

Section 172 Statement

The Directors are aware of and acknowledge their responsibilities to promote the success of the Company in accordance with s172 of the Companies Act 2006. When fulfilling responsibilities in accordance with s172 the Directors have regard to what is in the best interests of the Company and what is in the best interests of the Group, including the matters set out in section 172(1)(a) to (f).

The Directors have engaged with customers, regulatory bodies, supply chain partners and development partners as the key stakeholders of the Company when acting in a way they consider to be most likely to promote the success of the Company for the benefit of its sole shareholder (Peabody Developments Limited), and Peabody Developments Limited's parent, Peabody Trust.

The Directors manage the principal risks facing the Company by engaging with and fostering a successful business relationship with these key stakeholders. This engagement has affected decision making by:

Customers - The successful delivery of Peabody's vision is reliant on the support, endorsement and engagement of key local partners and community groups.

Regulatory bodies - Engagement with Regulatory Bodies has guided decisions on the maintenance of an effective Health and Safety environment, and other risks such as those with financial and reputational implications. Legal and regulatory compliance is viewed as a key enabler of trust with the Company's stakeholders and informs the decision making process.

Supply chain partners - A successful business relationship has been fostered with supply chain partners and key decisions around the maintenance of the supply chain are driven by this engagement. A close relationship with counterparty and supply chain partners is central to mitigating counterparty and supply chain risk; and supporting the provision of on time quality and effective services.

Development partners – Engagement with development partners has informed decisions on the delivery, control and design of development schemes such as those at St John's Hill and Borough Triangle. Establishing a successful business relationship with development partners has ensured that decisions relating to ongoing developments are made to achieve shared objectives and success in the long term.

The Directors consider the likely consequence of any decision in the long term in accordance with the Strategic objectives of the Group and the Directors adopt the Group's approach to Environmental, Social and Governance matters.

By adopting the values and culture of the Group in the decision making process the Directors are confident that the Company demonstrates positive engagement with stakeholders, a reputation for high standards of business conduct and its commitment to long term, sustainable success and accordingly Directors' compliance with s172.

Further information about how the Company as a wholly owned subsidiary of the Group engages with partners and stakeholders can found in the Group Annual Report and Financial Statements, available online at the Peabody Group's website (www.peabody.org.uk).