






# Making a difference for our stakeholders

## Section 172 Directors' Duties

The Directors continue to have regard to the interests of the Company's wider stakeholders, in accordance with s172 of the Companies Act. The content on stakeholder engagement on pages 34 to 43 and 76 to 81 highlight key actions in this area. Further details on how the Directors' duties are discharged and the oversight of these duties are included in the Governance section on pages 60 to 85.

Stakeholders	Key issues	How we engage	Outcomes	Value created
<b>Our customers</b> 	<ul style="list-style-type: none"> <li>Affordability and supply of housing</li> <li>Placemaking, design and community infrastructure</li> <li>Efficient homes</li> <li>Innovation</li> <li>Customer service</li> <li>Climate change mitigation and adaption</li> <li>Sustainable transport</li> <li>Air quality</li> <li>Responsible sourcing</li> </ul>	<p>We engage directly with customers at our developments, via our customer portal (Touchpoint), through social media, and we monitor their views through focus groups, satisfaction surveys and post-occupancy research.</p>	<p>Whilst the majority of our customers would recommend us to their friends, part of becoming a truly customer-focused business is recognising that we don't always get it right. We are disappointed that our HBC customer satisfaction 8-week 'Would you recommend?' score slipped slightly to 89.4% (2018: 90%) in 2019. We were pleased to increase completions by 5% in 2019, while increasing our quality of build as measured by the independent NHBC CQR score.</p>	<p><b>15.7k</b> number of homes completed in UK in 2019</p>
<b>Our employees</b> 	<ul style="list-style-type: none"> <li>Customer service</li> <li>Health, safety and wellbeing</li> <li>Site environment and remediation</li> <li>Diversity and inclusion</li> <li>Access to skills</li> <li>Employee engagement</li> <li>Labour relations</li> <li>Taxation and remuneration policies</li> </ul>	<p>We engage with our employees and seek their views through a range of formal and informal channels, including meetings, conferences, appraisals, employee surveys, our internal magazine and newsletter, focus groups, Yammer and our national and regional employee forums.</p>	<p>We have a voluntary employee turnover of 12.9%, one of the lowest in our peer group. Our employees returned a very high engagement score of over 90% and we were rated by them as one of the UK's top 50 places to work for a third successive year, via Glassdoor.</p>	<p><b>£337.5m</b> paid in employment and pensions</p>
<b>Our partners</b> 	<ul style="list-style-type: none"> <li>Land, planning and community engagement</li> <li>Health, safety and wellbeing</li> <li>Responsible sourcing</li> <li>Diversity and inclusion</li> <li>Access to skills</li> <li>Labour relations</li> <li>Public policy</li> <li>Charitable giving</li> </ul>	<p>We engage with our partners on a wide range of initiatives through meetings, workshops, our membership of the Supply Chain Sustainability School, trade associations, local plans and consultations, and through our local and national charity partnerships.</p>	<p>We have developed trusted relationships with many suppliers of labour and materials that are able to deliver our high standards. Together with our partners we continue to drive standards of health and safety and sustainability on our developments.</p>	<p><b>156</b> Health and Safety Annual Injury Incidence Rate (per 100,000 employees and contractors), a 32% reduction on 2018</p>
<b>Our investors</b> 	<ul style="list-style-type: none"> <li>Climate change mitigation and adaption</li> <li>Business ethics and corporate governance</li> <li>Taxation and remuneration policies</li> <li>Public policy</li> <li>Customer service</li> <li>Employee engagement</li> </ul>	<p>We engage with investors throughout the year at one to one and group meetings, full and half year presentations, regulatory reporting including the Annual Report and Accounts, investor roadshows, our Annual General Meeting, site visits, conference calls, by participating in sustainability benchmarks and disclosure initiatives and through our corporate website.</p>	<p>We have a regular dialogue with our investors enabling us to establish the issues that are most important to them. We have recently sought our investors' opinions on material issues in relation to sustainability, as part of our annual sustainability reporting process and executive management meet key institutions throughout the year to update them on all areas of our progress.</p>	<p><b>£599.7m</b> total dividends paid in 2019</p>
<b>Our communities</b> 	<ul style="list-style-type: none"> <li>Affordability and supply of housing</li> <li>Placemaking, design and community infrastructure</li> <li>Efficient homes</li> <li>Innovation</li> <li>Land, planning and community engagement</li> <li>Climate change mitigation and adaption</li> <li>Site environment and remediation</li> <li>Sustainable transport</li> <li>Air quality</li> <li>Biodiversity</li> <li>Brownfield and greenbelt development</li> <li>Charitable giving</li> </ul>	<p>We engage with local communities at every site, from planning and throughout construction, including through meetings, exhibitions, workshops, newsletters, information boards, social media and our website.</p> <p>We aim to use natural resources efficiently and to reduce our impact on the environment. We have a responsibility to our stakeholders to operate and act in a sustainable manner and, on a day to day basis seek to be a positive agent of change in the communities in which we operate.</p>	<p>Establishing and maintaining good community relations is highly important. Not only is this the right thing to do but, as our developments are often extended, having a constructive working relationship with local communities is important for future phases.</p> <p>We are pleased to have reduced our direct emissions intensity (tonnes of CO<sub>2</sub>e per 100 sqm of homes built) by 43% since 2013, putting us on track towards our target of 50% reduction in direct emissions intensity (Scope 1 and 2) by 2023.</p>	<p><b>£447m</b> contribution to local communities</p>

## Our material issues

Engaging with and understanding the needs of our stakeholders helps us identify and focus on the key issues that matter most to them. We have prioritised these as our material issues under the following sustainability areas of focus.



**Building sustainable communities**



**Managing land, planning and engagement**



**A great service for customers**



**A safe place to work**



**Cutting our environmental footprint**



**Sourcing responsibly**



**Our people**



**Partnering with charities**



**Governance and management**



**Read more in our 2019 Sustainability Report**