stakeholders in order to promote the long-term success of our business. Such engagement helps us to gain a better understanding of what areas our stakeholders are interested in or concerned about and how our decisions impact them. Healthy engagement with our stakeholders underpins our governance framework, which is embedded

throughout our business and helps to ensure we maintain high standards of business conduct. Engagement with our stakeholders supports the Board’s regard to the likely consequences of any decision in the long term. In accordance with the requirements of the Companies Act 2006, the following pages set out how the Board acts in a way that promotes the long-term success of the Company, whilst considering various matters including those set out in s.172(1) of the Act:

Key matter of which the Board must have regard

Key matter of which the Board must have regard	How the Board takes each of the matters into consideration
The likely consequences of any decision in the long term	<p>Our business is cyclical in nature and it is therefore imperative that the Board takes a long-term approach to its decision making. This supports our ability to deliver our purpose and strategic priorities and create long-term sustainable value for our stakeholders. It also helps prepare the business for changes in Government and regulatory policies that impact our industry. For example, the introduction of the Future Homes Standard that becomes mandatory in 2025, will require all of our homes to produce 75-80% less carbon emissions than they do now. To meet these types of requirements within the prescribed timescales we have to act now, details of which can be found on page 47.</p> <p>In addition, the Board regularly assesses emerging risks that may impact the business and the way in which it operates in the future. It also reviews its Principal Risks annually to ensure that they remain appropriate and that the correct internal controls and mitigations are in place. For more information on our approach to risk management see pages 71 to 77. Our approach towards climate-related risks and opportunities can be found on pages 78 to 98.</p> <p>Taking a longer-term view helps the Board to assess the viability of the business over a three-year period on an annual basis. Our Viability Statement can be found on page 99.</p>
The interests of the Group’s employees	Details of how we have regard to each of these and our engagement with them can be found on pages 35 to 39 and 55 to 56.
The need to foster the Group’s business relationships with suppliers, customers and others	Details of how we have regard to each of these and our engagement with them can be found on pages 54, 55 and 59 to 61.
The impact of the Group’s operations on the community and the environment	Details of how we have regard to each of these and our engagement with them can be found on pages 62 to 63.
The desirability of the Group maintaining a reputation for high standards of business conduct	<p>The Board sets the culture of the business from the top. This culture seeks to promote the right behaviours throughout the organisation in line with our values. In addition, all employees are required to understand all policies and procedures including those that look to ensure high standards of conduct. These include our policies and procedures around Health, Safety and Environment; Whistleblowing; Anti-Bribery and Corruption; Human Rights; and Modern Slavery. All of our employees participate in training sessions around diversity and inclusion and dignity and respect to better understand the behaviours that are acceptable and those that are not.</p> <p>We have reviewed our purpose and values during the year to further promote high standards of business conduct. The new purpose and values will be launched internally later this year and will be reported on in next year’s Annual Report and Accounts. For further information on our culture and values see page 112. Copies of our conduct policies can be found on our website at www.barrattdevelopments.co.uk/building-sustainably/our-publications-and-policies/policies.</p>
The need to act fairly as between members of the Company	The Board is cognisant of the need to act fairly between members of the Company. Regular engagement with shareholders takes place throughout the financial year to understand their views and act in their best interests. Details can be found on pages 57 to 58. All shareholders have equal voting rights with one vote per share. We ensure that information is shared to all of our shareholders at the same time via a variety of communication channels such as our dedicated investor section on our website, postal mailings, emails and RNS announcements. In addition, all shareholders are invited to attend the Company’s AGM, either physically or virtually, where they can meet with Board members and ask questions. For those shareholders who are unable to attend the AGM, we have set up a dedicated shareholder email address barrattagm@barrattplc.co.uk for them to submit their questions ahead of the meeting. These are answered via a Q&A document that is added to our website after the meeting.

The Board considers each of these factors, amongst others, when setting and implementing our strategy. In addition, as part of its decision making process it considers the current and emerging risks (both financial and non-financial) and the impact that they may have on the long-term success of the Company and the Group’s Principal Risks. The Company’s approach to Risk Management can be found on pages 71 to 77, with climate-related risks and opportunities set out on pages 78 to 98.

Our stakeholders

The following pages set out the engagement that has taken place with the following key stakeholders:

- Customers (see page 54)
- Employees (see page 55)
- Shareholders (see page 57)
- Sub-contractors and supply chain (see page 59)
- Banks (see page 61)
- Local communities and the environment (see page 62)
- Government, opposition parties and regulators (see page 64)

The Board has identified each of these as a key stakeholder due to their influence on the success of our business model and our strategy and because they represent the key resources and relationships that support the generation and preservation of value in the Group. Each financial year, the Board reviews the stakeholders that it considers to be key to ensure that they remain appropriate and to ensure that they have a good understanding of their interests and how these may have evolved. The Board also looks to identify any new stakeholders whose interests may impact the long-term success of the Company and therefore need to be taken into account as part of the decision making process. For each key stakeholder we have set out:

- Why we engage;
- How we engage;
- Metrics – how we measure effectiveness;
- Interests and concerns;
- Outcomes of engagement; and
- The impact on Board decisions.

How the Board makes decisions

Throughout the year, the Board remained mindful of the implications that its decisions may have on our stakeholders and the potential reputational risk for the Group. This has highlighted the continual need for regular, clear and comprehensive engagement with our workforce, suppliers, shareholders and customers throughout various decision making processes to ensure that we continue to do the right thing and mitigate against matters that may potentially harm the reputation of the Group. Regular updates on the engagement undertaken and the outcomes are provided to the Board by the Executive Directors and there is an annual agenda that includes deep dive discussions on topics such as Diversity and Inclusion, ESG, Customers, and Investor Relations. Whenever possible, the Board (or members of the Board) will engage directly with our stakeholder groups. For example, the Chair of the Remuneration Committee annually engages with shareholders on Executive Directors’ remuneration in person, via video calls or through written correspondence. Feedback from this engagement is discussed by the Remuneration Committee. Any decisions or changes made as a result, are communicated to shareholders via this Annual Report and Accounts for them to vote on at the AGM (details of this year’s engagement and outcomes can be found on page 57). In addition, the Designated NED for Workforce Engagement will report back to the Board the topics discussed and issues raised at the Workforce Forum meetings and how these are going to be addressed. Actions taken as a result of these discussions are communicated back to the Workforce Forum and via the Group’s intranet in the form of a “You said, we did” notification.

The Board appreciates that there may be situations where conflicts will arise between different stakeholder groups. In such circumstances, the Board will seek to understand the needs and priorities of each stakeholder group during its discussions and as part of its decision making process. It manages such conflicts by assessing shareholder and stakeholder interests from the perspective of the long-term sustainable success of the business, as is illustrated in the significant decisions examples set out on pages 52 to 53. Such actions and decisions by the Board also seek to align with the Group’s culture of customer focus, resilience and adaptability. In addition, the Board ensures that our culture encourages our wider workforce to take pride in what we do, and to do the right thing when in contact with customers, members of the local communities in which we operate, and other stakeholders.

Significant decisions

The main activities and decisions of the Board are set out on page 111. The following are just a couple of examples of significant decisions made by the Board, how they were made and, where applicable, how conflicts between different stakeholders were managed. Other significant decisions made by the Board are set out in the main activities section on page 111.