

Space4 Limited

Registered number 03702606

31 December 2020

Strategic report (continued)

Section 172 statement

The following disclosure describes how the directors have had regard to the matters set out in Section 172 (1) (a) to (f) and forms the Directors statement required under Section 414 CZA of the Companies Act 2006.

Stakeholder	Customers
Why?	<p>Engaging with our customers helps us to identify their changing needs, set our strategy accordingly and ensure that we continue to deliver good quality homes and customer service.</p> <p>Engaging with our Housing Association partners ensures that we provide the appropriate range of affordable homes to meet the needs of local communities.</p> <p>Maintaining positive relationships with our customers minimises reputational risk to the Persimmon Group (the Group and drives long term demand for our homes.)</p>
How?	<ul style="list-style-type: none"> • We communicate with our customers in a number of ways: through our sales teams, who are in regular contact with our customers from the point of reserving their new home to moving in day, through our site staff who attend key release meetings with our customers and through our customer care teams, who support our customers once they have moved into their new home. • Our sales teams have worked throughout the year, including during the period of site shutdown in March and April 2020, supporting our customers on the phone, on e-mail and on-line. • We have a comprehensive communication approach for each customer including: new home demonstrations, courtesy calls, a seven day inspection and a one month home inspection. • Participation in a National New Homes survey run by the Home Builders Federation to obtain feedback from our customers. <p>We engage with our housing association partners through regular contact and meetings.</p>
What did they tell us?	<ul style="list-style-type: none"> • We need to have consistency on construction quality and assurance. • Customers want regular communication with us, particularly regarding the timing of their ‘move in’ date. • The customer care service they receive needs to be efficient and effective. Where a home appointment is necessary, these should be at times convenient for the customer. • Customer service needs to continue after moving in day and snagging works have been completed.
How did the Board respond?	<ul style="list-style-type: none"> • Consistently building good quality homes and providing high levels of customer service remains a key focus for the Group. • Continued to invest in and progress the Persimmon Way, our Group wide consolidated approach to new home construction which is considered to be a key driver to deliver consistent quality across our business. • Continued to put customers before volume <ul style="list-style-type: none"> - Improving build quality and assurance processes - Improving customer communication throughout our customers’ journey with us - Improving consumer rights through the Homebuyer Retention Scheme <p>For further details see pages 28 to 33 of the annual report of Persimmon Plc</p>

Strategic report (continued)

Stakeholder	Employees
Why?	<p>The Board aims to attract and retain a diverse and talented workforce, believing this to be fundamental to the long term success of the business.</p> <p>Rising UK house building activity in recent years has increased demand for skilled labour. Retaining and investing in skilled staff is therefore a key strategic priority for the Group.</p> <p>Engaging with our employees helps ensure they understand and align with the Group's strategy.</p>
How?	<ul style="list-style-type: none"> • Employee Engagement Panel established in early 2019, with representatives presenting to the Board. • With the increase in home working, colleagues have been encouraged to 'keep in touch' through training, on line meetings and calls. • Through annual employee engagement surveys. • Through feedback from the Gender Diversity Panel. <p>Through our Health, Safety and Environment Department and increased on line training procedures.</p>
What did they tell us?	<ul style="list-style-type: none"> • The Employee Engagement Panel held an additional unscheduled meeting to discuss the Group's response to the Coronavirus pandemic. The Panel reported that colleagues were generally pleased with the way the Group had responded and communicated its response to them. • Colleagues would like to further understand the Group's commitment to reducing its carbon footprint. • Our first employee engagement survey (conducted in February 2020) was extremely positive, with an 80% employee engagement score. • The survey also highlighted some areas for improvement, for example, better methods of communication.
How did the Board respond?	<ul style="list-style-type: none"> • Continued investment in the Group Training Department (see page 38 of the annual report of Persimmon Plc). • Launched an employee engagement survey in 2020 with annual surveys to be performed. • Appointed a Director of Talent and Diversity to assist in enhancing the Diversity of the Group and set new Diversity targets (see pages 40, 92 and 96 to 97 of the annual report of Persimmon Plc). • Agreed the initiative to set and commitment to science based carbon reduction targets. <p>For further information see pages 48 and 68 of the annual report of Persimmon Plc.</p>

Strategic report (continued)

Stakeholder	Suppliers and subcontractors
Why?	<p>The Group benefits from robust and long standing relationships with many of its suppliers and subcontractors. This assists in securing the quality and supply of materials to deliver the Group’s build programmes effectively.</p> <p>We engage with them to ensure adherence to our stringent health and safety standards and required standards of ethical behaviour and integrity.</p> <p>Engagement with our suppliers assists us in continuing to improve the long- term sustainability of our supply chain.</p>
How?	<ul style="list-style-type: none"> • Regular, informal discussions with our key suppliers through our Group Procurement department, who are responsible for arranging and negotiating group supply deals. • Our local operating businesses’ buying and technical teams regularly engage with local suppliers and subcontractors. • Our ‘Toolbox Talks’ ensure our subcontractors understand and adhere to the health and safety standards required on our sites. • All suppliers sign up to the Group’s supplier principles which describe our requirements and expectations.
What did they tell us?	<ul style="list-style-type: none"> • The Group works in partnership with its suppliers, providing continuity and visibility of future work flows. • Timely payment of invoices is important to them. • They continue to monitor the impact of the UK’s exit from the EU on supply chains.
How did the Board respond?	<ul style="list-style-type: none"> • Maintain a set of Supplier Principles which all suppliers must sign up to. • We are a signatory to The Prompt Payment Code (PPC) (see page 51 of the annual report of Persimmon Plc). • Joined the Gang Masters and Labour Abuse Authority’s Construction Protocol (see page 41 of the annual report of Persimmon Plc).

Strategic report (continued)

Principal Decisions

We define principal decisions as both those that are material to the Group, but also those that are significant to any of our key stakeholder groups. In making the following principal decisions the Board considered the outcome from its stakeholder engagement as well as the need to maintain a reputation for high standards of business conduct and the need to act fairly between the members of the Company.

During the year, the Board has made a number of ‘principal decisions’ in the main in response to the onset of the Covid-19 pandemic and the resulting social distancing measures, health and safety regulations and social and economic disruption. A description of these principal decisions is provided below.

Principal decisions taken in the year to 31 December 2020

Orderly shutdown of site operations

- From the start of the outbreak of the virus in the UK, the Group closely followed Public Health England’s guidance including implementing social distancing measures to ensure the safety of its customers, communities and workforce.
- Following enhanced Government and Public Health England guidance that was issued on Monday 23 March, the Board decided to take further measures from Thursday 26 March including:
 - Closing all of the Group’s sales offices, regional offices (with only a skeleton staff to facilitate the wider workforce working from home);
 - Commencing an orderly shutdown of its sites with only essential work taking place focusing on making partly built homes safe and legally completing homes where failure to do so would have left customers in a vulnerable position; and
 - Performing emergency customer care works only.
- The decision, and the structure of the Group’s closure, was guided by the Board’s long standing key priority of ensuring the health, safety and wellbeing of its customers, communities and workforce.

Phased restart to site operations

- In the period from 25 March 2020, the Group worked closely with its colleagues, sub-contractors and suppliers, in developing and testing a range of new Covid-secure operating protocols, in compliance with all relevant regulations, including the Construction Leadership Council’s Standard Operating Procedures.
- Once completed, the Board agreed a phased restart to work on-site with effect from 27 April 2020, taking into consideration:
 - the clear guidance issued by Government in April 2020, stating that it sees construction as a vital element of the UK economy and that where sites can comply with the Construction Leadership Council’s Standard Operating Procedures they should continue to operate, and,
 - The stringent Covid-secure operating protocols that the Group’s Health, Safety and Environment Department had tested and developed.

Strategic report *(continued)*

Principal Decisions *(continued)*

Continuous employment for all colleagues without recourse to Government assistance

- Throughout 2020, the Board decided to retain all of its colleagues on full basic pay, irrespective of whether or not any disruption in site operations impacted them, without any recourse to Government assistance. During the site disruptions in March and April 2020, approximately 30% of our colleagues were stood down from site operations.
- In assessing this decision, the Board placed great importance on supporting all colleagues through the crisis period and on ensuring that their skills were retained within the business into the recovery, considering this to be in the long-term interests of all stakeholders.