

Companies Act 2006 Section 172 Statement

June 2022

The Board of directors, in line with their duties under s172 of the Companies Act 2006, act in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its stakeholders as a whole, and in doing so have regard to a range of matters including:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly between stakeholders in the company.

Key decisions and matters that are of strategic importance to the company are appropriately informed by s172 factors. These include but are not limited to:

- the approval of the company's strategy and five-year plans,
- the approval of the current year budget,
- the approval of the overall land acquisition strategy and individual site purchases,

Through an open and transparent dialogue with our key stakeholders, we have been able to develop a clear understanding of their needs, assess their perspectives and monitor their impact on our strategic ambition and culture.

As part of the Board's decision-making process, the Board considers the potential impact of decisions on relevant stakeholders whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

In making material decisions the Board has sought to increase shareholder value whilst delivering benefit to our customers and the communities that we build in, provide secure employment opportunities and fair economic relationships with our suppliers.

Purpose, culture, and values

The business has a clear purpose, culture and values that the board has established, and which guides how the factors in section 172 are applied in its decision making.

Our purpose, culture and values have been set with the considerations of the various stakeholder groups in the company.

The implementation of these factors is led by the Group Board, which benefits from a varied composition.

Roles and responsibilities of the Board

Avant Homes is headed by an effective Board which brings a wide range of commercial, housebuilding and financial experience and is collectively responsible for the long-term success of the Company and overall leadership of the Group.

Engagement with stakeholders

We are committed to effective engagement with all our stakeholders. The Board is mindful that Avant Homes' success depends on its ability to engage effectively, work together constructively, and to take all stakeholder views into account.

The Board engages with stakeholders by various means and addresses matters which concern them.

Engagement with shareholders

Communication with our shareholders is extremely important for the Board. A direct and regular dialogue is maintained with our shareholders, via their regular attendance as invitees to Board meetings and meetings with the Executive Team, all supported by reports and papers as appropriate.

Engagement with employees

Our employees are a key asset, dedicated to building and selling homes that our customers value. Our employees are concerned with opportunities for personal development and career progression; a culture of inclusion and diversity; compensation and benefits. We undertake various activities and operate many forums to foster participation in Group events, invite opinions, questions and ideas.

We focus on strong talent attraction and retention and consciously maintaining a distinct identity to underpin our culture and values and to differentiate ourselves in the employment market.

We focus on investment in our people and their development and provide bespoke development and training to a number of staff.

Our health and safety commitment

We are committed to operate safely in everything we do and have a detailed and rigorous health and safety framework covering aims, policies, procedures, and task steps. This is implemented on all our sites and is supported by a dedicated health and safety team who undertake real time digitised workplace inspections and quarterly formal audits to drive the correct behaviours.

Our customers

We strive to deliver what the customer wants and seek customer views via various mediums. These include:

- Engagement with all our customers throughout the home buying process – gaining and listening to feedback,
- The conducting of market reviews of what home buyers wants are – including customer interviews and market research,
- Benchmarking exercises covering what we offer against the market and how we continue to adapt,

We seek independent feedback from our customers via the NHBC/HBF customer satisfaction survey which focuses on the customers sales experience and product satisfaction. We have specific policies and processes which are followed and are fundamental to the Avant Homes “Right First Time” approach.

Our suppliers and finance partners

Our suppliers are key stakeholders in the business helping us deliver the homes that our customers want. We seek to ensure we engage with all our suppliers collaboratively through:

- Operating tender processes for orders above set limits,
- Agreeing open and transparent commercial basis of operation,
- Paying to terms on agreed invoices and agreed certificates,
- Sharing the Group’s and regional business plans through supplier events,
- Seeking supplier views on our manner of engagement and areas for improvement at such events,
- Having clear codes of conduct and policies covering the way in which we engage with suppliers.

We have several valuable long-term supplier partnerships which includes our banking partners with whom we operate on an open basis, holding regular business updaters sessions supported by the provision of extensive management information.

Our communities and the environment

Our aim is always to create locations and communities where our customers want to live and we focus on delivering public open spaces and amenities to enhance these built environments.

We aim, where possible to minimise our impact on the environment through the ongoing development and application of robust policies covering the development life cycle. Further we work actively with suppliers to adopt energy efficient house designs covering both the construction fabric, equipment and appliances. Throughout construction our objective is to minimise construction waste and during the period, 97% of our construction waste was recycled.

Conclusion

The open and transparent dialogue that the Group and Board hold with our key stakeholder. Ensure we have been able to develop a clear understanding of their needs and incorporate such as part of the Board's decision making process.