REDROW

CREATING A BETTER WAY TO LIVE

ANNUAL REPORT 2022

CONTENTS

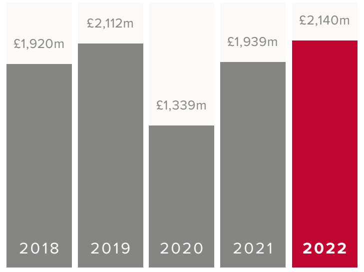
ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") HIGHLIGHTS

The Group Non-Financial Information Statement on pages 134 to 135 provides further information and sign posting.

Find more information at: redrowplc.co.uk

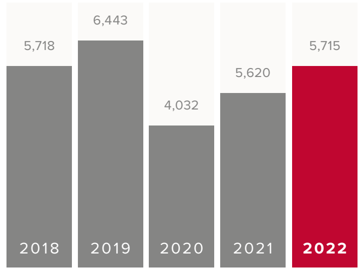
Cover image:
The Rectory at Southbank, Newton Kyme, North Yorkshire

PERFORMANCE SUMMARY



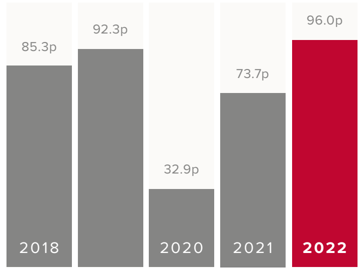
REVENUE

£2,140m +10%



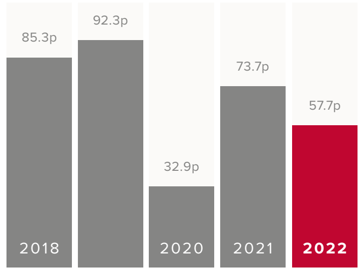
LEGAL COMPLETIONS

5,715 +2%



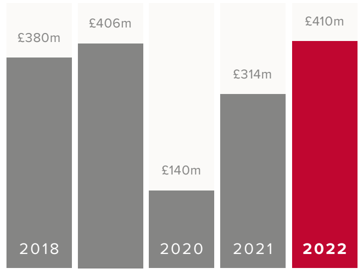
UNDERLYING EARNINGS PER SHARE*

96.0p +30%



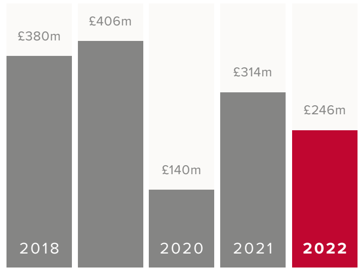
STATUTORY EARNINGS PER SHARE

57.7p -22%



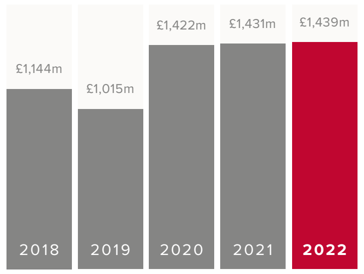
UNDERLYING PROFIT BEFORE TAX*

£410m +31%



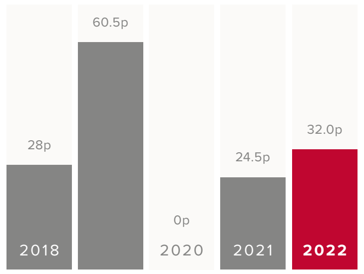
STATUTORY PROFIT BEFORE TAX

£246m -22%



ORDER BOOK*

£1,439m +1%



FULL YEAR DIVIDEND PER SHARE*

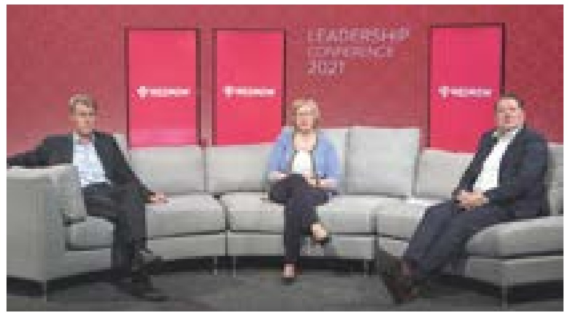
32.0p +31%

AWARD HIGHLIGHTS

* Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. See note 23 for an explanation and reconciliation of these alternative performance measures.

* Underlying is defined as any statutory or alternative performance measure pre-exceptional items. See note 2 and note 23.

OUR INVESTMENT CASE



SUCCESSFUL LEADERSHIP TEAM

Redrow has a strong, experienced and successful leadership team and remains committed to succession planning and developing the next generation of homebuilders.

15%
of workforce on structured training programmes *

261
internal promotions in year

EXPERTISE IN LAND BUYING

Redrow has the expertise and resources to ensure that the right land opportunities are secured in geographic locations aligned to our strategy.

c6,000
plots added to land holdings with planning permission

BUILDING RESPONSIBLY

We are committed to registering all our developments with the Considerate Constructors Scheme (CSS).

38.43
out of 50 CSS Score (above 38 target)

CLIMATE CHANGE – ROUTE TO NET ZERO

We set and submitted for validation our ambitious near-term science-based carbon reduction targets for Scope 1, 2 and 3 in line with the goals of the Paris Agreement.

14%
reduction in operational carbon emissions intensity since 2017

PLACEMAKING

We focus on delivering high quality homes and creating attractive, sustainable and vibrant places to live.

£281m
committed to fund improvements to local communities *

1,250
affordable homes delivered to our communities

DIFFERENTIATED PRODUCT

Redrow focuses on the home mover segment.

£1.82bn
revenue value of private reservations secured in the year *

88%
Heritage Collection revenue as a percentage of private revenue

QUALITY AND CUSTOMER SERVICE

By listening to and understanding our customers' requirements, we continue to evolve our product and customer service. We focus on quality, differentiation and value for money for customers.

94.5%
customer recommendations – HBF 5 star status

Excellent
Based on over **4,433 reviews**
Trustpilot

A STRONG AND RESILIENT BALANCE SHEET

Redrow has net assets of £1.95bn. The Group focuses medium term on delivering superior levels of return on equity and return on capital employed from an efficient use of its capital base.

21.45%
return on equity *

32.0p
dividend to shareholders

* See note 23

OUR STRATEGY

To create long-term sustainable value for all our stakeholders by developing thriving communities with high quality homes that provide a better way to live.

THRIVING COMMUNITIES

We develop thriving communities by creating better places to live. There are three strands which support this work:

- **Nature for People** – increasing biodiversity on our developments and connecting communities with nature on their doorstep;
- **Placemaking for Wellbeing** – our innovative Placemaking framework sets out eight design principles, which define how we achieve sustainable development on all our sites; and
- **Homes for All** – building the right homes, in the right places, to create cohesive and thriving communities.

MEASURE	2024 GUIDANCE†	KEY PERFORMANCE INDICATORS 2022	KEY PERFORMANCE INDICATORS 2021
EPS *	>96p	96.0p†	73.7p
DPS *	>32p	32.0p	24.5p
Revenue *	>£2.3bn	£2,140m	£1,939m
Average sales outlets *	134	111	117
Monies committed to fund improvements to local communities *	Continued investment in local communities	£281m	£275m
	Required affordable homes delivered	1,250	1,314

BUILDING RESPONSIBLY

Ensuring our sites are safe places to work, live and visit is central to our build operations. As we continue to help deliver much-needed new homes, we are also striving to constantly improve our quality and customer service, whilst working to protect the environment. The themes which support this activity are:

- **Working Safely and Considerately** – creating healthy, safe and considerate working environments;
- **Putting Customers First** – putting our customers first and striving for excellence in all that we do; and
- **Managing Resources** – creating homes of enduring quality and working to minimise our environmental impacts.

MEASURE	2024 GUIDANCE†	KEY PERFORMANCE INDICATORS 2022	KEY PERFORMANCE INDICATORS 2021
ROCE *	>22%	24.54%†	18.53%
Land holding years *	Maintain land holdings at c5 years	5.2 years	5.2 years
Waste diverted from landfill *	>95%	98.3%	97.7%
HBF customer recommend rating *	>94%	94.5%	92.6%
Private reservation rate *	0.67 – 0.69	0.68	0.70

VALUING PEOPLE

- Our aim is to inspire future industry talent and to support our colleagues at every stage of their career. The two strands which support this work are:
- **Valuing and Developing People & Partners** – by training and developing people to succeed; driving Redrow colleague and partner advocacy and improving the wellbeing of Redrow's people and creating an inclusive workplace; and
- **Inspiring the Next Generation to Build** – collaborating with partners to positively impact people and communities through education and engagement activities.

MEASURE	2024 GUIDANCE†	KEY PERFORMANCE INDICATORS 2022	KEY PERFORMANCE INDICATORS 2021
Number of trainees *	Maintain level of trainees at 15% of workforce	15.0%	14.5%
Annual Injury Incidence Rate	Continuous improvement through a 10% year on year reduction	365	441

* see note 23   † underlying

ESG SCORECARD

Our ability to create long-term value is inextricably linked to how we manage the risks and opportunities that arise from Environmental-Social-Governance (ESG) factors. This is the second year of publishing our ESG scorecard, which discloses our performance against our core non-financial metrics. These metrics align with the issues that are most material to the business and our stakeholders in the short, medium and longer term.

This year we have made a series of improvements and some additions to the scorecard, taking on-board the recommendations made by our external assurance company.

Health and Safety: To aid benchmarking and comparability the previous KPI has been replaced with the Annual Injury Incidence Rate – the standard KPI used across the sector.

Diversity and Inclusion: We have increased the range of gender and ethnicity metrics with the addition of three new KPI's: % of apprentices who identify as ethnic minorities, % of female employees within the Senior Management population and the % of females recruited into graduate roles during the financial year.

Energy and Carbon: We are now reporting both Market based and Location based emissions for our Group GHG emissions Scope 1 and 2 and our Total GHG emissions per $100m^2$ of build. Previously we only reported Location based however our science-based carbon reduction targets are based on a Market based method which reflects the emissions arising from electricity that has been procured from a particular chosen supplier. This enables our renewable electricity procurement to be accounted for.

Sustainable Design: A new KPI which measures the Average Dwelling Emission Rate (the actual carbon emissions as calculated by the regulatory tool) is now included, and both the Average SAP rating and the Average EPC rating now reflect the performance of homes as-built as opposed to as-designed as was reported in the previous year.

Our ESG improvement strategy is the responsibility of our Placemaking and Sustainability Committee, and is its primary focus. The Committee is chaired by our Non-Executive Chairman and led at Executive level by our Group Communities Director.

Our strategic themes: Thriving Communities, Building Responsibly and Valuing People, and the workstreams that underpin them, help us to manage ESG risks and drive long-term sustainable value. As a business, our aim is to operate in a responsible way, and to create outcomes that are of value to our stakeholders.

Our performance against targets shown in the scorecard is fully disclosed on our website, along with the full suite of targets https://www.redrowplc.co.uk/sustainability/our-commitments.

As of 2022, Redrow received an MSCI ESG Rating of AA.

MSCI
ESG RATINGS
AA

CCC | B | BB | BBB | A | AA | AAA

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
HEALTH & SAFETY	Annual Injury Incidence Rate (AIIR)	No of RIDDOR Accidents resulting in an Injury divided by the average number of people employed [1] multiplied by 100,000.	No.	26 June 2021 to 1 July 2022	**365***	441	666	Continuous improvement in overall H&S performance through a 10% year on year reduction [2]	Pages 52 to 53
CUSTOMER	Net promoter score (NPS)	NPS is a benchmark score that asks customers how likely they are to recommend a builder to a friend on a scale of 0-10.	%	1 October 2020 to 30 September 2021 (results published annually for this period in following March)	**59.3%***	50.1%*	52.3%	Achieve a minimum NPS score of 54%	Pages 58 to 59
	HBF survey 8 week recommend – Customers that would recommend Redrow to a friend	This metric is the percentage of customers that have moved into their home between 8-20 weeks ago that state they would recommend their builder to a friend in the HBF survey.	%	1 October 2020 to 30 September 2021 (results published annually for this period in following March)	**94.5%***	92.6%*	91.9%	Consistently deliver a 94%+ customer satisfaction rating; recommend to a friend (ongoing)	Pages 58 to 59
	Average Trustpilot Review Score	This score is a mean average of every review received on Redrow's Trustpilot page during the reporting period. When reviewing Redrow on Trustpilot, customers choose a rating between 1 – 5 stars.	No. 1 – 5 stars	28 June 2021 to 3 July 2022	**4.45***	4.54*	4.31	Excellent (4.3 or above)	Pages 58 to 59

1 'People Employed' refers to the average number of people employed at any one time across Redrow Offices, Sites, Sales and Customer Services including both employees and engaged subcontractors. As defined by the Health and Safety Executive.

2 In FY22 AIIR was reduced from 441 to 365 which results in a 17% reduction.

* Figure verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
BUILD QUALITY AND CONSIDERATE CONSTRUCTION	Average Considerate Constructors Scheme (CCS) score	This KPI demonstrates an average score, out of 50, from all visits carried out by the CCS, where a report is received, in the reporting period. [3]	No. out of 50	28 June 2021 to 3 July 2022	**38.43***	36.67*	35.09	Achieve a minimum CCS score of 33/45 on all sites in FY23 [4]	Pages 54 to 55
	NHBC Construction Quality Review (CQR) average score per inspection	The average score (1-6) taken from all scored areas within a CQR report. This KPI demonstrates the average score, out of 6, from all CQR visits carried out by the NHBC in the reporting period. The CQR visits are only applicable to sites that are registered with the NHBC for Building Control and Warranty. [5]	No. 1-6	28 June 2021 to 3 July 2022	**4.44***	4.36*	4.13	Achieve a score of 4.5/6 in FY23	Pages 54 to 55
	Average Reportable Items (RIs) from the NHBC	The Average RI is the number of all of the RIs received within the period divided by the number of inspections carried out on all sites registered with the NHBC. (An NHBC reportable item (RI) is any contravention of the NHBC technical standards or building regulations recorded at any key build stage or frequency visit). [6]	No.	28 June 2021 to 3 July 2022	**0.17***	0.22*	0.20	Achieve ≤0.15 reportable items per inspection	Pages 54 to 55
EMPLOYEES	Overall engagement score	Overall engagement score taken from annual survey report provided by Employee Feedback Ltd. [7]	%	Measurement taken from annual employee survey carried out February/ March 2022	**83%***	82%*	81%	Maintain at 80%+	Pages 84 to 85
	Employee turnover rate	% of employees who leave the business in the year through voluntary attrition (resignation or retirement).	%	28 June 2021 to 3 July 2022	**19.4%***	14.3%*	15.3%	N/A	Pages 90 to 91
	Number of internal promotions	Number of internal promotions during the financial year.	No.	28 June 2021 to 3 July 2022	**261***	211*	253	N/A	Pages 90 to 91
	% of direct employees that are trainees	% of employees who are apprentices, graduate trainees or following a training programme, academic or professional qualification.	%	Measurement taken as at year end date of 3 July 2022	**15***	14.5*	14	15% of all employees being trainees	Pages 92 to 93
	Total number of training days delivered AND Average number of training days per employee	Total number of training hours delivered as face to face, e-learning or online seminars during the financial year, divided by 6 hours to give a number of training days. AND The average figure is obtained by dividing the total number of training days by the average number of employees in the business during the year.	No. of days	28 June 2021 to 3 July 2022	**4,819*** [8] **2.19***	4,083* 1.81*	5,925 2.53	Invest in at least 3 training days per employee per year	Pages 90 to 91

3 Covers 100% of Redrow sites. A site is registered with the CCS once Redrow take over as Principal Contractor.

4 From January 2022 the CCS individual report scoring changed from a total score of 50 to 45. Therefore FY23 target will be reported out of 45 next year.

5 This covers NHBC 184 site inspection reports received from the NHBC in the reporting period. Excludes Greater London sites, two in the North West and two in Lancashire as these are not registered with the NHBC.

6 This covers only sites registered with the NHBC. Excludes Greater London sites, two sites in the North West and two in Lancashire as these are not registered with the NHBC.

7 The questions in the engagement index measure two factors important to employee engagement – are employees capable of high levels of performance and are they willing/keen to deliver? Similar sets of questions are used to determine other organisations' engagement indices. The survey covered those employees who are paid monthly representing 81% of the total workforce.

8 Whilst we have seen an 18% increase in training days in 2022 (4819) from those reported in 2021 (4083) this is still below our 2020 figure (5925), the reason being we have continued with the use of e-learning and seminars to support our face to face training and these online sessions tend to be shorter in duration.

* Figure verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
DIVERSITY AND INCLUSION	% who identify as ethnic minorities	% of self-reporting who identify as ethnic minorities. [9]	%	Measurement taken as at year end date of 3 July 2022	**6.64***	5.14*	5.6	N/A	Pages 80 to 81
	% of apprentices who identify as ethnic minorities	% of apprentices self-reporting who identify as ethnic minorities. [10]	%	Measurement taken as at year end date of 3 July 2022	**10.67%***	N/A – New KPI in FY22	N/A – New KPI in FY22	12.5% by 2025	Pages 80 to 81
	% of Female employees – overall and by management category:		%	Measurement taken as at year end date of 3 July 2022				N/A	Pages 80 to 81
	All employees	% of female employees overall.			**34.17%* female**	34.06%* female	33.90% female		
	Executive Management Team	% of female employees on Executive Management Team.			**33.33%* female**	25%* female	22% female		
	Main Board (includes non-executives)	% of female employees on Main Board.			**33.33%* female**	28.57%* female	43% female		
	Executive Management Team Reportees	% of female employees as Direct Reports to Executive Management Team (excluding PAs and those reporting to CEO who are also on the Executive Management Team).			**28.57%* female**	27.27%* female	33% female		
	Senior Management	% of female employees within the Senior Management population.			**25.41%* female**	N/A – New KPI in FY22	N/A – New KPI in FY22	28% by 2025	
	Female graduates recruited	% of females recruited into graduate roles during the financial year.	%	28 June 2021 to 3 July 2022	**28.57%***	N/A – New KPI in FY22	N/A – New KPI in FY22	40% by 2025	Pages 90 to 91

9 This KPI and definition has changed from BAME to ethnic minorities in FY22 to align with current government guidance. Gov.uk defines 'ethnic minorities' as all ethnic groups except the white British group. Ethnic minorities include white minorities, such as Gypsy, Roma and Irish Traveller groups. This is based on 92% (88% in FY21) of employees who have self-reported ethnicity information.

10 This is the first year we have reported 'apprentice ethnicity' information and can confirm it is based on 97% of our total apprentice population who self-reported this information.

* Figure verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
ENERGY AND CARBON	Group GHG emissions Scope 1 and 2 – Location Based	Total Location Based Scope 1 and 2 GHG emissions from our operations (sites and offices).	Tonnes of CO_2e	1 July 2021 to 30 June 2022	**12,149***	14,680*	15,504*	N/A	Page 217
	Group GHG emissions Scope 1 and 2 – Market Based	Total Market Based Scope 1 and 2 GHG emissions from our operations (sites and offices).	Tonnes of CO_2e	1 July 2021 to 30 June 2022	**9,822***	16,099*	17,086*	To reduce our absolute Scope 1 and 2 GHG emissions by 42% by FY30, from our FY21 base year	Page 217
	Total GHG emissions per 100m² of build – Location Based	GHG emissions normalised per 100m² of build (Location Based).	Tonnes of $CO_2e/100m^2$	1 July 2021 to 30 June 2022	**2.16***	2.84*	3.01*	Reduce the carbon intensity of our direct operations by 10% by the end of FY22 against 2017 baseline	Page 64 and 217
	Total GHG emissions per 100m² of build – Market Based	GHG emissions normalised per 100m² of build (Market Based).	Tonnes of $CO_2e/100m^2$	1 July 2021 to 30 June 2022	**1.75***	3.11*	3.32*	N/A	Page 217
	Operational energy use	Total energy and fuel consumption used from sites and offices.	kWh	1 July 2021 to 30 June 2022	**53,788,513***	64,294,472*	37,032,239	N/A	Page 218
	% of electricity procured from renewable sources	Percentage of electricity used in our operations that is sourced from renewable sources.	%	1 July 2021 to 30 June 2022	**96.03%***	3.30%*	N/A	Purchase 100% REGO-backed renewable electricity for all operations (offices and construction sites) by the end of FY24	Page 66

* Figure verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
SUSTAINABLE HOMES [11]	Average SAP rating	The average as built SAP rating [12] for legally completed units in the financial year.	No. 1-100	28 June 2021 to 3 July 2022	**85***	N/A, new KPI this year. Reported Average design SAP for core house types in FY21	N/A	N/A	Page 130
	Average EPC rating	The average as built EPC [13] rating for legally completed units in the financial year.	A-G rating	28 June 2021 to 3 July 2022	**B***	N/A, new KPI this year. Reported Average design EPC for core house types in FY21	N/A	N/A	Page 73
	Average DER	The average Dwelling Emission Rate (DER) [14] is the actual CO_2 emission rate of self-contained dwellings and individual flats (excluding common areas) based on the actual as built specification.	$Kg/CO_2/m^2$/ year	28 June 2021 to 3 July 2022	**15.75***	N/A, first year reporting this KPI	N/A	N/A	N/A
RESOURCE EFFICIENCY	Tonnes of construction waste per 100m² build	Construction waste produced per 100m² of build.	Tonnes of waste/ 100m²	1 July 2021 to 30 June 2022	**7.91***	8.11*	8.97*	Reduce construction waste intensity by 10% by the end of FY22 against 2017 baseline	Page 70
	% of waste diverted from landfill	The % of waste which is diverted from landfill. This includes refuse derived fuel (RDF) as well as recycling.	%	1 July 2021 to 30 June 2022	**98.34***	97.65*	97.4*	95%+ of construction waste diverted from landfill	Page 70
	Water use per 100m² build	Cubic metres of water used in our sites and offices per 100m² of build.	m³ per 100m² build	1 July 2021 to 30 June 2022	**26.53***	33.06*	18.50	Reduce the water intensity of our direct operations by 5% by the end of FY22 against 2017 baseline	Page 219
	% of timber certified	% of timber responsibly sourced and credibly certified to FSC or PEFC. [15]	%	1 January 2021 to 31 December 2021	**99.98***	99.64*	99.90	100% of timber responsibly procured	Page 76

11 The SAP, EPC and DER ratings relate to 100% (5,484) as built legally completed units in FY22. This figure excludes 231 legally completed units in London, sold as a block sale, where EPCs are not yet issued.

12 The Standard Assessment Procedure (SAP) is the methodology used by the Government to assess and compare the energy and environmental performance of dwellings. SAP quantifies a dwelling's performance in terms of energy use per unit floor area, a fuel-cost-based energy efficiency rating (the SAP rating) and emissions of CO_2 (the Environmental Impact Rating). The SAP rating is expressed on a scale of 1 to 100, the higher the number the lower the running costs. Source: https://www.bre.co.uk/filelibrary/SAP/2012/SAP-2012_9-92.pdf

13 Energy performance certificates (EPCs) set out the energy efficiency rating of a building. They are required when buildings are built, sold or rented. Buildings are rated from A to G, with A representing a very efficient building and G a very inefficient building. Source: https://www.gov.uk/buy-sell-your-home/energy-performance-certificates.

14 The Dwelling Emission Rate is equal to the annual CO_2 emissions per unit floor area for space heating, water heating, ventilation and lighting, less the emissions saved by energy generation technologies, expressed in $Kg/CO_2/m^2$/year. Source: SAP Methodology.

15 Prior to FY21, our timber was verified as part of the WWF network for responsible timber and includes legal timber. In FY21 and FY22, the verified figure covers only timber certified to FSC or PEFC.

* Figure verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY22)	FY22	FY21	FY20	TARGET	READ MORE
SUPPLY CHAIN – PAYMENTS ON TIME [16]	Average time taken to pay invoices	The average time taken to pay supplier invoices and subcontractor applications from the date of receipt.	days	28 June 2021 to 3 July 2022	**23.1***	23.5*	25.5	N/A – Signed up to Prompt Payment Code and report data to HMRC 6 monthly	Page 74
	Invoices paid within 30 days	Percentage of invoices and applications paid during the reporting period within 30 days.	%	28 June 2021 to 3 July 2022	**81.2***	79.1*	76.3	N/A – Signed up to Prompt Payment Code and report data to HMRC 6 monthly	Page 74
SUPPLY CHAIN – MODERN SLAVERY	% of material suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct	All suppliers and manufacturers must submit a detailed Supplier Appraisal Assessment for approval as part of our pre-tender qualification process. We have updated the appraisal forms to track the country of manufacture allowing us to identify materials supplied by manufacturers with a high risk profile.	%	28 June 2021 to 3 July 2022	**96***	100*	100	No target however aim for 100% compliance	Pages 222 to 223
	% of temporary labour suppliers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct	All suppliers of agency/temporary labour staff working on our sites are monitored for compliance by an external organisation named Datum RPO.	%	28 June 2021 to 3 July 2022	**100***	100*	100	No target however aim for 100% compliance	Pages 222 to 223

All of the FY22 ESG data contained in this scorecard has been assured at a limited level of assurance according to ISAE3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, to evaluate the veracity of the specific KPIs.

This has been undertaken by SGS United Kingdom Ltd using SGS Sustainability Report Assurance protocols, including the Global Reporting Initiative (GRI) Principles for Report Quality: accuracy, balance, clarity, comparability, reliability and timeliness, to enable robust evaluation of data subject to verification. The full Assurance Statement can be found on our corporate website: investors.redrowplc.co.uk/key-non-financials.

16 All 'Payments on time' KPIs cover 100% of suppliers and subcontractors.
* Figure verified by SGS.

OUR BUSINESS MODEL

Our strategy is achieved by channelling our resources through our strategic principles and ensuring these are embedded within our relationships with our stakeholders.

INPUTS

LAND HOLDINGS
The quality and location of our land holdings is a vital component to enable us to deliver sustainable and profitable growth.

OUR PEOPLE
Our employees are at the heart of our business and our results are achieved through the talent, hard work and dedication of our people.

OUR PLACEMAKING SKILLS
We recognise that the setting of our homes is of equal importance to the quality and design of the individual homes themselves.

OUR FINANCIAL RESOURCES
Appropriate financial resources are a key enabler to support the delivery of our strategy. We ensure that our strategic delivery is regularly and clearly communicated to our investors and our relationship banks.

CREATING LONG-TERM SUSTAINABLE VALUE

THRIVING COMMUNITIES | BUILDING RESPONSIBLY | VALUING PEOPLE

LAND, PLANNING AND DESIGN

Our experienced land and planning teams focus on the investment in and promotion of strategic land together with shorter term opportunities receptive to the value we can add through our master planning, placemaking and technical expertise.

Our thoughtfully designed quality new homes reflect timeless exteriors with flexible and modern interior living spaces.

Our 'Redrow 8' placemaking principles provide a framework for us to create sustainable, well-connected and well-landscaped developments that will leave a legacy of attractive and vibrant places to live for generations to come.

SYSTEMS

We have a dedicated team of in-house IT specialists including systems analysts, software developers, digital experts, cyber security officers, help desk experts and systems accountants led by our Chief Information Officer.

The team work closely with Group departments and the operational businesses to continue to improve and evolve our systems with major improvement projects sponsored by members of the Executive Management Team.

CONSTRUCTION & COMMERCIAL

By building safely, responsibly and considerately we continue to deliver much needed homes.

Build quality is a key focus together with managing our use of resources effectively to create homes of enduring quality whilst minimising our environmental impacts and ensuring value for money, working closely with our supply chain.

SALES AND MARKETING & CUSTOMER SERVICE

We aim to provide our customers with the best possible experience, every time they interact with us.

We continue to invest in developing our customer experiences, from welcoming Customer Experience Suites and My Redrow online portal to our after-sales service all underpinned by colleague training, customer feedback surveys and focus groups.

ENVIRONMENTAL – SOCIAL – GOVERNANCE (ESG) | KPIs | RISK MANAGEMENT

OUTPUTS

CUSTOMERS
Our customers are fundamental to our business and we take great care to research their needs, listen to their feedback and evolve our carefully designed new homes as lifestyles and aspirations change.

COMMUNITIES
We adopt a collaborative approach, engaging with community stakeholders to ensure our developments become thriving communities, delivering better places to live.

SUPPLIERS & SUBCONTRACTORS
We work closely with our experienced suppliers and subcontractors to maintain a strong and reliable supply chain delivering quality products and workmanship.

OUR PEOPLE
Our employees are fundamental to our business; we invest in attracting and retaining talented people with a key focus on training and development to enable our people to build rewarding careers and deliver succession planning for the future.

SHAREHOLDERS
Our Shareholders are the primary providers of financial resources enabling us to create long-term sustainable value. We aim to provide a balance between capital growth and dividend income to our shareholders.

CHAIRMAN'S STATEMENT

We are confident our timely investment in land, combined with strong demand for our Heritage homes, will support our continued growth.

RICHARD AKERS
Non-Executive Chairman

I am delighted to report a year of strong growth which has resulted in our underlying profits returning to the record levels achieved in 2019 prior to Covid-19. Revenue increased by 10% to £2.14bn and underlying profit before tax[1] was up 31% year on year, both ahead of our pre-covid 2019 figures.

The Group entered the year with a record order book of £1.4bn and strong demand for housing. In particular, our award winning Heritage range of family housing in well chosen locations and with excellent place making has increased its appeal as the market has evolved and remains ideally suited to our target customer. In addition to the £2.1bn of revenue achieved, the Group still ended the year with an order book of £1.44bn.

FINANCIAL RESULTS

The Group delivered 5,715 legal completions in the year (2021: 5,620). These completions generated revenue of £2.14bn (2021: £1.94bn). However, in terms of revenue from the sale of homes from the ongoing business[1], the increase was 20% to £2.07bn. Underlying profit before tax of £410m was up 31% on the previous year (2021: £314m). Underlying earnings per share increased by 30% to 96.0p (2021: 73.7p).

The Group generated £128m of cash to end the year with net cash of £288m, whilst continuing to invest in growth. Our underlying Return on Capital Employed improved from 18.53% to 24.54%[1], close to our medium term target of 25%, and underlying Return on Equity increased from 17.95% to 21.45%[1].

In line with the company's policy of three times dividend cover the Board is proposing a final dividend of 22.0p making a total of 32.0p for the year, up 31%. Subject to shareholder approval at the Annual General Meeting on 11 November 2022, this will be paid on 16 November 2022 to all shareholders on the register at close of business on 23 September 2022.

In addition, following a recent review of the cash requirements of the business to achieve its long term growth plans, the Board announced on 14 July 2022 a share buyback of up to £100m in line with our published capital allocation policy. The programme is ongoing and scheduled to be completed by 31 July 2023. This is the second time the business has returned surplus cash to shareholders and follows the B share scheme of £111m in 2019.

STRATEGY

The Group has continued its withdrawal from the London market and that is expected to be complete by the end of calendar year 2022, other than the ongoing Colindale development.

Excellent progress has been made during the year executing our strategy to grow in the regions. The new Southern business, based in Crawley, officially opened at the end of June but the team has been active in the land market for some time. This division is expected to make a positive contribution to profits in the current financial year.

Capital released from London in the last two years has been reinvested in land to help grow the regional businesses. At the end of this financial year our total land holdings stood at 67,400 plots, compared with 60,100 at the end of the 2019 financial year. Although the planning system is difficult at present, this gives us a strong pipeline of new outlets to continue our growth.

FIRE SAFETY

On 5 April 2022, Redrow signed the Government's voluntary building safety pledge to remediate all residential buildings over 11 metres in which we were involved in the last 30 years. We have a full time team of colleagues expediting these works on a timely basis, in conjunction with the management companies of the buildings concerned. We have set aside provisions of £200m to cover these costs, including an exceptional charge of £164m and a non-exceptional charge of £10m in the 2022 financial year, and we expect the works to take a number of years to complete.

PEOPLE

Nick Hewson will be stepping down as a Non-Executive Director at the forthcoming AGM having served nine years on the Board. Throughout most of his tenure, Nick has chaired the Audit Committee and since 2018 has been the Senior Independent Director. I would like to take this opportunity to thank Nick for his valuable contribution to the business.

On 1 February 2022, Oliver Tant was appointed to the Board as a Non-Executive Director and Audit Committee Chair-Designate. He is also a member of the Audit, Remuneration and Nomination Committees. He will take over as Chair of Audit on Nick's retirement from the Board.

I would like to thank everyone in the business for their efforts this year in contributing to our excellent financial performance and the ongoing success of our strategy.

TRADING AND OUTLOOK

Given rising inflation and higher interest rates it is not surprising the buoyant housing market has moderated recently and demand has returned to historically average levels. It is on this basis we have prepared our medium term plan and we are confident our timely investment in land, combined with strong demand for our Heritage homes, will support our continued growth. In addition, our opening order book of over £1.4bn has put us in an excellent starting position for the 2023 financial year. As a result, the business is well placed to deliver another set of strong results.

Richard Akers
Non-Executive Chairman
13 September 2022

The Pickmere Show Home at Tabley Park, Cheshire

The Leamington Lifestyle house type at Herne Bay, Canterbury

1 Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre-exceptional items. See note 23 for an explanation and reconciliation of these alternative performance measures.

GROUP CHIEF EXECUTIVE'S STATEMENT

Our underlying profits have returned to the record levels achieved in 2019 pre Covid-19.

MATTHEW PRATT
Group Chief Executive

Ash Holt, Newton Garden Village, Nottinghamshire

The Welwyn Show Home at Ash Holt, Newton Garden Village, Nottinghamshire

OVERVIEW

It's been another excellent year of achievement for the Group. We have grown the business, whilst continuing to evolve our successful strategy based on our market leading Heritage Collection and prime locations.

Our underlying[1] profits have returned to the record levels achieved in 2019 pre Covid-19.

Our quality new homes reflect timeless exteriors with flexible and modern living spaces. Customers appreciate the additional value this brings and the unique way they can blend personal and work life to create a better way to live.

Cash buyers represented 33% (2021: 23%[2]) of our reservations as we continued to tap into the resilient downsizer market. Customers upgraded their homes with extras in record numbers, whether that be bespoke flooring, granite worktops or home offices. This continues to be a key point of differentiation for the business with customers selecting and completing their choices via the award winning My Redrow online service.

We have created sustainable value for our stakeholders and successfully delivered a number of strategic projects during the financial year, many of these as part of our successful Redrow 2025 initiative to accelerate innovation across the business. We have improved the customer experience; driven efficiency and pushed forward on improvements to our product range, in part to incorporate our climate change objectives.

All these factors have ensured the underlying demand for our quality new homes continues to remain strong. Total legal completions increased to 5,715 from 5,620 in the previous year with revenues increasing by 10% to £2.14bn (2021: £1.94bn).

Reflecting the differentiation of our premium homes, the reservation value per outlet increased to £311k per week (2021: £288K) as we continued to deliver industry leading reservation rates on a revenue basis. Our average weekly reservation rate for the year was 0.68 (2021: 0.70) per outlet as we achieved a successful balance between pricing and volume.

Help to Buy was just 8.6% (2021: 28%[2]) of our reservations in the financial year under review (7% outside of London) as we successfully finalised our transition away from the scheme.

As we expected, its removal has had no impact on our reservations. This reflects the strategic advantage of Redrow's Heritage Collection and how it continues to set us apart from the rest of the market.

The intrinsic value of our quality homes, along with sales discipline, also enabled us to capitalise on strong overall house price inflation (HPI). Reservation prices increased on average by 12% across the financial year due to a combination of geographical and product mix and HPI. The effective management of HPI placed the business in a strong position and, going forward, will help to insulate the Group from any macro-economic challenges ahead.

This offset build cost inflation at around 10%. Commodity prices were driven higher as global inflation accelerated, along with demand for building materials. Material availability is now improving across many areas and shortages are beginning to ease. As supply increases, we expect prices to moderate. Furthermore, our strong supplier relationships continued to help us mitigate build cost inflation and fulfilment issues. Our site teams worked largely uninterrupted, whilst improving both production output and build quality.

We ended the financial year with a strong forward order book of £1.44bn (2021: £1.43bn) of which 76% (2021: 73%[2]) is exchanged. As we executed our previously announced strategy to exit our London sites (with the exception of Colindale Gardens), the cash generated from these disposals funded land acquisitions within our strong regional network. This included our new Southern division which formally opened at the end of June 2022. It will contribute to profits in the current financial year. Covering Surrey and East and West Sussex, it is in a perfect position to capitalise on strong demand for our homes within London's commuter belt.

During the financial year under review, our land buying activity was selective. We focussed on land replacement and moderate growth – all at normal average hurdle rates. We were able to do this because of our substantial land investment in 2021, when we added over £3bn of Gross Development Value to our land holdings with planning.

We added 5,958 plots with planning across 24 sites in the year, with a GDV of over £2.3bn. During the year we also purchased a number of sites, some of which were allocated through the local plans at enhanced margins to reflect the time-risk associated with getting them through the planning process.

As previously guided our average outlets were 111 (2021: 117), which was in part a result of our reduced land purchases during the early stage of the Covid-19 pandemic, but particularly due to our strong sales rate, which meant outlets closed more quickly than originally expected.

We expect next year's outlets to increase to 120 as a result of our land purchases in 2020, which are now coming on-stream.

We ended the year with net cash of £288m (2021: £160m). Having considered our strong land position, the cash needs of the business to achieve our growth plans and the prevailing share price, the Board concluded the Group has sufficient funds to enter into a capital return in the form of a Share Buy Back programme up to a maximum of £100m. Announced in July, it is delivering value for our shareholders, whilst maintaining our growth strategy.

STRATEGY AND MEETING THE CLIMATE CHALLENGE

Our purpose is to create a better way to live. We have a robust strategy in place to deliver on this aim, which is based on our three pillars: Thriving Communities, Building Responsibly and Valuing People. It focuses on the activities we believe will create the most value in the long term, for our stakeholders.

During the financial year we conducted an assessment using the double materiality approach to ensure that we continue to understand what matters most to our stakeholders. Understanding their most pressing issues is crucial to help shape our business strategy. It's clear one of the top issues is the shared goal of addressing climate change and reducing carbon emissions.

Steady progress has been made to reduce our Scope 1 and 2 emissions and we are taking further actions this year to make sure emissions continue to come down. We have taken the significant step of setting, and submitting for validation, our ambitious near-term science-based carbon reduction targets for Scope 1, 2 and 3 in line with the goals of the Paris Agreement.

Our Redrow 8 Placemaking principles, which we have been following for more than three years, are a key point of differentiation for Redrow. They are at the heart of what we do and have created a culture of great placemaking within the business, which is instrumental in delivering wider social value and benefits for wildlife – generating greater wellbeing for customers, communities and nature.

The housing industry is subject to intense Government pressure and a rapidly moving regulatory agenda. The upheaval in Westminster, with another recent change of Housing Minister, is unhelpful. This is particularly the case in an industry which benefits from a long-term strategic approach to housing.

Despite this, the Group is well positioned to embrace all aspects of the current Government policy plans.

We welcome the introduction of the New Homes Quality Code and the New Homes Ombudsman which will help to improve the reputation of the industry and provide additional reassurance to customers.

From our perspective it will help to further differentiate our approach to build quality and customer service. The introduction of our online

Homeowner Support Portal with over 90% of customers submitting their moved-in incidents online; the launch of our new online complaints system and our extensive colleague training programme, means we are in an excellent position to embrace the new regime. We were very pleased that 94.5% of our customers would recommend Redrow as part of the NHBC survey and we continue to be rated as 'excellent' on Trustpilot.

In April 2022 we signed the Building Safety Pledge, formally agreeing to the principle that leaseholders should not have to pay for any costs associated with life critical fire-safety remediation work arising from the design, construction or refurbishment of buildings over 11 metres going back 30 years.

We have appointed a project team and scoped the number of buildings that fall within the pledge criteria. We have written to all responsible entities in relation to these buildings. The process of remediating affected blocks will take a number of years but we are committed to completing the process as efficiently as possible.

We repeat our calls for overseas-based developers to be subject to the same framework as domestic-based organisations. Equally relevant, materials providers in the supply chain need to address their responsibilities and contribute to the cost.

It is fundamentally unfair for domestic developers to bear the sole financial burden, whilst overseas developers seemingly evade any sort of contribution.

The Group is prepared for the introduction of the Part L regulations and has reflected the additional cost within all land purchases and existing sites. We are currently trialling Air Source Heat Pumps as part of our Future Homes Standard plans and have a clear pathway to meeting the required standards.

The 'fabric first' energy efficiency of our homes is the fundamental starting point and places new build at an advantage to second hand homes.

This plays directly into our successful strategy of targeting that part of the overall housing market.

An overly bureaucratic planning system continues to be a significant constraint on house builders, but also the economy as a whole. In addition, there are not enough council planning officers and the process continues to be beset with delays. This is further exacerbated by the water neutrality and nutrient neutrality issues.

The knock-on effect within the supply chain is very significant and ultimately it means communities do not have the opportunity to secure the quality new housing they so badly need. As a large housebuilder we are best placed to navigate these challenges, but inevitably they will eventually drive smaller to medium sized house builders out of the market.

PEOPLE

In our recent Insight survey over 94% of our colleagues were, once again, proud to work for Redrow. We are delighted with this feedback, reflecting the moves we've made to modernise the way we work and the quality of our product and customer experience.

Around 15% of our workforce are trainees as we continue to inspire the next generation to build as part of our Valuing People strategic pillar. Our inhouse training team deliver a range of programmes to develop our trainees as they grow throughout the business. Pleasingly, in the financial year under review, we had 261 internal promotions.

MARKET OUTLOOK

Over the last two years the market has been incredibly strong with elevated demand, partly resulting from people's changed priorities around working from home. We are now seeing a return to a more normal market where demand is moderating to historical levels.

We capitalised on last year's strong market with our focus on HPI. This was possible because of our strong, differentiated product and these gains are now embedded in our forward order book.

This provides the business with additional resilience to weather any potential deterioration in the macro-economic picture.

In this market environment our Heritage Collection remains highly desirable. Our focus on innovative placemaking, paired with our premium detached homes, keeps us well positioned to meet the requirements of our potential customers.

The fundamentals of the market remain good. Interest rates, despite recent increases, are at historically low levels; mortgage availability is very good and employment levels are strong.

We are well aware of the challenges of the increasing cost of living. It's clear our quality new homes will have a growing and additional point of differentiation from the second hand market around energy efficiency.

In the first 10 weeks of the new financial year demand has moderated to historic levels. The value of private reservations was £360m (2022: £340m) and, more importantly, our revenue per outlet per week continued to be at a market leading level of £296k (2022: £294k) demonstrating the desirability of our Heritage Collection.

Our colleagues and partners strive every day to create quality homes and places for our customers and I'd like to, once again, thank them for their dedication, hard work and support, which is so crucial to Redrow's ongoing success.

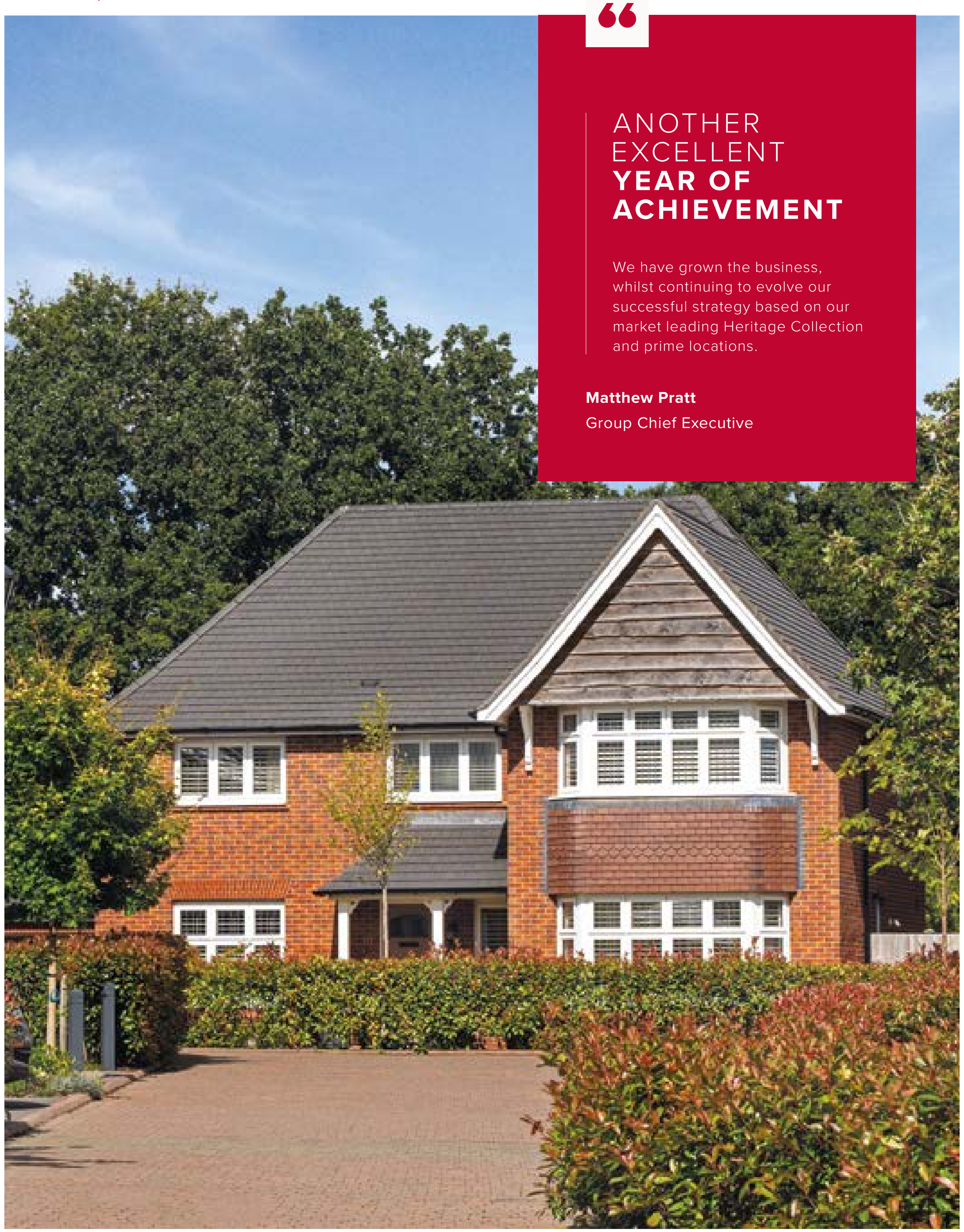
The advantage derived from our people, combined with our approach to evolve our proven strategy, places Redrow in an excellent position to continue its strong progress.

Matthew Pratt
Group Chief Executive
13 September 2022

1 Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre-exceptional items. See note 23 for an explanation and reconciliation of these alternative performance measures.

2 2021 comparatives are for a like-for-like 53 week year.

The Balmoral house type at Woodford Garden Village, Cheshire



ANOTHER EXCELLENT **YEAR OF ACHIEVEMENT**

"We have grown the business, whilst continuing to evolve our successful strategy based on our market leading Heritage Collection and prime locations."

Matthew Pratt
Group Chief Executive

Woodford Garden Village, Cheshire

Wilton Hill, Wilton, Wiltshire

OPERATING REVIEW

Our purpose is simple: to create a better way to live.

The three pillars of our strategy – Thriving Communities, Building Responsibly and Valuing People – focus us on the activities that will achieve our purpose and create long-term sustainable value for our investors, colleagues, partners, customers and communities. By following this strategy, we have built a strong foundation of environmental, social and governance (ESG) commitments, which ensures that the value we create benefits all our stakeholders.

This year, we confirmed which sustainability issues are most important to us and our stakeholders, by updating the materiality assessment we carried out in 2018. Our assessment looked at financial materiality, which is the potential impact of sustainability issues on Redrow's financial value, and impact materiality, which takes account of how our activities affect the environment, people and society.

The assessment confirmed that our strategy continues to reflect the right themes and that we are working on the correct objectives to drive business success and respond to the issues that are most important to our stakeholders.

FTSE4Good

In June 2022 we became a constituent of the FTSE4Good Index which is a globally recognised ESG benchmark analyst. This is recognition of the company's commitment to continued ESG improvement.[1]

Further success for Redrow in the NextGeneration Benchmark Results

NextGeneration recognises the most-sustainable housebuilders in the UK. We received a Silver award, with our score of 69 placing us fourth overall. Our score was ten points up from last year and well above the industry average of 34. The assessors commended our high level of transparency and disclosure.

FT Europe's Climate Leaders

Once again the business was successful in the 'Europe's Climate Leaders' FT rankings, included as one of 450 European climate leaders. This annual analysis, now in its second year, lists companies that have achieved the greatest reduction in their Scope 1 and 2 greenhouse gas (GHG) emissions intensity over a five-year period (this period covers 2015 – 2020). We were included as one of just ten UK construction firms featured on the list.

1 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Redrow plc has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

ASSESSING OUR MATERIAL ISSUES

Working with the support of an external consultancy, we considered a wide range of potential material ESG issues for our business. This included reviewing sustainability reporting frameworks, global ESG trends and those affecting our sector, as well as our own sustainability priorities, risk register and previous materiality assessment.

We then engaged with our most relevant stakeholders, analysing the impact of these issues on our business and on them. Internal stakeholders included employees and the Main Board, with external stakeholders including customers, investors, suppliers, landowners, local communities, local planning authorities and Non-Governmental Organisations (NGOs). In total, nearly 300 people took part in the process.

Using an online survey tailored to each group, we asked our stakeholders to score each issue on its impact (whether positive or negative) and how likely it was that the impact would occur.

OUR MATERIAL ISSUES AND STRATEGY

The top five issues in our ranking were placemaking; build quality; health and safety; carbon and climate change; and environmental homes, which includes both product design and lifecycle management.

We reviewed the ranked list of issues against our strategy. All the material issues we scored align with our strategic pillars, confirming that our strategy remains appropriate. The table below shows this alignment, with the top five issues in bold. Some issues appear more than once, where they're relevant to two or more pillars.

Our Executive Management Team reviewed and approved the final list and the process we'd followed.

NEXT STEPS

Investors and customers are two of our most important stakeholder groups. Initial participation in our materiality survey from both of these groups was low. For that reason, we will be holding interviews and undertaking further engagement with these two groups. This will enable us to hear directly from them as to which environmental and social issues matter most, and what action they want to see us taking. These insights will feed into the ongoing review of our business strategy in FY23.

THRIVING COMMUNITIES	BUILDING RESPONSIBLY	VALUING PEOPLE
• **Placemaking** • Biodiversity • Pollution prevention • Homes for all	• **Build quality** • **Health and safety** • **Carbon and climate change** • **Environmental homes – product design and lifecycle management** • Biodiversity • Pollution prevention • Resource efficiency and waste • Water	• **Health and safety** • Company culture and diversity and inclusion • Skills and training • Compliance and ethics • Employee package • Sustainable procurement • Governance for ESG

Woodford Garden Village, Cheshire

UNDERSTANDING **WHAT MATTERS**

Redrow has a long history of engagement with all our stakeholders. Using the 'double materiality' approach allows us to understand the impact of our business on stakeholders and the importance of these issues to them. This ensures we have the correct business strategy for long term sustainable growth.

Rose Sandell
Group Communities Director

SUPPORTING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are a blueprint for a better, more sustainable future for all. The 17 goals are an ambitious set of targets to drive action by all countries worldwide. All of the goals are important and we make a contribution to many of them but as a housebuilder we identify with four of the goals in particular – those where we can make the most significant contribution. These SDGs are set out below, along with how we are responding, and how we are driving performance through our targets.

SDG	DEFINITION	OUR APPROACH
SDG 11: Sustainable cities and communities	By 2050, 70% of the world's population will live in cities, making cities critical in achieving a sustainable future for the world. Multi-stakeholder and community engagement are necessary to ensure that solutions are inclusive, resilient and sustainable. Key focus areas for this SDG include affordable housing, infrastructure investments, sustainable transportation, access to public spaces, and sustainable buildings.	• We design great places to live, with beautiful open spaces for residents and surrounding communities to enjoy, amenities that encourage neighbours to come together and which reduce car-dependance. We achieve this by rigorously applying our Redrow 8 placemaking principles. • We incorporate a balanced mix of affordable tenures and a range of housing to meet identified local housing needs. • We aim to hand over every home 100% defect free. However, if this doesn't happen, we look to resolve defects as quickly as possible and to the highest standard.
SDG15: Life on land	60% of the world's ecosystem services have been degraded over the past 50 years and society continues devaluing our natural resources at an alarming rate. While many of the effects are felt locally first, the long-term consequences are global and the scale is highly relevant to business, presenting risks and opportunities. Key focus areas for this SDG include sustainable land management, preventing deforestation and forest degradation, land and habitat remediation, and improving freshwater ecosystems.	• Our biodiversity strategy (Nature for People) is underpinned by 15 commitments across three themes: nature gains, wilder lives and a flourishing legacy. • We're developing a range of solutions to address nutrient and water neutrality, including funding new wetlands and water treatment plants on our developments. • For the last 15 years, we've promoted responsible forest management by buying timber with full certification from sustainably managed forests. • We rigorously manage environmental risks on our sites, to avoid polluting land, air or water.

Clockwise from left: Solar panels on the Oxford Lifestyle house type at The Shires, Essex. Allotments at Frenchay Gardens, Bristol. Members of the senior leadership team visiting the NHBC Training Hub, Tamworth.

SDG	DEFINITION	OUR APPROACH
SDG13: Climate action	Climate change is causing increased temperatures, extreme weather events, changing precipitation patterns, rising sea levels and ocean acidification which ultimately impact people's livelihoods. We must work to limit the temperature increase to 1.5°C above pre-industrial levels. Key focus areas for this SDG include decarbonising operations and supply chains, improving energy efficiency, reducing the carbon footprint of products, services and processes, and setting ambitious emissions reductions targets in line with climate science, and scaling up investment in the development of innovative low-carbon products and services.	• We've developed a Climate Change Strategy, which addresses carbon reduction, business resilience and adapting to climate change. • We've achieved year-on-year reductions in carbon emissions from our operations. • We're innovating and developing our homes and places, to make them more energy efficient and provide ways to generate low-carbon energy. • We're assessing and mitigating flood risk across all our developments, and ensuring our designs minimise the potential for homes to overheat.
SDG5: Gender equality	Gender equality is a fundamental human right and women's and girl's empowerment is essential to expand economic growth, promote social development and enhance business performance. Companies can support the empowerment of women and girls through core business, social investment, public policy engagement and partnerships. Key focus areas for this SDG include equal remuneration for women and men, equal numbers of women in leadership, diversity and equal opportunity, access to sexual and reproductive health-care services, childcare services and benefits, and elimination of workplace violence and harassment.	• We actively promote inclusion, avoid discrimination and bias, and embrace diversity. • We promote inclusive and fair practice in all relations with employees, preferred supplier agency workers, subcontractors, suppliers and customers, taking into account the diverse nature of cultures, perspectives and backgrounds and local and regional needs. • We support women through a women's network and regular webinars. • We aim to increase the number of females and employees from ethnic minority backgrounds, by introducing diversity targets for our graduate recruitment programme.

In this section

THRIVING COMMUNITIES

A BETTER WAY TO CREATE THRIVING COMMUNITIES

ROSE SANDELL
Group Communities Director

Introduction from Rose Sandell, Group Communities Director

Placemaking – how we plan and design a happy and healthy place to live, which complements the surrounding area – is our starting point for creating a thriving community. We have an established strong set of principles in place to guide our placemaking, which we call the Redrow 8. They ensure we design and deliver the same consistently high standard across every development.

Supporting nature is essential to the design of our communities. Thoughtful, considered placemaking allows us to enhance biodiversity and help people connect with it. This benefits people's physical and mental health and encourages them to care for the wildlife on their doorstep. It makes our communities more attractive places to live and visit and also means that we can protect and enhance local wildlife by creating new habitats.

To create thriving and sustainable places, we have to understand each community we work in. We consult with the existing community to help us find the right solution for every new development. Our approach considers and takes on board local views and that helps our customers to connect with their neighbours and the existing community.

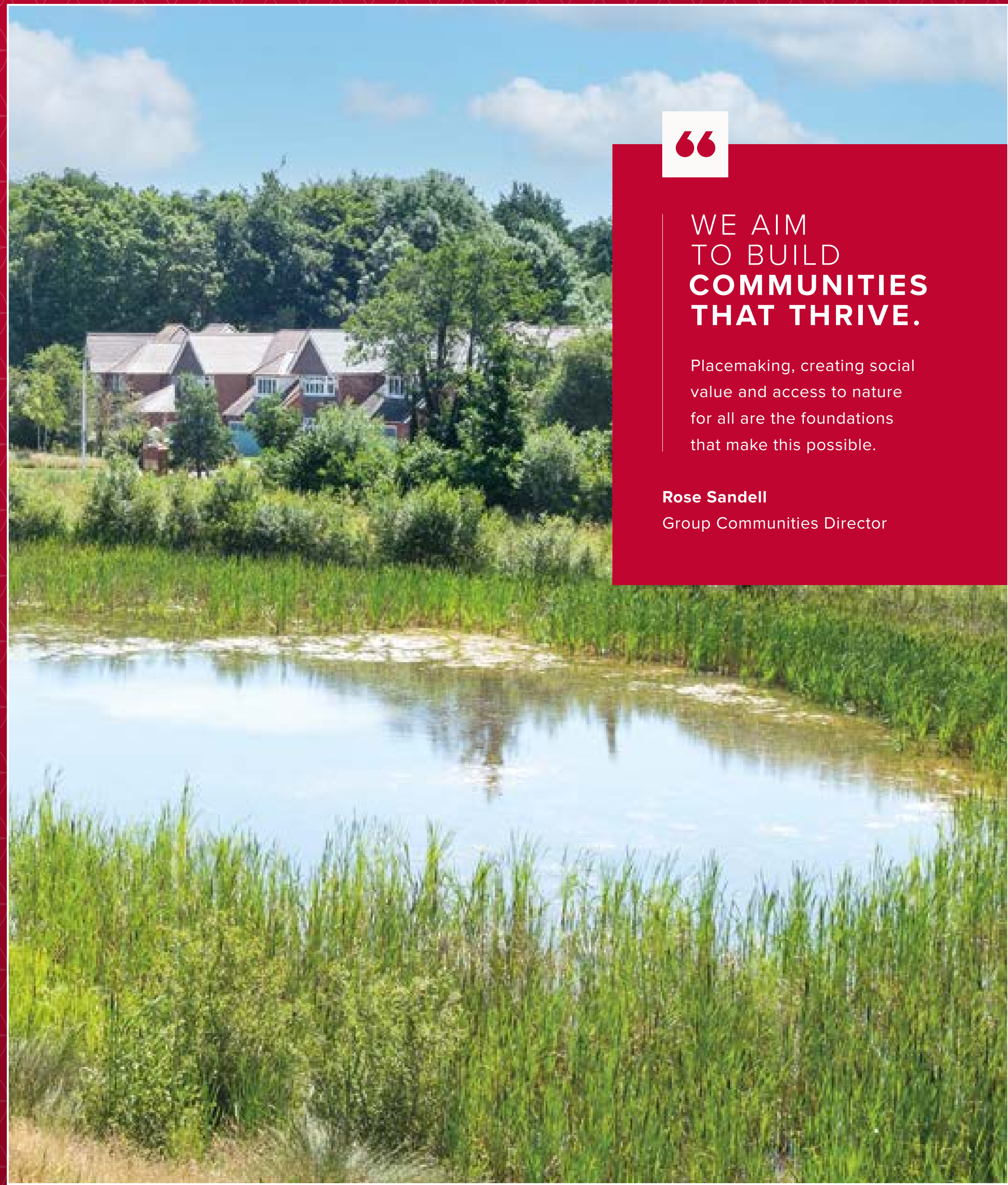
Leaving an impact and a legacy within the communities we build goes beyond our local economic investment. In addition to the jobs and training opportunities we create through working with local subcontractors and suppliers and providing new homes and accessible spaces, we add value through volunteering and supporting local charities and community groups, by protecting green and natural spaces and engaging with schools and colleges. This approach supports our vision of creating more sustainable and connected communities.

We understand the need to ensure a balanced sustainable community by building a range of homes for all on our developments, including well-designed affordable homes that meet local needs and blend seamlessly alongside our homes for sale. Our open spaces and play parks complement local facilities and offer the chance for the community to come together. We also fund many community projects, from new school buildings to public art installations, and support voluntary organisations to deliver further benefits to local people.

We're determined to do more. Our strategy pushes us to continuously improve our placemaking, add greater social value and help nature to truly flourish. Doing this successfully will encourage customers to continue to choose Redrow, because they value both the quality of the home they buy and the community they'll be part of.

Thriving Communities highlights

1,250	£281m	1,205
Affordable homes delivered in FY22	Community Infrastructure, S106 spend and Affordable Housing	Acres of Public Open Space delivered on our developments



WE AIM TO BUILD **COMMUNITIES THAT THRIVE.**

Placemaking, creating social value and access to nature for all are the foundations that make this possible.

Rose Sandell
Group Communities Director

THE IMPACT OF PLACEMAKING

Placemaking is the legacy we leave behind.

The settings we create for our homes are just as important as the quality and design of the homes themselves. Through effective placemaking, we consider issues such as character and identity, community relationships and networks, natural resources and creating healthy places. As living in beautiful and sustainable places makes people happier and healthier and encourages them to choose our homes, placemaking is also integral to our profitability.

Our 'Redrow 8' placemaking principles provide a framework for us to create sustainable, well-connected and well-landscaped places that incorporate nature and are pedestrian and cycle friendly. Following these principles helps us to stay ahead of what homebuyers are looking for and to prepare for any legislative changes to how we develop communities, so that we continue to deliver sustainable communities that reflect homebuyers' changing needs.

There's good evidence that some of the changes the pandemic made to our lifestyles are here to stay. For example, research from the Office for National Statistics in May 2022 showed that more than eight in ten people who worked from home during the pandemic intended to continue to do so for at least part of the week. As a result, people increasingly want homes and neighbourhoods where they can both live and work. Our research with potential customers shows their priorities include being near to amenities, family and friends, having open green space on the doorstep, and access to good public transport. These responses suggest that people increasingly want to engage with their local area and feel part of their community.

The Government has also recognised the benefits of building vibrant and beautiful communities. In July 2021, it put beauty and placemaking at the heart of the planning process, when changes to the National Planning Policy Framework came into force.


"As we were all moving in one after another, we became this close-knit community, particularly after Covid. Whether it be just bumping into each other dog walking, or via Instagram, where I'd search for new residents and they'd search for me. The closeness means we all look out for each other, it is just a lovely community."

Issy & Ian

Customers at Romansfield, Okehampton


"We chose Redrow because of the stylish house design, good reputation and lovely environment of Newton Garden Village. Newton Garden Village is close to plenty of great schools as well as not being far from larger cities like Nottingham – so it was the perfect place for us."

Kenneth & Charis

Customers at Newton Garden Village, Nottingham

When designing successful new places and communities it is essential that the needs and aspirations of home buyers, in terms of what they want from their home, are incorporated.

78%
aspire to live in a detached home with a front garden and dedicated parking to the front

68%
stated the preferable place to park their car is on a private driveway to the front of the home

77%
want to be able to charge their electric car on their driveway

66%
believe a detached home is most likely to provide the flexibility to create a dedicated home-working space

93%
would prefer their homes to be set back behind a front garden

85%
find streets comprising detached homes of a traditional design with front gardens attractive

95%
would find access to local green spaces beneficial

Source: YouGov survey of over 2,000 adults in February 2021


"Moving to our new home has been great. It's given our youngest a new sense of independence, as she's been able to pop out to the local supermarket on her own. We're also able to go out for dinner or socialise with friends without having to drive, which is a real luxury."

Sarah & Alex

Customers at Marleberg Grange, Marlborough


"Finding out what was happening in the local area was a very important part of the decision-making process for us. We wanted to make sure we were going somewhere where we could meet new people and enjoy ourselves."

Janet & Derrick

Customers at Appledore Green, Tenterden

THRIVING COMMUNITIES

OUR PRINCIPLES FOR PLACEMAKING

Our Redrow 8 principles have guided our approach to placemaking for more than three years. They make sure that we consistently deliver great places to live for all our customers and that we listen to and understand what existing communities want. This year's materiality assessment found that placemaking is the highest priority for local communities, and understandably so. We're introducing new ways of consulting and collaborating with existing communities, so we can use what we learn to target our designs and investment to maximum effect.

Our employees also rated placemaking in their top five issues and we have continued to develop our culture of placemaking within Redrow over the last 12 months. We have design manuals and guidance notes to give our teams a clear understanding of what our customers expect when we're creating new places. We run training and seminars, to support colleagues as well as presenting our approach to placemaking externally to stakeholders at conferences and webinars, interviews and podcasts.

Our masterplanning team supports all our divisions from the earliest stages of each development, helping them to work up plans showing how we intend to make best use of the site, from how the homes will be laid out to the open green spaces our customers want. Our internal Design Review Panel, which includes members of the Executive Management Team and the relevant divisional Managing Director, reviews the layout produced.

At several stages in the process, we score each layout against a Redrow 8 checklist, to ensure we are doing everything we can to meet our placemaking standards. When the development is complete, we audit it using a Redrow 8 scorecard, to identify what went well and where we could have done better.

A landscape-led approach to the design of spaces and gardens at our Penlands Green development, Haywards Heath, West Sussex enhances kerb appeal

New open spaces at our Langley Grange development, Scissett, West Yorkshire provide destinations for the community

STRATEGY IN ACTION

Discover more about our commitment to Nature for People

+ READ MORE P46 TO P47

PLACEMAKING IN ACTION

Each year, we recognise developments that exemplify each of our placemaking principles through the Redrow 8 awards. These showcase great practice, encouraging us to strive for continuous improvement in our places.

KEEPING IT LOCAL

Langley Grange

This award acknowledges an exemplary design response to a site and its setting. At Langley Grange, we retained mature trees and hedgerows and sensitively incorporated them into 'pocket parks'. We used local materials to match the local character, kept the existing dry stone walls and added new ones. Walking and cycling routes link the development with the surrounding area and to existing public rights of way. The development also responds to and reinforces local wildlife, through open space, ponds and wildflower meadows.

EASY TO GET AROUND

Newton Kyme

This development provides real choice for active travel and prioritises pedestrians and cyclists. It is located next to the National Cycle Network and the layout makes connections to this strategic route as easy, direct and attractive as possible. The Network provides a safe, attractive and sustainable cycle route to Tadcaster, which is only 15 minutes away by bike. There is also a connection to a riverside footpath via a new wildlife area, which provides a walking and cycling connection to Boston Spa. In addition, we have included walking and cycling loops in the design, encouraging a healthy lifestyle.

PLACES TO GO AND THINGS TO DO

Frenchay Gardens

This development in Bristol has fantastic facilities, destinations and activities for a wide range of age groups. The new community includes a 'trim trail', tennis courts, a destination play area, pocket parks, croquet and cricket pitches, picnic tables, allotments, a community orchard, a woodland walk and a new primary school. It is only a short walk across the village common to a pub and other facilities. The community is well connected to the local area via cycle routes and there's a bus stop at the entrance to the development.

STREETS FOR LIFE

Alconbury Weald

Our Alconbury Weald development was the clear Streets for Life winner, with its beautiful tree-lined streets with cycle paths running alongside. High-quality landscaping creates an impressive arrival to all streets and we created screening for parked cars using evergreen hedges. We also designed a network of pedestrian-friendly 'shared surface' streets, where people and vehicles share the same space, to slow traffic and encourage walking and cycling.

Discover more of our Redrow 8 Awards

+ READ MORE P42 AND P47

BUILT TO IMPRESS

Penlands Green

This award is for the development that best creates the 'wow factor', both for the development as a whole and the individual homes. At Penlands Green, our design and layout creates a beautiful focal green space that is defined and overlooked by attractive and slightly elevated homes. This much-loved community space features a large mature oak tree, which is a key focal feature. We've also extended our approach to landscaping to include the way we've treated front gardens and street trees, creating an attractive setting to each of our homes and enhancing 'kerb appeal' as well as delivering attractive streets. The result is a highly attractive, landscape-led new community.

LISTENING TO LEARN: OUR COMMUNITY ENGAGEMENT APPROACH

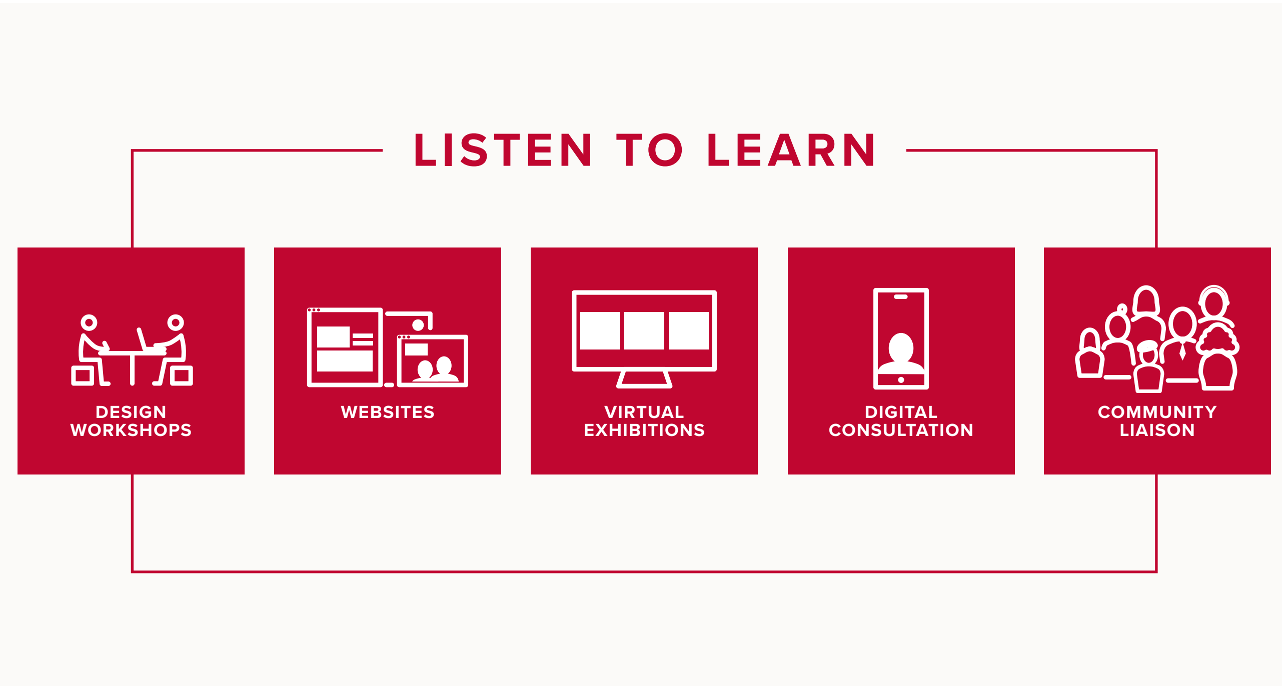
'Listen to Learn' is one of our Redrow 8 placemaking principles. It means we are committed to listening to and learning from everyone involved in the development of our new communities, including existing communities, local authorities and our customers.

This principle is only going to become more important, as anticipated changes to the planning system propose to increase the requirements for community consultation and collaboration. This will give communities a role in helping to shape new developments, including street layouts and house designs, with the aim of ensuring the development fits well in the area, there is a sense of belonging from the start and local people have 'buy in' to new places.

We engage with local planning authorities and other stakeholders from the earliest stage in the design process. Our divisional teams have good working relationships with planning and design officers and we work with them to deliver high-quality places that meet our customers' requirements.

We have always placed listening to the community at the heart of our approach to delivering new places and our Redrow 2025 initiative identified several ways that we can develop our approach and reach as many people as possible. For example, this year we have started work on a series of initiatives to give our teams more tools to use when consulting local communities. This includes trialling a new digital consultation platform, which can reach a much wider cross section of local people in an easily accessible way. This platform can also host online consultations and design workshops with the community. This value-added approach means that we can use evidence gained from new ways of consulting and collaborating to get maximum value from our designs and investments.

We use an increasingly wide range of ways to engage, involve and collaborate with local communities



STRATEGY IN ACTION

20 25

Discover more about our Redrow 2025 initiative

+ READ MORE P82

The design of the play areas and the play equipment provided will be informed by the design workshop with local school children

Local school children had the opportunity to design play spaces proposed for our development at Tudor Meadows

REDROW 8 AWARDS:

Listen to Learn Winner Tudor Meadows

For our Tudor Meadows development in Sawston, Cambridgeshire, we ran a workshop that involved local school children designing and laying out the public spaces and play areas.

We started the workshop by explaining the basics of good urban design, then asked the students to choose what play equipment they wanted, to draw their designs for the play spaces and list three things they thought the development had to include.

We awarded prizes for the best designs and used the feedback from the workshop to inform our final design for the play areas, and included nine of the top choices for play equipment.

"I am very pleased to say that Redrow have been a pleasure to work with. They were able to translate the children's ideas into the final design, resulting in genuine youth participation."

Dr Bonnie Kwok

Principal Urban Designer/Youth Engagement Lead, Greater Cambridge Shared Planning Service

Discover more about our Redrow 8 award winners.

+ READ MORE P38

CREATING SOCIAL VALUE

Investing in the new communities we build, starts at the planning stage. By listening to existing local residents and understanding their needs we can deliver long term social and economic impact. We invest in the local economy by creating jobs and training opportunities; working with local subcontractors and suppliers and providing new homes and accessible spaces.

1,250
Affordable homes delivered this year

We donate our time and expertise through volunteering and supporting local charities, community groups and engaging with schools and colleges. Being a good neighbour whilst minimising the impact our activities has on the environment is important to us.

We are members of the Considerate Constructors Scheme. We are focused on the protection of our natural resources and green space with the aim of providing sustainable, connected and thriving communities.

HOMES FOR ALL

We build communities that are integrated and accessible to local people. This can include a mix of different housing types and tenures, including low-cost home ownership options.

We work with local authorities to identify the right mix of affordable housing for local people. We carefully integrate these homes into our new communities alongside the homes we develop to be sold. We do this in the same way as we do for our open-market housing. We focus on 'kerb appeal', use the same materials and ensure the homes have high-quality internal spaces and specifications that meet the needs of those who are going to call them home. This means our affordable homes add to the rich variety of our Heritage Collection and blend in with the rest of the development. This is done in collaboration with our local partner Registered Providers and together we meet the needs of their residents.

REDROW 8 AWARDS
HOMES FOR ALL

Wilton Hill

Our Wilton Hill development near Salisbury provides many different types of accommodation, to deliver a truly balanced and vibrant community. For this reason it has won this year's Homes for All Redrow 8 award.

As well as open-market homes ranging from townhouses to large detached homes, we've provided homes for the elderly, shared ownership apartments, houses and homes for social rent.

In addition, we've helped to deliver Entrain Space, a unique specialist accommodation and training facility for ex-service personnel that provides 44 homes, to help support their transition into civilian life. An onsite café is key to the interaction between all the community members and will be open to all households who live on the development, the wider public and to support partners.

As a social enterprise, Entrain Space run the café and grounds maintenance for the estate with the help of their veterans. The Entrain Space helps create a strong sense of community for informal neighbourly social interactions, with the community coming together for the Queen's jubilee celebrations and at Halloween.

The table below illustrates some of the economic, social and environmental value we have created in FY22.

THRIVING COMMUNITIES

- **£281m** — Community Infrastructure, S106 spend and Affordable Housing.
- **£130m** — Tax contributions (Includes; corporation tax, employers social security, PAYE, SDLT & Council tax).
- **1,205 acres** — Public Open Space – Land on our developments retained/will be retained as green space of landscaped communal areas.
- **92%** — Of homes are within 500 meters of public transport.
- **39%** — of developments with community infrastructure (e.g. Buildings providing educational, youth, community, healthcare etc).

BUILDING RESPONSIBLY

- **↓ 14%** — Reduction over *2017 baseline of Carbon Emissions (Scope 1 & 2) tonnes of CO_2e.
- **↓ 2.16** — Tonnes of CO_2e per $100m^2$ of build (Scope 1 and 2), a reduction of 14% $tCO_2e/100m^2$ against our 2017 baseline.
- **↓ 7.91** — Tonnes of construction waste per $100m^2$ of build, a reduction of 26% against our 2017 baseline.
- **98.3%** — Of waste diverted from landfill FY22.
- **10%** — Target set for net gain in biodiversity on each development.
- **38.43** — Average CCS score FY22.

VALUING PEOPLE

- **2,940** — Subcontractor companies supported.
- **1,898** — Suppliers supported.
- **335** — Trainees, apprentices and graduates.
- **73** — New jobs created within the direct workforce.
- **£0.2m** — Charitable donations.

HOMES FOR ALL

- **£207m** — Invested in Social/Affordable Homes – capitalised value of (included in Community Infrastructure, S106 spend and Social Housing above).
- **22%** — Of all our homes delivered are affordable.

STRATEGY IN ACTION

The Mill at Springfield, Maidstone

The Mill at Springfield is a development with a rich history, built on the site of the first steam-powered paper mill.

Once completed, we'll have created a new community within the heritage assets of the 19th century mill, which will include 59 affordable homes for local housing association Golding Homes and 28 apartments for private rent, for Maidstone Borough Council.

When we bought the site in 2018, it had been vacant for several years. The derelict industrial buildings and large areas of hard standing had been fenced off, blocking access to the riverfront and buildings.

Our development will return land to public use, as we restore the original mill pond, enhance the woodland and create a new wildflower meadow, all of which both residents and the public will be able to enjoy. Opening up the towpath along the River Medway will offer new walkways through the scheme and into the town centre, while upgrading crossings and cycleways from the scheme will encourage people to walk or cycle into town.

We've commissioned a public art installation for the development, created by local artist Kerry Lemon. Engaging with former mill workers, paper specialists and archaeologists ensured the sculptures and other works truly reflected the site's heritage and local importance.

By the time the development has been completed we will have contributed £1.3m to projects proposed by the Council for the local community, including:

- funding to improve the accessibility of James Whatman Park for locals on both sides of the river and enhance the treetop walkways;
- a new three-storey teaching block at Maplesden Noakes School, which is due to start this year and will create 180 additional secondary school spaces; and
- funding for the Kent History and Library Centre, which is next to the scheme, to buy new books and maintain their existing collection.

£1.3m

Contributed to projects proposed by the Council for the local community,

OUR BIODIVERSITY STRATEGY: NATURE FOR PEOPLE

Enhancing biodiversity on our developments is a key part of our approach to placemaking, tackling the nature and climate crises, and supporting the wellbeing of residents. Local planning authorities ranked this in their top three issues in our materiality survey.

Biodiversity describes the variety of all life, including plants and animals, in an area. Areas that are more biodiverse are often attractive places to spend time in and are better at providing flood management, carbon storage and clean water.

We developed our biodiversity strategy, Nature for People [1], in partnership with the Wildlife Trusts. It contains 15 commitments across three themes: nature gains, wilder lives and a flourishing legacy.

The strategy considers the wider landscape impacts of our developments, using plants that suit the location, adding green spaces and features (known as 'green infrastructure') and water elements such as ponds ('blue infrastructure'). It also covers how we can best help residents to connect with and care for the nature-rich green spaces and how we'll report on outcomes for people and nature.

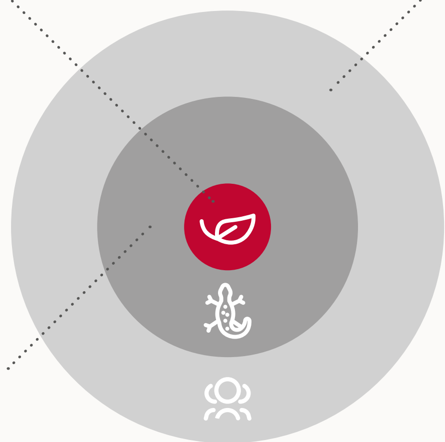
INTEGRATING NATURE FOR PEOPLE THROUGH THE BUSINESS

This year we have started to include Nature for People assessments within our Redrow 8 post-completion audits. This helps us understand how our designs are delivering for nature and people in practice, so that we learn what works well and where we can improve the design and delivery of our developments. We also receive feedback from residents, all of which is fed back to our teams.

A COMPREHENSIVE STRATEGY TO PROTECT AND ENHANCE BIODIVERSITY

Biodiversity Net Gain (BNG)
- Measures habitats only; within red-line boundary
- 30 year management and monitoring requirement

Species Focus
- Species protection & mitigation
- Provision of homes for wildlife



Nature for People Strategy
- Assessment of impact on adjacent habitats
- Connectivity with other habitats (e.g. Nature Recovery Networks)
- Can we exceed 10% BNG?
- Locally relevant planting
- Multi-functional green and blue infrastructure
- Nature is accessible for people
- Edible landscapes
- Engaging people in care and use of natural spaces
- Monitoring & reporting of outcomes for nature and people

1 More information on the strategy can be found here: https://www.redrowplc.co.uk/media/alibatd1/redrow-wildlife-trust-pdf-brochure-updated-140322.pdf

This year we launched 'Biodiversity Bites'. This learning series provides expert insight into legal, policy and best practice biodiversity issues for our teams. In addition to training, teams are able to hear about and discuss good practice and share knowledge and lessons learnt across the divisions. The first event examined BNG from a land purchase perspective, with colleagues from across the Group attending.

In December 2021 we ran a workshop for our partner ecologists, where we received their feedback on our BNG and Nature for People approach. This helped us to revise how we make BNG calculations early in the land buying process. We will continue to hold these meetings every six months and will be starting similar events with our landscape designers in FY23.

Next year we will also continue to embed the Nature for People strategy within our business and support our teams through the changes required to deliver on our BNG target. We will introduce new ways for communities and other groups to take part in designing green and blue infrastructure on our developments. We will also be creating Community Participation Standards, which will improve the way residents can access information about biodiversity and enable them to play a bigger part in using and caring for these spaces. In addition, we will start to develop our approach to assurance and audit for the strategy, to make sure we are consistently upholding our commitments.

TACKLING BIODIVERSITY AND CLIMATE CHANGE TOGETHER

Climate change and biodiversity are closely inter-connected: Climate change is one of the main drivers of biodiversity loss, and at the same time, the destruction of ecosystems undermines nature's ability to regulate greenhouse gas emissions and protect against extreme weather, thus accelerating climate change.

Our Nature for People strategy supports carbon reduction and resilience to a changing climate by providing biodiverse green spaces on-site, increasing vegetation and shading from trees to provide cooling, and employing nature-based solutions for water attenuation. For more information on our climate change strategy, please see page 60.

NATURE FOR PEOPLE IN PRACTICE

Featuring Water on our Developments

As well as protecting existing habitats we consider carefully the design of newly created habitats. This year we have been developing our approach to designing ponds through our Beautiful Ponds Working Group, which includes representatives from multiple disciplines. As well as being an attractive amenity for residents, ponds benefit biodiversity by providing a habitat for numerous species of plants and animals, as well as being a source of drinking and bathing water for birds and mammals. The right design can also allow a pond to take in large quantities of water during storms, which helps to prevent flooding.

A Focus on Creating Meadows

Meadows are hugely beneficial for both plants and wildlife, and ultimately for people too. They contain a wide variety of grasses and wildflowers which provides habitat and food for many different species. They are often buzzing with butterflies and bees in the summer. These insects, important in their own right, also support a range of other birds and animals that feed on them. We are developing new technical guidance to support our design teams to create meadows, as well as information and signage for customers, explaining the importance of meadows and what they can expect during their new meadow's yearly cycle and maintenance. As part of this, we are filming the 'Life of a Meadow'

REDROW 8 AWARDS
NATURE FOR PEOPLE

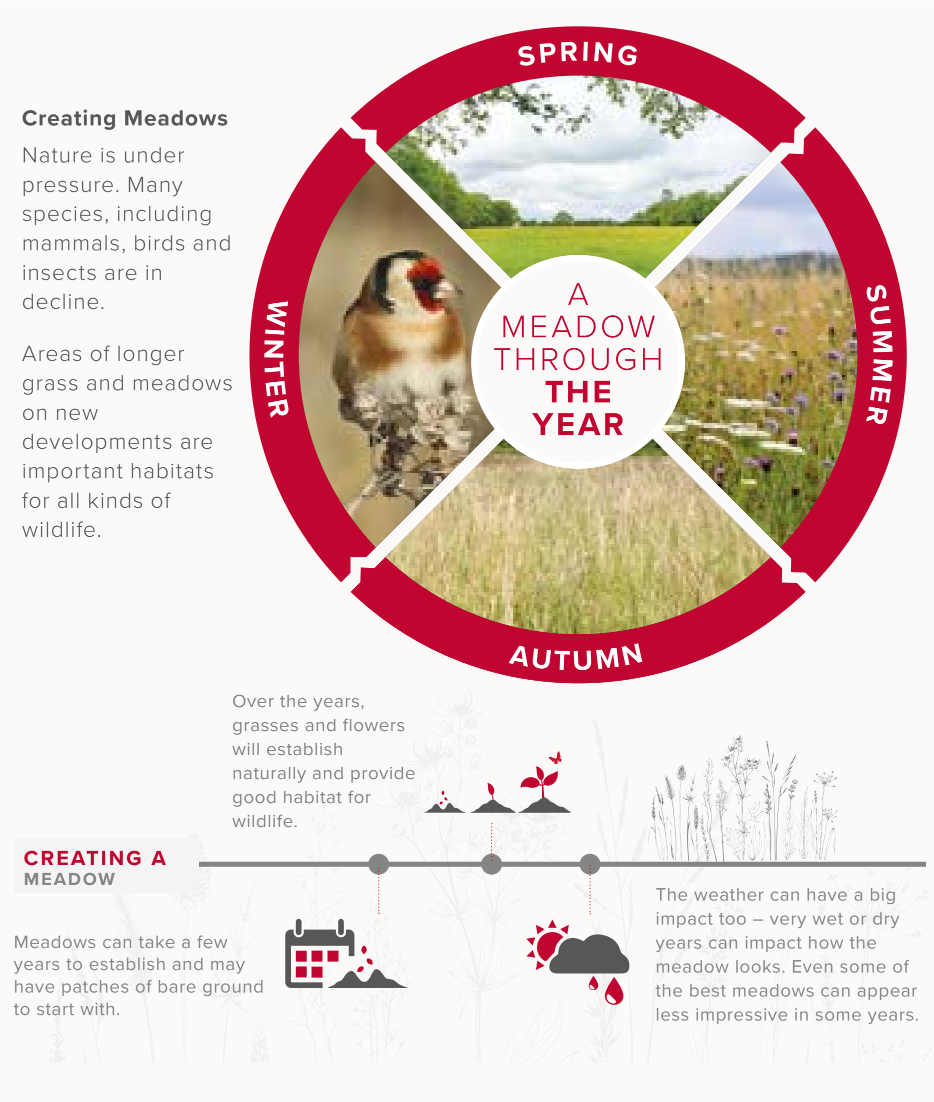
Saxon Brook

At Saxon Brook in Devon, this year's Nature for People Redrow 8 award winner, we have created the UK's first ever pollinator-friendly housing development, with support from the Bumblebee Conservation Trust (BBCT).

The development achieves this through large areas of wildflowers, an orchard and bee-friendly planting throughout. We also provided bumblebee and gardening information and BBCT membership for all customers.

In addition, we have created a network of biodiversity-rich spaces, including new locally distinctive 'Devon Banks', the orchard, allotments, a nature-themed public art trail, a large pond with feeding platform and an insect hotel.

We forecast that Saxon Brook will achieve a biodiversity net gain of 15% over pre-development levels and we are using the knowledge we have gained here to inform our design approach on other developments.



An extract from our new meadows signage

which will show the meadow from its first sowing, how it's maintained and how it will look throughout the year. As well as demonstrating the meadow's benefits to people and nature, the film will help us to share best practice internally and with other organisations.

BIODIVERSITY NET GAIN

The most recent State of Nature [1] report shows that since the 1970s 41% of all UK species surveyed have declined, while 15% of species within the UK are said to be threatened with extinction. To reverse this trend, the Environment Bill (2020) will see new legislation on Biodiversity Net Gain (BNG) come into force in November 2023.

BNG is a way to measure the increase in biodiversity we are able to generate through our developments. BNG presents opportunities for us and the sector to help reverse the decline of nature in the UK and to bring nature into the heart of the places where people live and work. This ties in with our placemaking agenda and our aim to create thriving communities.

While there is still some uncertainty about the final detail of the legislation, we understand the direction of travel and support the concept and the overall approach. We have spent the past year preparing for the introduction of the legislation, putting in place the approach described below.

Our approach to BNG

We have set a new target: to demonstrate a minimum 10% net gain for biodiversity on every new planning application by November 2023. Our aim is to prioritise delivery of these gains on site to bring nature onto our developments, improve climate resilience and benefit local people [2].

10%

Net gain target for biodiversity increase on every new planning application by November 2023

1 State-of-Nature-2019-UK-full-report.pdf (nbn.org.uk)

2 We know that on-site gains of 10% using the Defra metric 3.1 will not always be possible due to site constraints and other requirements, and that a well-considered offsetting strategy can deliver important biodiversity objectives. We are currently learning from our experience of BNG across a number of different development types and local authorities, which will inform our future approach.

Castle Fields, Barton Seagrave, Northamptonshire

We have started to measure biodiversity on every new land purchase this year. This is helping us to understand how BNG will affect our land buying strategy and how our processes and designs may need to change to deliver high-quality BNG on-site.

We are also looking at how and when we may need to deliver biodiversity off-site, known as offsetting. This could mean improving biodiversity on land near the development or purchasing biodiversity units to fund projects in the wider local authority area. The BNG offset market is in its early days and we need to know how we will deliver these offsets in a strategically meaningful way, while satisfying ourselves that long-term management of these areas will be effective and in line with our and stakeholder expectations.

In addition, we are upskilling our teams on BNG. This year we put in place new land, planning and technical policies and procedures, developed a BNG toolkit for teams, produced supporting information for customers and developed in-house training for our teams. Over the next 12 months, these will be embedded into our everyday practices across our business.

We will continue to engage with ecologists and landscape designers to ensure BNG and the requirements of our Nature for People strategy are fully incorporated into new designs. We will also engage with management companies and develop a framework of trusted partners, to deliver a high-quality and lasting legacy for nature and people.

NUTRIENT AND WATER NEUTRALITY

Many of the UK's rivers and coastal sites are being affected by pollution caused by high levels of nitrates and phosphates. The main sources of this pollution are water run-off from farmland containing fertilisers and manure, and sewage effluent from industry, homes and other buildings.

To combat the problem Natural England issued further guidance this year requiring new homes in problem catchments to prove they won't add to the problem (to be nutrient neutral) before the Local Planning Authority (LPA) can approve them for planning. This has meant local authorities delaying planning approval for new developments in many parts of the country. The Home Builders Federation (HBF) estimates that more than 100,000 new homes are held up in the planning system as a result.

Our response has included funding new wetlands to offset nutrients from new homes on our developments. We are also looking at other potential solutions, such as including water treatment equipment directly on our developments. We are collaborating at a local level with councils and lobbying at a national level to push for the speedier introduction of effective solutions and schemes to unlock these delayed developments.

Water neutrality

Increased demand for water in an area can affect designated wildlife sites and their species. In Sussex, the rare little Ramshorn Whirlpool Snail is in decline, with local water abstraction thought to be one of the causes. As a result, all new developments in the Sussex North Water Supply Zone must now show that they are water neutral. This means that the predicted increase in water demand due to the development should be offset by reducing demand in the existing community. Our homes are already industry-leading in terms of water efficiency and we are now reviewing our specifications to see if we can generate further water savings.

Discover more about our approach to water
+ READ MORE P47

In this section

BUILDING RESPONSIBLY

A BETTER WAY TO BUILD RESPONSIBLY

TIM STONE
Regional Chief Executive

Introduction from Tim Stone, Regional Chief Executive

"Building Responsibly" encapsulates our commitments to working safely and considerately, putting our customers first and managing our resources, including minimising our environmental impact. We look to continuously improve our HS&E performance, with the aim of striving for the highest standards.

Managing risks associated with building homes is fundamental to the way we work. We have a duty to protect people and the environment, which goes beyond meeting our legal obligations. Our stakeholders also saw this as one of their top priorities in this year's materiality assessment.

We put customers at the centre of everything we do. We focus on build quality, so we can handover new homes that are defect free. We're developing technology to give our customers an even better experience, helping us to listen and respond to them more quickly, keep them informed and support them from when they first consider one of our homes to after they've moved in.

Effectively managing our resources means we look to create homes of enduring quality, while minimising our environmental impacts and ensuring value for money. We recognise that climate change is one of the greatest challenges society faces, so we have developed our roadmap for achieving Net Zero and set near-term science-based targets for reducing emissions. We are engaging with our supply chain on these issues, so we can work together to minimise the carbon footprint of our homes.

Building Responsibly highlights

4th
Consecutive year in which accidents resulting in injuries have declined

94.5%
HBF survey 8 week recommend

Near Term science-based targets set *

> WE LOOK TO CONTINUOUSLY **IMPROVE OUR HS&E PERFORMANCE.**
>
> Managing risks associated with building homes is fundamental to the way we work.
>
> **Tim Stone**
> Regional Chief Executive

* submitted to SBTi for validation

HEALTH, SAFETY & ENVIRONMENT (HS&E)

We look to continuously improve our HS&E performance with the aim of achieving the highest standards in line with our ambitions.

4th

Consecutive year in which accidents resulting in injuries have declined

HS&E PERFORMANCE

We're pleased to say that we have again improved our H&S performance, recording the fourth consecutive year in which accidents resulting in injuries have declined. Our AIIR is also lower at 365 (2021: 441), which is in line with our target of a 10% year-on-year reduction.

Our Group HS&E department carries out assurance inspections across our divisions to ensure we are complying with our HS&E standards. This year we introduced a new target for every division to achieve an average assurance inspection benchmark of 85% of the total score for all developments inspected in the period.

The vast majority of our divisions achieved or exceeded the 85% benchmark. For the small number of divisions that didn't achieve the benchmark, we have put in place improvement plans, led by the division's Managing Director, which identify areas of improvement and the actions needed.

In FY23, we will increase the benchmark from 85% to 87%, as part of our commitment to continuous improvement.

HS&E isn't just about preventing accidents, it's about creating an environment for success

DESCRIPTION	FY22	FY21
Number of notifiable accidents under RIDDOR	**24**	30
Annual Injury Incidence Rate (AIIR)	**365**	441

OUR REFRESHED HS&E STRATEGY

This year we launched a new HS&E strategy, based on two objectives: Being Safe by Design and Operating Responsibly. We made sure the new strategy was well communicated across the business, including educational sessions for all heads of department.

Importantly, our HS&E strategy takes a holistic approach to the work we do. It covers every aspect of our developments, from how we create healthier, safer and more environmentally responsible communities, to ensuring that our designs are safe to build, to the positive HS&E behaviours we want to see from all our employees and subcontractors.

Zero

Fatalities during FY22

GROUP HEALTH, SAFETY & ENVIRONMENTAL STRATEGY

	Safe by Design	Operating Responsibly
OBJECTIVES	• Safe to build • Safe to maintain • Minimising our environmental impact	• Working safely and considerately • Preventing accident & incidents • Managing our resources efficiently
DELIVERABLES	• Consideration of HS&E issues during the design of house types and layout of developments • Managing our resources efficiently during the design of house types and layout of developments • HS&E compliant products used by all • Creating healthier, safer and environmental responsible communities	• Positive HS&E behaviours • Clear HS&E expectations set, understood and met by all engaged with our work activities • Utilisation of known HS&E best practices • Injury and harm free workforce & workplaces • Valued people
PRINCIPLES	• Ensuring we have proactive leadership, competence and adequate resources for HS&E across the business • Raising awareness through monitoring, analysis and communication of HS&E performance across the business • Improving the **Planning/Managing/ Monitoring and Co-ordination** between all stakeholders in relation to HS&E issues across the business	• Regular feedback with all personnel that support and influence the continuous improvement of both our HS&E culture and HS&E performance across the business • Utilise our 'four strategic elements' **Governance/Leadership/Ownership/ Workplaces** to support this strategy

EMBEDDING HEALTH, SAFETY & ENVIRONMENTAL ACTIVITIES IN THE BUSINESS

Reviewing and continuously improving our HS&E Management System

As part of our continuous improvement, we have reviewed the HS&E Management System and updated our management and operating procedures. This will help to ensure that our working practices are safe, that they support the prevention of harm to our people or the environment, and that they reduce the potential number of accidents or incidents and the direct costs associated with any that do happen.

Quarterly focus topics

In the second quarter of the financial year, we introduced quarterly HS&E focus topics. These support key areas of HS&E, by promoting safe and efficient working practices and reminding everyone of the importance of operating safely. Topics introduced this year included health and wellbeing in construction, scaffolding design and PPE.

We also recognise our developments' compliance with HS&E standards and reward those that have excelled in applying our policies and procedures through our HS&E awards.

Ensuring accurate data on our developments

We launched our Red Site Sign In app in 2020. In FY22, we released an updated version, with every development having a dedicated iPad for signing in. The app ensures we can efficiently and accurately collect data on the number of people working on our sites, which significantly helps with HS&E priorities such as having a live site register and information for accident reporting.

Continuous improvement in FY23

In FY23, we will continue to enhance the way we manage HS&E, including further improvements to our HS&E Management System. Our initiatives will include expanding unannounced drug and alcohol testing, to ensure that people's ability to work safely is not affected by these substances, and a review of our induction process, starting with the supervisors' induction, which will reinforce the importance of HS&E matters from the start of someone taking up their role.

Discover more about how we manage our environment on-site risks
+ READ MORE P104

OUR COMMITMENT TO BUILD QUALITY

We identified build quality as one of our most material issues in this year's assessment as outlined on page 59. As we want our customers to be delighted with every aspect of the homes and service we offer, we put quality at the heart of everything we do. We aim to hand over every home 100% defect free. However, if this doesn't happen, we look to resolve defects as quickly as possible and to the highest standard.

0.17

Average RIs from NHBC

TARGETING ZERO DEFECTS

Our zero defects target is a way of measuring how many of our homes are handed over to the customer with issues that we have identified but not yet fixed. Our target is 100%. For FY22, our performance was 90%. This was down on the 95% recorded in the previous year, which was the first year in which we captured this data.

One factor behind the increase in defects is that we are continuing to improve data collection. We are capturing more data about defects that emerge through the build process, as opposed to being informed of them by customers after they have moved in. The work we are doing to enhance build quality, such as making more use of technology as described on page 56, will also help us to reduce the overall defect rate. In addition, long lead times in the supply chain for certain specification items, has meant delays in providing high quality replacement materials where we have identified defects before customers move in. Our strong relationships with our suppliers is helping us to keep these delays to a minimum.

Discover more about our supply chain.

+READ MORE P74 TO P77

NHBC CONSTRUCTION QUALITY REVIEW (CQR) AND REPORTABLE ITEMS (RI)

We use the NHBC CQRs as an opportunity to dig deeper into the root causes of both good and poorer quality on developments. Each stage of the build process that is inspected during the CQR is scored and we also receive a percentage rating. These demonstrate how many of the build stages were scored from four (good) to six (outstanding).

Our targets are to achieve an average score of 4.5 and for 80% of our build stages to be rated good to outstanding. In FY22, the NHBC undertook 183 CQRs (FY21: 74) and our average score was just shy of our target at 4.44, but was up compared with 4.36 in the previous year. We exceeded our 80% target, with 84% of our build stages rated good to outstanding. To push Group wide improvements, our target for FY23 is increasing to 82%.

The NHBC records RIs when it notes any time we have failed to meet its technical standards or Building Regulations. For FY22, our RI score was 0.17. This was an improvement on our FY21 performance of 0.22 and slightly above our target of 0.15.

From April 2022, the NHBC has introduced a common scoring system for RIs on all visits, using the same one to six scale as CQRs. This is only being recorded locally at the moment but will be available to us through the NHBC portal in FY23. We will use that data to continue to drive build quality improvements in the business.

CONSIDERATE CONSTRUCTORS SCHEME (CCS)

A key part of building responsibly is ensuring that we manage our developments in a way that helps build relationships with the local community and respects the local environment, as we strive to promote and achieve best practice.

Craig Thomas, NHBC Pride in the Job Regional Winner (Wales) 2021

NHBC Pride in the Job Seal of Excellence winners
Left to Right: Huw Thomas, Nick Powell, Matthew Coyle, Adrian Stone, Craig Thomas and Edward Piggford

NHBC PRIDE IN THE JOB AWARDS

The NHBC Pride in the Job Awards recognise excellence in on-site management. From 8,000 eligible site managers nationwide, 443 were awarded a first-round quality award in 2022. We're delighted that 24 of those were Redrow site managers. It is pleasing to see some of our site managers appearing on the list again, showing they are delivering consistently, as well as younger site managers coming through, with the support and training initiatives we provide to them.

Our 24 winners will be presented with their awards at ceremonies later this year. They will then continue to the next stages of the competition, with the opportunity to secure a seal of excellence, a regional or national award.

Of our first-round quality award winners in 2021, eight went on to be awarded a seal of excellence, up from four in the previous year, with Craig Thomas from South Wales winning a coveted regional award.

"To be voted as the number one site manager in your region by the NHBC is something that all site managers dream of. To win an award of this stature takes leadership and teamwork of the highest quality. The support I had from my Redrow team and the wider team of external contractors was second to none in helping me win this award."

Craig Thomas
Site Manager

The CCS is an independent organisation that aims to raise standards in the construction industry. As a partner of the CCS, we register all of our developments under the scheme and the CCS regularly monitors to check if our sites are meeting its Code of Considerate Practice.

In FY22, the CCS scored sites out of 50 and our target score was 38. Our actual score was 38.43, based on 207 monitoring visits, an improvement from 36.67 from 207 visits in FY21.

For FY23, the CCS has amended its scoring system and our target will be 33 out of 45, which is directly comparable to our target under the previous system. We have also added the CCS target to FY23's bonus scheme for our construction teams, with a monetary payment for winning a CCS award. This will recognise those colleagues who go the extra mile.

38.43

CCS Score for FY22

Discover more about how we are preparing for the New Homes Ombudsman

+READ MORE P59

TECHNOLOGY SUPPORTING BUILD QUALITY

Our site managers' onsite inspections are an important part of ensuring we build to high standards. At the end of the financial year, 96.24% of the required inspections had been undertaken at the correct time, equating to 41,692 individual inspections (FY21: over 37,000).

Our Red Site Management app is a fully integrated part of our inspection process. We have continued to improve the app during the year based on feedback we received from colleagues, such as changing the prompts the app gives them when carrying out an inspection. This will put us in a good position for the introduction of the New Homes Ombudsman Service (see page 59).

In FY23, the app will also be able to record the progress we are making building each home, helping us to forecast our performance more accurately and better support our customers' expectations when it comes to customising their homes through purchasing extras.

We have also made some changes to the functions of our Inspection Portal, which now makes it quicker and easier for our teams to manage any issues we have identified during our inspections. In addition, we have piloted a new and improved Subcontractor Portal, which will be fully rolled out in FY23. This gives our subcontractors a single place to manage the issues we have asked them to resolve, replacing the old system of sending instructions by email, and gives our teams greater visibility of the status of each issue.

20 25

THE REDROW 2025 INITIATIVE

Agile working is a key commitment under Redrow 2025.

+READ MORE P82

STRATEGY IN ACTION

Creating a Great Working Environment for Our Site Teams

Our construction sites have compounds for the people working there to use. Historically, the compounds have consisted of a series of portacabins, each with a different function, such as offices, canteens and drying rooms.

We had not changed our compounds in several years and they had become outdated, particularly compared with our recently developed Customer Experience Suites. As part of Redrow 2025, we committed to give our site colleagues the same high-quality places to work. Our aim was to improve working conditions, reduce energy use and carbon emissions, and encourage collaborative working. To ensure consistency, standardising our compounds was also important.

The new compounds include open plan space for collaboration and a dedicated learning hub, as well as a place for prayer or reflection. Improved welfare facilities include a spacious canteen, accessible toilets and separate gender toilets, efficient drying rooms and showers. The building is much more energy efficient, with a B+ rating compared with the previous D rating. To power the compound, we are encouraging the use of solar panels or hybrid generators. Other energy efficiency measures include PIR lighting, thermostatically controlled heaters and instant boiling water taps. Rainwater harvesting helps to reduce the use of mains water.

We already have five of the new compounds in use. Every division will have at least one, so we can gather feedback on the benefits and costs, and establish a full rollout plan.

So far, the feedback we've received has been nothing but positive.

"Having a professional, modern, clean and sharp office and welfare set up sets a precedent for the rest of the site. The first impressions for contractors entering the compound shows that we care about their welfare and provide them with far superior facilities. The fibre internet connection allows colleagues to comfortably work from the site all day, rather than driving back to the office to continue working. I think this is the way forward in terms of the standard set up."

Peter Hamon

Site Manager, Eagle Gate, West Midlands

PUTTING OUR CUSTOMERS FIRST

We want our customers to have the best possible experience, every time they interact with us. To that end, we are continuing to develop our customer experiences.

Garden Pod, Ash Holt at Newton Garden Village, Nottinghamshire

Sales Hub, Hackwood Grange, Derbyshire

Last year, we replaced the traditional on-site sales outlets with Customer Experience Suites, to transform how we interact with customers, right from their first visit and all the way through to post-completion. These include digital screens throughout, which we can use to welcome customers individually and update remotely to ensure our messages are consistent. There are also interactive site plans and iPads for customers to view their choices, make upgrades and complete their reservations, and dedicated spaces for customers to meet their sales contacts.

This year, we have extended our use of the Suites by employing them as sales hubs, where customers can explore every location we have across England and Wales, including real-time availability and pricing information for each home. This also allows us to use a single Suite to sell homes across several nearby sites. Customers benefit from not having to visit multiple sites to select a home and we don't need a Customer Experience Suite and show homes at each one, resulting in efficiency savings and sustainability benefits. We believe this capability is unique among volume housebuilders, and it is enabled by our high use of standard house types in the Heritage range.

2025

THE REDROW SALES HUBS

The sales hubs are part of our Redrow 2025 approach to innovation, embracing technology to improve the customer experience and operational efficiency.

We have opened hubs in Derbyshire, Medway and Essex, and plan further openings in the first half of FY23.

Another way we have improved the customer experience is by recording personalised videos for customers. These range from welcome videos from our sales consultants to colleagues on our developments doing 'walk arounds' of the customer's new home, before the plaster goes on. These videos help customers to feel valued and engaged in the process and keep them up to date with our progress on their home. Again, we believe that creating these videos at scale is unique in the industry.

The My Redrow portal allows our customers to reserve their home online and personalise it to suit their needs. They can choose from a wide range of options, many of which have zero cost, as well as choosing upgrades such as bespoke flooring. We have expanded the range, reintroducing conservatories, fitted home offices and garden pods among others. This has contributed to a record sales performance for these customer extras during the year.

Excellent

Based on over **4,433 reviews**

Trustpilot

94.5%

HBF Survey 8 week recommend

TREATING CUSTOMERS FAIRLY

Our approach to supporting our customers will stand us in good stead with the forthcoming introduction of the New Homes Ombudsman (NHO), which is being established by the New Homes Quality Board (NHQB). The NHQB was formed in 2021 to promote improvements to the build quality of new homes and the customer service provided by developers. The NHO, which is likely to start work in October 2022, will provide independent redress for new build buyers who have issues with their home or developer, and which the developer has not dealt with to their satisfaction. We support the introduction of the NHO and believe it will raise standards across the sector and improve its reputation with customers as a result.

The new regime will emphasise the concept of treating customers fairly, rather than relying on technical specifications to determine what's covered by a warranty. A new consumer code will also be introduced, which will cover how we sell to customers and the clear and transparent information we need to give them.

We already had a robust approach to responsible marketing and building trust with our customers, and we've analysed the new code, made changes in readiness and trained our teams to ensure we meet the code's requirements.

When customers do have complaints, it is important that they can report them easily and receive a quick response. This year we launched a new online complaints process for our customers. Customers will be able to track progress with their complaints and we will have the data to ensure we are responding in a timely way. This system will also help us to identify the root causes of complaints, leading to better build quality and customer service.

We support customers once they have moved in through our Homeowner Support Portal with access to high quality, easy to follow self-help videos and articles. This allows them to quickly troubleshoot common issues themselves, get the best from their home and reduce the need to submit an issue to us, which is better for them and for our business.

Where customers do report an issue, more than 90% now use the portal to do so. Customers can submit photos or videos and track progress with their issue online, with all the related messages in one place, leading to a better customer experience. The process also increases our efficiency. It gives us a single channel for customers to use and there's less administration. It's fully integrated into our systems, so we can easily allocate an issue to a contractor and they can tell us electronically when it's fixed.

View our 5 star HBF award and other award highlights
+ READ MORE P1

Customers at Woodborough Grange, Winscombe, Somerset

ADDRESSING CLIMATE CHANGE

Responding to the climate crisis is our highest environmental priority and our primary focus is to decarbonise our business across the whole value chain. At the same time, we also need to adapt to the changing climate and our strategy is designed to do both.

Climate change will affect our business through both physical impacts such as increased flooding and extreme temperatures, as well as the risks of transitioning to a low-carbon economy, such as regulatory changes and shifting consumer demand. Our understanding of climate-related risks and opportunities is continuously evolving, as is the way we respond to and manage them. We discuss this further in the Taskforce for Climate-related Financial Disclosures (TCFD) section on pages 112 to 125.

On the following pages we discuss the progress we have made in reducing our operational carbon footprint, setting science-based targets and developing our carbon roadmap to 2030.

CDP
DISCLOSURE INSIGHT ACTION

score B-

Our Carbon Disclosure Project (CDP) score. Score for 2022 is not published at time of publication.

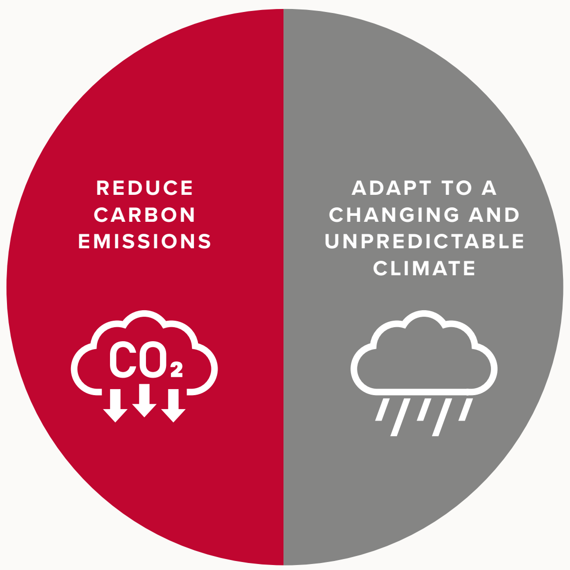
OUR CLIMATE VISION – WHAT WE ASPIRE TO

In September 2021 we set out our climate vision at our annual Leadership Conference.

Eliminate carbon from all our business operations.

Deliver attractive zero-carbon homes and communities, which people aspire to buy over the competition.

Buy products and materials which have low or no embodied carbon.



Keep all our employees and subcontractors safe from any harmful impacts associated with climate change while at work.

Design and build homes and communities that are comfortable and resilient in the face of a changing climate.

Source products and materials at least risk from climate disruption.

Deliver beautifully landscaped and biodiverse developments, which play a role in absorbing carbon, provide a cooling effect and support people's wellbeing and nature's recovery.

OUR JOURNEY TO NET ZERO

In August 2021, we announced our Net Zero Carbon commitment – to reach science based net zero emissions no later than 2050, and to set interim science-based targets for Scopes 1, 2 and 3.

CARBON TRUST

During the year with the support of global climate consultancy, the Carbon Trust, the Executive board approved our near-term targets and these have been submitted to the Science Based Targets initiative (SBTi) for approval and verification.

From FY23 Board-level remuneration will be linked to year-on-year reductions in our greenhouse gas emissions, in line with our targets.

Our Near-Term Science-Based Targets for Scopes 1, 2, and 3 from our FY21 baseline year

- Reduce our absolute Scope 1 and 2 GHG emissions by 42% by FY30, from our FY21 base year. This target is aligned to the SBTi's standard and recommended pathway of 1.5°C.
- Reduce our absolute Scope 3 GHG emissions by 25% by FY30 from our 2021 base year. This target is aligned to the SBTi's standard and recommended pathway of a well-below 2°C temperature increase.

We are currently one of only 577[2] UK companies taking action. Once our targets are validated by the SBTi we will join the other 248[3] UK companies with approved targets. Targets are considered science-based if they are in line with the latest climate science deemed necessary to meet the goals of the Paris Agreement. Setting a science-based target provides us with a clear and credible goal, a catalyst for action to future-proof our business growth whilst responding to the Government's Net Zero Carbon commitment, prepare us for upcoming regulatory changes and minimise the impacts of a changing climate.

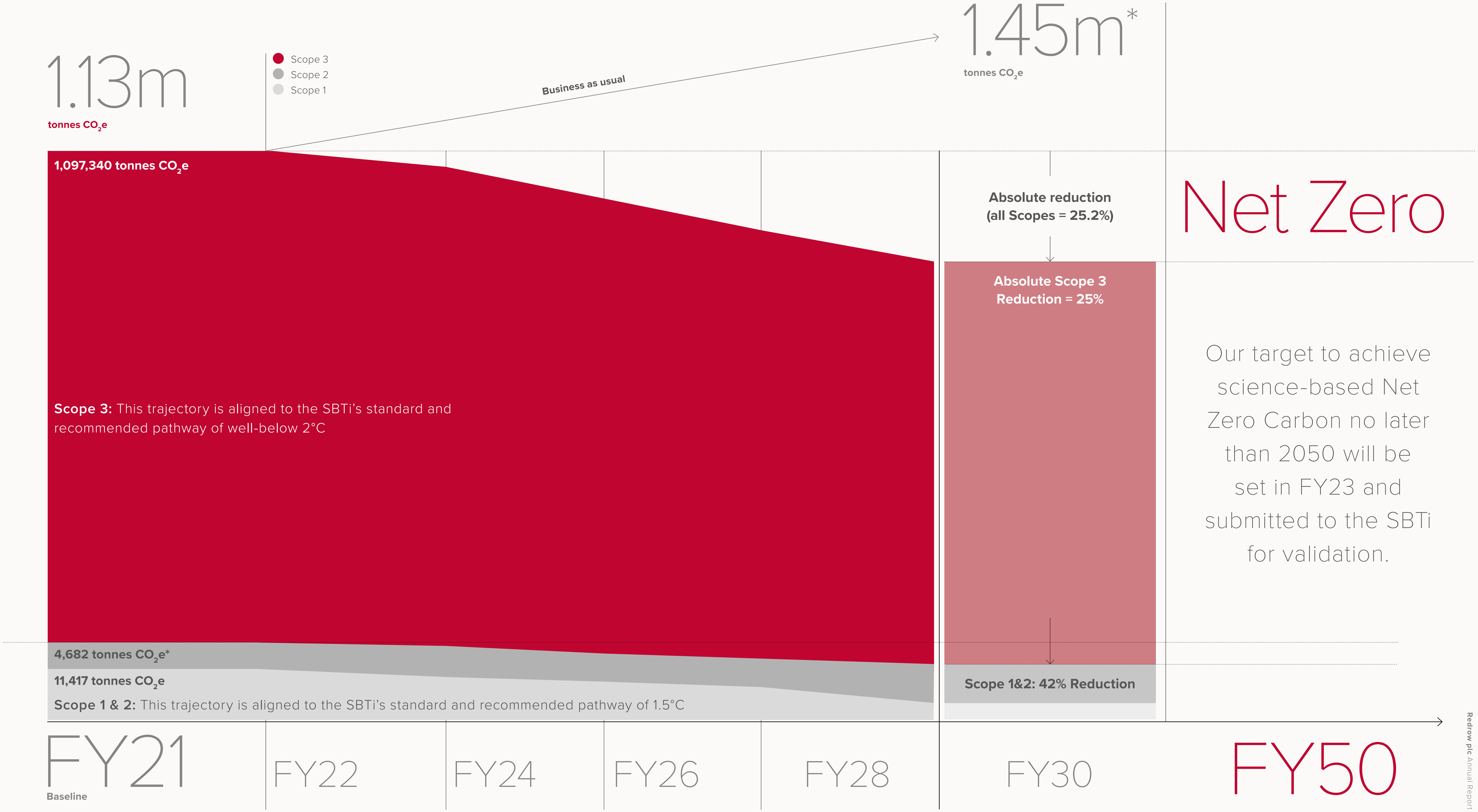
2. As at July 2022
3. As at July 2022

We are working on a number of initiatives to deliver our near term net zero carbon targets

CARBON REDUCTION INITIATIVES
SCOPE 1 AND 2

- Electric company car fleet
- HVO fuel to reduce diesel emissions
- Renewable electricity procurement for sites and offices
- Site lighting and heating improvements with new modular compound
- Installation of PV panels across offices
- Diesel emissions reduction – early connection to the grid
- Diesel emissions reduction – reduce time machinery is idle
- Switch to solar generation

OUR NET-ZERO CARBON ROADMAP



Our target to achieve science-based Net Zero Carbon no later than 2050 will be set in FY23 and submitted to the SBTi for validation.

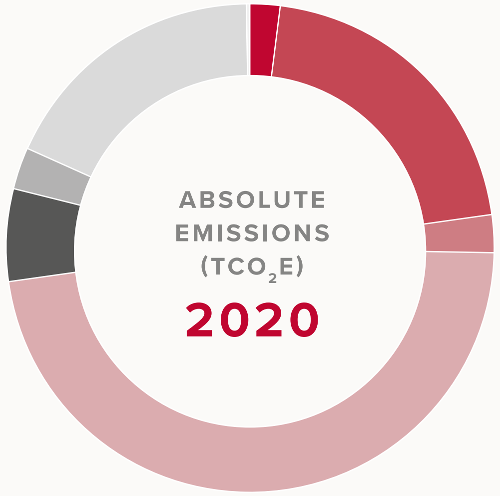
* This figure was derived from modelling undertaken by the Carbon Trust which assumes a 3% growth in 100m² build year-on-year until FY30.

CARBON REDUCTION

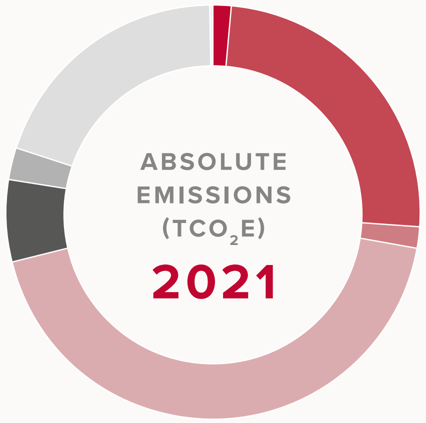
REDUCING OUR SCOPE 1 AND 2* EMISSIONS

In FY22 we have reduced our absolute emissions for Scope 1 and 2 by a further 17%. Our normalised emissions for Scope 1 and 2 have reduced by 24%, down from 2.84 tCO_2e per $100m^2$ of build to 2.16.

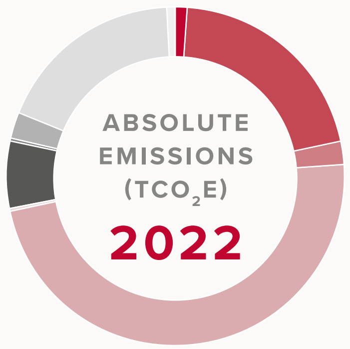
These reductions mean we have exceeded our 10% carbon intensity reduction target (from across our construction operations and offices), by 2022, achieving an overall reduction of 14% from a 2017 baseline.



Mains Gas – Offices	306 tco_2e
Mains Gas – Sites and Plots	3,242 tco_2e
LPG – Sites	386 tco_2e
Diesel – Sites	7,353 tco_2e
Business Travel	951 tco_2e
Air Conditioning	12 tco_2e
Electricity – Offices	442 tco_2e
Electricity – Sites and Plots	2,782 tco_2e
Heat – Sites and Plots	30 tco_2e
Total tCO_2e location based	**15,504**



Mains Gas – Offices	214 tco_2e
Mains Gas – Sites and Plots	3,622 tco_2e
LPG – Sites	278 tco_2e
Diesel – Sites	6,349 tco_2e
Business Travel	943 tco_2e
Air Conditioning	11 tco_2e
Electricity – Offices	340 tco_2e
Electricity – Sites and Plots	2,891 tco_2e
Heat – Sites and Plots	32 tco_2e
Total tCO_2e location based	**14,680**



Mains Gas – Offices	162 tco_2e
Mains Gas – Sites and Plots	2,477 tco_2e
LPG – Sites	275 tco_2e
Diesel – Sites	5,830 tco_2e
Business Travel	803 tco_2e
Air Conditioning	11 tco_2e
Electricity – Offices	312 tco_2e
Electricity – Sites and Plots	2,196 tco_2e
Heat – Sites and Plots	83 tco_2e
Total tCO_2e location based	**12,149**

Outside of Scopes

HVO	3 tco_2e

* Scope 1: Gas used in our offices and sites, company car fleet fuel use, air conditioning equipment, site diesel and LPG.
Scope 2: Electricity and heat used in our offices and sites

During the year we have achieved a reduction in absolute emissions across many of our direct (Scope 1) and indirect (Scope 2) activities:

ACTIVITY	REDUCTION IN EMISSIONS (TCO_2E) IN THE LAST YEAR
Site Gas	⬇ 32%
Site Electricity	⬇ 24%
Office Gas	⬇ 24%
Business Travel	⬇ 15%
Office Electricity	⬇ 8%
Site Diesel	⬇ 8%
Site LPG	⬇ 1%

More efficient use of fuel on-site

Compared to FY21, we have seen an 8% reduction in the use of diesel (litres) on our construction sites whilst legal completions were 1.7% higher. This has resulted from more efficient use of machinery on-site and securing earlier connections to the grid.

At the same time, the carbon emissions from fuel used on our sites has also reduced by 8%. This is largely due to diesel being replaced by hydrotreated vegetable oil (HVO- a biodegradable non-toxic fuel that is produced from vegetable fats and oils) on some of our sites. By using 97,102 litres of HVO we saved 264 tonnes* of CO_2e that would otherwise have been emitted into the atmosphere. Currently we are experiencing supply constraints which make it difficult for us to switch to HVO on all our sites. We will continue to monitor options for securing a stable source of HVO in the UK.

Significant emissions reductions from gas

During the year office gas use (kWh) reduced by 24%. This comes as a result of our hybrid working policy for our office-based employees and a shorter, milder winter.

At the same time, gas use from our construction sites reduced by 31%.

Looking at the raw data this reduction is almost entirely due to a reduction in plot consumption (approximately 3.5m kWh less in FY22 compared to FY21). Resulting in a 35% reduction in the average length of time between the meter being installed and it being handed over to a customer. The reduction can also be attributed a reduction in the number of energy centres, from 5 to 2, and the milder, shorter winter.

Significant emissions reductions from site electricity

During the year electricity use (kWh) on our construction sites reduced by 17%. This is as a result of two key changes; a large development with significant consumption is no longer in use and a 29% reduction in the average length of time between the meter being installed and it being handed over to a customer. We have also seen a 5% reduction in the average daily plot usage.

Increase in emissions from heat

In FY22, heat consumption (kWh) from energy centres saw an increase of 159%. This is primarily due to a 140% increase in the number of plots using

We have started to use HVO as a replacement for diesel on selected sites

* Emissions from HVO during FY22: 3.455 tCO_2e based on the use of 97,102 litres. If these litres were diesel, this would equal to 267.862 tCO_2e (the calculations of emissions are using the 2022 DEFRA conversion factors).

heat meters and an increase in daily average heat usage.

Switching to renewable energy

Renewable energy is an important part of our carbon reduction strategy and this year 96% (up from 3.3% in FY21) of our operational electricity was sourced from renewable sources, backed by Renewable Energy Guarantees of Origin (REGO) certificates.

In 2023, we will be installing solar photovoltaic panels on our head office building and we are exploring the viability of installing these at all our other offices.

Greener travel options

We have made steady progress on our commitment to reducing the carbon impact from our company car fleet by continuing to reduce the availability of petrol and diesel cars.

Employees are increasingly opting for vehicles with a lower environmental impact – 90% of company cars ordered during the year were either Hybrid or Pure Electric. The current car choice is now 88% Pure EV, with options in all of our grades, and 12% Hybrid. To support this change we have installed charging stations at nearly all of our divisional offices and enabled our employees to access preferential rates for installation of home chargers.

We have set a target to reach an all-electric car fleet by the end of FY25. To achieve this, there will only be electric vehicles available to select by 2023.

TACKLING OUR SCOPE 3 [1] INDIRECT EMISSIONS

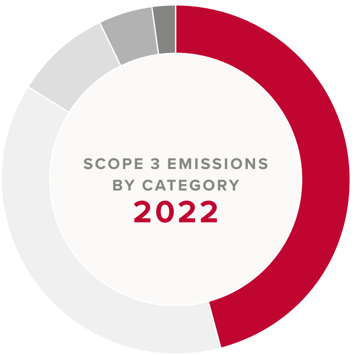
We have taken a significant step this year in establishing a baseline for our indirect Scope 3 emissions. These are emissions that we don't have direct control over but which occur in our value chain, and they account for nearly 99% of our total carbon footprint [2]. The chart opposite gives a breakdown.

We have set a new target to purchase 100% of all our operational electricity from REGO certified renewables sources by the end of FY24.

100%

Our target is to reach an all electric car fleet by the end of FY25

Scope 3 emissions by category



Cat. 11a Use of sold products (direct)	46%
Cat. 1a Purchased goods and services (product related)	38%
Cat 1b Purchased goods and services (non-product related)	9%
Cat 4 Upstream transportation and distribution (5%)	5%
non-material categories*	2%

* Includes: capital goods, fuel and energy related activities, waste generation, business travel, employee commuting, end of life treatment of sold products. Derived from GHG protocol analysis of our Scope 3 emissions.

STRATEGY IN ACTION

Solar Generators at Amber Fields

We ran a pilot project with Think Hire to assess the benefits of a solar generator at our Amber Fields development.

The solar generator combines solar power and storage with a diesel power backup. During the day, the energy generated by the solar panels is stored in a battery pack and the standby generator only runs when the batteries are flat.

The study concluded that we could reduce diesel use by 70%, and cut noise pollution by nearly half.

1 Scope 3: This covers emissions from purchased goods and services, capital goods, fuel and energy related activities, upstream transport and distribution, waste generated in operations, employee commuting, business travel, use of sold products, end-of-life treatment of sold products.

2 We used Group spend data to calculate our baseline carbon footprint.

3 This is purchased goods and services product related as described in the chart – Scope 3 emissions by category.

With product related emissions [3] accounting for 38% of our total Scope 3 emissions, achieving our near-term carbon reduction target will require a transformation across key elements of the supply-chain, with a step change in innovation and increased availability of low-carbon products. This demands a change in the way the materials and products we buy are designed, manufactured and distributed, and their raw-material composition.

During the year, we undertook a Net-Zero Carbon survey with suppliers to establish their understanding, commitment and levels of activity to decarbonise their own operations and the products they produce. More information can be found in the Partnering with our Supply Chain section on pages 74 to 77.

Key steps to achieve our near-term Scope 3 target:

- Implement the Future Homes Standard, achieving a 75-80% reduction in carbon emissions arising from our homes compared with previous Building Regulations (see Product Innovation on page 72).
- Challenge suppliers to publish Environmental Product Declarations (EPD) for their products, in line with recognised standards, and continue to build-up our database of EPD's.
- Engage with the Construction Products Association and their members in energy-intensive industries such as cement, glazing and ceramics.

Discover more about partnering with our supply chain

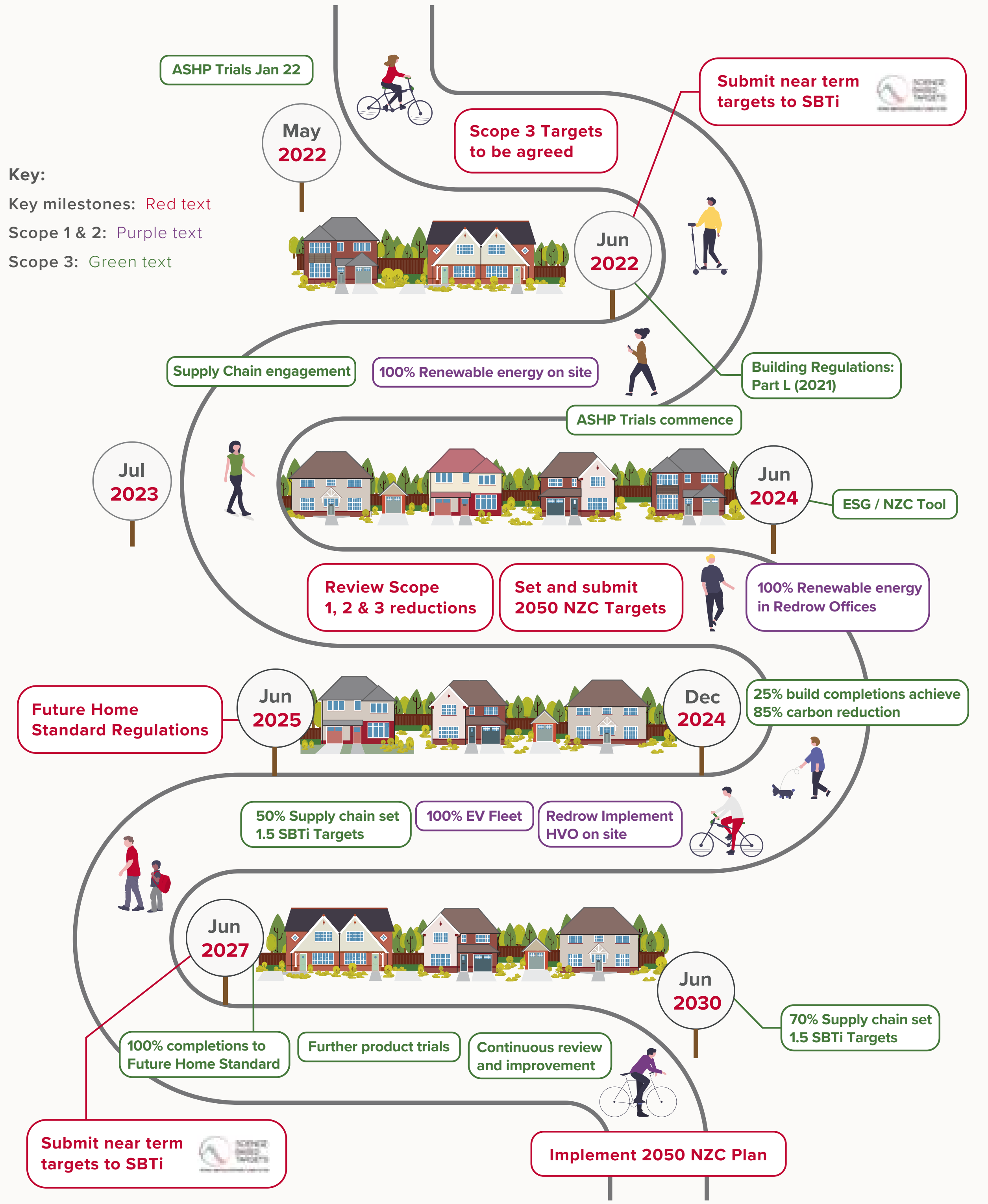
+ READ MORE P74 TO P77

- Encourage our suppliers to set their own science-based targets and to report progress against them.
- Review the mechanisms within our supply contracts to drive progress. This will include embedding carbon-related clauses.
- Improve the accuracy of our procurement data, to give greater visibility on quantities and carbon emissions.
- Continue collaboration with the industry through the Supply Chain Sustainability School and the Future Homes Hub.

Working with our supply chain and subcontractors to deliver our sustainability targets

OUR CARBON REDUCTION ROUTE MAP BY 2030

Near term carbon reduction targets have been aligned to the Science Based Target Initiative, Net Zero recognised and standard pathways for Scope 1, 2 and 3 GHG emissions. 1.5°C for Scope 1 & 2 and well below 2°C for Scope 3.



Exploring alternative low carbon options to reduce our carbon footprint

ENVIRONMENT, WATER AND WASTE

In addition to reducing our carbon emissions, we have a range of other environmental objectives, including preventing pollution, managing flood risks, cutting our water use, and reducing and reusing waste.

PREVENTING ENVIRONMENTAL POLLUTION ON-SITE

Our ultimate aim is to ensure that no pollution occurs from our construction activities. During the year we have focused on improving the way we identify and manage site-specific water-related risks, and in particular how we effectively manage water run-off.

We achieved a significant reduction in the number of serious environmental incidents during the year from 16 to 2, a decrease of 87%. Following on from both incidents, comprehensive investigations took place and clear lessons were identified and implemented. These lessons were shared across our business to ensure these incidents are not repeated.

As part of the continual development of our management system new procedures, with strengthened control measures, are being introduced along with improvements to the way site-specific risks are identified, placing more emphasis on planning and site set-up.

During the year we strengthened our team recruiting a new Group Environmental Advisor and maintained our ISO14001 certification, which is independently assessed by BSI.

bsi ISO 14001 Environmental Management CERTIFIED 667178

Reducing water use

Our Heritage range of homes are industry-leading in terms of water efficiency with a rating of just 105 litres per person per day (l/p/d), well below the Building Regulations requirement of 125 l/p/d. We achieve this with highly efficient fixtures, water saving baths and flow restrictors. We're now reviewing our specifications to see if we can generate further water savings whilst still meet customer's high expectations on quality.

Our new efficient modular compounds, which we are looking to roll out in FY23, incorporate rainwater harvesting to reduce the use of mains water on our developments.

Reducing construction waste

In the last year we have reduced our normalised waste tonnage by 2%, down from 8.1 tonnes/100m² of build to 7.91.

These reductions mean that we have far exceeded our target to reduce the waste intensity of our construction operations by 10% by 2022 from a 2017 baseline, achieving an overall reduction of 26%.

We have continued to divert the vast majority of our waste from landfill, achieving a diversion rate of 98% in the year.

Reducing construction waste helps lower our environmental impact, while creating cost savings and maintaining the same level of quality. We are seeing rising costs and delivery delays for materials, so it is even more important to make optimum use of what we buy. We segregate and crush inert waste, including concrete and rubble generated during demolition and construction and reuse the by-product for infrastructure works on-site.

87%

Reduction in the number of serious environmental incidents during the year

STRATEGY IN ACTION

We diverted 486 tonnes of wood from our timber waste stream which was then processed through the Community Wood Recycling Scheme.

The scheme collects waste wood to be reused or recycled, with reuse being ten times more efficient than harvesting, milling and transporting virgin wood.

With every tonne of wood collected, the scheme also creates work and training opportunities for disadvantaged people.

Overall, the scheme reused 53% of the wood in local community building projects, 5% was turned into firewood and 42% was recycled into woodchip to manufacture particleboard, animal bedding or carbon neutral fuel.

486

tonnes of wood processed through the Community Wood Recycling Scheme

Our cross-department Buildability and Waste Working Group is responsible for identifying ways that we build more efficiently and faster, while reducing the waste we produce and maintaining high-quality design and workmanship.

26%

Overall reduction of waste intensity of our construction operations since 2017

During the year, we introduced changes to reduce storey heights by one course of brickwork, which reduces wasteful offcuts while still having the highest floor to ceiling heights in the industry which we know customers love. We also designed out complicated design features that produce a lot of waste and don't add value to our homes. These include changes made to understairs cupboards, sloping ceilings, wardrobes and stud walls.

We are collaborating with a specialist consultancy to investigate the benefits of Modern Methods of Construction (MMC) to determine which elements of our homes could be manufactured off-site. Through this research, we are seeking to quantify the cost-benefits associated with increasing the speed of build and reducing operational energy, embodied carbon and waste production. In recent months we have calculated the current pre-manufactured value of elements including pre-built staircases and bay windows for our typical house types.

The outcome will give us a baseline, from which we can develop proposals to increase the proportion of pre-manufactured content in our houses.

We have also introduced a new range of contemporary house types to complement our existing Heritage Collection homes, which have been designed with off-site manufacture in mind. The contemporary designs are ideally suited to locations where appropriate to include an element of MMC or where design is influenced by a regional planning design requirement.

1,400

Tonnes of waste concrete recycled into driveways, paths and patios at our Allerton Gardens development in Liverpool.

SOCIAL & ENVIRONMENTAL IMPACT REPORT

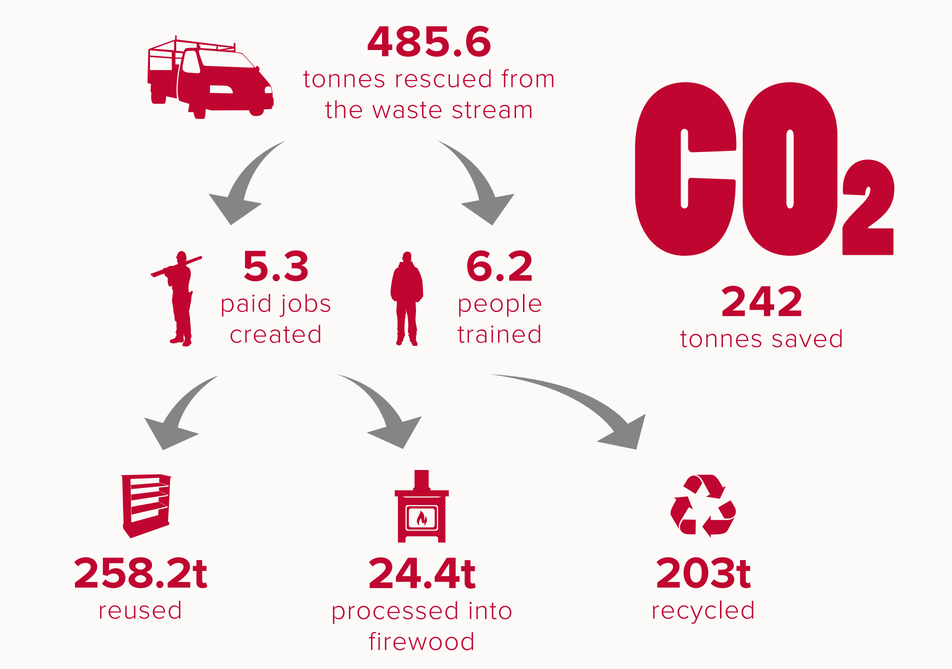
July 2021 – June 2022

In partnership with

Community Wood Recycling

Working together to
- ✓ **save resources**
- ✓ **change lives**

Find out more at
www.communitywoodrecycling.org.uk



Impact estimates are calculated based on the volume of wood collected and the total network social outcomes during the year of collection.

PRODUCT INNOVATION: STAYING AHEAD OF THE CURVE

We are continuously looking to improve and innovate how our homes are designed, to better meet our customers' requirements and aspirations. Continually developing our homes also enables us to prepare to meet or exceed new government standards.

ENERGY EFFICIENCY AND REDUCING CARBON EMISSIONS FROM OUR HOMES

We are rethinking how our homes are heated and how we can reduce our customers' bills and their carbon emissions. Analysis we undertook this year shows customers are already likely to see a 54% improvement in energy efficiency moving to one of our homes from an older property and this figure will continue to improve as we introduce new heating technology and improve the fabric efficiency of our homes.

The Future Homes Standard (FHS) will come into force in 2025. It's designed to future-proof new build homes, by ensuring they have low-carbon heating and world-leading energy efficiency, with carbon emissions at least 75-80% lower than those being built to the previous Building Regulations standards.

At Great Milton Park we are working on a research and development trial with our supply partner, Mitsubishi Electric, who has designed and supplied us with an air source heat pump to provide heating and hot water for an Oxford house type. For customers, the running cost of this pump should be comparable to a gas boiler.

As part of our commitment to reduce carbon emissions and understand in much greater detail the customer experience of using and living with new forms of heating technology we are reviewing the opportunity to undertake further trails across the group.

In the coming year, we are also carrying out surveys and focus group research with customers to better understand what they want and expect from new homes, specifically with regards to energy efficiency and the FHS. This research helps us to further define our approach, focusing on the key items that customers value the most.

20
25

THE FUTURE HOMES STANDARD

The homes we build to the new Future Homes and Fabric Energy Efficiency standards could be fitted with air source heat pumps, which would provide customers with more energy efficient homes that require less energy to heat. We estimate this would also reduce the CO_2 emissions from heating and hot water by around 84% on average.

84% average reduction in CO_2 emissions from heating and hot water

Air Source Heat Pump at Great Milton Park, Newport, Gwent

Adopting technology such as air source heat pumps would mean our homes would become zero-carbon ready. The Government believes that homes built with electric heating systems such as heat pumps will become zero carbon over time, as the electricity grid is decarbonised.

Heat networks and electric heating may also play a part in low-carbon heating for homes. We're working with suppliers in these areas to investigate suitable alternatives to heat pumps, if they're needed.

TACKLING OVERHEATING

Recent heatwaves in the UK have reinforced the importance of keeping homes at comfortable temperatures in hot weather. However, there is a direct trade-off between making homes more energy efficient and air tight, and keeping them cool. The Government's latest review of the Building Regulations identified overheating of buildings as an increasing risk. To future proof our homes for all our customers we are undertaking overheating risk assessments as part of our design review. This will allow us to maximise the benefits of natural daylight and ventilation, while minimising the risk of overheating to ensure customers can live comfortably.

OFFERING CUSTOMERS RENEWABLE ENERGY OPTIONS

We offer customers the opportunity to upgrade their homes by adding solar PV panels through MyRedrow, our online sales system. This reduces the customer's reliance on grid electricity and reduces their utility bills. This improves the home's EPC rating, which is a score relating to the cost of energy needed to run a particular home, while reducing CO_2 emissions. The average EPC rating for our homes is B, but the integration of solar PV can improve this to an A rating.

B

Average EPC rating

STRATEGY IN ACTION

Research Into Smart, Low Carbon Homes

In Spring 2022 we began an innovative trial at our Langley Grange development in Yorkshire.

We installed Wondrwall's complete home automation, gas-free heating (including infrared heating panels and intelligent hot water cylinder), solar PV and battery storage solutions in one of the homes.

This system is designed to turn any house into a sustainable, energy efficient home by using artificial intelligence, machine learning and renewable energy. The intuitive system operates by automatically controlling heating, lighting, security, safety and entertainment, with voice control technology and a mobile phone app. The technology learns and works around occupants, observing how they live, which rooms they spend the most time in and how they use heating and lighting.

Over a 12 month period we are collecting data on the home's overall energy efficiency and thermal performance and will evaluate its carbon footprint against one of our standard homes. It offers us the chance to assess the viability of offering the technology to future home buyers.

This trial demonstrates our commitment to finding less carbon intensive solutions for heating and hot water as part of our drive to cut carbon emissions and ensure that improvements to the building fabric and the services in our homes provide the most effective way of reducing our customers' energy consumption and bills.




The Hampstead, Chester, Windsor and Ledsham are four new house types introduced to the Heritage Collection during the year

PARTNERING WITH OUR SUPPLY CHAIN

Our supply chain partners play a crucial role in helping us to achieve our environmental, social and business objectives. They directly influence the quality of our homes, our ability to complete each home on-time for our customer, and our ability to innovate. Timely supply at a predictable cost is also essential, to enable us to meet our business and financial goals.

We have supply agreements with around 250 suppliers nationally, covering approximately 85% of our total output. In addition, we continue to work with and support local suppliers and contractors.

A large number of our relationships with supply partners extend beyond ten years and some are in excess of 20 years. This is testimony to the value we and our supply partners place on having a relationship based on shared values. These relationships paid off during the Covid-related supply issues. Against a backdrop of rising material costs and supply constraints, we have maintained a steady focus on guaranteeing supply while upholding our social and environmental standards.

In the last 12 months, we have continued to invest in upskilling our workforce and supply chain on sustainable procurement, through our partnership with the Supply Chain Sustainability School.

Our work with our supply chain has been recognised with our shortlisting for the Global Good Award 2022, in the Sustainable Supply Chain of the Year category.

MAINTAINING STRONG SUPPLIER RELATIONS

Having a standard product range enables us to forecast the products and materials we'll need, In turn this allows us to give our supply chain the detailed information of the materials we will require so that they can forecast effectively, to ensure we meet our targets and they can secure and manage supply. We issue three-monthly forecasts, plot by plot. This helps us to build trust and long-term relationships with our partners.

> "The most important element in a supplier-customer relationship is trust. When there's trust, a supplier can plan investments in capacity and commit to innovation. The supplier can then weather the economic roller coaster that we have all endured in recent years. My company Exallot has a long-standing and valued relationship with Redrow. We could not have achieved the growth we're experiencing without Redrow working in partnership with us. We have found our trust to be well placed and look forward to an ever-closer working relationship."

Paul Brownhill
Operations Director, Exallot Ltd

As a guide, we look to procure labour and materials within a 50-mile radius of each divisional office. Where we have an agreement with a national supplier, we identify local depots to cut down on distribution costs and reduce carbon emissions, and support the local economy. For example, in Yorkshire, where we use a lot of stone in construction, we procure local stone. We do this wherever we can.

Last autumn, we reviewed our Partnering with our Supply Chain policy. As a result we strengthened our commitments and expectations regarding discrimination and human rights. The policy is available from our website: https://www.redrowplc.co.uk/media/rkcnsovn/partnering-with-our-supply-chain-policy.pdf.

We also improved our supply chain payments performance (see ESG scorecard page 16).

IMPROVING OUR UNDERSTANDING OF SUSTAINABILITY AND CARBON IN OUR SUPPLY CHAIN

Our supply chain plays a vital role in enabling us to meet our climate change ambitions and decarbonisation targets. During the year we sent out questionnaires to 135 suppliers, to find out more about the carbon content of their products and their plans to reduce carbon emissions. Nearly 80 suppliers responded (58%).

Of the respondents, 22% had Environmental Product Declarations (EPDs) for their products or are in the process of developing them. EPDs show the full carbon impact of a product, from the extraction of the material used to make it, through manufacturing, to use and finally end of life. Having EPDs for all our materials and products means we can more accurately calculate embodied carbon in our homes and improve the quality of our carbon data – one of the key workstreams in our Scope 3 carbon reduction plan.

In addition, nearly one quarter of the respondents have set Science Based Targets or are in the process of doing so.

This survey has helped us establish a baseline for performance and understanding across our supply chain. As expected, there is significant variation across the organisations and the journey will be different for each one.

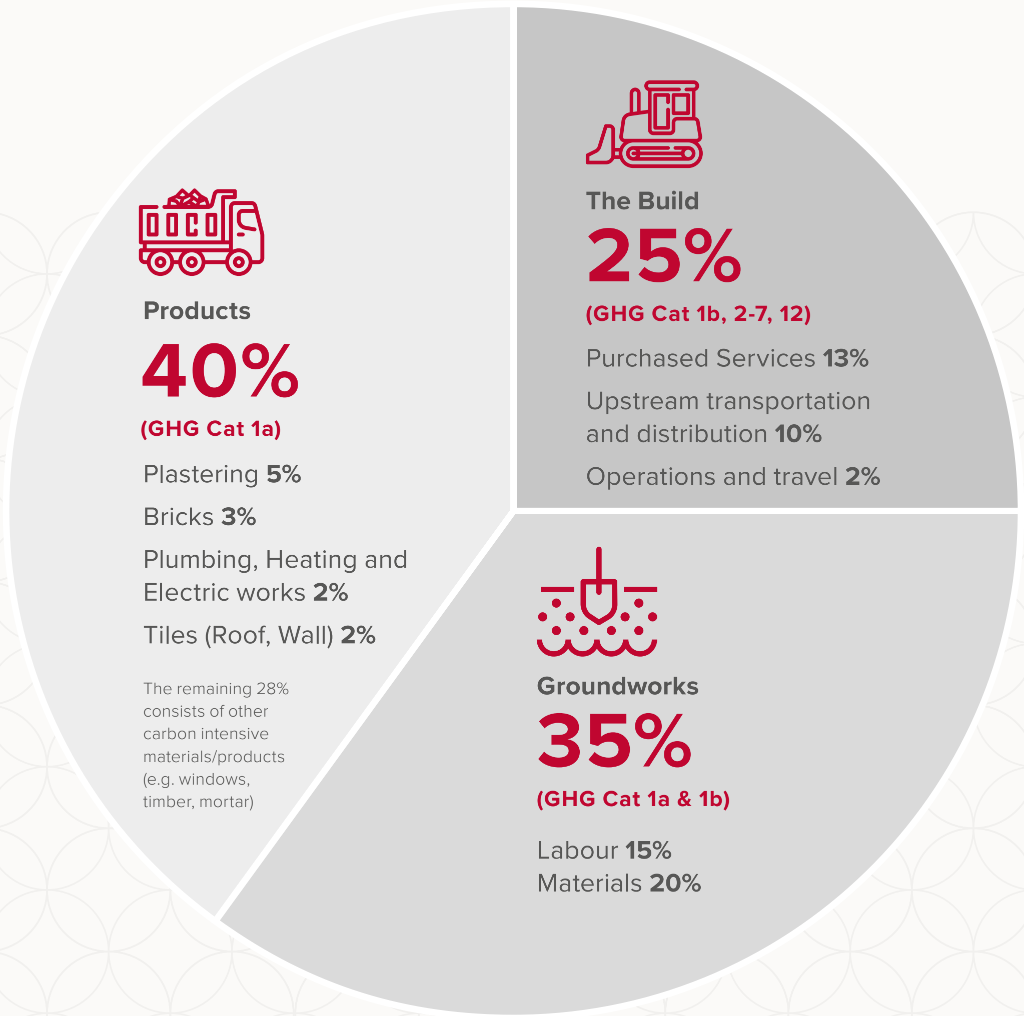
While carrying out this survey, we've made suppliers aware of our own commitment to achieving Net Zero Carbon, and what we'll require from them in the future, such as EPDs for all materials and accurate emissions data. Our aspiration is that every supplier will have a robust carbon footprint process in place by 2025, which will allow us to develop a more accurate Scope 3 baseline. We will engage and work alongside our supply partners to understand the barriers they face and to ensure they make progress towards decarbonisation so we can achieve our shared goal of carbon reduction.

TARGETING HIGH IMPACT SUPPLIERS AND SUBCONTRACTORS

Scope 3 construction-related carbon emissions by source

As demonstrated in the figure below, our analysis identifies the most carbon-intensive products that we buy, along with the significant impact which arises from the groundworks phase, and a breakdown of the main sources of emissions from construction-related activities.

As a first step, to address the impact of groundworks, we and other homebuilders have developed the Sustainability Learning Pathway for subcontractors, in collaboration with the Supply Chain Sustainability School. This training programme is designed to help companies address high-priority sustainability issues, including the transition to Net Zero, delivering biodiversity net gain, working towards a more circular economy, delivering social value and combatting modern slavery.



FSC Timber arriving on site

We have actively promoted the learning pathway to all our groundworks companies and this will be monitored and fed back to us every quarter by the School.

We have seen a 10% increase in the number of our suppliers engaging with the School and we have set a target to increase this to 85% by the end of FY25.

Educating and upskilling the workforce on environmental issues

Our industry faces a lack of people and skills. It is therefore essential that we train people in innovative construction techniques and products, so they can be widely adopted and contribute to build quality.

In the last 12 months, we've continued to invest in upskilling our workforce on sustainable procurement. We held workshops with experts from the Supply Chain Sustainability School (SCSS), to improve our employees' knowledge of environmental issues. Topics covered included climate change, carbon reduction strategies (including adaptation and mitigation), Government action and legal requirements, and calculating carbon footprints.

Our Group and divisional commercial and quantity surveying teams undertook training in how to embed carbon within procurement decisions.

Responsible timber procurement

The world's forests provide a home to more than 50% of land-dwelling animals, plants and insects (source: WWF) and are key to regulating the global climate, as they absorb large amounts of carbon from the atmosphere.

For the last 15 years, we've sought to eliminate illegal timber in our supply chain. Redrow was the first UK homebuilder to achieve the WWF's 'Three Trees' status in 2015 and we're among the top 40 companies in the country using responsibly sourced timber and paper products.

Our Sustainable Timber Procurement Policy [1] commits us to only source certified timber from sustainably managed forests. Our preferred certification scheme is Forest Stewardship Council (FSC). Operations managed to FSC standards protect the trees, habitats, biodiversity and the local people from corruptive dealership and landownership. This year 99.98% of our timber was certified to these standards and our target remains at 100%.

Submission to CDP for forests & timber

This year, we submitted the required disclosures to the CDP Forests Programme for the second time, to maintain transparency in our reporting and support our aim of becoming an industry leader in this field. We were awarded a C grade. We are reviewing our processes and good practice to improve our commitments and benchmarks to increase our score.

+10%

Increase in the number of our suppliers engaging with the Supply Chain Sustainability School

1 https://redrowplc.co.uk/media/dbydl05z/timber-policy.pdf

STRATEGY IN ACTION

Delivering our Sustainable Timber Commitment

As part of our commitment to sustainable timber procurement our supplier, RJ Parry Joinery has introduced processes to ensure its own supply chain can be audited and that it complies with FSC and PEFC standards in order to meet our requirements.

In turn, this gives us greater assurance about the sustainability of their timber products.

The actions RJ Parry has taken include:

- Buying timber only from approved FSC/PEFC suppliers.
- Checking supplier delivery notes before timber is brought into the workshop, to ensure they're identified with the FSC/PEFC claims and the supplier chain of custody code.
- Raising a delivery note on final inspection, which identifies those products which are FSC/PEFC certified along with the percentage claim.
- Ensuring that staff understand the procedures relevant to their area of responsibility.
- Arranging an annual FSC/PEFC audit, undertaken by an independent, third-party accredited company.

Through the audit, RJ Parry can demonstrate that materials are tracked through every stage of the process, from forest to end-use.

In this section

VALUING PEOPLE

A BETTER WAY TO VALUE PEOPLE

KAREN JONES
Human Resources Director

Introduction from Karen Jones, Human Resources Director

We recruit skilled people and invest in training and developing them, so they can achieve their potential, have a satisfying career with us and add more value for the business and our stakeholders. We are also taking responsibility for addressing the long-term skills gaps in the housebuilding sector, by inspiring the next generation to build through our graduate and apprenticeship programmes, and our outreach to schools and colleges.

It is important to us that everyone feels valued and that their hard work is recognised and rewarded. We are proud to be accredited as a Real Living Wage Employer, a commitment that extends to our suppliers and subcontractors. Valuing people also means investing time and money in their wellbeing, so we offer a variety of programmes for our employees and subcontractors. This includes looking for innovative ways for our people to work productively, while giving them more control over their work-life balance.

We are committed to promoting equality, diversity and inclusion (ED&I) throughout the Group, so our people feel included, we actively value their differences and everyone's treated fairly. The construction sector has traditionally been male dominated, so we are working to address the imbalance and attract more female employees and other people from under-represented backgrounds.

Engaging with our employees is also crucial. We keep them informed on what's happening around the Group, and run a survey each year to get their feedback, so we know what we are doing well and where we can still improve. We were pleased with this year's results, which included 94% of employees saying they were proud to work for Redrow, and we will continue to strive to make Redrow an even better place to work.

We are a Living Wage Employer

Valuing People highlights

94%
Proud to work for Redrow

15%
Trainees

261
Internal promotions in year

> TALENTED PEOPLE ARE **ESSENTIAL FOR REDROW'S CONTINUED SUCCESS.**
>
> So we have put them at the core of the Group's strategy.
>
> **Karen Jones**
> Human Resources Director

EQUALITY, DIVERSITY AND INCLUSION

We aim to attract and retain a diverse workforce, ensuring we give everyone equal access to opportunities and allowing them to contribute their best work and develop to their full potential. Our ED&I agenda is supported by a formal policy, which sends out a strong message about our commitment to fully embedding all aspects of ED&I throughout the business.

> "Strong commitment to ED&I and the wellbeing of all colleagues. Great company to work for!"

Current employee
Five star review on Glassdoor

In this year's materiality assessment, our employees rated ED&I as one of their top five issues and commented that they valued our work on ED&I and the increase in opportunities for them.

Data on our gender and ethnic diversity can be found in the ESG scorecard on page 10, along with our new diversity targets for 2025. These targets relate to gender diversity among our graduate intakes and ethnic diversity among our apprentices, as well as bringing the percentage of women in senior roles closer into line with the percentage of women among our workforce as a whole.

The ED&I results in our annual employee survey (see Colleague Engagement on page 84) showed that our employees recognise our commitment to ED&I:

- 91% feel we're committed to ED&I, up from 87% last year;
- 93% feel they can be themselves at work, which brings many benefits including diversity of thought, creativity and innovation, and a positive impact on turnover and productivity;
- 91% of colleagues said they were clear about their role in supporting ED&I; and
- 89% said their manager promotes ED&I.

We also included a set of questions on inclusion for the first time, which produced an average score of 88%.

An ED&I campaign to promote equality within Redrow as featured on our employee portal

730
Redrow employees have attended ED&I workshops

We've continued to promote ED&I this year and introduced initiatives to further improve our performance. Across the Group we now have more than 80 ED&I representatives, who promote our policy and principles in their divisions and support our delivery.

Training is important for advancing ED&I. Over 730 employees, including our Executive Management Team and all Divisional Boards, have attended our ED&I workshops, which aim to inspire our people to be inclusive and embrace diversity. We also ran disability awareness training for divisional and Group management teams, and rolled out sign language training for our sales and customer service employees. In addition, we've delivered toolbox talks for all site-based employees and we'll be engaging with our supply chain next.

We run education campaigns each quarter, with the focus areas this year being disability, supporting the LGBT+ community, religion and belief, and inclusion for all. Our ED&I video is shared internally to start conversations and externally to highlight our culture to potential applicants.

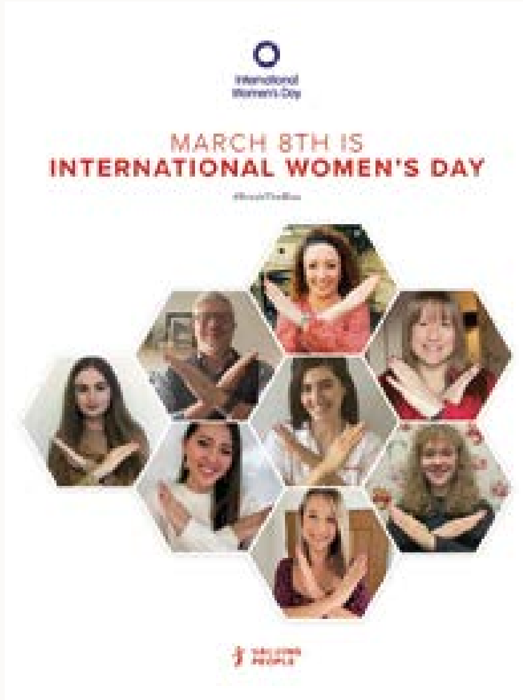
Women remain under-represented in the housebuilding industry, particularly in construction and technical roles, and we've been working hard over several years to employ and promote more women in these areas. We're relaunching our Women's Network to be an employee-led working group, facilitating networking events, tailored initiatives and a solid network of likeminded colleagues to share learning and expertise. The network ranges from employees in their early careers to more senior roles within the business, illustrating the willingness of employees at all levels to get involved.

We also want to attract more women into the housebuilding industry, working with schools and colleges through our Education Ambassador Scheme. In March 2022, a team of our female ambassadors attended a Women in Construction event at Coleg Cambria, Wrexham. More than 100 young women had a taster of construction roles, such as bricklaying, carpentry and plumbing.

Our latest Gender Pay Gap Report (https://gender-pay-gap.service.gov.uk/Employer/u4rNIVYm/2021) shows a mean gap of 5.9%. Whilst this compares well with the construction sector, we continue to strive to close the gap.

Following feedback from our Workforce Engagement group last year, we reviewed our PPE catalogue to ensure it reflects the diversity of our workforce and the people who visit our sites. For example, we've made sure we have a suitable range of PPE in women's sizes, a maternity range and different styles of clothing for all.

To support our ED&I journey, we are proud to be a member of Inclusive Companies, the Diversity Jobs Group, the Business Disability Forum and Carers UK.



STRATEGY IN ACTION

International Women's Day

On International Women's Day in March 2022, we held a webinar with a panel of seven women from across the business, as well as our Development Director, Steve Caldwell. Zara Barrow, Group Construction Director, facilitated the panel discussion.

This covered topics such as why it is important for more women to take up a career in construction, the barriers women face in their careers and what men could do to make women feel more comfortable about joining the industry.

> "...it was a proud moment to be part of a discussion around gender, equality and inclusion, and how more women can be encouraged to join this vibrant industry."

Nora Dow
Senior Land Manager

VALUING PEOPLE

REDROW 2025

This ambitious project focuses on accelerating innovation across the business. We started last year with the biggest team consultation in Redrow's history and we've seen the first results this year. One of the more striking examples is our focus on agile working, with a programme to reimagine our office working spaces.

The Modular Compound at The Finches, Halewood, Liverpool

20 25

Agile Working

We've found that allowing employees to work where possible from the place where they're most effective supports focused, collaborative and creative working, leading to better productivity. Along with flexible working hours, this helps to make us a more attractive employer to a more diverse range of people, helping them to better balance their home lives and work This is now reflected in our Glassdoor reviews.

There are, of course, times when our people need to be in the workplace, so we're reimagining our offices to enable better ways of working.

We're also conscious that our site-based employees don't have a choice about their location, so we're working to make sure they have great facilities on-site.

The new modular compounds we're introducing (see page 56) give on-site employees better access to resources, so they can complete e-learning and training courses and join our lunchtime webinars. The compounds also improve flexibility for office-based employees visiting our sites, as they can use the dedicated working space.

Agile working in practice

STRATEGY IN ACTION

Reimagining Our Offices

As part of Redrow 2025, we're redesigning our offices to help our people work more effectively and increase collaboration across departments.

Our brand new Southern office is the first to be built with open plan space, collaboration areas and private pods for video meetings.

'The design is fantastic for a variety of things that we want to achieve within the new division. We want to lead the way on team working and collaboration, and have areas in the business where we excel in the creative part of what we do, such as the designs of our layouts. That's all been part of the thinking.'

Rod Martin
Managing Director for Southern

Green Academy

The next Redrow 2025 project for our people will be the Redrow Green Academy. This will be a family hub with fun and informative content for employees to share with their families at home. We look forward to reporting on this next year.

COLLEAGUE ENGAGEMENT

Employee engagement is crucial to the success of our business. We are pleased with the headline results achieved this year through our anonymous survey and of the improvements noted on communication. We recognise that further improvements can be made and we will continue to strive to make Redrow an even better place to work.

INSIGHT EMPLOYEE ENGAGEMENT SURVEY 2022

Each year, an independent third party carries out an in-depth survey of our monthly paid employees, to understand how they feel about Redrow and identify ways we can do even better. This year, our response rate was an excellent 88%, up from 81% last year, meaning we're capturing views from even more of our people. Our overall engagement score was 83%, compared to 82% last year and in excess of our 80% target.

The highlights from the survey are shown below:

In addition, 76% rated communication at Redrow highly. Whilst this is a positive score, we're keen to improve this and have started providing Divisional quarterly newsletters, to complement the Workforce Engagement Group and regular engagement group meetings.

WORKFORCE ENGAGEMENT GROUP

Our national Workforce Engagement Group is now well established under the leadership of Nicky Dulieu, our designated Non-Executive Director for Workforce Engagement. We held two meetings this year, with the Group putting forward a range of suggestions to the Board. Practical outcomes varied from sharing best practice on using focus groups in our Lancashire Division to providing a Redrow goody bag to all new starters.

INSIGHT 2022*
88% RESPONSE RATE

HEADLINE RESULTS:

94% are proud to work for Redrow

89% would recommend Redrow as a good place to work

80% think communication is good between your team and other teams you work with

81% of new starters say their induction gave them the information they needed

89% think that Directors have communicated a clear company vision for the next few years

89% feel supported by their manager

85% believe Redrow lives up to 'valuing people'

VALUING PEOPLE

*Last year our results were as follows: • 93% proud to work for Redrow; • 88% would recommend Redrow as a place to work; • 78% think communication is good between your team and other teams you work with; • 84% think that Directors have communicated a clear company vision for the next few years; • 79% believe Redrow lives up to 'valuing people'; • 89% feel supported by their manager; • 67% of new starters say their induction gave them the information they need.

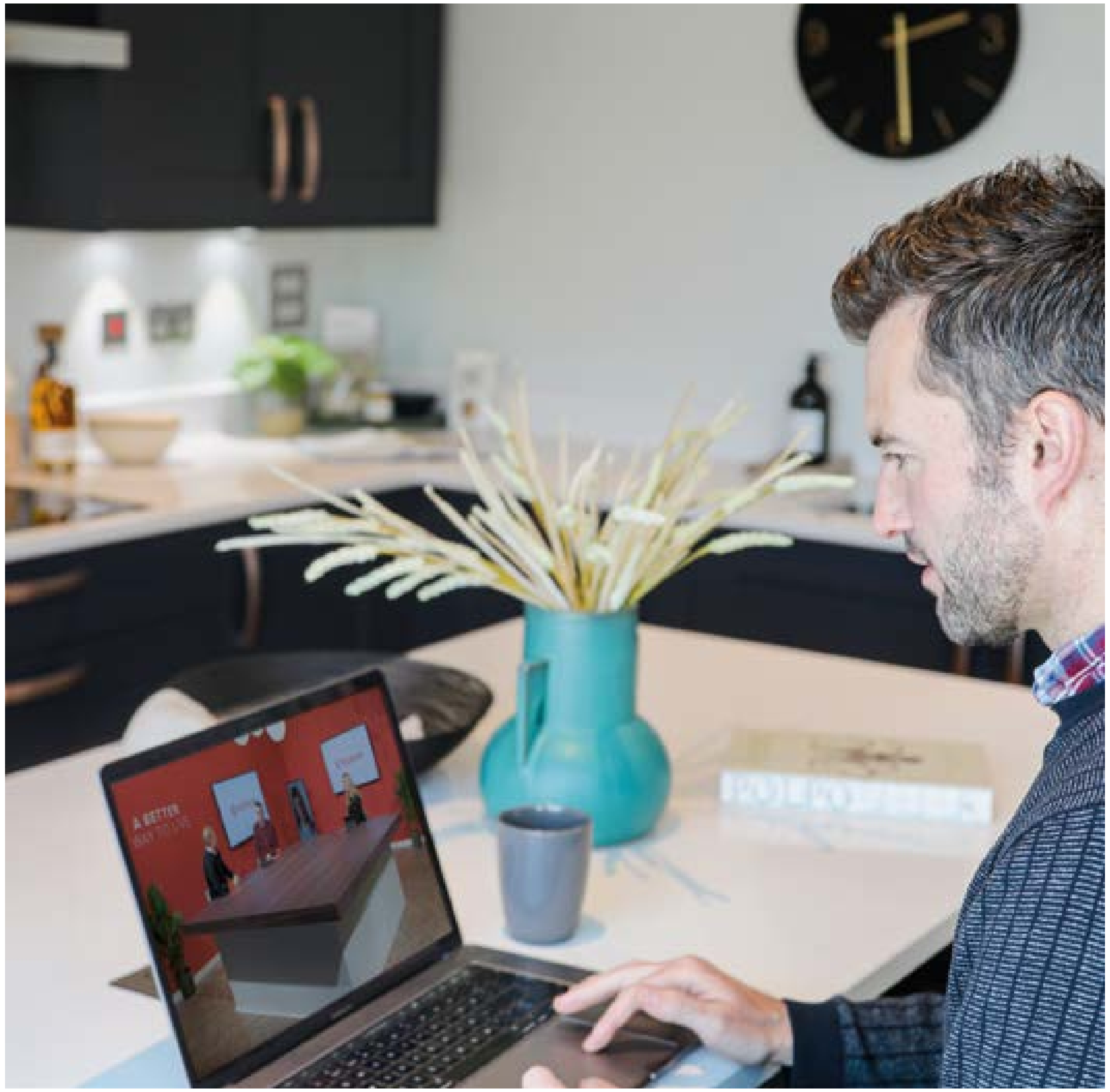
ALL-COLLEAGUE CONFERENCE

In January 2022, we hosted our first all-colleague staff conference. The virtual format allowed everyone to attend, whether they worked on-site or in the office. This made it inclusive for all and engaging with the whole workforce, while minimising business disruption. Holding the conference online also had sustainability benefits by avoiding travel for attendees.

The conference covered a range of important topics, including ESG and sustainability, Modern Methods of Construction, material availability, flexible working, land buying and our policies and procedures. Feedback after the conference gave it a 4.3 out of 5 rating and a host of positive comments from employees.

'I really enjoyed how smoothly the conference ran and how interactive the presentations were. The presentations really motivated me and made me feel proud to work for a company that cares so much for its employees and encourages growth at an individual and Group level.'

Redrow colleague



LAUNCHING OUR NEW VOLUNTEERING APPROACH

One of the outcomes from Redrow 2025 was that our employees wanted to use their talents to support charities and community organisations in their neighbourhoods. We see volunteering as an important part of our commitment to thriving communities, and we also recognise the benefits to our people in terms of job satisfaction, team bonding and having the chance to give something back.

In response, we launched our new volunteering policy in January 2022, which allows employees to take two days paid leave each year to contribute to local causes. We've challenged our employees to volunteer a total of 1,000 days in the first year, to kick start the campaign.

STRATEGY IN ACTION

Volunteering at Nightingale House Hospice

To support the 1,000 days of volunteering, a group of employees from Group Services attended the Nightingale House Hospice in Wrexham over two days and carried out work in the garden.

They trimmed trees, dug over flower beds so they were ready for planting, removed weeds from paths to improve the view from the bedrooms, and potted seedlings to be sold to raise funds.

"The regular volunteers were very pleased with the amount of work that was finished during the time we were there. It was a great opportunity to meet staff from different departments, which helps develop a cohesive working environment, not to mention the fun spending time outdoors.'

Jenny Warsaw
HS&E Secretary

A selection of community projects supported by our community funds during the year

LOCAL COMMUNITY FUNDS

All of our divisions help local charities. This allows them to support community activities in a personal and targeted way that really makes an impact. We have, for example, donated lifesaving defibrillators, supported hospices and gifted books to local schools.

NSPCC AND CHILDLINE

Several of our employees volunteered at the NSPCC's base in Liverpool, to restore the outside area and bring it back to life.

We also raised funds to support the NSPCC's work. We ran a campaign to encourage employees to fill out their personal details on our human resources system, we will be donating £10 to the NSPCC for everyone who took part. We also funded the NSPCC's Childline for a day and asked some our mental health first aiders along to see first-hand the great work Childline does.

childline
A life-changing NSPCC service

VALUING PEOPLE

HEALTH AND WELLBEING

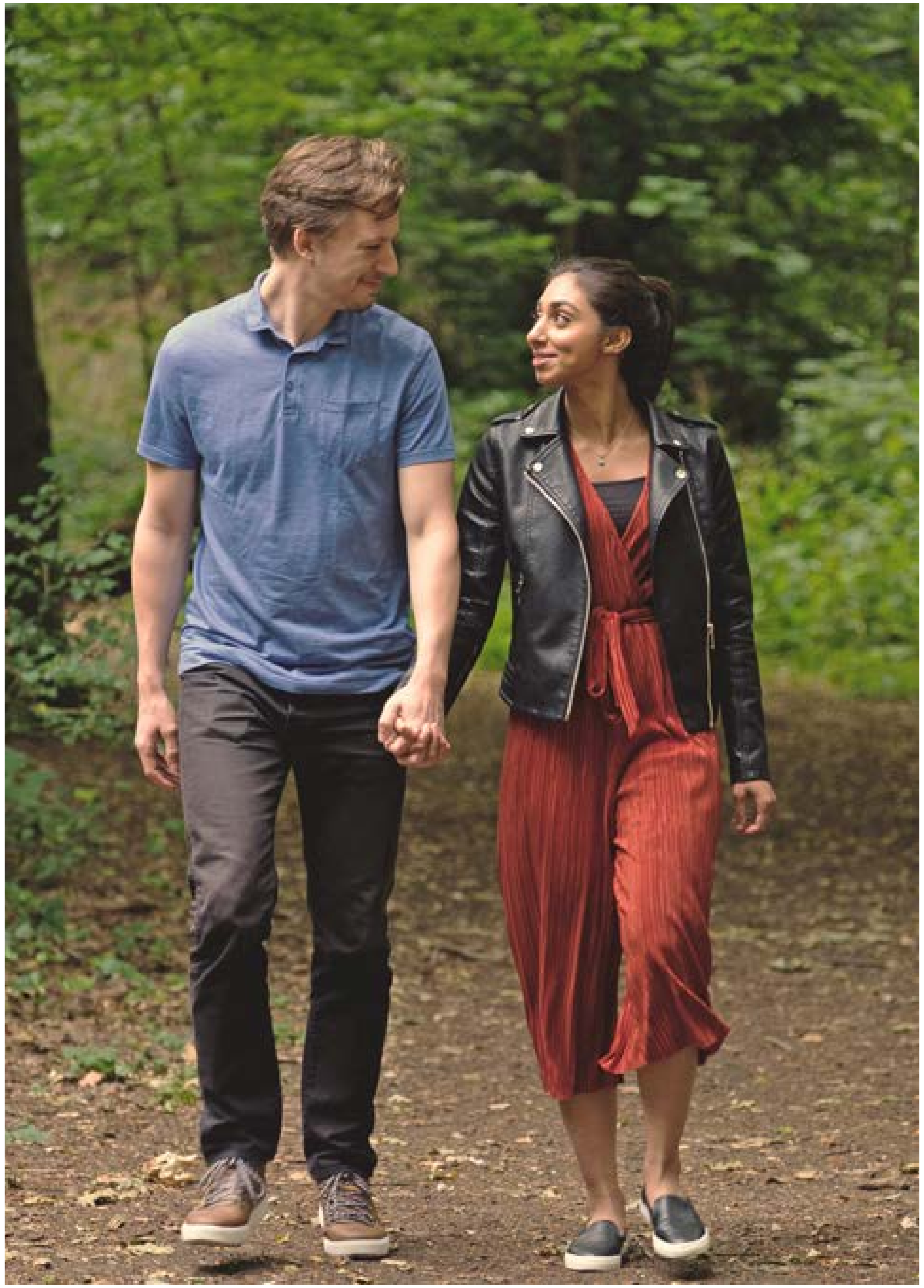
Protecting and supporting our colleagues physical and mental health is an important part of our commitment to valuing people. During the year, we hosted frequent webinars on health and wellbeing.

Several of the webinars covered different aspects of mental health, such as stress awareness; Andy's Man Club, which promotes men's mental health; Time to Talk day, which encourages people to come together, talk and change lives; and supporting children's mental health, which we ran with the NSPCC. We also continue to train employees to be mental health first aiders and we now have more than 140 trained people across our offices and sites.

Other webinars have covered physical health topics, such as breast and testicular cancer, and specific issues such as baby loss awareness. We've also run seminars on helping people to prepare for retirement, with pensions and retirement sessions in conjunction with Legal & General.

As discussed on pages 80 to 81, we promote different ED&I topics each quarter. During our quarter on disability, we ran a poll which showed that the top two conditions our employees wanted to learn about were autism and arthritis. We did an introduction to neurodiversity through toolbox talks, to help us make reasonable adjustments if needed to support employees. We also hosted a webinar on autism and arthritis for all our employees.

Providing opportunities for people to enjoy local, nature-rich spaces is part of our Nature for People strategy and can support wellbeing



LEARNING AND DEVELOPMENT

Ensuring we have the right skills in place is vital to the future success of our business. We continue to recruit and develop young talent through our graduate programme, our focus on internal succession and upskilling of our management colleagues to meet the future demands of the business.

GRADUATE OPPORTUNITIES

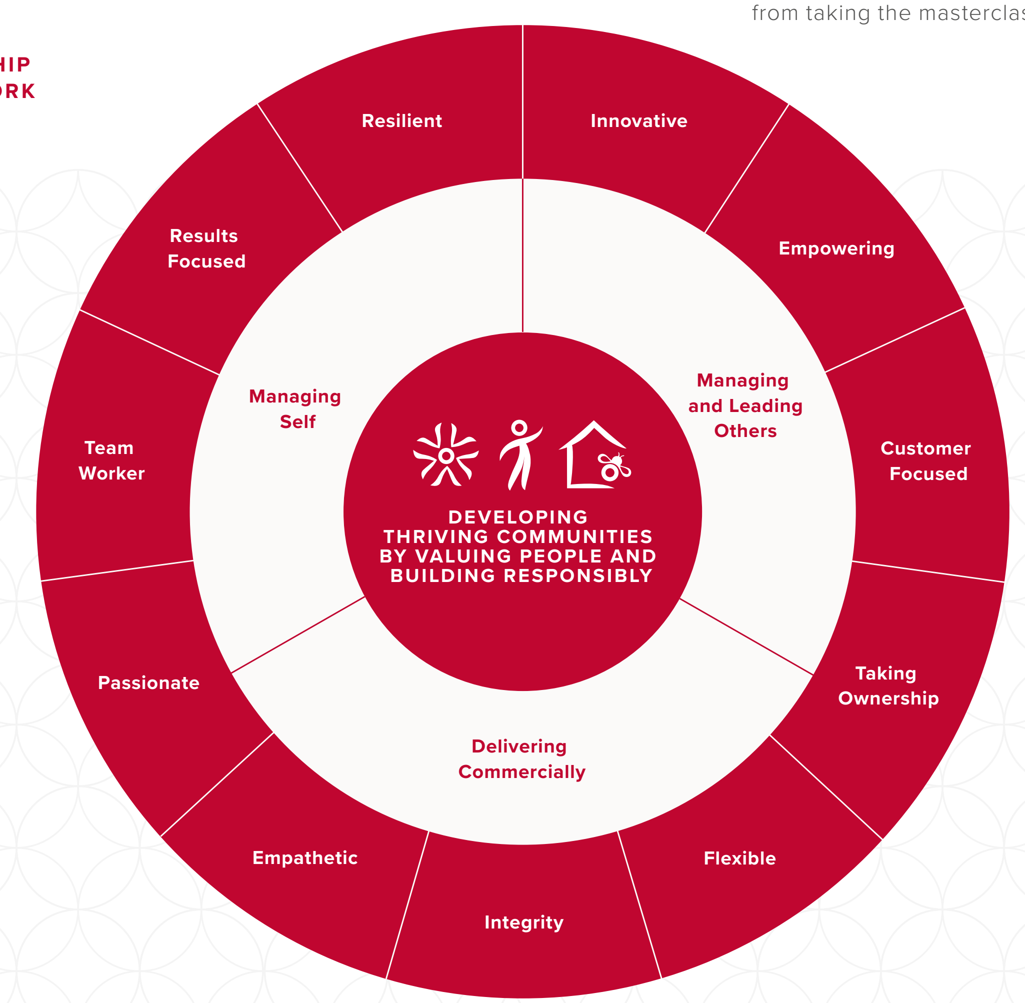
To ensure we'll have the skills we'll need to support our growth strategy, it's essential that we recruit and develop young talent. Our graduate programme is highly successful and numerous people who joined us through it in previous years are now in senior positions across the Group.

As discussed in the Equality, Diversity and Inclusion section on pages 80 to 81, we've focused on diversity in our graduate recruitment and set a target to increase the percentage of females in the graduate intake to 40% by 2025. To help us recruit diverse young people, we make it clear in our advertising that our roles are open to graduates from any discipline, to ensure that everyone feels included.

MANAGEMENT MASTERCLASSES

Our courses for managers now include a series of seven Management Masterclasses, which equip them with the competencies they need to effectively manage their teams. The competencies are set out in our recently updated leadership framework and the topics covered in the masterclasses range from interviewing skills to managing their own personal development. To date, nearly 200 colleagues have benefitted from taking the masterclasses.

LEADERSHIP FRAMEWORK



TRAINING

Following the pandemic our overall figures have increased from 2021. We have continued to use the blended approach of online facilitation together with face to face training. Online courses are typically shorter in duration than face to face sessions due to their nature. This explains the reduction from 2019 when most courses were held on a face to face basis. We expect our figure to increase in 2023 due to our increasing proportion of qualification led training.

4,819

Training days: up 18% (2021: 4,083)

All our in-house training and learning courses are provided via our YourLearning platform, which employees can access on any device at any location, making the courses more accessible to everyone. We've made our training offering more robust and we now offer e-learning, electronic books, podcasts and individual coaching support, as well as a wide range of training courses.

External coaching is part of our succession planning strategy and is available to all employees who want support. We have a range of coaches working with employees, so they're equipped with the skills to take on a new role when the opportunity arises.

Training days per employee at 2.19 days is a 21% improvement on the prior year and is progressing towards our target of 3 days per employee per year.

SUCCESSION PLANNING AND PROMOTION

Succession planning has always been important to us, as we look to develop the next generation of homebuilders. We're pleased that our work to develop our people allowed us to make 261 internal promotions during the financial year (FY21: 211).

A proportion of our employees voluntarily leave or retire each year. While it's important that we retain talented people in the business, an appropriate level of turnover also creates opportunities for internal promotions or to bring in people with fresh perspectives. During the year, our turnover rate was 19.4%, against 14.3% last year.

While this is higher than we would like, we do recognise that we are in a highly competitive market with a skill sector shortage. We also appreciate that this figure has been influenced by our strategic decision to reduce activities in our London division.

WORK EXPERIENCE

Offering work experience to 16 to 18 year olds helps to attract the next generation into the sector. We've recently launched a new work experience programme, to enable young people to try out all the career options open to them in housebuilding.

We also held our first virtual work experience day in July 2022. More than 20 students spent the day with the Commercial, Construction, Technical and Land and Planning teams. We intend to continue with this effective way of reaching out to young people.

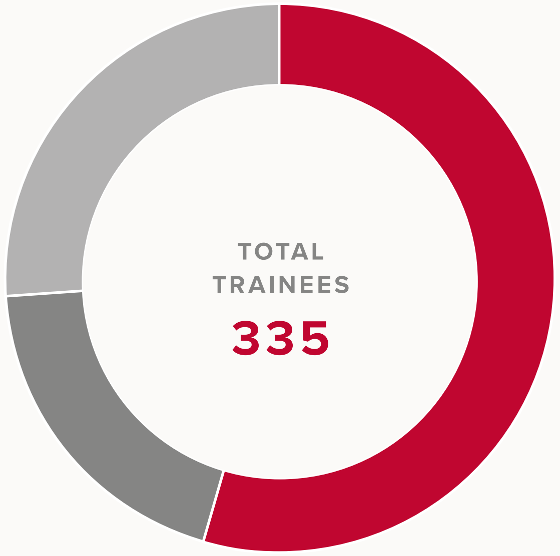
2.19

Training days per employee (2021: 1.81)

Training in progress at the Tamworth Training Centre

ADDRESSING SKILLS GAPS

The industry continues to face a shortage of skills, so it's vital we bring in and train new talent. In addition to our graduate programme (see Learning and Development on pages 90 to 91), we offer apprenticeships and other training opportunities. In total, 15% of our workforce are trainees, meeting our KPI of 15% and maintaining a similar level as in FY21.



TOTAL EMPLOYEES
2,239

Apprentices	183
Graduates	65
Other	87

NHBC TRAINING HUB

In the previous financial year, we developed a Training Hub with the NHBC. The facility focuses on developing the skills needed in the housebuilding sector, with the aim of producing bricklayers who can make a positive contribution onsite earlier in their apprenticeship and complete their programme within 18 months. The model includes five weeks of upfront training, both theory and practical, in a training facility that looks and acts like a genuine building site.

The Hub has now been open for more than a year. It can train around 20 people at a time, with six intakes annually from across the industry. We currently have 15 of our apprentices on the programme, with around 20 more lined up to start later this year. The Hub is proving very successful as the programme is shorter than traditional training and contractors are already benefiting from the apprentices having some skills before they enter the site.

'I wasn't sure it made sense sending a 16 year old all the way from Portsmouth to a training centre in the Midlands for his bricklaying training, but I've eaten my words. He has come back from the Training Hub more mature, conscientious, responsible and with improved communication skills, and the difference in his practical ability is incredible.'

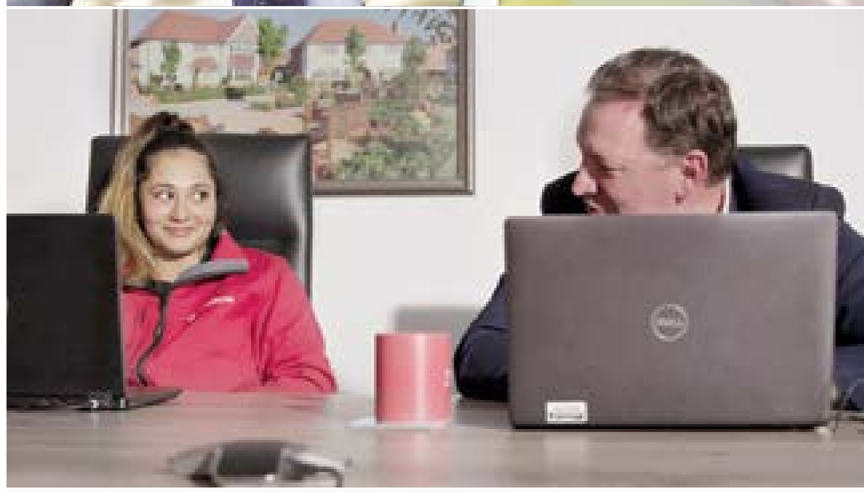
Darren J Smith
Construction Director
Redrow Southern Counties

REDROW DEGREE PROGRAMME

In 2017, we launched a BSc (Hons) in Construction Management in Housebuilding, in partnership with Coleg Cambria in Wrexham and Liverpool John Moores University. During the three-year course, students learn a wide range of skills needed to work in different departments. Each year includes six block weeks of learning, with the rest of the time spent on Redrow sites. This provides a great alternative to going to university for motivated students.

"I gain first-hand experience within the industry, as well as getting paid a full time salary. Redrow are there for me every step of the way... They have really exceeded my expectations in terms of support."

Jasmine Parker
Redrow Degree Undergraduate



I ENJOYED THE DAY AND **I LEARNED A LOT**

Annie told me a couple of things we'll pick up, such as the importance of mentoring for female employees. It was a reminder of how many young superstars we have across the business and we really want to play our part in bringing the next generation through."

Matthew Pratt
Group Chief Executive

Matthew Pratt and Annie Mistry taking part in the job swap

GROUP CHIEF EXECUTIVE AND APPRENTICE JOB SWAP

Ahead of National Apprentice Week in February 2022, our Group Chief Executive Matthew Pratt and level 2 carpentry apprentice Annie Mistry had the chance to experience each other's roles through a job swap. The Board takes a strong interest in our young talent and the idea of the job swap was to give Matthew direct insight into an apprentice's work and responsibilities on-site, while giving Annie a chance to understand the role of the Group Chief Executive and gain an overall perspective of the business.

We created a video aimed at potential new apprentices, which we launched during National Apprenticeship Week. You can watch the video at: https://www.youtube.comwatch?v=tPa64fiYSVY.

"It was really fun and it's definitely made me see a different side to the business. Redrow is a great employer because there's so much room for progression and they give you countless opportunities."

Annie Mistry
Redrow Carpentry Apprentice

FINANCIAL REVIEW

The share buyback of up to £100m launched in July 2022 will return to shareholders cash which is surplus to that needed for growth and our ongoing dividend payout ratio.

BARBARA RICHMOND
Group Finance Director

UNDERLYING PERFORMANCE

This year the Group has delivered an excellent financial performance. Our underlying operating profit at £414m[1] (2021: £321m) represents a return to the pre Covid-19 record levels achieved in 2019 (2019: £411m). Careful control of working capital resulted in an underlying return on capital employed of 24.54%[1] (2021: 18.53%) and we generated £128m of cash, ending the year with net cash of £288m (2021: £160m). FY22 was a 53 week year compared to FY21 which was a 52 week year.

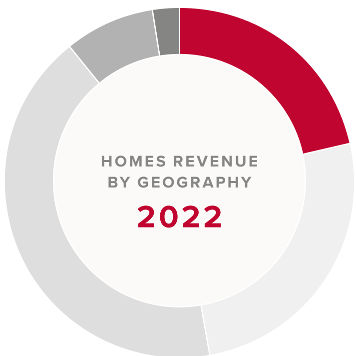
These results, combined with the regular review of our cash needs to achieve our long term growth plans and the prevailing share price which was at a significant discount to net asset value, led to the launch in July of a share buyback of up to £100m. This will return to shareholders cash which is surplus to that needed for growth and our ongoing dividend payout ratio.

REVENUE, LEGAL COMPLETIONS AND OUTLETS

Total Group revenue was £2.1bn (2021: £1.9bn), an increase of 10%. Homes revenue increased by 11% to £2.1bn (2021: £1.9bn) from the completion of 5,715 new homes (2021: 5,620) and other revenue from land sales was lower than in the prior year as expected at £21m (2021: £37m which included the disposal of two London sites the Group decided not to build out).

Homes Revenue has grown substantially in all the regional businesses. Total Homes revenue for the ongoing business[1] increased by 20%, more than compensating for the reduced revenue as we build out our remaining non-core London sites. Despite outlets constraining volume growth, we have increased revenue due to product and geographical mix within and across regions, together with house price inflation.

Revenue from private houses increased by 23% to £1.7bn (2021: £1.4bn) whilst revenue from private apartments decreased by 28% to £0.2bn (2021: £0.3bn) in line with the growth of the regional housing businesses and reduction of the London apartments business.

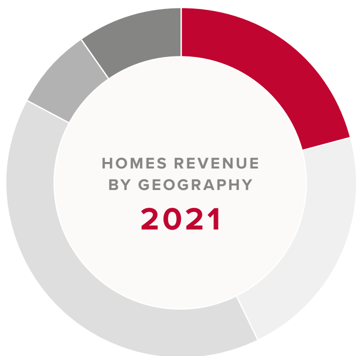


North	£458m
Central	£547m
South	£889m
Colindale	£173m
Total Homes Ongoing	**£2,067m**
Build Out (London)	£52m

Affordable revenue was marginally down at £207m (2021: £214m) due to the timing of legal completions. It represented 10% of homes revenue (2021: 11%).

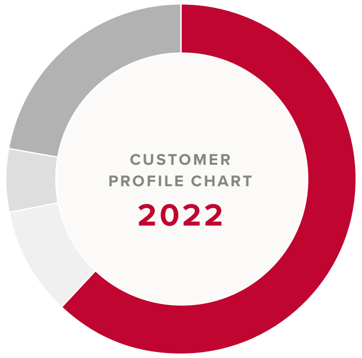
Our Heritage Collection contributed 88% of private revenue in the year up from 79% last year. This reflects the strategic shift towards quality family detached homes in primary regional locations, focusing on the home mover segment.

Average selling price increased by 9% to £370,800 (2021: £338,500) reflecting an increase in both private and affordable housing selling prices compared to the previous year. The private average selling price at £428,200 was 9% higher than last year (2021: £391,900) and affordable housing selling prices increased by 2% to £165,600 (2021: £162,900).

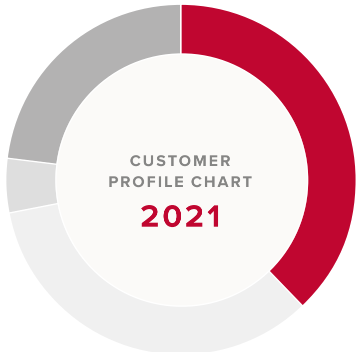


North	£401m
Central	£416m
South	£758m
Colindale	£146m
Total Homes Ongoing	**£1,721m**
Build Out (London)	£181m

We delivered 5,715 legal completions in FY22, a 2% increase on prior year levels (2021: 5,620). Affordable homes represented 22% of legal completions (2021: 23%).



Other Private	62%
HTB	10%
Investors	6%
Affordable	22%



Other Private	38%
HTB	34%
Investors	5%
Affordable	23%

Average active outlets decreased to 111 (2021: 117) broadly in line with the guidance we issued last year. This decrease reflects the combination of a strong housing market and the time required to obtain implementable planning permissions. Given our success in land buying in the last two years, we continue to guide to an average of 134 active outlets in the 2024 financial year subject as ever to the operation of the planning system.

RESERVATIONS AND ORDER BOOK

The Group secured £1.82bn of net private reservations in the 53 weeks to 3 July 2022 compared to £1.79bn on a like for like 53 week basis in the previous year. We ended the financial year with a private order book of £1.1bn (2021: £1.2bn) and a total order book of £1.4bn, broadly in line with last year.

PROFITABILITY

Underlying gross profit was £516m[1], a 25% increase on the prior year (2021: £414m). This represents an underlying gross margin of 24.1%[1] (2021:21.4%) with house price increases more than covering build cost inflation.

Administrative expenses increased by £9m to £102m (2021: £93m) due to cost inflation in the second half of the year and the increased investment in the Southern division prior to its official opening at the end of June. Administrative expenses are 4.8% of revenue, in line with the previous year (2021: 4.8%).

The Group therefore delivered an underlying operating profit of £414m[1] (2021: £321m) in the year at an operating margin of 19.3%[1] (2021: 16.6%).

Net financing costs at £4m were £2m lower than the prior year with bank interest reducing due to the improved net cash position. We had an average monthly net cash balance of £250m for the year compared to £142m the previous year.

As a result, the Group delivered an underlying profit before tax of £410m[1] (2021: £314m) for the year with underlying basic earnings per share up 30% at 96.0p[1] (2021: 73.7p).

On 5 April 2022, the Group signed the Government's Building Safety Pledge in respect of funding the remediation of life critical fire safety issues on buildings over 11 metres in which the Group were involved, whether or not it constructed them, going back 30 years. An additional £164m legacy fire safety provision was created and charged to cost of sales in April in respect of the buildings the Group has agreed to remediate solely as a result of signing the voluntary Building Safety Pledge. This has been treated as exceptional as it is outside the normal course of business, non-recurring and material by size and nature. A copy of our signed pledge letter can be found on our website www.redrow.co.uk.

As a result of the exceptional item noted above statutory gross profit delivered was £352m (2021: £414m), statutory operating profit was £250m (2021: £321m) and statutory profit before tax was £246m, a reduction of £68m on the prior year (2021: £314m).

TAX

The corporation tax charge for the year was £49m (2021: £60m). The Group's tax rate for 2022 was 20% (2021: 19%). This increase in effective rate is a result of the introduction by HMRC of Residential Property Developer Tax (RPDT) at the rate of 4% from 1 April 2022 as the Group falls within the scope of this new tax which aims to provide funds for the Government's Building Safety fund. The normalised rate of corporation tax for the year ending 30 June 2023 is projected to increase to 24.5% based on corporation tax and RPDT rates which are substantively enacted currently.

The Group paid £55m of corporation tax in the year (2021: £54m), in four instalments.

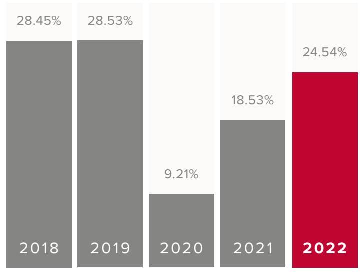
DIVIDENDS

The Board has proposed a 2022 final dividend of 22.0p per share which will be paid on 16 November 2022 to Shareholders on the register on 23 September 2022, subject to Shareholder approval at the 2022 Annual General Meeting. This gives a full year dividend of 32.0p (2021: 24.5p) on underlying earnings per share of 96.0p[1] (2021: 73.7p), a payout ratio of 33% of underlying earnings, in line with our stated policy.

RETURNS

Net assets at 3 July 2022 were £1,950m (2021: £1,872m), a 4% increase representing a net asset value of £5.54 per share (2021: £5.32 per share). Capital employed at the same date was £1,662m (2021: £1,712m) down

3% due to the increased net cash. Our return on capital employed increased to 24.54%[1] (2021: 18.53%) (See note 15f). Return on equity also increased from 17.95% to 21.45%[1]. (See note 23).



UNDERLYING RETURN ON CAPITAL EMPLOYED

LAND

Our gross investment in land at £1,710m (2021: £1,526m) increased significantly as we continued to invest in land and comprises land holdings owned with planning of approximately 5.2 years (2021: 5.2 years).

Our land buying expertise, placemaking and design abilities and strong balance sheet helps us secure quality land holdings in primary locations. During the financial year the Group acquired c6,000 plots with planning permission to add to our current (owned and contracted) land holdings (2021: c8,300). We closed the year with 29,600 plots in the current land holdings, a slight increase on prior year levels (2021: c29,460 plots).

North	6,995 plots
Central	7,573 plots
South	12,599 plots
London	2,433 plots

Forward land is also important to us and we purchased a number of strategically important forward land holdings during the year, closing the year with forward land holdings of 37,800 plots (2021: 34,400 plots). Approximately 27% of our current land holding additions in FY22 came from our forward land holdings. This is lower than the prior year due to the time taken to secure implementable planning permissions (2021: 43%).

Land creditors increased by £82m to £376m at June 2022 (2021: £294m) representing 22.0% of gross land value, an increase on the prior year (2021: 19.3%).

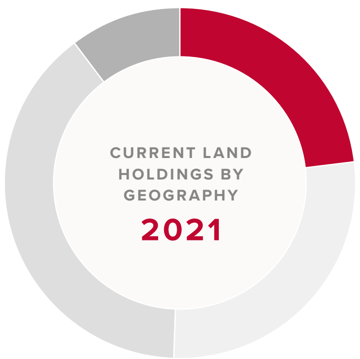
Our owned plot cost has increased by £5,000 to £81,000 (2021: £76,000) whilst still representing 19% (2021: 19%) of the average selling price of private legal completions in the year. This reflects the geographic mix of our land purchases in the year.

WORK IN PROGRESS

Our investment in work in progress has increased by £43m to £1,030m (2021: £987m) reflecting increased activity levels. As a percentage of Homes turnover it reduced to 49% from 52% last year, due to the reduction in apartment schemes.

RECEIVABLES

Trade receivables and contract assets decreased by £30m at 3 July 2022 to £45m (2021: £75m) due primarily to the timing of PRS receipts. Other receivables increased from £21m to £25m mainly due to the timing of the recovery of VAT on land purchases.



North	6,796 plots
Central	8,165 plots
South	11,475 plots
London	3,024 plots

PAYABLES

Trade payables, customer deposits and accruals were £6m higher than 2021 levels at £613m (2021: £607m) with trade payables increasing and customer deposits and accruals decreasing reflecting levels and timing of activity.

PROVISIONS

Provisions increased by £173m during the year primarily due to the £164m exceptional legacy fire safety provision mentioned earlier together with a pre pledge £10m increase on June 2021 remedial provision levels actioned at our December 2021 half year end. We expect £97m to be utilised in FY23.

CASH FLOW AND NET CASH

There was a cash inflow generated from operations of £318m in the year (2021: £362m). This is due to the increase in legal completions and hence revenue and cash receipts more than offsetting our continued investment in inventories. As a result we closed the year with a net cash of £288m (2021:£160m). Our cash conversion percentage (see note 23) was 125% compared to 110% in the prior year.

FINANCING AND TREASURY MANAGEMENT

Our unsecured £350m syndicated loan facility was extended in March 2021 and is due to mature in September 2025.

Redrow remains a UK based housebuilder and therefore the main focus of its financial risk management surrounds the management of liquidity and interest rate risk. Financial management at Redrow is conducted centrally using policies approved by the Board.

(i) Liquidity

The Group regularly prepares and reviews its cash flow forecasts and stress tests them. These are used to manage liquidity risks in conjunction with the maintenance of appropriate committed banking facilities to ensure we maintain medium term committed banking facilities sufficient for a major market breakdown.

Facilities are kept under regular review and the Group maintains regular contact with its banks and other financial institutions; this ensures Redrow remains attuned to new developments and opportunities and that our facilities remain aligned to our strategic and operational objectives and market conditions.

Our current banking syndicate comprises six banks and in addition to our committed facilities, Redrow also has further uncommitted bank facilities which are used to assist day to day cash management.

(ii) Interest rate risk

The Group is exposed to interest rate risk as it borrows money at floating rates. Redrow occasionally uses simple risk management products, notably sterling denominated interest rate swaps, as appropriate to manage this risk. Such products are not used for speculative or trading purposes. Redrow regularly reviews its hedging requirements. No hedging was undertaken in the year or the previous financial year and no interest rate swaps are held currently (2021: nil).

PENSIONS

As at 3 July 2022, the Group's financial statements showed a £39m surplus (2021: £40m surplus) in respect of the defined benefits section of The Redrow Staff Pension Scheme (which closed to future accrual with effect from 1 March 2012).

Barbara Richmond
Group Finance Director

The Oxford house type at Lavant View, Chichester, West Sussex

1 Redrow uses a variety of statutory performance measures and alternative performance measures when reviewing the performance of the Group. Underlying is defined as any statutory or alternative performance measure pre-exceptional items. See note 23 for an explanation and reconciliation of these alternative performance measures.

HOW WE MANAGE RISK

MONITORING AND REPORTING

BOARD OVERSIGHT

MAIN BOARD

- Audit Committee
- Nomination Committee
- Remuneration Committee
- Placemaking and Sustainability Committee

OPERATIONAL MEETINGS

EXECUTIVE MANAGEMENT TEAM

- Divisional Boards
- Functional Seminars
- Team Meetings

POLICIES FOR IDENTIFYING AND CONTROLLING RISKS

- Budgeting & Forecasting
- Price & Sales Monitoring
- Cost Reviews
- Land Bank Management

PROCEDURES AND INTERNAL CONTROLS

- Business Policies and Procedures
- Authorisation Processes
- System Based Controls
- Business Process Reviews
- Site Completion Reviews

PEOPLE AND CULTURE

- Professionalism
- Clear Communication
- Qualified Personnel
- Pride and Achievement
- Interests Aligned with Stakeholders
- Commitment to Training

BUSINESS RISKS

POLICIES AND DECISIONS

OUR RISK MANAGEMENT PROCESS

Our Risk Assessment Process

Key Risk Management Objectives:

- To ensure our approach to risk meets the ongoing needs of our business and its key stakeholders;
- To ensure that a robust assessment is made of emerging and principal risks;
- To effectively communicate our risks and define responsibilities in order to manage risk;
- To continually evaluate and review the impacts of any potential new risks occurring within our business; and
- To develop and implement action plans to mitigate risks as appropriate.

IDENTIFY	MITIGATE	REVIEW	MONITOR
Key areas of focus	Implement control processes and insurance	Performance, principal risks and controls	Use of key risk indicators

MAIN BOARD

- The ultimate responsibility for the effective management of the risks we face in order to achieve our strategic and financial objectives lies with the Main Board;
- Material and emerging risks and principal concerns are identified and robustly assessed as part of our risk assessment framework, following a detailed review of the Company's strategic objectives;
- These headline risks are then approved by the Board to be included within our risk register;
- The risk register is reviewed formally annually and updated for any new risks identified during our Risk Assessment processes; and
- It is also presented to the Audit Committee for final review and consideration to ensure that it is appropriate and reflects our business risks.

OPERATIONAL DIVISIONS

- All identified high level risks are then further broken down into components and sub level risks to be considered at the divisional level and Group department level;
- Management responsibility to implement the Board's polices on risk management and internal controls; and
- Internal controls operated to mitigate, control and continuously monitor these risks.

RISK OWNERS & EXECUTIVE MANAGEMENT TEAM

- Any new risks identified at divisional level and Group department level are individually robustly assessed and evaluated on their potential impact to the business and its likelihood of occurrence;
- These risks are then communicated to the Risk Owners who will use this assessment to inform their formal view on these risks and all previously identified risks;
- The probability and potential impact for each sub level risk is assessed by the Risk Owners;
- It is then the Risk Owners responsibility to ensure key preventive and detective controls are designed and implemented to address these risks and ensure their inclusion in our risk register; and
- Group Policies and Procedures are updated to reflect any new or improved key controls or processes.

PRINCIPAL RISKS

The Board has carried out a robust assessment of the Group's emerging and principal risks.
The following tables outline Redrow's principal risks, together with key controls and mitigating strategies.

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
BUILDING RESPONSIBLY VALUING PEOPLE	**KEY SUPPLIER OR SUBCONTRACTOR FAILURE** The failure of a key component of our supply chain to perform due to financial failure or production issues could disrupt our ability to deliver our homes to programme and budgeted cost. This year the risk has increased due to inflationary pressures on both materials and labour and supply chain capacity issues. There has also been an increase in demand for specialist remediation contractors to undertake life critical fire safety remediation work.	Group Head of Commercial	Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact. Monitoring of subcontract supply chain to maintain appropriate number for each trade to identify potential shortage in skilled trades in the near future. Subcontractor utilisation on sites monitored to align workload and capacity. Materials forecast issued to suppliers and reviewed regularly. Collaborate with Supply Chain Partners in development of supply continuity strategies. Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment. Tracking of construction cost movements.	↑	• Material and trade shortages • Material and trade price increases • Advance payment applications • Reluctance to tender for new business
THRIVING COMMUNITIES	**HOUSING MARKET** The UK housing market conditions have a direct impact on our business performance. Whilst pandemic risk has been reduced in the year, this has been offset by increased economic uncertainty as a result of the war in Ukraine, energy price increases and cost of living inflation.	Group Chief Executive	Ongoing and regular monitoring of Government policy consultations and developments and lobbying as appropriate. Close monitoring of Government guidance. Market conditions and trends are being closely monitored allowing management to identify and respond to any sudden changes or movements. Weekly review of sales at Group, divisional and site level with monitoring of pricing trends and customer demographics. Ensuring strong relationships with lenders and valuers to ensure they recognise our premium product. Delegated Crisis Committee established with Executive Board meetings a minimum of twice weekly in times of crisis.	→	• Leading market indicators re volumes and values • Weekly sales statistics
THRIVING COMMUNITIES VALUING PEOPLE	**CUSTOMER SERVICE** Failure of our customer service could lead to relative under performance of our business.	Group Customer & Marketing Director	Customer and Quality Director. My Redrow website to support our customers purchasing their new home. Increased use of digital and virtual communication tools. Online systems provide a full audit trail of the sales process. Full training on New Homes Ombudsmen requirements. Attention to customer feedback supported by a process at nine months post occupation to address root cause of customer fatigue and dissatisfaction. Bespoke digitisation of complaints management system for improved visibility and efficiency. Regular review of our marketing and communications policy at both Group and divisional level.	→	• Customer satisfaction metrics (see page 59). • NHBC Construction Quality Review scores and Reportable Items (see pages 54 to 55)

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
THRIVING COMMUNITIES BUILDING RESPONSIBLY VALUING PEOPLE	**PLANNING AND REGULATORY ENVIRONMENT** The inability to adapt to changes within the planning and regulatory environment could adversely impact on our ability to comply with regulatory requirements. This year the risk has increased due to the house building industry being subject to a rapidly moving Government regulatory agenda.	Group Communities Director, Group Human Resources Director, Group Company Secretary and Managing Director (Harrow Estates)	Lobby and communicate with local authorities to facilitate early collaboration to shape developments including where a National Model Design Code (NMDC) is required. Close management and monitoring of planning expiry dates and CIL. Well prepared planning submissions addressing local concern and deploying good design. Careful monitoring of the regulatory environment and regular communication of proposed changes across the Group through the Executive Management Team. Proactive approach to managing data protection with multi-functional team meeting regularly. Effective engagement with local authorities to understand the extent of their policies relating to climate change.	↑	• Government consultations • Planning approval statistics • Proposed Government legislation
THRIVING COMMUNITIES BUILDING RESPONSIBLY	**SUSTAINABILITY** Risks associated with failure to embed sustainable development principles.	Group Communities Director	Preparation and planning underway for Future Homes standard. Preparation for future Environmental Bill through implementation of our Nature for People Strategy. Close monitoring of Government guidance. Regular benchmarking against peers. ESG scorecard. Risks and Opportunities assessment aligned to TCFD framework. Training for divisional teams.	→	• Group GHG emissions Scope 1 & 2 • % of timber certified • Average SAP rating • Tonnes of construction waste per 100m² build • % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
THRIVING COMMUNITIES BUILDING RESPONSIBLY VALUING PEOPLE	**HEALTH AND SAFETY/ENVIRONMENT** Non-compliance with Health & Safety standards and Environmental regulations could put our people and the environment at risk. This year the risk has reduced slightly due to increased awareness of environmental controls and improved actual performance.	Group Health and Safety and Environmental Director	Dedicated in-house team operating across the Group to ensure compliance of appropriate Health and Safety standards supported by external professional expertise. HS&E Assurance Audits. Monthly Divisional HS&E Leadership meetings. Group and Regional HS&E Leadership meetings. Internal and external training provided to all employees. Divisional Construction (Design and Management) Regulation (CDM) inspections carried out to assess our compliance with our client duties under CDM. Health and Safety discussion at both Group and divisional level board meetings supported by performance information. CDM competency accreditation requirement as a minimum for contractor selection process. Regular monitoring and reporting on environmental performance.		• Annual Injury Incidence Rate (AIIR) (see pages 6 to 7) • HS&E Assurance Audits outcomes • 'Near Miss' statistics
BUILDING RESPONSIBLY	**CYBER SECURITY** Failure of the Group's IT systems and the security of our internal systems, data and our websites can have significant impact to our business.	Chief Information Officer	Cyber Awareness campaigns. Communication of IT policy and procedures to all employees. Regular systems back up and storage of data offsite. Internal IT security specialists. Use of third party entity to test the Group's cyber security systems and other proactive approach for cyber security including Cyber Essentials Plus accreditation. Compulsory GDPR and IT security online training to all employees within our business. The systems have proved resilient to increased home working. Cyber Insurance.		• Level of instances reported in the media • Penetration test results
THRIVING COMMUNITIES BUILDING RESPONSIBLY	**LAND PROCUREMENT** The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance. This has increased slightly during the year due to the impact of regulatory requirements.	Group Chief Executive	Proactive monitoring of the market conditions to implement a clear defined strategy at both Group and divisional level. Experienced and knowledgeable personnel in our land, planning and technical teams. Appropriate investment in strategic land programme supported by specialist Group team. Effective use of our Land Bank Management system to support the land acquisition process. Close monitoring of progress of relevant Local Plans. Peer review by Legal Directors and use of third party legal resources for larger site acquisitions to reduce risk. Monitoring of emerging legislation to inform land assessments and purchase terms.		• Forward land pull through (see page 96) • Owned land holding years (see page 5) • Land offer statistics

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
BUILDING RESPONSIBLY	**FRAUD/UNINSURED LOSS** A significant fraud or uninsured loss could damage the financial performance of our business.	Group Finance Director	Systems, policies and procedures in place which are designed to segregate duties and minimise any opportunity for fraud. Regular Business Process Reviews undertaken to ensure compliance with procedure and policies followed by formal action plans. Timely management reporting. Insurance strategy driven by business risks including Cyber Insurance. Fraud awareness training.		• Business Process Review outcomes • Insurance Review outcomes
BUILDING RESPONSIBLY	**AVAILABILITY OF MORTGAGE FINANCE** Availability of mortgage finance is a key factor facilitating liquidity in the housing market. This risk has decreased slightly in the year due to reduced likelihood of restriction on mortgage availability.	Group Finance Director	Proactively engage with the Government, Lenders and Insurers to support the housing market. Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.		• Loan to value metrics • Number of mortgage products readily available
THRIVING COMMUNITIES BUILDING RESPONSIBLY	**APPROPRIATENESS OF PRODUCT** The failure to design and build a desirable product for our customers at the appropriate price may undermine our ability to fulfil our business objectives. This risk has increased in the year due to the impact of increased regulatory requirements.	Group Design and Technical Director	Regular review and product updates in response to the demand in the market and assessment of our customer needs. Design focused on high quality build and flexibility to planning changes. Regular site visits and implementation of product changes to respond to demands. Focus on award winning Heritage Collection. Regular design and technical seminars. Monitor Government emerging legislation.		• Customer satisfaction metrics (see pages 6 and 7) • Focus Group feedback • Emerging planning regulation
VALUING PEOPLE	**ATTRACTING AND RETAINING STAFF** The loss of key staff and/or our failure to attract high quality employees will inhibit our ability to achieve our business objectives.	Group Human Resources Director	In-house training offering blended learning to all employees. Suite of development programmes for identified talent from first line manager to Director. Move to agile working practices embracing use of remote working. Graduate training, Undergraduate placements and Apprentice training programmes to aid succession planning. Bespoke housebuilding degree course in conjunction with Liverpool John Moores University and Coleg Cambria. Remuneration strategy in order to attract and retain talent within the business is reviewed regularly and benchmarked. Engagement Team and continued refinement of internal communications platform in addition to annual employee survey to create framework for strong, two-way communication. Flexible Working Policy.		• Employee turnover levels (see pages 8 and 9) • Employee engagement score (see pages 8 and 9)

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
BUILDING RESPONSIBLY	**LIQUIDITY AND FUNDING** The Group requires appropriate facilities for its short-term liquidity and long-term funding.	Group Finance Director	Medium term committed banking facilities sufficient for a major market breakdown. Regular communication with our investors and relationship banks, including visits to developments as appropriate. Regular review of our banking covenants appropriateness and design and capital structure. Ensuring our future cash flow is sustainable through detailed budgeting process and reviews and scenario modelling. Strong forecasting and budgeting process. Monitor requirements for future bonds in emerging planning agreements.	→	• Cash conversion • Forecast undrawn committed facilities
THRIVING COMMUNITIES BUILDING RESPONSIBLY VALUING PEOPLE	**CLIMATE CHANGE** Risks associated with the potential physical effects of climate change and the regulatory and mandatory reporting environment around climate change.	Group Communities Director	Risks and opportunities assessment aligned with TCFD framework. Ensure appropriate consideration is given to product design to mitigate impacts. Identify new products, processes and services aimed at improved energy performance and reducing Green House Gas emissions. Undertake climate-related scenario analysis. Commitment made to the Business Ambition for 1.5°C and to reach Science-based net zero carbon emissions no later than 2050.	→	• Group GHG emissions • Scope 1 & 2 • Average SAP rating

GOING CONCERN AND VIABILITY STATEMENT

An assessment of going concern is included in the Basis of Preparation section of Accounting Policies on page 242.

Viability

In accordance with Provision 31 of the UK Corporate Governance Code 2018, the Directors have assessed the prospects and viability of the Group.

The Directors' assessment has made reference to our current position, the potential impact of the principal risks facing the Group, together with the economic uncertainty arising from for example the war in Ukraine, energy price pressures and cost of living inflation and the Group's risk and risk management attitudes and processes.

The Group has a £350m Revolving Credit Facility (RCF) (2021: £350m) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Group Plc, Santander, HSBC and Svenska. This expires in September 2025 (2021: September 2025) and is a committed unsecured facility. As at 13 September 2022, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in September 2025.

The Directors have selected a three year timeframe over which to assess the viability of the Group from 4 July 2022 to 30 June 2025. This timeframe was selected as it corresponds with the Board's three year planning horizon.

On an annual basis, the Directors formally review the financial forecasts for the Group. These incorporate assumptions about the timing of legal completions of new homes and land purchases, selling prices, build cost inflation, profitability, working capital requirements and cashflows.

The three year plan has been stress tested taking into account the following robust downside assumptions:

- a 10% price reduction on all unexchanged private and social legal completions for FY23 and FY24 compared to base case Board approved budgeted prices;
- a 15% volume reduction for FY23 and FY24 compared to base case Board approved budgeted volumes;
- in addition to the build inflation incorporated within the base case Board approved budgeted costs, an additional 5% build cost inflation increase has been applied to all build costs from Q1 FY23 with further increases of 5% from Q1 FY24 and 2% from Q1 FY25; and
- FY25 legal completions at budgeted prices and volumes.

No mitigation has been applied.

The Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three year period ending 30 June 2025.

A more natural landscaping approach on our developments is valued by people and vital for wildlife

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

INTRODUCTION

The following section of the Company's Annual Report outlines Redrow's disclosure of climate-related risks and opportunities consistent with the TCFD's Recommendations and Recommended Disclosures, taking into account Section C of the TCFD Annex 'Guidance for All Sectors', using a comply or explain methodology.

This TCFD report builds upon our previous reporting, to fully comply with:

- Governance (all recommended disclosures);
- Strategy (Disclosure A – time horizons climate assessment, partially compliant in Disclosure B – business, planning and finance planning and C – resilience of strategy);
- Risk Management (all recommended disclosures); and
- Metrics and Targets (Disclosures A – metrics disclosed and C – targets, partially compliant in Disclosure B – emissions).

For Strategy Disclosures B and C, we are currently further integrating climate related issues into our business, financial and strategy planning, and are undertaking a review of governance of climate related risks and opportunities.

Outcomes, assumptions, scenarios and sensitivities of the scenario analysis will be used to influence how the business addresses potential risks and opportunities within future strategies, financial statements and actions to ensure resilience across the business under different scenarios.

For Metrics and Targets Disclosure B, our non-compliance with this section is due to our ongoing work around our Scope 3 emissions. We recognise that Scope 3 emissions are material to our footprint and without a full verified calculation the full extent of risks are uncertain to those outside of our organisation.

We currently manage our in-use building emissions through our development process and in line with building regulations. We also recognise our supply chain as material to our emissions whom is undergoing work to establish a verified methodology. We will commence reporting our Scope 3 emissions within the ESG Scorecard in FY23. The verification process of the Scope 3 emissions data is due to commence later this year.

The following section clearly references to where any relevant information can be found in other sections of this Annual Report, or separate sources. As this is the Company's first deep dive and quantification of climate scenario risks and opportunities, we are further committing to integrating our quantification and analysis into future business, strategy and financial planning, where not currently undertaken, by the end of FY23. This report has been completed under advisement and in collaboration with a specialist consultant.

In 2019 the UK Government made a commitment, in law, to becoming carbon net zero by 2050 and Redrow recognises the vital role that our business will play in this transition. The UK Green Building Council state that the built environment contributes around 40% of the UK's total carbon footprint [1], and energy use in homes accounts for 14% [2]. The built environment needs to be front and centre of the move to a lower-carbon economy. This makes our involvement in instigating business-wide change imperative. We understand that integrating climate-related risks into our operations and strategy will create opportunities which will allow our customers to make choices appropriate to a low carbon lifestyle, and to live in homes that are suitable for the changing climate. We will mutually support our supply chain in their own net zero carbon journey, which will allow us to maintain long term value for all our stakeholders, and we welcome the opportunity this represents.

We see this transition as part of our long-term strategy, with much uncertainty about how the world will change. Alongside the necessary operational emission reduction and mitigation plans, the business will be challenged to consider the short, medium and long-term in terms of its investments and solutions, and to engage with a range of possible future operating contexts. As part of our horizon scanning, we also see the importance to investors of non-financial disclosures increasing, with sustainability reporting and associated data capture and systems increasingly mandated, and perhaps in some cases placed on an equal footing with financial reporting. These will support the robust systems we have in place and the work we have completed in our third year of TCFD reporting.

We have built on previous years disclosure following the TCFD recommendations, by examining a range of possible climate scenarios and the impact of each on Redrow's business. The long-term strategy will need to embed these impacts into governance and processes to ensure a strategic response and practical implementation to prepare the business for a changing world.

1 https://www.ukgbc.org/climate-change-2/
2 https://www.theccc.org.uk/publication/uk-housing-fit-for-the-future/

To date, Redrow have implemented several changes such as purchasing renewable energy for our offices, supplying green energy backed by Renewable Energy Guarantees of Origin (REGO) certificates to all plots, show homes, and site compounds, and installing car charging stations at all divisional offices as well as purchasing electric and hybrid company cars. We have also trialled several low-carbon technologies in the move to reduce emissions including:

- low-carbon heating solutions (hybrid generators) with solar PV and an energy management system
- collaborating with manufacturers to assess the design, build, and consumer implications of introducing air-source heat pumps in lieu of gas boilers, in our homes and for our customers (see pages 72 to 73)
- trialled Hydrotreated Vegetable Oil (HVO) as an alternative to diesel for on-site generators and construction machinery

1. GOVERNANCE

1.a Describe the Board's oversight of climate related risks and opportunities.

The Group Communities Director, with the support of the sustainability department, assists and advises the Placemaking and Sustainability Committee ("Committee") and Main Board in its development and monitoring of the Company's approach to environmental issues which includes climate change. The Group Communities Director assists the Group Chief Executive in carrying out his role as Board Sponsor for sustainability by providing strategic advice and oversight in relation to the Company's sustainability framework, which includes climate-related matters. The Group Communities Director reports directly to the Group Chief Executive and sits on the Executive Management Team.

The overall responsibility for the stewardship of the Company's placemaking and sustainability framework (including its approach to environmental, social and governance ("ESG") matters), compliance and performance are reserved for the Board. The Board then delegates responsibility to the Committee to consider material issues relating to sustainability policies, assess the effectiveness of sustainability practices and reviews other material ESG issues, including climate-related issues, where the expertise of the Committee is required.

The Committee is responsible for monitoring the Company's strategy on climate change as set out by the Group Chief Executive and the Group Communities Director and reporting back to the Board in respect of this. Please see pages 188 to 190 of the Placemaking and Sustainability Committee Report for further detail of the principal activities of the Committee during the year.

In August 2021, the Company announced its Net Zero Carbon Commitment to set a 'science based' long-term goal (2050 at the latest) to achieve 'Net Zero Carbon' as a business (both direct and indirect carbon emissions from Scopes 1, 2 and 3). In line with this, during the year the Committee oversaw the setting and submission for verification of the Science Based Targets initiative ("SBTi") commitments which saw the Group commit to a Near-term 1.5˚C reduction for Scopes 1 and 2 by 2030 and a Well Below 2˚C reduction commitment for Scope 3 by 2030, which upon recommendation by the Committee were subsequently approved by the Board. As part of the recommendation for setting the Scope 3 commitment, the Committee gave due consideration to the actions required by the Company and its partner supply chain to allow the Company to meet its commitment. The Committee also has regard to the costs associated with the carbon reduction initiatives in the context of meeting the SBTi targets.

The Committee also reviews and scrutinises the setting of sustainability targets proposed by management, having regard to the ESG Scorecard and framework, for recommendation to the Board. This includes climate-related targets as outlined in the ESG Scorecard on pages 12 and 13. The Group Communities Director provides regular reports to the Committee regarding performance of the Company against the targets set and the Committee reports back to the Board on this.

As outlined in the Terms of Reference of the Committee, and on the governance structure for the sustainability framework as outlined on page 191, the Group Chief Executive has ultimate responsibility for climate-related matters. The Group Chief Executive, being the Board Sponsor for sustainability and climate-related matters, sits on the Executive Management Team, the Committee, and the Main Board. This ensures that climate matters remain an active area of debate at Executive, Committee and Main Board level and such matters are discussed at each meeting held across the three levels.

Climate-related matters are considered when reviewing and guiding strategy and form an integral part of the 'Managing Resources' strand of the Building Responsibly theme forming part of the Company's overall strategy. Regarding major capital expenditure, in relation to the Company's business this comes only in the form of working capital (land). Future climate related risks relating to capital expenditure, such as building regulations, planning and flood risk, are embedded into the land appraisal process considered by the Board. The Company has no plans for any form of divestitures. For further detail of how climate-related issues are considered by the Board in the context of guiding strategy, see pages 60 to 69 of the Operating Review.

Climate-related issues are also discussed by the Audit Committee, at least twice per year, as part of its review of the Risk Register. The Audit Committee also reviews the work undertaken in respect of TCFD twice per year, which includes approval of the TCFD-aligned report to be included within the Annual Report. Please see page 108 of Risk Management for further detail of how climate change is considered in the context of risk management.

The Remuneration Committee also considers climate-related issues at its meetings as there is now a climate reduction target included for the Long-Term Incentive Plan options to be granted later this year, as outlined on pages 204 and 205, and the Remuneration Committee will assess the performance of the Company against this target.

The Group Health, Safety and Environment Leadership Committee ("Group HSE Committee") develops and monitors the Company's approach to environmental sustainability matters and regularly reviews the objectives and effective operation of the ISO 14001 Environmental Management System. The Group Chief Executive, along with other members of the Executive Management Team, are also members of the Group HSE Committee. The Group HSE Committee meets formally at least twice per year, and more frequently if required, and reports directly to the Executive Management Team. The Executive Management Team, via the Group Chief Executive, then reports to the Main Board regarding the work of the Group HSE Committee. The reporting lines of the Group HSE Committee can be seen on the governance structure on page 156.

The composition of the Main Board can be seen on pages 154 and 155 and the members of the Committee can be seen in the individual Committee Reports, with representatives from other disciplines within the business invited to attend the meetings as necessary.

The organisational governance structure is outlined on page 156 and the governance structure for sustainability is outlined on page 191.

1.b Describe management's role in assessing and managing climate-related risks and opportunities.

The Group Communities Director has direct management responsibility for climate related and sustainability matters and sits on the Executive Management Team with the Group Chief Executive who has ultimate responsibility for these matters. The Executive Management Team have responsibility for the overall delivery of objectives and targets of the three pillars of the Sustainability framework and ESG scorecard. The heads of departments are responsible for managing the implementation plans that are in place to deliver the Group's sustainability objectives, including in respect of climate-related matters, and KPI targets and the Group's Divisions support the delivery of these through its day-to-day practices.

The Group Communities Director briefs the Placemaking and Sustainability Committee on sustainability and climate change matters, supported by the in-house sustainability team who provide expertise in developing the sustainability strategy, environmental and climate-related policies and identifying areas of improvement. The Group Communities Director and the Head of Sustainability both chair and attend several cross departmental working groups across the business which include the Group Design and Technical Director, Group Head of Commercial, Group Customer & Marketing Director, Chief Information Officer, Group HR Director, Group Masterplanning Director, Group HS&E Director and Group Construction Director.

These cross-discipline meetings, such as the Net Zero Carbon working group, the Biodiversity working group, the Part L Building Regulation working group, Environment Management review group and Build and Waste group meetings ensure that climate and sustainability-related issues are understood and implemented across the business.

The Group Communities Director and Head of Sustainability are accountable for identifying and assessing climate-related risks and opportunities. Responsibilities for managing each of these risks are allocated to Directors/heads of departments appropriately and discussed within specific and relevant working groups across the Group. Actions and results are fed back to the Executive Management Team and, where appropriate to, the Placemaking and Sustainability Committee and Main Board.

Please refer to page 191 for a description of the governance structure for sustainability.

2. STRATEGY

2.a Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term – include a description of the process(es) used to determine which risks and opportunities could have a material financial impact on the organization.

and

2.b Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning

Redrow recognises that many of the climate related risks and opportunities we face will impact the wider industry too, and lead to a complex operating environment both physically, due to changing climate/weather, and as a result of the transition to a Net Zero carbon economy.

The Board is aware of the inherent linkage between Executive remuneration and the business strategy. In recognition of the increasing importance of climate reduction being embedded into strategy, the Remuneration Committee has approved a climate reduction target for the Long-Term Incentive Plan options to be granted later this year, as outlined on pages 204 and 205. Assessment of the performance of the Company against this target will be regularly reviewed by the Remuneration Committee, who will feedback to the Board on the progress made.

Any changes to capital structure and approval of treasury policies is a matter reserved for the Board as outlined on page 157 of the Governance Report, therefore the impact of climate-related issues on the financial planning process of the Company falls within the remit of the Board.

Our supply chain plays a vital role in enabling us to meet our climate change ambitions and decarbonisation targets. During the year, as part of carrying out a Net-Zero Carbon survey with our suppliers, we made them aware of our commitment to achieving Net Zero Carbon and what we will require for them in the future to help us meet this commitment. We will continue to engage and work alongside our supply partners to ensure we can achieve our shared goal of carbon reduction. More information can be found in the Partnering with our Supply Chain section on pages 74 to 77.

Please refer to the Supporting the United Nations Sustainable Development Goals section on pages 30 and 31 for a description of our approach to supporting these goals and the impact on the Company's business and strategy, in particular SDG13 (Climate Change) and SDG15 (Life on Land).

Redrow currently works collaboratively with specialist consultants, architects, engineers, planning authorities and building control to mitigate and manage short- and medium-term risks as part of our current operational strategy. However, as part of our increased focus on climate impacts and our Net Zero carbon commitments, we have evolved our approach to assess risks and opportunities that may be impacted by climate change and the increasing nature and severity of physical impacts, and increased likelihood of transitional risks.

To identify and prioritise climate-related risks and opportunities, we generated a long-list of potential physical and transitional risks and opportunities that are posed to any business by climate change. We then convened a group of stakeholders representing key functions and operations across the business to qualitatively prioritise these risks and opportunities by potential financial impact in the short, medium, and long-term outlook under current operating conditions. See Table 2 on page 116. This prioritisation was also informed and supported by a series of stakeholder interviews conducted across senior management in both divisional and group functions of the business. Figure 1 outlines the process undertaken to determine which risks and opportunities are most material to Redrow's business.

Each of the priority risks and opportunities was assigned an owner to collect relevant data required to financially quantify and identify any key knowledge gaps. Financial quantification was undertaken with support from our consultant climate advisors. A description of the climate related risks and opportunities, and their impact horizon is given in Table 2.

The assessment will be reviewed annually as part of the annual risk review process and updated in response to changing operating context and findings from scenario analysis activities as described in Section 2.c below.

FIGURE 1

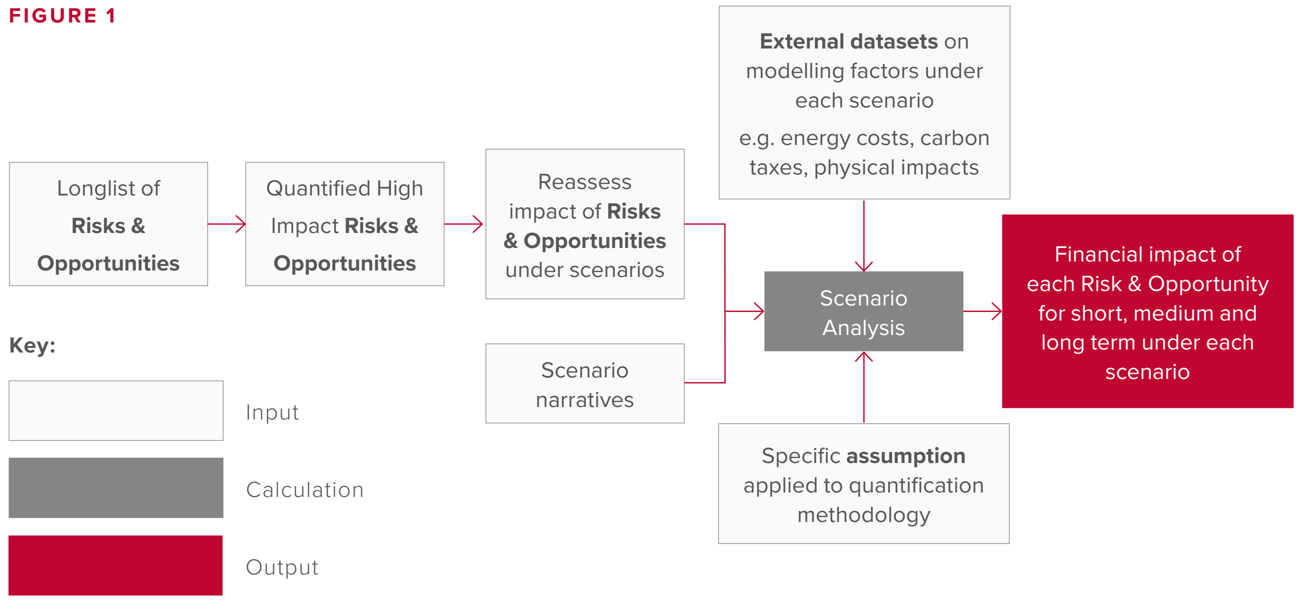


TABLE 1

SHORT TERM	MEDIUM TERM	LONG TERM
1-3 years [1]	3-10 years [2]	10-30 years [3]

1 Chosen in line with the time frame for viability assessment which corresponds with the Board's three year planning horizon.
2 Chosen in line with near term SBTi target (2030) and time frame corresponds to 5.2 year land holding year KPI.
3 Chosen in line with our SBTi net zero emissions target (2050).

TABLE 2

CATEGORY	DESCRIPTION	POTENTIAL FINANCIAL IMPACT	IMPACT TIMEFRAME
Transition Regulation	Conservation of fuel and power in new dwellings (FHS)	Costs to adopt/deploy new practices and processes	Short
Transition Regulation	Mitigating the effects of overheating in new dwellings	Costs to adopt/deploy new practices and processes	Long
Transition Regulation	Introduction of carbon taxes onto fuels	Cost to all processes/purchases where carbon is emitted	Long
Transition Market	Volatility in the energy market	Increased operating costs	Short
Transition Market	Increasing demand on the national electricity grid	Increased production costs due to changing input prices (energy) and output requirements (on-demand charging)	Medium
Physical Acute	Increasing frequency of extreme weather events	Reduced revenue and higher costs from negative impacts on workforce (e.g. health, safety, absenteeism) and potential increased number of flood plains may impact land availability.	Long
Opportunity Market	Attracting and retaining the workforce due to strong ESG credentials	Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs & turnover rate savings	Medium
Opportunity Reputation	Customer preference for low-carbon homes in sustainable places	Reputational benefits resulting in increased demand for goods/ services and a price premium in the market	Medium

2.c Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Building on previous years disclosures following TCFD recommendations, and to further understand how resilient the business strategy is to climate-related impacts, we have undertaken a climate scenario analysis. The process for this can be seen in Figure 1 on page 115.

What is climate scenario analysis?

Climate scenario narratives are hypothetical descriptions of futures that may occur under different levels of climate change and global warming. Scenario analysis is a common tool in climate change research and when climate scenarios are studied in pairs or larger sets, they provide a range of outcomes to contrast different futures and choices that businesses will face in the transition to a low-carbon economy.

Redrow has aligned the investigation with existing scenario narratives including Representative Concentration Pathways (RCPs) [3,4,5], and Shared Socioeconomic Pathways (SSPs) [6] and has investigated climate-related risks and opportunities in 2025, 2030 and 2050 under three of these scenarios as shown in Table 3 opposite. These time intervals were chosen to align with other major milestones including the introduction of the Future Homes Standard building regulations in 2025, the Near-term Science Based Target year in 2030 and Net Zero carbon ambitions by 2050 at the latest.

To understand how resilient our strategy is to climate-related risks and opportunities, Redrow considered how each priority risk and opportunity would evolve under the three scenarios, developing a qualitative description and quantitative impact for each time frame, with the outputs shown in Table 4. The financial impact is disclosed as minor, moderate or major reflecting Redrow's internal impact scale. This analysis considered:

- key input assumptions based on Redrow's scenario narratives and planned growth to 2050 (including assumptions around policy changes, energy mix, commodity prices);
- internal company data including accurate costs for previous work, and quantification research for known regulation changes; and
- external supporting data as required including price forecasts.

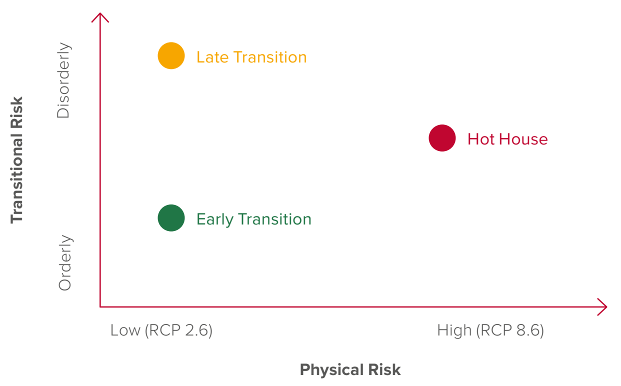
These were further aligned with scenarios developed by the Network for Greening the Financial System ("NGFS") to ensure credible and scientific data is used to determine the size and scope of climate-related risks identified. Redrow's operating context is conceptualised below, under each of the three scenarios examined.

3 https://www.ipcc-data.org/guidelines/pages/glossary/glossary_r.html
4 https://www.metoffice.gov.uk/binaries/content/assets/metofficegovuk/pdf/research/ukcp/ukcp18-guidance---representative-concentration-pathways.pdf
5 https://link.springer.com/article/10.1007/s10584-011-0148-z
6 https://www.sciencedirect.com/science/article/pii/S0959378016300681

TABLE 3

SCENARIO NAME	DESCRIPTION OF THE SCENARIO	RCP	SSP
Early Transition	World shifts gradually but pervasively to a more sustainable path. CO_2 emissions are cut to net zero around 2050, consistent with a < 2°C scenario.	2.6 – low emissions scenario Expected warming: 1.6°C (0.9-2.3) change in temperature by 2081-2100	SSP1: Sustainability – taking the green road
Late Transition	The world shifts suddenly to a more sustainable path to keep within environmental boundaries. Governments make dramatic policy interventions to compensate for a late start. CO_2 emissions are cut to net zero around 2075, consistent with a < 2°C scenario.	2.6 – low emissions scenario Expected warming: 1.6°C change in temperature by 2081-2100	SSP1/SSP2: Sustainability – taking the green road/middle of the road
Hot House	Social, economic and technological trends do not shift markedly from historical patterns. A fragmented and insufficient global response to climate change. CO_2 emissions triple by 2075, highlighting increased physical climate-related risks, which are increasingly impactful in the long-term horizon.	8.5 – high emissions scenario Expected warming: 4.3°C (3.2-5.4) change in temperature by 2081-2100	SSPs 2-5: Middle of the road/fossil fuelled development

FIGURE 2



Early transition

The early transition scenario was chosen as it evidences meeting the TCFD's requirement to consider a below 2°C warming scenario, and highlights the different transition risks and opportunities.

Under the early transition scenario, Redrow's customers are increasingly informed and expect value efficient and low carbon homes and are embracing new low carbon technologies. They are increasingly knowledgeable about the market and are focussed on quality, ease of use, and repairability of products. Demand for low carbon homes is not limited to Redrow's customers but all stakeholders including investors, government policy makers and local planning authorities. Green finance and mortgages are also becoming increasingly available and value for money.

Embodied carbon rapidly moves up the agenda as whole life carbon accounting becomes a requirement for all new developments and homes. Suppliers are offering low carbon options; however, procurement professionals and designers need to innovate to find these and gain a competitive advantage. Upskilling and training are still required for subcontractors, employees, and customers as technology, materials and processes evolve.

Fossil fuel costs continue to fluctuate due to societal and economic factors, the introduction of carbon taxes, and reduced support from national governments. Increased standing charges are required to pay for infrastructure upgrades potentially resulting in increased fuel poverty.

Overall, the UK's electricity grid continues to decarbonise and there is an orderly transition to low-carbon infrastructure. This drives innovation to improve energy efficiency, reduce primary energy use and instigate change in the types of onsite plant and machinery used across the supply chain. As the supply chain decarbonises in line with the early transition to a low carbon economy, Redrow will be supported upstream to achieve the Near-term Science Based Targets.

There is an increasingly competitive recruitment marketplace, making it essential that Redrow is a responsible direct employer of choice for highly skilled people.

Late transition

The late transition scenario was chosen as it further provides a view on transition risks in a longer time horizon than the early transition.

Under the late transition scenario, there is a gradual tightening of building regulations and planning legislation, and a gradual shift in market conditions and Redrow's customer preferences until the 2030s. A sudden step change then occurs in regulation and customer preferences as there is a rush to meet 2050 climate targets. The sudden increase in regulation severely curtails any remaining high carbon aspects of Redrow's products, operations, and supply chain. This puts pressure on Redrow's land supply, subcontractors and SMEs and leads to construction cost increases and availability issues for many resource options. The pressure on material supply chains may necessitate a change to the design of Redrow's product. These factors, along with later supply chain decarbonisation may impact Redrow's ability to meet the Near-term Scope 3 Science Based Target.

Higher carbon taxes and carbon emissions allowances are likely to also contribute to higher operation costs for Redrow and its upstream and downstream suppliers.

The value Redrow's customers place on low carbon homes happens much later than the early transition scenario, and the immediate drivers for businesses to change in response to customer demands are slowed. There is no added value for more carbon efficient homes in the period leading up to 2030. This creates the risk that historic land purchases no longer meet risk assessment and land could become unviable to develop for housing at the profit margins required after 2030.

A competitive market for low carbon technologies appears suddenly as regulations force all housebuilders to adopt new technologies immediately in the lead up to 2050. This results in a step change for costs associated with new technologies as well as supply chain issues as they deal with the rapid increase in demand. Swift retraining for subcontractors and Redrow's employees will be required, causing a delay in implementation as they occur simultaneously.

Hothouse world

The hot house scenario was chosen as it assumes insufficient mitigating actions are undertaken, therefore meets the TCFD's recommendation to consider a scenario with increased physical climate-related risks.

The global environmental policy is fragmented, driving Redrow to evaluate supplier locations based on the local policy impact of manufacturing costs and energy security concerns in nations still favouring cheap fossil-fuels. Many countries, including the UK, weaken drivers for environmental policy change and national carbon targets are not achieved. This results in Redrow's existing policies regarding responsible sourcing and emissions reductions targets to be re-evaluated in the face of competitive markets which don't favour good environmental behaviour. Most of Redrow's customers continue to favour resource and energy intensive lifestyles with less focus on the environmental impact of their homes, with few business drivers resulting from consumer pressure.

The impact of physical risks is increased causing health and safety challenges to Redrow's employees and subcontractors, delays in construction, and additional construction costs. The impact of overheating and more extreme weather conditions are experienced by the occupants of Redrow's homes towards 2050 and beyond. This leads to the likelihood of Redrow incurring remediation costs and retrospective costs to the consumer to refit climate appropriate HVAC equipment.

Climate change compromises the availability of raw materials leading to delays in production and sourcing of materials and products for the construction. Land use and availability is impacted negatively due to water shortages, droughts, and flood risk. With low carbon options financially unviable and unavailable to meet demand, and the supply chain and grid not decarbonised as forecasted, there is a risk of Redrow's Scope 3 Science Based Target being difficult to achieve.

The Cambridge house type at Kingsbourne, Nantwich, Cheshire

TABLE 4

CATEGORY	SUB CATEGORY	CONCISE DESCRIPTION	SCENARIO 1: EARLY TRANSITION	2025	2030	2050	SCENARIO 2: LATE TRANSITION	2025	2030	2050	SCENARIO 3: HOT HOUSE	2025	2030	2050
Transition	Regulation	Conservation of fuel and power in new dwellings	Significant cohesive policy action to lower resource intensity.	Major	Major	Major	Sudden severe policy response to compensate for late start.			Major	No significant regulation likely, wide regional disparities possible in the cost of bringing product to the market.	Major		
Transition	Regulation	Mitigating the effects of overheating in new dwellings	Significant additional modelling for overheating in homes required by 2030.	Minor	Minor	Moderate	Delayed additional policy for modelling overheating required by 2050.	Minor	Minor	Minor	No further significant regulation introduced and gradual increase in overheating effects.	Moderate		
Transition	Regulation	Introduction of carbon taxes onto fuels	Gradual increase in carbon prices through the orderly transition to a low carbon economy.	Moderate	Major	Moderate	Significant disruptive increase in carbon prices after 2030.	Minor	Minor	Minor	Continued low cost of carbon.	Major		
Transition	Market	Volatility in the energy market	Likely to have higher energy costs, but not necessarily more volatility.	Minor	Minor	Minor	Significant cost increases with sudden and disruptive changes.	Minor	Minor	Minor	No significant increase in energy costs.	Minor	Minor	Minor
Transition	Market	Increasing demand on the national electricity grid	National infrastructure keeps pace with growing demand for low carbon electricity so the cost of electrical infrastructure does not increase.	Minor	Minor	Minor	Likelihood of higher costs for developers early in the scenario as national infrastructure lags, but later in the scenario there is investment in the national infrastructure and less investment required by Redrow.	Minor	Minor	Minor	Continual increase in costs for developers as national infrastructure lags behind the demand for low-carbon energy for Redrow's homes.	Minor	Minor	Minor
Physical	Acute	Increasing frequency of extreme weather events	Low likelihood of increasing frequency of extreme weather events in the UK before 2050.	Moderate	Moderate	Moderate	Low likelihood of increasing frequency of extreme weather events in the UK before 2050.			Moderate	Higher likelihood of increasing frequency of extreme weather events in the UK before 2050.	Moderate		
Opportunity	Market	Attracting & retaining the workforce through ESG credentials	As the economy transitions early, limited competitive advantage in having strong ESG credentials. There will be a skills shortage in the market. This makes it difficult to attract and retrain new workforce, resulting in additional cost for recruitment early in the transition.	Minor	Minor	Minor	In the short term, having strong ESG credentials are key to attracting and retaining people but as the transition occurs later in the scenario, ESG becomes less of a differentiating factor.	Minor	Minor	Minor	Strong ESG credentials are a key market differentiator under this scenario, but again there may be lack of skills in the market.	Moderate		
Opportunity	Reputation	Customer preference for low-carbon homes in sustainable places	Significant impact driven by consumer education, demands and behaviours.	Minor	Moderate	Moderate	Significant impact beginning in 2030 driven by consumer education, demands and behaviours.	Minor	Minor	Minor	Some eco-conscious consumers but this is not a key driver of sales, but their is added value from Redrow's approach to sustainability.	Moderate		

Financial Impact Key:

Minor | Moderate | Major

3. RISK MANAGEMENT

The focus of this report is to refine, define and quantify climate related risks and opportunities. As we gain greater insight into future risks, and when they become increasingly likely to impact the business, they are absorbed into business-as-usual operations and monitored and mitigated over time.

3.a Describe the organization's processes for identifying and assessing climate-related risks.

A comprehensive risk register is maintained at Group level covering all high-level risks across all aspects of the business. Climate related risks have a specific section within this risk register and feature as appropriate within other sections of the risk register e.g. Sustainability, and Health, Safety and Environment. Each section of the risk register has a Risk Owner who is either a member of the Executive Management Team or a Group Functional Director or Head. For each high-level risk, there are prevent and detect controls in place which are reviewed by the Risk Owners bi-annually and by the operating divisions and Group Functional Directors or other Group Functional Heads as part of the formal annual review.

More information can be found in the Risk Management section of the Strategic Report on pages 98 to 109.

This year as part of our increasing focus on climate-related risks and opportunities we have carried out a thorough review and impact assessment, the process of which is detailed on page 115.

At a divisional-level, climate related issues with potential to impact the operational performance are reported monthly in respect of divisional issues and on a development-by-development basis at the divisional board meeting.

The Group has an effective Environmental Management System in place which is overseen and managed by the Group HS&E Governance Manager and Group Environmental Manager. This is externally certified by British Standards Institute to the International Standard ISO14001:2015. As part of our system, we have an Environmental Aspects and Impact Register and an Environmental Risk and Opportunity Register. These allow us to determine high risk areas in our environmental impact and focus the business on the areas of highest need through management control actions and measurements to drive improved performance. Both registers are monitored through cross departmental collaboration annually or as required following changes to legislation or changes to business operation/process. The Group's Land, Technical, Commercial and Sustainability teams continuously monitor developments in regulation and legislation and engage at high level within the industry to maintain currency and to provide input to policy direction. This information is disseminated to the Executive Management Team and the Main Board in quarterly reports. Appropriate solutions to meet climate change requirements are identified, evaluated, and where appropriate, employed in future-proofing product specifications.

3.b Describe the organization's processes for managing climate-related risks & 3.c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.

The development and implementation of Redrow's robust sustainability strategy ensures we meet our objectives and allows us to recognise and address key climate-related risks and opportunities. Our current strategy has been in place since 2018 and the targets set within it are recorded, monitored, and discussed annually by the Executive Management Team and presented to the Placemaking and Sustainability Committee.

To deliver our sustainability strategy appropriate action plans are incorporated into the business policy and procedures. An engagement strategy is developed to ensure that all appropriate business functions are aware of their roles and responsibilities.

The Group has a clear site acquisition strategy. All new site acquisitions follow robust procedures which includes scrutiny of all environmental risks and opportunities. As a key part of our acquisition risk mitigation procedure each site is reviewed taking into account the detail in specific ecology, air quality, land contamination, flood risk and mitigation and landscape and visual impact surveys. Our authorisation process also robustly scrutinises specific local environmental issues for examples Protected Sites such as Special Protected Areas and potential nitrate and phosphate issues. As part of our Sustainability framework, we have set a target to demonstrate a minimum 10% net gain for biodiversity on every new planning application by November 2023. This enables climate resilience and informs the design of our new developments.

TABLE 5

CATEGORY	DESCRIPTION	MANAGEMENT & RESPONSE
Transition risks	Conservation of fuel and power in new dwellings (FHS) Mitigating the effects of overheating in new dwellings Introduction of carbon taxes onto fuels Volatility in the energy market Increasing demand on the national electricity grid	Design and costing for potential solutions to ensure homes meet future regulatory requirements. Setting a target covering the regulated 'in-use' emissions of the homes to reduce in line with the Near Term Science Based Target by 2030. Regularly obtaining professional advice on risk reduction measures. Continually review materials suppliers to secure supply from alternative sources as appropriate.
Physical risks	Increasing frequency of extreme weather events	Monitoring frequency, location and severity of extreme weather events, insurance market response and regulatory change in response to extreme weather events in the UK. Regular review of policies and procedures for considering flood risk when procuring land or planning a development.
Opportunities	Attracting and retaining the workforce due to great ESG credentials Customer preference for low-carbon homes in sustainable places	Continued focus on providing products and places to allow our customers and workforce to make low-carbon choices.

The process used to undertake a materiality assessment on risks and opportunities is outlined in the Strategy section under 2.b, as well as in Figure 1.

All risks and opportunities which are identified as being pertinent to the business, including climate related, environmental, and sustainability issues are reported as follows in line with the governance structure:

- monthly to the Executive Management Team;
- seven times per year to the Main Board;
- three times per year to the Placemaking and Sustainability Committee;
- twice per year to the Audit Committee; and
- twice per year to the Group Health, Safety and Environment Leadership Committee.

Reports include those from divisional Board meetings and from Group specialist functions within the business such as Sustainability, Commercial, Construction, Finance, Assurance, Health, Safety and Environment, Human Resources, Sales & Marketing and Technical.

4. METRICS & TARGETS

Building on last year's report and this year's TCFD and SBT activities we have included additional metrics for assessing climate-related risks and opportunities, and highlighted areas of improvement for additional data collection for measuring and monitoring climate-related impacts on the business.

4.a Disclosure of metrics used to assess climate-related risks and opportunities

In the Non-financial Performance section and throughout this report we disclose metrics that relate to the key environmental and climate themes of our Sustainability Strategy: energy, carbon, waste, water, biodiversity. These include:

- Scope 1 and 2 emissions
- Total emissions per $100m^2$ build
- Total energy consumed by source
- Tonnes of Carbon Dioxide equivalent
- Waste generated per $100m^2$ build
- % of waste diverted from landfill
- % of forest products used in our homes from verified and credibly certified sources
- % of materials and subcontractors sourced locally
- Water usage per $100m^2$ build
- % of electricity from renewable source
- Diesel and HVO usage on site

In addition to the above, Redrow have increased focus on relevant metrics for tracking the financial impact of risks and opportunities in the following categories:

Transition Risk

- Diesel and HVO usage on site, to inform transition risks related to high carbon sources

Physical Risks

- Flood risk is monitored through land buying policy at pre-acquisition stage, which informs physical risks related to more extreme weather and increased risk of flooding

Climate Related Opportunities

- Number of homes with renewables and PV installed

Capital Deployment

- Revenue invested in the research and development of low carbon homes and climate resilient places

4.b Disclosure of greenhouse gas emissions and related risks

Greenhouse Gas (GHG) emissions data for Scope 1 and 2 are detailed on page 217 of this report. Scope 1 and 2 disclosure includes all the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and is reported in line with the GHG Protocol: A Corporate Accounting and Reporting Standard. Scope 3 emissions are calculated using the 'WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard'.

The Scope 3 emissions cover purchased goods & services, capital goods, fuel and energy related activities, upstream transport and distribution, waste generated in operations, employee commuting, business travel, use of sold products and end-of-life treatment of sold products categories as defined by the GHG protocol. Scope 1 and 2 emissions are reported both on a market-basis and a location-basis.

4.c Description of targets used to manage climate-related risks and opportunities and performance against targets

We are committed to reducing our environmental impact and we aim to continually reduce the energy and water consumption, carbon emissions and waste generated from our operations and ultimately to achieve net zero carbon by 2050 at the latest.

In 2021, Redrow committed to setting a long-term Science Based Target to reach Net-Zero value chain GHG emissions by no later than 2050 and in 2022, have submitted a Near-term Science Based Target for 2030 to the Science Based Targets initiative (SBTi) for validation, covering all relevant scopes and in line with the criteria and recommendations of the SBTi. We will take a market-based approach to Scope 1 and 2 emissions, and an absolute contraction approach to Scope 3 emissions.

Our targets are shown below (set with 2017 as the baseline year) and progress against these is publicly available on our website (https://www.redrowplc.co.uk/about-redrow/sustainability/our-commitments/):

- Purchase 100% REGO-backed renewable electricity for all operations
- Reduce water intensity of our construction operations and offices by 5% by FY25, from 2021 baseline
- 95% + of construction waste diverted from landfill
- Reduce construction waste intensity by 10% by end of FY25, from 2021 baseline

In addition to above, the LTIP options to be granted during FY23 will include a stretch target as part of the performance conditions to reduce Scope 1 and Scope 2 greenhouse gas emissions by 20.7% by financial year ending 2025. This is with reference to a baseline year of 2020/21 (tCO_2e 16,099) and has been set in the context of meeting the 1.5 degree SBTi target. Please see pages 204 and 205 of the Directors' Remuneration Report for further details.

5. PROGRESS TO DATE & FOCUS FOR 2023

TABLE 6

	PROGRESS TO DATE FY22	FOCUS FOR FY23
Governance	The description of board and committee frequency of meetings and responsibilities, including how the board monitors and oversees progress against goals and targets has been updated within the TCFD report.	A review of current governance will be conducted, and a roadmap will be developed to ensure climate is even more strongly embedded in our governance processes and strategy.
Strategy	We committed to setting a long-term Net Zero target and set a strategy to align with a Science Based Target in the Near-term as part of our net zero strategy. We reviewed and enhanced the list of climate-related risks and opportunities and describe the process used to prioritise and quantify the impact on our business. We undertook a financial impact assessment for the highest prioritised risks and opportunities, and we have disclosed how these serve as an input to our business' financial planning processes. We undertook a scenario analysis considering three future scenarios, including one aligned with a <2ºC warming scenario. We quantified the financial impact of relevant risks and opportunities under each scenario in each time horizon considered. We undertook a materiality assessment with key stakeholders and reviewed the ranked issues against our strategy, the alignment of which confirmed that our strategy remains appropriate.	We will set our long-term net zero carbon Science Based Target in 2023. We will continue to implement, review and update our transition workplan to achieve net zero carbon with specific and actionable initiatives. We will continue to review climate-related risks and opportunities as relevant to the business and determine any changes in those that are most material to our business. We will continue to consider how our business strategy should evolve in response to identified risks and opportunities, making use of climate scenarios. We will identify where uncertainties lie regarding our strategy and how the strategy varies in response to each scenario. We will review scenarios used for scenario analysis to ensure they remain relevant to our business based on global progress towards a low carbon economy and the latest modelling. With their participation in our materiality survey being lower than anticipated, we will engage further with our investors and customers regarding their material issues, with such insights feeding into the ongoing review of our business strategy in FY23.
Risk management	We have created a specific section on climate-related risk within our Group main risk register. We have included a description of Redrow's response and management of transition risks and climate-related opportunities within the TCFD report, where in previous disclosures only the response to physical risks has been outlined.	We will continue to monitor emerging policy, best practice, regulatory requirements, and updated guidance from bodies such as the UK Green Building Council and the Climate Change Committee. We will continue to review the relative significance of climate-related risks in relation to other risks, including how materiality determinations are used to inform prioritisation.
Metrics & targets	We have developed and submitted for validation a near term Science Based Target for 2030 and relevant metrics around this including Scope 1, 2 and 3 emissions, as part of our climate change strategy.	We will undertake and develop target feasibility assessments to set a long-term net zero target across all scopes, which we will submit to the SBTi for validation in FY23. We will continue to work to understand the embodied carbon of homes, focusing first on measuring the embodied carbon associated with our standard house types. We will start to develop a more efficient data collection process to facilitate easier measurement and tracking against the Science Based Targets and to monitor climate related risks and opportunities. We will continue to review the key metrics used to measure and manage climate-related risks and opportunities and any additional metrics the business may wish to measure. We will continue the drive for improved data collection and systems.

SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) DISCLOSURE TABLE

The following table discloses our performance against the criteria set by the Sustainability Accounting Standards Board (SASB), an independent not for profit organisation that sets voluntary standards to guide the disclosure of deemed financially material sustainability information for specific industries. Our disclosures are based on the specific criteria set out for Home Builders.

All data relates to financial year 28 June 2021 – 3 July 2022 unless otherwise stated.

Our voluntary SASB disclosures ensure we meet the increasing demands of our investors and other stakeholders. This is the first year of publication in line with SASB standards and represents our commitment to quality, decision-useful disclosure and evolution of our sustainability reporting. We are committed to continuously developing and expanding our SASB reporting.

Wherever possible we have provided equivalent data and explanation. Note 'plots' are homes prior to completion which are equivalent to the SASB term 'lots'.

ACTIVITY METRICS

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
Number of controlled lots.	Our current land holdings comprised 29,600 plots as at 3rd July 2022.	IF-HB-000.A	Our current land holdings is defined as owned or controlled (under contract but does not include land under option) with outline or detailed planning permission.
Number of homes delivered.	5,715 homes legally completed (4,465 private homes).	IF-HB-000.B	See page 20.
Number of active selling communities.	An average of 111 sales outlets open in the year.	IF-HB-000.C	See page 95. A sales outlet is defined as a site with an outlet that has at least 1 plot released and the outlet has at least 6 plots of any value that are not reserved OR the outlet has at least £1m total worth of plots not reserved.

ACCOUNTING METRICS

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
LAND USE AND ECOLOGICAL IMPACTS			
Number of (1) lots and (2) homes delivered on redevelopment sites.	Not reported.	IF-HB-160a.1	We are reviewing our process of data collection for this metric for publication in FY23.
Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress.	We estimate 1,017 (17.7%) home completions were in areas of high water stress. No homes were built in areas of Extremely High Stress.	IF-HB-160a.2	Using the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct (https://www.wri.org/aqueduct).
Total amount of monetary losses as a result of legal proceedings associated with environmental regulations.	Zero in the reporting period.	IF-HB-160a.3	

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
LAND USE AND ECOLOGICAL IMPACTS (CONTINUED)			
Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction.	Our Sustainability Framework, Redrow 8 Placemaking Principles, Nature for People Strategy and land buying and construction policies and procedures have environmental commitments, KPIs and processes at the core of them which deliver a robust structure for our project teams to use through each stage of the development process. **Site selection and acquisition:** All new site acquisitions follow strict procedures which includes scrutiny of all environmental risks and opportunities including: • Detailed ecological assessments • Air quality impact • Land contamination • Flood risk and mitigation – Flood risk authorities specify that new developments must survive a one in hundred year storm plus 30%- 40%. Our developments meet and very often exceed this specification • Landscape and visual impact surveys • Protected Sites such as Special Areas of Conservation and potential nitrate and phosphate issues **Site design and placemaking:** All sites are sustainably designed using the Redrow 8 Placemaking Principles which includes environmental considerations. It incorporates national policy and guidance including Manual for Streets, Active Design, NHS Healthy New Towns, BREEAM Communities, Trees in Townscapes and Sustainable Drainage Manual amongst others. We are continually reviewing the energy efficiency of our homes. The average EPC rating for our homes is B and we are looking to improve this as we prepare for Future Homes standards in 2025. Our Nature for People strategy in partnership with the Wildlife Trust (https://www.redrowplc.co.uk/media/alibatd1/redrow-wildlife-trust-pdf-brochure-updated-140322.pdf) and Landscape manual ensure designs retain and enhance existing quality habitats; include connectivity with habitats outside the development; and design green and blue infrastructure with multiple benefits for people and nature. The Company has a commitment that each new planning application must demonstrate a minimum 10% net gain for biodiversity by November 2023. This informs the design of our new developments and enables climate resilience. **Site development and construction:** The whole business is certified to the Environmental Management System (EMS) ISO14001:2015 standard by BSI. Our EMS helps prevent pollution and minimise disturbance to the local community from flood, noise and dust as well as helping to protect local biodiversity. Our Health, Safety and Environment (HS&E) Managers conducted 770 visits to assess compliance with our environmental procedures. All our Site Managers complete weekly HS&E inspections which include environmental performance against our procedures. All operational sites identify Critical Site Environmental Issues and complete a Pollution Prevention Plan and Waste Management plan. As a partner of the Considerate Constructor Scheme (https://www.ccscheme.org.uk) since 2018, the scheme provides the Group with an independent assessment of our approach to protecting and enhancing the local environment on each development. During the year we achieved an overall average score of 38.43%. Our site compounds are energy efficient with the building fabric B+ rated, PIRs, thermostatically controlled heating, door closers, improved windows, rainwater harvesting and bike racks. Ground materials are managed at site level and across each division to maximise the reuse of materials on site. Waste materials such as hardcore is re-used where feasible.	IF-HB-160a.4	See pages 36, 46 to 49, 70 to 71 and 122.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
WORKFORCE HEALTH & SAFETY			
(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees.	All H&S incidents are measured using the Annual Injury Incidence Rate (AIIR) metric which is per 100,000 employees. The AIIR was 365 in FY22 for both employees and subcontractors. This is a reduction in number for the fourth consecutive year. There were no fatalities.	IF-HB-320a.1	See page 52.
DESIGN FOR RESOURCE EFFICIENCY			
(1) Number of homes that obtained a certified HERS® Index Score and (2) average score.	100% home completions with an energy efficiency rating of either EPC A or B. Average SAP rating of 85.	IF-HB-410a.1	See pages 14 to 15 and 73. The Energy Performance Certificate (EPC) is the UK equivalent to the HERS score. The SAP rating is an indication of the total running cost of the dwelling including space heating, water heating, ventilation and lighting. It doesn't account for unregulated energy such as the occupants' use of electrical appliances.
Percentage of installed water fixtures certified to WaterSense® specifications.	100% of our Heritage range of homes in the reporting period were designed to a flow rate of 105 litres/person/day (l/p/d). This is below building regulations which require 125 l/p/d.	IF-HB-410a.2	See page 70. UK Building Regulations Part G is the UK equivalent to WaterSense.
Number of homes delivered certified to a third-party multi-attribute green building standard.	100% of homes are designed to meet our Redrow 8 Placemaking Principles which incorporates standards on connectivity, sustainable transport and biodiversity.	IF-HB-410a.3	See page 36. The UK does not currently have an established third-party multi attribute green building standard for residential homes.
Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers.	A key part of our long term approach is to continually review our risk and opportunities in relation to resource efficiency in the design of all of the homes that we build. This forms a key part of our climate vision which sets out to reduce our carbon emissions and adapt to a changing and unpredictable climate.	IF-HB-410a.4	CDP Climate Score of B- CDP Forests score of C Sustainability I Redrow PLC (https://www.redrowplc.co.uk/sustainability/). See pages 70 to 73.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
DESIGN FOR RESOURCE EFFICIENCY (CONTINUED)			
	We have cross departmental working groups that are established to prepare for forthcoming regulation changes and to understand our customer needs and requirements in greater detail. Examples of this include research trials under way with customers that have homes fitted with alternative technology to a standard gas boiler so we can understand not only how the technology performs but also the customer's experience. In the coming year, we will carry out surveys and focus group research with customers to better understand what they want and expect from new homes, specifically with regards to energy efficiency and the Future Homes Standard. This research will help us to further define our approach. We communicate with our customers through a variety of methods. We have Customer Experience Suites to transform how we interact with customers, right from their first visit and all the way through to post-completion. This includes digital communications which are updated regularly to ensure a consistent message. Customers can use our portal to view their choices, make upgrades and complete their reservations. Through our customer facing website we explain how our homes are water and energy efficient and how our places are designed in line with our biodiversity strategy – Nature for People. We also provide a digital tool to customers that provides advice how they can reduce their impact on the environment through using their homes in the most efficient way. Our sales teams are supported with a sustainability toolkit which informs them of the resource efficiency of our homes such as smart heating controls, insulation and air tight designs to ensure homes are warm and efficient. They are also supported with information about our placemaking principles and commitment to supporting nature.		

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
COMMUNITY IMPACTS OF NEW DEVELOPMENTS			
Description of how proximity and access to infrastructure, service and economic centres affect site selection and development decisions.	We consider the location of every site in terms of its proximity to public transport, local facilities and services. Our Redrow 8 placemaking principles requires that we "seek to build homes in locations where there is a choice of places to walk to within a reasonable walking distance" and that "wherever possible, we will choose locations that have existing or planned employment or community facilities within walking distance". Relevant indicators for this reporting period include: • 92% of our homes are within 500 metres of public transport • 39% of our developments were delivered with community infrastructure • We provided £281m towards community infrastructure and affordable housing • 1,205 acres of public open space • 335 trainees, apprentices and graduates • 2,940 subcontractors supported • 1,898 suppliers supported • 73 new jobs created within the direct workforce	IF-HB-410b.1	See table under Creating Social Value (page 43) which illustrates some of the economic, social and environmental value we have created in FY22.
Number of (1) lots and (2) homes delivered on infill sites.	Not reported.	IF-HB-410b.2	Data on infill sites is not specifically collected.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/REFERENCES/ DEFINITIONS
CLIMATE CHANGE ADAPTION			
Number of lots located in 100-year flood zones.	Not reported.	IF-HB-420a.1	This data is not collected at a Group wide level. Flood risk assessments are carried out as part of the site acquisition risk identification process. We understand the risk of flooding on each individual site by working with specialist consultancies who advise on latest data and mapping tools. Flood risk is highly regulated through the planning process and flood risk authorities specify that new developments must survive a one in hundred year storm with an additional risk tolerance of 30%-40%.
Description of climate change risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risk.	Climate Change is a key risk identified for the business. The Group Communities Director has direct management responsibility for climate related matters and sits on the Executive Management Team with the Group Chief Executive who has ultimate responsibility for these matters. The Group Communities Director, with the support of the sustainability department, assists and advises the Placemaking and Sustainability Committee and Main Board in its development and monitoring of the Company's strategy on climate change. We are in our third year of reporting in line with the recommendations made by the Task Force for Climate-related Financial Disclosures (TCFD) which sets out our strategy on determining climate related risks and opportunities and governance of these matters. We have undertaken an identification and prioritisation process of climate related risks and opportunities and these have been qualitatively prioritised by potential financial impact in the short, medium, and long-term outlook under current operating conditions. Financial quantification was undertaken with support from external climate advisors and a report prepared for the Main Board. This assessment will be reviewed annually as part of the annual risk review process and updated in response to a changing operating context and findings from scenario analysis activities.	IF-HB-420a.2	See TCFD report pages 112 to 125.

GROUP NON-FINANCIAL INFORMATION STATEMENT

The table below sets out where key non-financial information can be found within this report:

PROGRESS TO RELATED POLICIES AVAILABLE ON OUR WEBSITE	LOCATION IN THIS ANNUAL REPORT	PAGE REF.	RELATED PRINCIPAL RISKS*
Environment Purchasing of sustainable timber products policy Group Health, Safety & Environmental policy statement Partnering with our supply chain A responsible and sustainable developer Waste and resource efficiency policy	Strategic Report – ESG Scorecard Operating Review – Assessing our Material Issues Operating Review – Supporting the United Nations Sustainable Goals Operating Review – Thriving Communities Operating Review – Building Responsibly Strategic Report – Task Force on Climate Related Disclosures (TCFD) Strategic Report – Stakeholder Engagement Governance Report – Placemaking and Sustainability Report Directors Report – Environmental	6 28 30 32 50 112 148 186 217	Health and Safety/ Environment Key Supplier or Subcontractor Failure Appropriateness of Product Sustainability Climate Change
Employees Code of conduct Equality, diversity and inclusion policy	Strategic Report – ESG Scorecard Operating Review – Assessing our Material Issues Operating Review – Valuing People Strategic Report – Stakeholder Engagement Governance Report – Workforce Engagement Directors' Report – Employee Wellness Directors' Report – Equality, Diversity and Inclusion Policy Directors' Report – Learning and Development	6 28 78 142 160 220 220 221	Attracting and Retaining Staff
Social A responsible and sustainable developer Human rights policy statement Partnering with our supply chain Responsible marketing, advertising and sales policy statement	Strategic Report – ESG Scorecard Operating Review – Assessing our Material Issues Operating Review – Thriving Communities Operating Review – Putting our Customers First Strategic Report – Stakeholder Engagement Governance Report – Placemaking and Sustainability Report Directors' Report – Social	6 28 32 58 144 186 219	Housing Market Health and Safety/ Environment Attracting and Retaining Staff Customer Service Key Supplier or Subcontractor Failure Availability of Mortgage Finance

PROGRESS TO RELATED POLICIES AVAILABLE ON OUR WEBSITE	LOCATION IN THIS ANNUAL REPORT	PAGE REF.	RELATED PRINCIPAL RISKS*
Human Rights Human rights policy statement Slavery and human trafficking statement	Directors' Report – Human Rights Directors' Report – Modern Slavery	221 222	Attracting and Retaining Staff Key Supplier or Subcontractor Failure
Anti-Corruption and Anti-Bribery Code of conduct Bribery and corruption policy statement Whistleblowing policy statement	Governance Report – Whistleblowing Governance Report – Conflicts of Interest Audit Committee Report – Bribery Act Directors' Report – Governance	159 160 179 222	Fraud/Uninsured Loss Attracting and Retaining Staff Cyber Security
Business Model Code of conduct A responsible and sustainable developer	Our Strategy Strategic Report – Our Business Model Strategic Report – Chairman's Statement – Strategy Operating Review – Assessing our Material Issues Corporate Governance Report – Strategy, Purpose, Culture	4 18 20 28 158	All
Non-Financial KPIs Code of conduct A responsible and sustainable developer Group Health, Safety & Environmental policy statement	Strategic Report – Our Strategy Operating Review – Assessing our Material Issues	4 28	Land Procurement Customer Service Attracting and Retaining Staff Health and Safety/ Environment Planning and Regulatory Environment Appropriateness of Product Climate Change

* For full description of related principal risks, see pages 100 to 109.

The above policies are applicable to all employees within the Group and are easily accessible both internally and externally. The principles which underpin each of the policies are embedded within the culture of the Group and any behaviour inconsistent with these policies will be investigated and disciplinary action will be taken where warranted.

SECTION 172(1) STATEMENT

In line with Section 172(1) of the Companies Act 2006, the Directors of the Company must act in a way which they consider, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so must have regard to a number of other key matters. There must therefore be a careful balance of sometimes competing interests of different stakeholder groups, and it is the duty of the Directors to act in such a way that should promote the long-term success of the Company as a whole.

SECTION OF THE COMPANIES ACT 2006	KEY MATTER OF WHICH THE BOARD MUST HAVE REGARD	HOW THE BOARD HAS REGARD TO THE KEY MATTER
Section 172(1)(a)	Likely long-term consequences of decisions	Given the nature of the business, the Board takes a long-term approach to its decision-making to ensure that the Company is able to deliver its strategy of creating long-term sustainable value for all of our stakeholders by developing thriving communities with high quality homes that create a better way to live. There has been considerable emphasis on climate reduction, resource efficiency, use of sustainable materials, placemaking and biodiversity as these are aspects that are key to creating a long-term sustainable business and value to our stakeholders. See pages 32 to 77 of the Strategic Report for an overview of the sustainability practices of the Group. Effective risk management systems are also imperative to understanding the likely long-term consequences of actions. The Board plays a key role in reviewing the Company's approach to risk, including an assessment of its emerging and principal risks. See pages 98 to 109 of the Strategic Report for a description of the identified risks, procedures for identifying risks and an explanation of how these are being controlled or mitigated. The TCFD report, which outlines how the Group specifically manages climate-related risks and opportunities, can be found on pages 112 to 125. At least annually, the Board conducts an assessment of the prospects of the Company, taking into consideration the Company's current position and principal risks. This year the Directors selected a three-year timeframe over which to assess the viability of the Company. The Viability Statement can be found on page 110 of the Strategic Report.
Section 172(1)(e)	Maintaining a reputation for high standards of business conduct	The Company has in place a Code of Conduct that acts as a guide for employees to doing the right thing in business, focusing on the values and behaviours deemed most important for the Group and seeking to guide employees in their good judgement to act in the Redrow way. The Company also has well-embedded policies and procedures in place which assist with ensuring high standards of conduct, including in respect of the following key areas: Health, Safety and Environment; Whistleblowing; Anti-Bribery and Corruption; Human Rights; and Modern Slavery. The Environmental, Social and Governance Disclosures section of the Directors' Report, from pages 217 to 223, provides further insight into measures put in place by the Board to assist with maintaining a reputation for high business conduct standards.

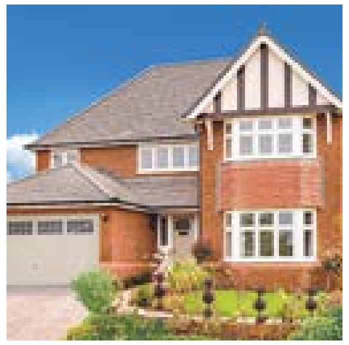
SECTION OF THE COMPANIES ACT 2006	KEY MATTER OF WHICH THE BOARD MUST HAVE REGARD	HOW THE BOARD HAS REGARD TO THE KEY MATTER
Section 172(1)(f)	Acting fairly between members of the Company	The Directors have regard to the need to act fairly between members of the Company, aiming to understand their views and act in their best interests. The ownership of the Company follows a 'one share, one vote' structure, which assists with promoting parity in shareholder rights. The Board ensures that there is fair and equal dissemination of information to all shareholders and has a dedicated investors section of the Company's website which is available to all shareholders. This provides easy access to RNS announcements, key financial dates, dividend details and reports and publications. All members are invited to attend the Annual General Meetings of the Company, offering an opportunity for members of any size shareholding to have a conversation with, and ask questions to, each of the Directors. Where shareholders are unable to attend the AGM in person but would like to ask a question on the formal business of the meeting, all shareholders are offered the opportunity to submit questions to the Board ahead of the meeting with answers being made available to them.
Section 172(1)(b) to Section 172(1)(d)	Having regard to specific stakeholder groups	Pages 140 to 150 identify the priorities of our key stakeholders and display how the Company has engaged with them during the year and the impact they have had on Board decisions.

SECTION 172(1) DUTY IN ACTION

ASPECT OF DECISION	BOARD CONSIDERATIONS AND ACTIONS
Decision	Implementation of 'Agile Working'.
Context	As part of Redrow 2025, the Board introduced the 'Agile Working' initiative which means that our colleagues are able to work from wherever they are most efficient. During the year, this initiative was implemented across the Group with the Board agreeing to introduce more collaborative work spaces where people work together and not in departmental silos.
Stakeholder considerations	• **Employees** – feedback gained from the INsight survey, the Redrow 2025 consultation, exit interviews and the designated Non-Executive Director for workforce engagement showed that flexible working remains an important factor to many employees, particularly in attracting the next generation into the industry. • **Investors** – will benefit from a more productive and engaged workforce and it will assist with embedding a culture of trust and transparency. It will also reinforce that performance is judged on outcomes rather than presence and availability. • **Suppliers** – will benefit from spaces in the business where remote working is not possible being set up in a more collaborative manner to allow people to work better together, including between our partners in our supply chain and our colleagues. • **Community and environment** – will benefit from reduced CO_2 emissions due to less time commuting to the work place and a healthier workforce, both physically and mentally, due to having a good work-life balance. • **Government and regulators** – will benefit from the Company considering the implications of the Flexible Working Bill and adopting a more flexible approach as an employer. • **Customers** – the Company will need to ensure that there are sufficient resources available to our colleagues to work effectively remotely and guarantee that there will remain sufficient physical presence in roles where working remotely is not possible so that the customer experience is in no way negatively impacted.
Non-stakeholder considerations	• **Long-term consequences** – in our commitment to attracting the next generation into the industry, the Board found from engaging with our colleagues that having flexibility, trust and offering more empowerment within roles was a key factor to maintaining a happy and collaborative workforce. Embracing the views of the next generation and embedding a culture of flexibility and trust will have positive long-term consequences for the Company, with a healthier and more engaged workforce. • **Maintenance of high standards of business conduct** – embedding this initiative within the Group's Policy and Procedures manuals will ensure that the policy governing the initiative remains an active framework kept under review by the Company.

ASPECT OF DECISION	BOARD CONSIDERATIONS AND ACTIONS
Strategic actions supported by the Board	• Ensuring that sufficient resources are provided for colleagues to allow working from other locations, e.g. issuing laptops to all office workers. • Ensuring effective communications to ensure that all employees are aware of the initiative. • Increasing use of technology in communications to ensure that the positive employee engagement to date is built upon. • Reimagining office spaces to allow for better collaborative working. • Introduction of new modular compounds to give on-site employees better access to resources, recognising that site-based employees are unable to work from an alternative location and also encouraging office-based colleagues to spend time working with site-based colleagues.
Expected outcomes	• More collaborative working whereby people work seamlessly with each other and not in departmental silos leading to greater productivity. • Supporting colleagues to achieve both professional and personal objectives, including facilitating a healthy lifestyle, both mentally and physically. • Embedment of a culture of flexibility and trust by giving colleagues more empowerment in their roles. • A more motivated workforce whereby employees work hard and give back to the organisation with higher levels of employee retention.
Link to Strategy and Culture	Valuing People is a vital part of the Company's strategy and the initiative helps to embed a culture of flexibility and trust.

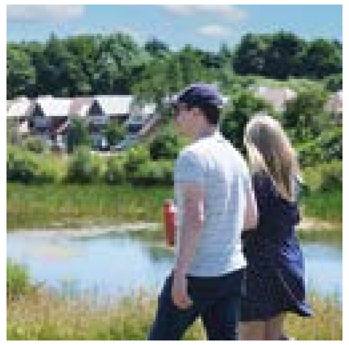
STAKEHOLDER ENGAGEMENT

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
INVESTORS 	Our investors provide funds which aid the growth of our business and are vital to our future success	• Strong financial performance • Good governance practices • Transparency and openness • Adoption of sustainable business practices	Examples of engagement with our investors include: • formal results presentations immediately following publication of the interim and final results; • meetings held between the Executive Directors and current and potential significant shareholders; • direct engagement by Richard Akers with significant shareholders following his stepping up to Non-Executive Chairman in September 2022 offering the opportunity to set up a meeting (with a number of meetings arranged providing valuable insight into key priorities of those shareholders); • a materiality assessment survey distributed by the Group Finance Director to significant shareholders requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; • engagement between the Group Communities Director and significant shareholders as part of the materiality assessment to discuss their ESG guidance principals and guidelines; • the Annual General Meeting, at which each of the Directors were in attendance in 2021, offering an opportunity for shareholders to directly engage with the Board. Where shareholders were unable to attend the AGM in person, they were offered the opportunity to submit questions to the Board ahead of the meeting; and • a dedicated investor-related section of the Company website (providing easy access to RNS announcements, key financial dates, dividend details, reports and publications). For further details of engagement with investors, see page 160 of the Corporate Governance Report, under heading: Shareholder Engagement.	Examples of the impact of investors on the Board's decision making include the: • payment of an interim dividend of 10p per share on 8 April 2022; • implementation of a share buyback programme, announced on 14 July 2022, to purchase ordinary shares of 10.5p each in the Company for up to a maximum consideration of £100m; • proposal to pay a final dividend of 22p per share on 16 November 2022, subject to shareholder approval at the 2022 AGM; • introduction of a climate reduction target as a performance condition within the 2022/2023 Long-Term Incentive Plan, recognising that climate-related issues are an increasingly important consideration for shareholders; and • introduction of an Equality, Diversity and Inclusion ("ED&I") input measure for the 2022/2023 annual bonus, recognising that ED&I is an increasingly important consideration for shareholders.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
EMPLOYEES 	Our employees are essential to preserving long-term value and Valuing People is a fundamental part of our strategy	• Development of our people • Good quality employment opportunities • Transparency and openness • Diverse and inclusive workforce • Support in all aspects of life, not just the work element • Good work-life balance • High quality health, safety and environmental practices • Sustainable procurement • Strong company culture • Flexible working opportunities	Examples of engagement with our employees include: • designated workforce Non-Executive Director and bi-annual workforce engagement meetings hosted by Nicky Dulieu; • employee communication via the intranet, Engage; • employee engagement meetings; • employee working group meetings and communication spaces; • circulation of the annual INsight survey; • a materiality assessment survey distributed to all employees requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; • promotion of share ownership through employee share plans; • Division specific communications, including regular updates from the Managing Directors and Heads of Department on news relating to the division and beyond; and • Company performance communications. For further details of engagement with employees, see page 160 of the Corporate Governance Report under heading: Workforce Engagement.	Examples of the impact of employees on the Board's decision making include the: • hosting of the Group's first all-employee staff conference, held virtually to allow all office and site workers to attend; • introduction of the new Volunteering Policy in 2022, which allows employees to take paid leave to contribute to local causes; • implementation of 'Agile Working' initiative, which allows colleagues to work from wherever they are most efficient; • continued accreditation with the Living Wage Foundation by ensuring that the pay of every Redrow employee is aligned with the real living hourly wage, which takes into consideration the cost of living as outlined by the Foundation; • introduction of a remuneration-specific session as part of the workforce engagement meetings with Nicky Dulieu, the designated Non-Executive Director for workforce engagement, to obtain the views of the workforce on the remuneration arrangements of the Executive Directors, ensuring that such arrangements remain transparent and open to feedback from employees; • introduction of an ED&I input measure for the 2022/2023 annual bonus, recognising that ED&I is an increasingly important consideration for employees; and • renewed annual invitation for all employees to join to Sharesave scheme in 2022 at the full 20% share price discount to promote share ownership.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
SUPPLIERS 	Having strong relationships with our suppliers is important to our long-term success and the Board is briefed on supplier feedback and issues on a regular basis	• Assistance with training and development opportunities • Assistance with addressing the industry skills shortage • Timely payment practices • Creation of jobs for our subcontractors • Safety and wellbeing of our people • Compliance with laws and regulations • High quality health, safety and environmental practices	Examples of engagement with our suppliers include: • participation in workshops, delivered through our partnership with the Supply Chain Sustainability School, to engage with our suppliers on a number of matters; • collaboration with subcontractors on health and safety matters and ensuring that our values on customer service, quality, safety and sustainability are in alignment; • working with our supply chain to attract new entrants into the industry and actively supporting our subcontractors to train their recruits to agreed standards, including inviting them to workshops and briefings; • engagement by way of a supply chain mapping system enabling us to work with supply partners to identify and avoid high risk products; • working with our supply chain to find ways to eliminate, reduce or reuse packing; • issuance of three-monthly forecasts, plot by plot, of the materials and products required to allow effective forecasting and build trust with suppliers; • circulation of a questionnaire to 135 suppliers to find out more about the carbon content of their products; • a materiality assessment survey distributed to suppliers requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; and • collaboration with key suppliers to find out how much they understand about decarbonisation, what progress they are making towards it and to communicate the Group's plans and requirements of them.	Examples of the impact of suppliers on the Board's decision making include the: • retained partnering with the Supply Chain School which has granted access to thousands of online presentations, training modules, guidance documents and checklists with regular invites to attend workshops and briefings; • retained services of an external specialist to manage all temporary labour requirements and processes, including carrying out periodic audits to ensure temporary agency workers are legally compliant and there are no instances of modern slavery; • placing of apprentices, who are employed and trained by the Company, with subcontractors for their apprenticeship, with around 85% of apprentices going on to take a position with the subcontractor at the end of their apprenticeship; • working with suppliers to improve the buildability of the units via product innovation and reviewing of new technologies; • endorsement of a beginner-level Sustainability Learning Pathway for groundworks companies, together with other homebuilders and in collaboration with the Supply Chain Sustainability School; and • commitment to increasing resources to ensure there is sufficient engagement with the supply chain going forward as the Group looks to reduce its Scope 3 emissions.
LANDOWNERS 	The Company strives to remain a partner of choice for landowners and maintaining good relationships with landowners is essential to our long-term success to ensure that the Group has sufficient land to continue to build and grow	• Protect and enhance biodiversity • Address the UK housing shortage • Build a quality product and provide a great place to live • Create a legacy to be proud of for future generations • Additionality provided through social value • To work collaboratively and in partnership with one another to unlock schemes	Examples of engagement with landowners include: • a materiality assessment survey distributed to landowners requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; • the reference in bid submissions to quality of the Redrow product and the creation of legacy for landowners; and • continual engagement with landowners and their representatives throughout the planning process to keep them informed of progress and changes required ensuring that they are brought with us throughout the process.	Examples of the impact of landowners on the Board's decision making include the: • introduction of measuring biodiversity on every new land purchase and factoring this into the Group's land buying strategy to help the Company meet its biodiversity net gain target; and • monitoring of initiatives put in place to maintain strong relationships with key landowners and promoters to ensure that the Company remains the partner of choice.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
CUSTOMERS 	'Putting our Customers First' is a key principle underpinning our strategic theme of Building Responsibly. Customers are at the heart of Redrow and are central to its mission to creating a better way to live	• Build a quality product and provide a great place to live • Provide excellent customer service • Be a considerate constructor and good neighbour • Develop places that enhance health and wellbeing • Produce environmental homes • Mitigate for effects of climate change and flood risk on our developments	Examples of engagement with our customers include: • face-to-face interactions and interactions via the My Redrow platform; • interaction via social media and online reputation platforms, retaining the utilisation of Crowd Control HQ technology and Rep.com which enables over 100 colleagues to respond to verified customers on social media; • personalised videos for customers ranging from pre-appointment welcome videos to site colleagues carrying out a walk around of the home to provide a more visual update; • a materiality assessment survey distributed to customers requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; • customer feedback via the NHBC surveys; • business benchmarking survey undertaken with all homeowners in their two year warranty period undertaken by the Institute of Customer Service; • close monitoring of customer complaints and feedback; and • direct engagement regarding the value of the Group's wider offering around placemaking and community via the Customer Experience suites.	Examples of the impact of customers on the Board's decision making include the: • creation of an additional £164m legacy fire safety provision to fund the remediation of life critical fire safety issues in line with the Group singing the voluntary Building Safety pledge; • commission of an independent survey of 2,000 people, carried out by Opinium, to gather feedback on priorities for homes and locations to ensure that the Board remains up to date on what homebuyers are looking for; • setting of the zero defects target of homes handed over to customers with identified and unfixed issues and monitoring of the zero defects reporting measure within Board reports; • improvement of the Red Site Manager Inspection app by making changes to the inspection prompts based on feedback received and to ensure the Company is well positioned for the introduction of the New Homes Quality Code and the New Homes Ombudsman Service; • implementation of changes in practices where appropriate and arranging the training up of teams in readiness for compliance with the new Consumer Code once introduced; • introduction of a new online complaints process for customers whereby customers are able to track progress with complaints; and • extended use of the Customer Experience Suites introduced in 2021 to turn them into sales hubs. To date, sales hubs have opened in Derbyshire, Medway and Essex, with further openings planned in the near-future.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
COMMUNITY, ENVIRONMENT AND NON-GOVERNMENTAL ORGANISATIONS 	'Listen to Learn' is one of the key Redrow 8 placemaking principles and our 'Nature for People' strategy both of which feed into the key principle underpinning our strategic theme of Developing Thriving Communities	• Provide affordable homes • Mitigate for effects of climate change and flood risk on our developments • Protect and enhance biodiversity • Develop places that enhance health and wellbeing • Create social value through the communities we build • Be a considerate constructor and good neighbour • Reduce waste from our construction activities • High quality health, safety and environmental practices • Focus on resource efficiency and pollution prevention • Support with local causes and community projects • Create support and invest in roles for a range of trainee opportunities	Examples of engagement with the community, environment and Non-Governmental Organisations ("NGOs") include: • engagement and consultations with local communities at an early stage to discuss matters that may inform the development process, to enable us to design developments that are sensitive and responsive and foster a sense of belonging; • direct consultation with local wildlife organisations which can provide a wealth of knowledge about the local biodiversity and help influence our designs to ensure the best outcome for nature and the community; • direct engagement with NGOs within the Group's industry to better understand their views and recommendations, recognising that they have the best interests of society and environment in mind; • a materiality assessment survey distributed to representatives of the local community and NGOs requesting their feedback on what they deemed most important for the Company to address as part of its approach to ESG; • engaging directly with local schools to ensure that green spaces and play areas are well planned and used; • working with the emerging community as the development progresses to help foster a sense of community ownership and belonging through active involvement of residents; • discussions with a variety of organisations local to our developments, allowing us to understand what is happening locally and enabling us to provide donations and sponsorship for local community projects to ensure that communities continue to thrive; • working with local authorities and Registered Providers to ensure that we provide the right mix of affordable homes for local people; and • working and supporting workstreams being developed by organisations with UK Green Building Council to support the more sustainable built environment.	Examples of the impact of the community, environment and NGOs on the Board's decision making include the: • introduction of a climate reduction target as a performance condition within the 2022/2023 Long-Term Incentive Plan, recognising that climate-related issues are an increasingly important consideration for stakeholders; • setting and submitting for verification of the SBTi commitments which saw the Group commit to a 1.5˚C reduction for Scopes 1 and 2 by 2030 and a well-below 2˚C reduction commitment for Scope 3 by 2030; • increased focus on TCFD reporting and allocation of resources necessary to further assess the risks and opportunities faced by the business in the context of the climate landscape and the potential financial impact and the impact that varying climate change scenarios may have on the business; • setting of the Group's new biodiversity net gain ("BNG") target to achieve a minimum of 10% net gain for biodiversity on every new planning application from November 2023, in preparation for the legislation coming into force; • increased investment in ecology resources at Group level which during the year assisted with the setting of new land, planning and technical policies and the development of a BNG toolkit for teams and customers; • introduction of Nature for People assessments within the Group's Redrow 8 post-completion audits to better understand how well its designs are delivering for nature and people in practice; • trialling of a new digital consultation platform for consulting with a wide cross section of local people in a more easily and accessible way; • retained contractor partnership with the Considerate Constructors Scheme; • maintenance of our environmental management system, which is externally certified by the British Standards Institution to ISO14001; • trialling of low carbon homes in excess of current building regulations including for example the use of Air Source Heat pumps, Solar Panels and smart homes electric infrared panel heaters; and • remaining committed to the KPI target to ensure that 15% of our workforce are trainees.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF THE STAKEHOLDER GROUP	ENGAGEMENT WITH STAKEHOLDER GROUP	IMPACT ON BOARD DECISIONS
POLICY MAKERS AND LOCAL PLANNING AUTHORITIES 	Active engagement with governmental bodies and regulators is important to allow us the opportunity to have input on matters relating to our industry where possible and to ensure we are able to put in place appropriate measures to ensure compliance with laws and regulations	• Compliance with laws and regulations • Ethical operations and practices • Address the UK housing shortage • Provide affordable homes • Prevent pollution from our construction activities • Provide good quality employment opportunities • High quality health, safety and environmental practices • Mitigate for effects of climate change and flood risk on our developments • Produce environmental homes • Produce local plans and neighbourhood plans • Implement the National Model Design Code • Address life critical fire safety issues	Examples of engagement mechanisms with policy makers and local planning authorities include: • participation in a range of consultations affecting our industry and practices; • engagement with the Department for Levelling Up, Housing and Communities regarding fire safety issues in high rise buildings; • engagement with Government via our membership with industry organisations such as the Home Builders Federation; • attendance at meetings and forums to engage with policy makers relevant to our operations; • closely working with Government bodies to contribute to the agenda on the mandatory biodiversity net gain requirements for new developments and the nutrient neutrality agenda; • a materiality assessment survey distributed to representatives of policy makers and local planning authorities requesting they provide feedback on what they deemed most important for the Company to address as part of its approach to ESG; • Government lobbying in relation to matters impacting the housing market, which this year included lobbying by the industry on nutrient issues which resulted in the recent written ministerial statement on the matter; • engagement with regulatory bodies during industry sector visits; • direct engagement regarding the new Consumer Code; • engagement in respect of local plan and neighbourhood plan consultations seeking to influence local policy on housing, design and sustainability; • engagement with Local Authorities on the implications of the National Model Design Code; and • working and supporting the work of the Future Homes Task Force to help meet government and industry climate and environmental targets through high quality homes and placemaking design.	Examples of the impact of policy makers and local planning authorities on the Board's decision making include the: • supporting of funding new wetlands to assist with the water nutrient issues which are resulting in local authorities delaying planning approval for many new developments; • supporting the seeking of new land opportunities outside the areas affected by nutrient and water neutrality in the short term until a permanent fix is available as part of the Group's land buying strategy; • voluntarily signing up to the Government's Building Safety pledge, committing to funding the remediation of life critical fire safety issues on all the buildings in which the Group were involved going back 30 years; • receipt of regular updates on statutory and regulatory developments following engagement with the Government and regulators to enable the Board to put in place structures to align practices with potential future legislation; • regular interaction with regulators and policy makers to provide key business insights on issues surrounding housing delivery across the UK; and • receipt of reporting from the Group Masterplanning Director in respect of his work with the Divisions in direct discussions with Local Authorities on the implications of the National Model Design Code.

STRATEGIC REPORT APPROVAL

The Strategic Report outlined on pages 1 to 150 has been approved by the Board.

By order of the Board

Graham Cope
Company Secretary

13 September 2022

CORPORATE GOVERNANCE REPORT

"Good governance is essential for delivering long-term sustainable success and the Board ensures that there is a strong infrastructure which guides decision-making and applies appropriate controls across the business for optimum effectiveness."

GRAHAM COPE
Company Secretary

DEAR SHAREHOLDER

I am delighted to introduce the Corporate Governance Report outlining the Company's approach to corporate governance.

We are reporting against the UK Corporate Governance Code (2018 version) (the "Code") for this report, which was published by the Financial Reporting Council ("FRC") and is available to view at www.frc.org.uk.

This report has been prepared and approved by the Board and, on behalf of the Board, I confirm that during the 2022 financial year, the Company applied the principles of, and was compliant with the provisions of, the Code, other than as outlined on page 157.

In this report, we seek to provide the opportunity for a meaningful assessment of the quality of the Company's governance arrangements and the workings of our Board as well as providing the required regulatory and statutory assurances.

Board composition

Since the last report, Richard Akers has taken over the Non-Executive Chairman role from John Tutte, who stepped down from the Board following the announcement of the Company's 2021 full year results on 15 September 2021. Richard Akers joined the Board as Chair-Designate and independent Non-Executive Director on 1 June 2021 and worked closely with the former Chairman during a handover period.

On 1 February 2022 we welcomed Oliver Tant as an additional independent Non-Executive Director and Audit Committee Chair-Designate. Oliver Tant is also a member of the Audit, Remuneration and Nomination Committees and has been working closely with Nick Hewson in readiness for taking over the role of Chair of the Audit Committee following the 2022 AGM. Further details of the appointment of Oliver Tant can be found on page 182 of the Nomination Committee Report.

Nick Hewson will be stepping down from the Board at the 2022 AGM having served a nine year term as a Non-Executive Director of the Company.

Board effectiveness

This report also discusses how the Board monitors its effectiveness in order to ensure that it has the strength and capability to lead the Company to continued success.

In line with the Code, a formal external evaluation of the Board and each of its Committees was carried out by Independent Audit Limited ("Independent Audit") this year. Independent Audit was engaged to assist with the external evaluation in 2019 and was re-engaged in 2022 following a competitive tender process.

Having considered the output of this year's evaluation, the Board considers that it continues to function effectively and its relationships with its Committees continue to be sound. Details of the evaluation can be found on pages 165 to 166.

Climate change

Having recognised the importance and value of increased reporting of climate-related information, the Company voluntarily made disclosures in line with the Task Force on Climate-Related Financial Disclosures ("TCFD") framework within its 2020 Annual Report and 2021 Annual Report.

Listing Rule 9.8 has made it mandatory for all UK listed companies to report in line with the TCFD framework for financial years beginning on or after 1 January 2021. In line with this, the Company has further increased its focus in this area and during the year a TCFD Steering Group was set up. The TCFD Steering Group has been primarily focused on:

- assessing the risks and opportunities faced by the business in the context of the climate landscape;
- the potential financial impact that may be faced by the business should the risks and opportunities identified materialise;
- assessing the impact that varying climate change scenarios may have on the business; and
- assessing the governance structures in place in dealing with climate related matters.

The work of the TCFD Steering Group was then reported through the Governance framework which involved discussion and debate by the Executive Management Team and the Placemaking and Sustainability Committee and review and approval by the Audit Committee. The 2022 TCFD report can be found on pages 112 to 125.

Workforce engagement and culture

The Board plays a key role in setting and monitoring the Group's purpose, strategy and values and ensuring that these are aligned with culture. During the year Nicky Dulieu, as designated Non-Executive Director for workforce engagement, hosted two virtual meetings with representatives from each area of the business to obtain employee views on a wide range of matters relating to life at Redrow. There was a high level of participation and debate throughout the meeting and an action plan was presented to the Board by Nicky Dulieu following the sessions. Further details of this workforce engagement session, along with other engagement mechanisms, can be found on pages 160 to 161.

Environmental, social and governance

Limiting the environmental impact of developments by building responsibly and creating thriving and desirable places to live are key components of the Group's strategy. The Company connects environmental and social matters across the business and ensures that it is underpinned by good governance which leads to better long-term decisions.

The Board is responsible for ensuring that Environmental, Social and Governance ("ESG") initiatives are being driven forward and that ESG matters are considered as part of its regular risk assessment. Further details of the work undertaken with regard to ESG can be found on pages 217 to 223.

2022 Annual General Meeting

Our 2022 Annual General Meeting will be held on Friday, 11 November 2022 and the Notice of Annual General Meeting together with Explanatory Notes will be sent to you separately.

Graham Cope
Company Secretary

13 September 2022

The Warwick, the Oxford and the Henley house types,
Ash Holt, Newton Garden Village, Nottinghamshire

BOARD OF DIRECTORS

The Board consists of our Non-Executive Chairman, Richard Akers; two Executive Directors, Matthew Pratt and Barbara Richmond; three independent Non-Executive Directors, Nick Hewson, who is the Senior Independent Director, Nicky Dulieu and Oliver Tant; and our Company Secretary, Graham Cope. The Board has an appropriate balance of skills, knowledge and experience to allow it to create long-term sustainable value for stakeholders.

RICHARD AKERS (61)

Non-Executive Chairman

M N R P

Richard Akers joined the Redrow Board as Chair-Designate and independent Non-Executive Director on 1 June 2021. He worked closely with John Tutte during a handover period and assumed the role of Chair following the announcement of the Company's 2021 full year results on 15 September 2021, at which time John stood down from the Board.

Richard Akers has a career background in property and land acquisition, having spent his entire career in the industry, latterly as a Main Board Director of Land Securities plc. Since retiring in 2014 from Land Securities plc he has held a number of non-executive roles.

Richard Akers currently holds the position of Senior Independent Director of Shaftesbury plc, and until recently having completed nine years, held a role at Barratt Developments plc, as a Non-Executive Director, the Senior Independent Director, Chair of the Remuneration and Safety, Health & Environment Committees and Workforce Engagement Director.

MATTHEW PRATT (47)

Group Chief Executive

M P

Matthew Pratt joined the Redrow Board in April 2019 as Chief Operating Officer and was promoted to Group Chief Executive with effect from 1 July 2020. He joined Redrow in 2003 as a Chief Quantity Surveyor and later became Managing Director of the Midlands Division. In 2013, Matthew Pratt was appointed as a Regional Chief Executive and became a member of the Executive Management Team.

Matthew Pratt trained as a quantity surveyor and graduated with a degree in Construction from Nottingham Trent University. He has 25 years' experience within the industry.

He is responsible for the operational management of the Group and the implementation of strategic plans and reports to the Board on this. Matthew Pratt is also a member of the Executive Management Team.

BARBARA RICHMOND (62)

Group Finance Director

M

Barbara Richmond joined the Redrow Board in January 2010, bringing with her a proven track record, with over 25 years' experience as Group Finance Director at a number of UK listed companies including Inchcape plc, Croda International plc and Whessoe plc. She is also a member of the Executive Management Team.

She has a strong background in both manufacturing and retail, as well as having completed a number of major acquisitions and disposals throughout her career.

Barbara Richmond was appointed a Non-Executive Director of Lonza Group Ltd with effect from 16 April 2014 and as Chair of the Audit and Compliance Committee with effect from 5 May 2022.

She is a Fellow of the Institute of Chartered Accountants in England and Wales and a graduate of the University of Manchester.

GRAHAM COPE (58)

Company Secretary

M

Graham Cope joined Redrow as Head of Legal in November 2002 and was appointed Company Secretary two months later. He is Company Secretary to the Main Board and Secretary to all Committees.

Graham Cope has 30 years' experience in the housebuilding sector, either working in-house or for house builder clients in private practice. He qualified as a solicitor in 1989 and is a member of the Law Society.

He is responsible for the governance structures and mechanisms, corporate conduct and is the primary source of advice on the conduct of the business. Graham Cope is also a member of the Executive Management Team.

NICK HEWSON (64)

Senior Independent Director

M A N R P

Nick Hewson joined the Redrow Board in December 2012. His business career to date has been spent mainly in the property industry, from commercial to residential. He became the Senior Independent Director of the Company on 7 November 2018.

Nick Hewson is the Non-Executive Chairman of Supermarket Income REIT plc and a Non-Executive Director of Croma Security Solutions Group plc.

He is a Fellow of the Institute of Chartered Accountants in England and Wales and has a degree in Law from Cambridge University.

Redrow Board of Directors at Meadow Gardens, Yapton, West Sussex
Left to Right: Graham Cope, Nick Hewson, Nicky Dulieu, Richard Akers, Matthew Pratt, Barbara Richmond and Oliver Tant.

NICKY DULIEU (58)

Non-Executive Director

M A N R

Nicky Dulieu joined the Redrow Board in November 2019. She has strong Non-Executive Director experience and has extensive knowledge of retailing and customer service.

Nicky Dulieu is currently a Non-Executive Director of Unite Group plc, Adnams plc (where she is also Chair of the Remuneration Committee) and WH Smith plc (where she is also Chair of the Audit Committee). She is also a Commercial Board member of the Royal Horticultural Society.

She is a Fellow member of the Association of Chartered Certified Accountants having trained as an accountant with Marks & Spencer Group plc and held various strategic and financial roles within the company over a 23 year period. Following this, Nicky Dulieu was appointed to the Board of Hobbs Limited and became Chief Executive from 2008 until 2014.

OLIVER TANT (61)

Non-Executive Director

M A N R

Oliver Tant joined the Redrow Board as an independent Non-Executive Director and Audit Committee Chair-Designate on 1 February 2022. Until last year, Oliver Tant served as Chief Financial Officer of Imperial Brands PLC where he was responsible for finance, treasury, investor relations, procurement and information technology. Prior to this role, he held a number of senior positions in a 32-year career at KPMG, including Vice Chairman, Global Managing Director (Financial Advisory and Private Equity Divisions) and Head of UK Audit. Oliver was also a Non-Executive Director of both the UK and German Boards of KPMG.

Oliver Tant is currently working with Brookfield Asset Management where he is providing financial consulting services to their portfolio company Modulaire Group. He previously served as Audit Chair of the Royal Hospital for Neuro-Disability and also served as governor for a leading UK independent school.

Oliver Tant is a Chartered Accountant with the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants in England and Wales and has a Joint 1st Class Honours degree in Economics and Business Economics.

COMMITTEE MEMBERSHIP

- M Main Board
- A Audit Committee
- N Nomination Committee
- R Remuneration Committee
- P Placemaking and Sustainability Committee

BOARD EXPERIENCE

- Finance
- Property
- Operational
- Sustainability

REDROW GOVERNANCE STRUCTURE

ARTICLES OF ASSOCIATION
TERMS OF REFERENCE
REDROW HANDBOOK & CODE OF CONDUCT
POLICY AND PROCEDURES MANUAL

MAIN BOARD

NON-EXECUTIVE CHAIRMAN
Responsible for leading the Board and ensuring its effectiveness with a key focus of the strategic development of the business.

GROUP CHIEF EXECUTIVE AND GROUP FINANCE DIRECTOR
Responsible for day-to-day operation of the business and performance of the Company.

NON-EXECUTIVE DIRECTORS (INCLUDING SENIOR INDEPENDENT DIRECTOR)
Responsible for providing constructive challenge and helping to develop proposals on strategy.

BOARD COMMITTEES

AUDIT
Provides independent scrutiny of the Company's financial and non-financial performance, risks and audit functions.

NOMINATION
Identifies and makes recommendations concerning the composition of the Board and that of its Committees.

PLACEMAKING AND SUSTAINABILITY
Promotes high environmental and placemaking standards in line with the Group's strategy.

REMUNERATION
Aims to attract and retain good management and to incentivise them to create shareholder value.

EXECUTIVE MANAGEMENT TEAM

GROUP CHIEF EXECUTIVE
Responsible for the operational management of the Group and the implementation of strategic plans.

GROUP FINANCE DIRECTOR
Responsible for the financial management of the Group in its broadest sense and maintaining effective communications with shareholders.

COMPANY SECRETARY
Responsible for governance structures and mechanisms, corporate conduct and is the primary source of advice on the conduct of the business.

REGIONAL CHIEF EXECUTIVES
Responsible for the operational management of the Divisions and reporting to the Board on this.

GROUP COMMUNITIES DIRECTOR
Responsible for placemaking and the sustainability strategy and ensuring that these functions align with the Group's long term objectives and targets.

GROUP HR DIRECTOR
Responsible for implementing the strategy on people, ensuring that the management of talent and culture is aligned with the Group's longer-term goals.

GROUP CUSTOMER & MARKETING DIRECTOR
Responsible for the overall customer experience, including marketing and sales strategy, and developing the Group's reputation via strategic communications and customer service.

LEADERSHIP COMMITTEES

GROUP HEALTH, SAFETY AND ENVIRONMENTAL
Responsible for developing and monitoring the Group's approach to health and safety and environmental sustainability matters.

FIRE SAFETY
Responsible for managing the Group's approach to funding the remediation of life critical fire safety issues on buildings over 11m in which the Group was involved going back 30 years in line with its commitment.

DIVISIONS
Build | Commercial | Customer Services
Finance | Land | Sales | Technical
Our Homes Divisions are comprised of the above departments which work together to deliver the Group's strategy.

GROUP
Commercial | Finance | HS&E | HR | IT
Legal | Marketing | Technical | Sustainability
The above departments support the Divisions to contribute to the successful operation of the business.

INTRODUCTION

This report sets out the Company's compliance with the Code issued by the FRC and describes how the governance framework is applied by the Company.

GOVERNANCE STRUCTURE

Governance is a key priority of the Board and the governance structure is set out in the diagram opposite. Each component within the structure is governed by a particular set of rules, whether it is the Redrow employee handbook, the Code of Conduct, the policies and procedures manuals, Articles of Association and/or the Committee terms of reference. Each of these documents are regularly reviewed and is updated in line with best practice and legislative or regulatory changes.

COMPLIANCE WITH THE UK CORPORATE GOVERNANCE CODE

The Directors have considered the contents and requirements of the Code and confirm that throughout the 53 weeks ended 3 July 2022 the Company has been compliant with the principles and provisions of the Code other than provision 38. Executive Directors' pension contribution rates have historically been set at 20% of salary which is higher than the workforce contribution rate. The Company is in a process of aligning the pension contribution rate for our Group Finance Director by 1 January 2023. The Group Finance Director's rate will remain at 20% of salary and reduce to the workforce rate of 7% of salary from 1 January 2023, as set out in the Directors' Remuneration Policy which was approved by shareholders with a 96.94% majority at the 2021 AGM. This is in compliance with The Investment Association's Principles of Remuneration guidance issued in November 2021 and in line with current good practice in this area.

1. BOARD LEADERSHIP AND COMPANY PURPOSE

ROLE OF THE BOARD

The Board sets the Group's strategy and oversees and monitors risk management, principal risks, internal controls and the viability of the Company. The Board is responsible for putting in place the strategic plans for the Group and providing the leadership required in order to achieve its vision and goals.

There are matters which the Board delegates to Committees, the Executive Management Team and other relevant management bodies in order to ensure that the Group is operating efficiently and effectively.

In order to ensure that the members of the Board fulfil their statutory duties as Directors, there is a formal schedule of matters reserved specifically for the Board's decisions. The matters reserved include:

- approval of any significant changes in accounting policies or practices;
- any changes relating to capital structure and approval of treasury policies;
- ensuring the maintenance of a sound system of governance, internal control and risk management;
- authorising conflicts of interest where permitted by the Company's Articles of Association;
- assessing the prospects and viability of the Group, including measurement of key performance indicators;
- assessing and monitoring culture in alignment with purpose, values and strategy;
- approval of corporate acquisitions or disposals, significant land purchases or contracts;
- changes to the size, structure and composition of the Board;
- approval of significant policies, including the Group's Health, Safety and Environmental policy;
- reviewing of overall corporate governance arrangements;
- monitoring the whistleblowing programme and reviewing concerns raised through the whistleblowing procedure;
- ensuring a satisfactory dialogue with key stakeholders; and
- appointment and removal of the Company Secretary.

Long-term performance and shareholder value relies on high quality corporate governance and the Board is responsible for maintaining strong governance practices and regularly reviewing the Group's governance structure as illustrated on page 156.

BOARD MEETINGS

The Board meets regularly and frequently, not less than six times during the year and maintains a close dialogue between meetings. During the year Board meetings have predominantly been held in person and the Board have carried out in-person site visits, accompanied by the local management team.

Board packs are distributed sufficiently in advance of the meetings to allow adequate time for review to enable informed debate and challenge at meetings and include key strategic, operational and financial information.

Where a Director is unable to attend a meeting, they are encouraged to discuss any issues arising with the Non-Executive Chairman or Group Chief Executive as appropriate. If a Director has a concern about the running of the business, the minutes should accurately reflect this.

Should any Director resign from their position as a result of unresolved concerns in the Company, they are requested to submit a written statement to the Non-Executive Chairman outlining their concerns for circulation to the Board. There were no statements received of this nature during the year.

Attendance by individual Directors at Board meetings is set out on page 158.

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
John Tutte [1]	Non-Executive Chairman	1/1
Richard Akers	Non-Executive Chairman	9/9
Matthew Pratt	Group Chief Executive	9/9
Barbara Richmond	Group Finance Director	9/9
Nick Hewson	Senior Independent Director	9/9
Sir Michael Lyons [2]	Non-Executive Director	1/1
Nicky Dulieu [3]	Non-Executive Director	8/9
Oliver Tant [4]	Non-Executive Director	6/6

1 John Tutte stepped down from the Board on 15 September 2021 and attended the one meeting held from the beginning of the 2022 financial year to the date he left the Board.

2 Sir Michael Lyons stepped down from the Board on 12 November 2021 and attended the one meeting held from the beginning of the 2022 financial year to the date he left the Board.

3 Due to unforeseen circumstances, Nicky Dulieu was unable to attend one meeting during the year and was fully appraised by the Chairman of the matters discussed therein following the meeting.

4 Oliver Tant was appointed as Non-Executive Director on 1 February 2022 and attended all meetings held from his appointment date to the end of the 2022 financial year.

PROFESSIONAL DEVELOPMENT

The Company Secretary and Non-Executive Chairman regularly review the developmental needs of the Board, both as a whole and for individual directors, to ensure that each Director is effective in adding to Board discussion, debate and decision-making and to allow them to continue to fulfil their role effectively on the Committees.

The Board receives regular briefings from those responsible for key Group disciplines. In addition, the Board maintains close working relationships with the Executive Management Team and the divisional management teams.

All new Directors must undertake a formal and comprehensive induction programme which is coordinated by the Company Secretary and the Non-Executive Chairman. The programme for the Non-Executive Directors is specifically designed to encompass the full breadth of the business and includes visits to operating businesses.

The programme is tailored accordingly to:

- provide an understanding of their role within the Company and the key priority areas for the Board;
- build an understanding of how the Board operates within the structure of the Group;
- introduce key Group personnel and external advisors;
- enhance their knowledge of the Group's strategy, culture and business;
- provide an understanding of the financial position of the Company; and
- if applicable, prepare the Director for Committee memberships by additionally providing induction material relevant to the specific committee.

During the year, formal appraisals of the Group Chief Executive, Group Finance Director and Non-Executive Directors were undertaken by the Non-Executive Chairman. The Non-Executive Chairman had an annual appraisal conducted by the Senior Independent Director.

KPI ASSESSMENT AND RISK MANAGEMENT

The Board has the overall responsibility for setting the key performance indicators and selecting the appropriate form of measurement to allow an objective assessment of the Group's performance. The Board also sets appropriate targets against each indicator and ensures timely and accurate measurements against each identified performance indicator. See page 5 for further details of the key performance indicators of the Group.

The ultimate responsibility for the effective management of the risks faced by the Group in order to achieve its strategic and financial objectives lies with the Board. It is vital to the long-term sustainability of the Group that strong risk management mechanisms are in place. The Board carries out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity. Details of the Group's risk management processes, including the Board's robust assessment of the Group's emerging and principal risks, key controls and mitigating strategies can be found on pages 98 to 109.

STRATEGY, PURPOSE AND CULTURE

Setting and monitoring the Group's purpose, values and strategy and ensuring that these are aligned with culture is a key role of the Board.

Engagement with stakeholders, and understanding the key matters which are of priority to them, has formed the basis of the Group's business strategy and purpose and can be seen in the three themes of Developing Thriving Communities, Building Responsibly and Valuing People.

Our purpose is to create a better way for people to live. This is supported by our strategy of creating long-term sustainable value for all of our stakeholders by developing thriving communities with high quality homes that provide a better way to live. The messaging regarding the Group's purpose and strategy is consistent and clear.

The Redrow culture is the unconscious landscape through which colleagues think, behave and act, regardless of whether they are working in the boardroom, Division, Group or on site. Culture is embedded through the Group's values which gives colleagues confidence about the established Redrow brand and innovative way of transforming lives of customers by creating dream aspirational homes with inspirational designs. There is a strong focus on creating personal emotional connections with customers to make them feel instantly at home. This culture is the backdrop of life at Redrow and colleagues are expected to apply these values in their daily working life.

There are a number of measures adopted by the Board to assist with monitoring, assessing and embedding culture:

1. The Board monitors the opinions of employees via the annual INsight survey to assist with measuring how far Redrow values are incorporated into the culture and evaluates the level of consistency in employees' views of culture.
2. Consistent language is used in communications with our colleagues via our intranet, Engage, which seeks to embed cultural norms by reinforcing the strategy and values and reiterating the behaviours and actions which are to be encouraged.
3. Policies are regularly reviewed and updated to ensure that they are in alignment with the Company's purpose, values and strategy.
4. Colleagues have access to the Redrow Brand Portal which reinforces what Redrow stands for and provides a single source of brand-related assets to ensure brand consistency.
5. Site and Divisional visits are carried out by the Board, which allows them to engage directly with the workforce and obtain their views on culture within the business.
6. Workforce engagement sessions carried out with Nicky Dulieu, as designated Non-Executive Director for workforce engagement, play an important role in obtaining views of employees and reporting back to the Board on key issues for the workforce.

The Board uses the feedback from the above measures to monitor behaviours and assess their alignment with the desired culture.

The Board is proud to have a business that is customer focused with employees taking pride in creating a better way to live through their contribution to providing a high quality product and service to customers.

WHISTLEBLOWING

The Group has a widely publicised Whistleblowing Policy which enables employees and other stakeholders to raise concerns in confidence. The Board receives reports on all occasions when such issues are raised under this policy and ensures that appropriate follow-up action is undertaken.

The Whistleblowing Policy allows concerns to be raised anonymously and includes a non-retaliation policy whereby all concerns raised in good faith will be protected, as will those against whom claims are made which turn out to be unfounded. The Company provides a safeguarding assurance for anyone raising concerns in good faith that they will be protected regardless of the outcome of the investigation and any reporting of retaliation shall be treated in the same way as a whistleblowing allegation and disciplinary action taken if necessary.

Employees are reminded of the types of unethical or unlawful behaviours which may prompt a report to be made under the procedure and there are a series of reporting channels within the policy to ensure that people are comfortable raising their concerns at some level within or outside of the Company. The policy contains the contact details of the Company Secretary and Senior Independent Director and additionally includes an independent reporting hotline where independent and confidential advice can be provided on whistleblowing matters.

Investigations are undertaken as quickly as possible without affecting their quality and depth. For any non-anonymised concern, receipt of the concern is acknowledged and the reporting person is provided with an indication of how the Company is proposing to deal with the matter. The person raising the concern shall be provided with feedback relating to the investigation, provided that it would not breach the confidentiality of others within the Company.

The Company Secretary maintains a record of the number of whistleblowing reports received, along with details of the investigations undertaken, and reports to the Board on this. During the year, there were two incidents reported through the whistleblowing procedure. In line with the policy, thorough investigations were held in respect of the reported incidents led by the Company Secretary. The investigation into the first incident has concluded and the matter was dealt with in line with the policy and the Redrow Employee Handbook. The investigation into the second incident remains ongoing and is being dealt with in line with the whistleblowing procedure.

The Whistleblowing Policy is formally reviewed and approved each year by the Board, with changes being approved in June 2022.

CONFLICTS OF INTEREST

Transparency in our business dealings is paramount and the Board is ultimately responsible for ensuring that there are procedures in place to ensure that conflicts of interests, or potential conflicts of interests, are managed effectively.

In line with the Group's Code of Conduct, employees must immediately inform their line manager if there is any possibility of there being an actual or potential conflict of interest. If conflicts can be mitigated, authorisation by way of a Divisional board meeting must be obtained and the Company Secretary must be informed.

Directors must disclose any actual or potential conflicts of interest immediately to the Company Secretary and seek formal approval from the Board.

The Board is satisfied that the procedures in place to deal with conflicts of interest are sufficient and were operated effectively during the year.

SHAREHOLDER ENGAGEMENT

Shareholder engagement is paramount to the Board and the Directors make themselves available to meet with significant shareholders to understand the issues that are of most importance to them. Following any shareholder meeting, the Board is subsequently briefed on any issues discussed therein.

During the year, the Board engaged with shareholders through the following means:

1. **Analyst presentations** – the Board undertakes formal presentations to equity analysts immediately following the announcement of the Company's financial results half-yearly. These presentations are available on the Company's website.

2. **Current and potential significant shareholders meetings** – following the full year and half-yearly results' announcement in September 2021 and February 2022, the Executive Directors held meetings with current and potential significant shareholders and feedback from these meetings was independently collated and disseminated to the Board.

3. **Non-Executive Chairman introduction** – following Richard Akers stepping up to Non-Executive Chairman in September 2022, he reached out to significant shareholders introducing himself as the new Non-Executive Chairman and offering the opportunity to set up a meeting. As a result of this, a number of meetings were arranged which provided valuable insight into key priorities of those shareholders.

4. **Materiality assessment survey** – during the year, the Group Finance Director reached out to significant shareholders to seek their opinions on what they deem to be the most important issues for Redrow to address as part of its approach to ESG topics. The request contained a materiality assessment survey which allowed shareholders to rate each ESG topic on its impact and likelihood and provided an opportunity for comments to be raised on each issue.

5. **Annual General Meeting** – last year the AGM took place at the offices at etc. venues, 1st Floor, 200 Aldersgate Street, London EC1A 4HD on Friday 12 November 2021. All Directors attended the AGM, which allowed them to engage directly with shareholders and their representatives and answer any questions. The Board answered questions from shareholders and engaged with them following the meeting. In the event that shareholders were unable to attend the AGM but had a question to raise, the Board provided the opportunity for shareholders to submit questions ahead of the meeting as outlined in the Notice of Meeting.

   Formal notification of the 2022 AGM will be sent to shareholders at least 21 working days in advance.

6. **Company website** – there is a dedicated investor related section of the Company website (redrowplc.co.uk) providing easy access to RNS announcements, key financial dates, dividend details, reports and publications. The website also gives access to current financial and corporate information.

WORKFORCE ENGAGEMENT

The Board believes that greater engagement with the workforce is essential to preserving long-term value. Valuing People is a fundamental part of the Group's strategy and understanding the views of employees and actively encouraging their participation sits highly on the Board's agenda. The Company engages with employees through the following means:

1. **Designated workforce Non-Executive Director** – in line with Provision 5 of the Code, Nicky Dulieu is the designated Non-Executive Director for workforce engagement. During the year, Nicky Dulieu hosted two virtual employee engagement sessions with representatives from each area of the business. The group was wide-ranging with representatives from Build, Sales, Commercial, Technical, Land and other support functions. There was also a good mix of employees of different ages and at different stages of their career to allow for a broad spectrum of voices to be heard.

   In line with Provision 40 of the Code, there was a section of the second employee engagement session that was dedicated to engagement regarding the remuneration arrangements of the Executive Directors. This ensured that such arrangements remain transparent and provided employees with the opportunity to provide their feedback relating to remuneration.

   The sessions provide the opportunity for Nicky Dulieu to engage directly with the workforce to obtain their views on a wide range of matters relating to life at Redrow. There was a good level of discussion and debate throughout the sessions and Nicky Dulieu was able to obtain a clear understanding of the most important issues facing employees. The Group HR Director was also available during the sessions and was able to share with the group which issues were under active consideration by the Board.

   Following each session, an action plan was put together and was presented to the Board by Nicky Dulieu who issues feedback to the employee representatives in between each bi-annual session.

2. **Employee communication via the intranet, Engage** – Engage is available for all employees of the Company and is the hub for sharing news and communications across the business. It encourages employees to actively participate and have a voice in decisions being made by the Company.

3. **Employee engagement meetings** – each divisional business and Group has a team of elected representatives who attend regular engagement meetings. These meetings keep employees up to date with Company news and employee health and wellbeing initiatives and enable the representatives to put forward the views and ideas of the department. Each employee has access to their engagement representative and has the opportunity to discuss matters arising from these meetings. All meeting materials and action plans following meetings are made available to all employees via Engage.

4. **INsight survey** – this survey is distributed annually to all employees by an independent third party company and in the latest survey there was an 88% participation rate. The feedback from employees was anonymised. Following the results, workshops were carried out with each team to discuss the findings and feedback was collated by the Engagement team. Resulting from the feedback, commitments and themes for the year were posted on Engage with regular progress reports posted on these.

5. **Materiality assessment survey** – during the year, the Sustainability team reached out to all employees to seek their opinions on what they deem to be the most important issues for Redrow to address as part of its approach to ESG topics. The request contained a materiality assessment survey which allowed employees to rate each ESG topic on its impact and likelihood and provided an opportunity for comments to be raised on each issue.

6. **Promotion of share ownership through employee share plans** – the Company supports employee share ownership at all levels as it directly aligns employee interests with those of shareholders. Share ownership encourages employees to take a wider view of the Group. Thinking like a shareholder, as well as an employee, encourages the workforce to be more inquisitive as to whether they can individually and collectively improve to create even more shareholder value.

7. **Division specific communications** – the Divisions are encouraged to make their employees aware of the financial and economic factors affecting their respective Divisions and the Company as a whole. Each Division has a dedicated section on the intranet which is regularly updated to reflect matters directly affecting that part of the business. Following feedback from the workforce engagement session with Nicky Dulieu regarding the value of regular updates from senior management, Managing Directors and Heads of Departments now provide, at least quarterly, an overview of news within the related Division and beyond.

8. **Company performance communications** – the Company's intranet, Engage, is also used as a tool for communicating factors affecting the performance of the Company to employees to ensure that they understand how the business is performing in the current market. Additionally, the Group Chief Executive circulates the results announcements and trading updates to all employees.

The Board is satisfied that the existing employee engagement activities are effective in understanding the views of the workforce and feels that matters are discussed across all levels of the business in line with its Governance structure, including at Board level where appropriate. Engagement mechanisms will be kept under review for their effectiveness and will be adapted and evolved in line with the needs of the business.

STAKEHOLDER ENGAGEMENT

An explanation of the engagement undertaken during the year with the key stakeholders of the Group, including the impact of the engagement on Board decisions, can be found on pages 140 to 150 of the Strategic Report.

SECTION 172(1) STATEMENT

The Section 172(1) Statement of the Group, explaining how the Directors have carried out their statutory duty within s.172(1) of the Act, can be found on pages 136 to 139 of the Strategic Report.

DIRECTORS' AND OFFICERS' INSURANCE

The Company has directors' and officers' insurance in place which insures Directors against certain liabilities, including legal costs.

2. DIVISION OF RESPONSIBILITIES

THE BOARD

The Board currently comprises a Non-Executive Chairman, two Executive Directors and three independent Non-Executive Directors, one of which acts as the Senior Independent Director.

Division of Responsibilities

The Company has separate roles for the Non-Executive Chairman and Group Chief Executive, ensuring that there is a clear division of responsibilities at the head of the Company between the running of the Board and the operational responsibility for the running of the Company's business, as required by the Code.

The division of responsibility and accountability between the roles is well defined and using such a balanced approach ensures that no one individual has unfettered powers of decision.

Non-Executive Chairman

Richard Akers, as Non-Executive Chairman, is primarily responsible for:

- leading the Board to ensure optimum effectiveness;
- encouraging a culture of openness and debate;
- facilitating constructive board relations and effective contributions from all Non-Executive Directors;
- ensuring that all Directors receive accurate, timely and clear information;
- taking a leading role in determining the Board's composition and structure;
- ensuring that effective communications are maintained with shareholders; and
- meeting with the Non-Executive Directors without the presence of the Executive Management Team.

Richard Akers replaced John Tutte as Non-Executive Chairman on 15 September 2021, having been appointed to the Board as Chair-Designate and independent Non-Executive Director on 1 June 2021.

Group Chief Executive

Matthew Pratt, as Group Chief Executive, is responsible for:

- operational management of the Group;
- implementing strategic plans with the assistance of the Executive Management Team;
- ensuring that the visions and values of the Company are properly communicated across the Group; and
- reporting on these to the Board.

In addition to his role on the Main Board, the Group Chief Executive is also a Member of the Placemaking and Sustainability Committee and Executive Management Team.

Group Finance Director

Barbara Richmond, as Group Finance Director, is responsible for:

- the financial management of the Group in its broadest sense;
- maintaining effective communications with shareholders; and
- reporting on these to the Board.

In addition to her role on the Main Board, the Group Finance Director is also a Member of the Executive Management Team.

Senior Independent Director

In line with Provision 12 of the Code, Nick Hewson was appointed as the Senior Independent Director on 7 November 2018.

Nick Hewson has a wealth of experience as a Non-Executive Director and, having been on the Board since 2012, has a good understanding of the business.

The following additional responsibilities fall within the remit of the Senior Independent Director:

- acting as a sounding board for the Non-Executive Chairman and supporting him in ensuring the Board is effective and that constructive relations are maintained;
- being available to shareholders in order to understand their issues and concerns in order to relay them to the Board; and
- leading the evaluation of the performance of the Non-Executive Chairman and obtaining views from other Directors.

Non-Executive Directors

The role of the Non-Executive Directors within the Company is essential in order to view the Group objectively and provide constructive challenge to the Executive Directors and scrutinise performance. They have a good understanding of the business and bring a range of skills and experience to the discussions in the boardroom, including offering specialist advice and strategic guidance.

The diversity and skills brought into the Company by the Non-Executive Directors are crucial to developing the strategy of the Group.

The Non-Executive Directors play a vital role in occupying seats on the Board's Committees and they are positioned in such way that the Committees benefit from their expertise and background. The Non-Executive Directors are also key in appointing and removing Executive Directors, and ensuring that there are succession plans in place for senior level roles. The work of the Nomination Committee, comprising all Non-Executive Directors, can be seen on pages 180 to 185.

Company Secretary

The Company Secretary acts as secretary to the Board and its Committees and his appointment and removal is a matter for the Board as a whole. He is responsible for advising the Board on all governance matters. The Company Secretary is a member of the Executive Management Team and all Directors have access to his advice and services. He is responsible for governance structures and mechanisms, corporate conduct and is the primary source of advice on the conduct of the business.

In certain circumstances, Board Committees and individual Directors may wish to take independent professional advice in connection with their responsibilities and duties, and, in this regard, the Company will meet the reasonable costs and expenses incurred and the Company Secretary will assist in arranging such advice.

BOARD BALANCE AND INDEPENDENCE

The Board considers that it is of a size and has a balance of skills, knowledge and experience that is appropriate for its business. The Executive Management Team provides the Board with an appropriate view of the detail of the business, which, together with the benefit of their significant collective experience of the UK house building industry, enables the Board to discharge its duties and responsibilities effectively. The Non-Executive Directors bring a wealth of experience and understanding from outside the Company which enables them to challenge and help develop proposals on the Company's strategy.

The details of the Directors' respective experience are set out in their biographical profiles on pages 154 to 155.

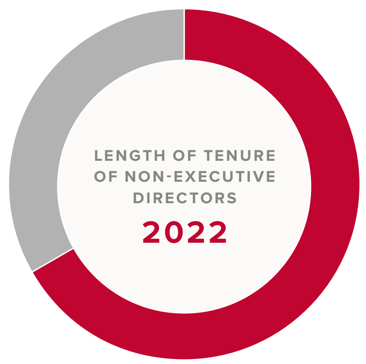
In considering the independence of each Non-Executive Director, the Board has taken into consideration the guidance provided by the Code. The Board considers all Non-Executive Directors holding office during the year and seeking re-election at the 2022 AGM to be independent in accordance with Provision 10 of the Code, as they each:

- have not been employed by the Company or Group;
- have no material business relationship with the Company;
- do not participate in the Company's employee share plans or pension scheme;
- have not received additional remuneration beyond the director's fee displayed on page 206 of this Annual Report;
- have no close family ties with any of the Company's Directors, Executive Management Team or advisers;
- have no significant links with other Directors through involvement in other companies;
- do not represent a significant shareholder; and
- have not served on the Board for more than nine years from the date of their first appointment.

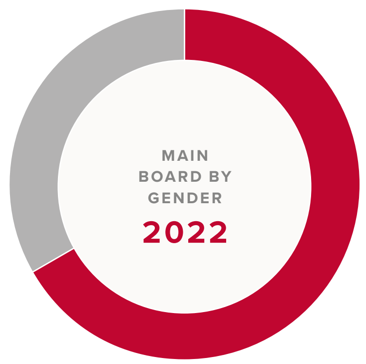
The Board believes that presently the balance of Non-Executive and Executive Directors is effective and contains the appropriate mix of skills and experience for the Board to continue successfully. The composition is compliant with Provision 11 of the Code as the ratio of independent Non-Executive Directors to Executive Directors, excluding the Chairman, is 3:2 (60%).

Nick Hewson was appointed to the Board in December 2012 and has now served more than a nine-year term as Director. Notwithstanding this, the Board still considers that Nick Hewson remains independent and meets all other criteria outlined in Provision 10 of the Code. Throughout his tenure, including in the time served since December 2021, Nick Hewson has carried out his duties objectively and has provided constructive challenge to the Board. In extending his appointment, this allowed for a thorough recruitment process to be undertaken in respect of the new Audit Chair-Designate, resulting in the appointment of Oliver Tant, and a smooth handover of this key role. However, in line with Provision 10 of the Code, Nick Hewson will not be seeking re-election at the 2022 AGM. There is an ongoing recruitment process to appoint a new independent Non-Executive Director. Further details of the recruitment process will be outlined in next year's Annual Report and as soon as the appointment has been approved, the Company will release an announcement to investors containing details of the appointment.

Non Executive	3
Executive	2



One to three years	2
Over 3 years	1



Male	4
Female	2

APPOINTMENTS TO EXTERNAL BOARDS

Prior to Executive Directors and Non-Executive Directors taking on any additional responsibility outside of the Group, and before making new appointments to the Board, an assessment is undertaken to determine whether this will compromise their ability to commit sufficient time to the Company to properly discharge their responsibilities or create any potential conflicts.

In making the assessment, the Board considers the mandates attributable to such positions, in line with the scoring mechanism used by Institutional Shareholder Services, to determine whether a person is overboarded. The Board does not consider that any of its Directors are overboarded and is satisfied that sufficient time and energy is devoted to the Company by each Director.

In line with Provision 15 of the Code, the Executive Directors do not hold more than one significant Non-Executive Directorship position.

COMMITTEES

The Board is supported by the Audit, Nomination, Remuneration and Placemaking and Sustainability Committees and their memberships, roles and activities are set out in separate reports, which can be found on the following pages:

- Audit Committee Report – pages 170 to 179;
- Nomination Committee Report – pages 180 to 185;
- Placemaking and Sustainability Committee Report – pages 186 to 191; and
- Remuneration Committee Report – pages 192 to 213.

Each Committee has Terms of Reference, governing their responsibilities and powers, approved by the Board. The minutes of the Committee meetings are circulated to the Board and the Committee Chairmen provide reports to the Board on the work undertaken by the Committees.

The Nomination and Placemaking and Sustainability Committees are chaired by Richard Akers, the Audit Committee is chaired by Nick Hewson and the Remuneration Committee is chaired by Nicky Dulieu. Following the retirement of Nick Hewson at the 2022 AGM, it has been agreed that Oliver Tant will take over the role of Chair of the Audit Committee.

In addition to the Board, each Committee completed a performance evaluation during the 2022 financial year. The evaluation reports were discussed at a meeting of the Committees and it was concluded that they were contributing and functioning effectively and were complying with their Terms of Reference.

3. COMPOSITION, SUCCESSION AND EVALUATION

NOMINATION PRACTICES

To assist with the assessment of the Company's application of the Code, the following table sets out where key information relating to the Company's nomination related practices can be found within the Annual Report:

SUBJECT	PAGE REFERENCE
Explanation of the main roles and responsibilities of the Nomination Committee	See page 180 of the Nomination Committee Report, under heading Responsibilities and Terms of Reference
Explanation of the work undertaken by the Nomination Committee	See page 181 of the Nomination Committee Report, under heading Main Activities During the Year
Annual reappointment of Directors and reasons why reappointment is recommended	See page 165 of the Corporate Governance Report, under heading Appointments and Re-Elections to the Board See page 183 of the Nomination Committee Report, under heading Annual Re-Election of the Directors
Tenure of Chairman	See page 182 of the Corporate Governance Report, under sub-heading Non-Executive Chairman
External search consultancy and connection disclosure	See pages 181 to 182 of the Nomination Committee Report, under heading Succession Planning
Annual evaluation of Board, Committees and Directors and action taken following results of evaluation	See page 165 of the Corporate Governance Report, under heading Board Performance Evaluation

THE NOMINATION COMMITTEE

The Nomination Committee is responsible for leading the process for appointments to the Board and ensuring that succession plans allow for the development of a diverse pipeline for the Board and Executive Management Team positions.

All members of the Nomination Committee are independent Non-Executive Directors and the Committee is chaired by Richard Akers, having taken over the role from Nick Hewson on 27 June 2022.

Further details of the role of the Nomination Committee and work undertaken throughout the year can be found on pages 180 to 185.

APPOINTMENTS AND RE-ELECTIONS TO THE BOARD

The appointments of the Non-Executive Directors are generally made for three-year terms and all Directors are subject to annual re-election. Following the assessment on the effectiveness of the Directors, the Nomination Committee will make recommendations to the Board on reappointments.

The Nomination Committee has recommended the reappointment of each of the Executive Directors and Non-Executive Directors, save for Nick Hewson who will be retiring from the Board at the 2022 AGM.

The Board is mindful of the principles and provisions of the Code on election and re-election, including that there should be a formal, rigorous and transparent procedure for the appointment of new directors to the Board, and that annual re-election is subject to continued satisfactory performance. The Board has decided that all Directors will be submitting themselves for re-election at the 2022 Annual General Meeting, save for Nick Hewson who shall be retiring from the Board at the 2022 AGM.

The Board has satisfied itself that all Directors who will be submitting themselves for re-election continue to perform satisfactorily. Details of appropriate Annual General Meeting Resolutions will be found in the Notice of Annual General Meeting which will be sent to shareholders separately.

BOARD PERFORMANCE EVALUATION

In line with the Code, each year a formal performance evaluation of the Board and its Committees is undertaken.

In line with Provision 21 of the Code, this year the evaluation of the Board and Committees was externally facilitated by Independent Audit, using Independent Audit's online governance assessment service. The Board engaged Independent Audit in 2019 to assist with the external facilitation of the evaluation and, having undertaken a competitive tender process for the services this year, Independent Audit was engaged again to assist with the evaluation for 2022. Other than its engagement in 2019 and 2022 for external evaluation services, Independent Audit has no other connection with the Company or its Directors.

Process

JANUARY 2022
Competitive tender process for a provider to externally review the effectiveness of the Board and Committees.

↓

FEBRUARY 2022
Tender proposals from three providers submitted to Board for consideration at the February Main Board meeting, with the Board resolving to engage Independent Audit.

↓

MARCH 2022
Meeting with Independent Audit, the Chairman and the Company Secretary to agree the scope of the evaluation and the key areas of focus for the assessment questionnaire taking into consideration the outputs from the 2021 evaluation and progress made since. Following this, the questionnaires were tailored according to the needs of the business.

↓

MARCH 2022
Independent Audit performed a document review as part of the evaluation which included a review of all Board and Committee packs over the previous twelve months.

↓

APRIL 2022
Independent Audit observed the April Board meeting to assess how time is utilised, how information is shared and to understand the nature of discussions and how the Board and management work together.

↓

APRIL 2022
Following the April Main Board meeting, the assessment questionnaires were circulated to all members of the Board and Committees, as well as members of the Executive Management Team and key external advisors.

↓

JUNE 2022
Following the document review, Main Board observation and collation of the feedback from the assessment questionnaires, there was a meeting between Independent Audit, the Chairman and the Company Secretary to discuss the draft report and the key themes which emerged through the evaluation.

↓

JUNE 2022
Independent Audit presented the final report to the Board at the June Main Board meeting whereby key themes and actionable next steps were agreed.

Output

Independent Audit reported that the feedback from the assessment questionnaires suggested a good level of satisfaction with how the Board and Committees work, with this positive picture also nuanced by their observations of the April Main Board meeting.

The main observations from the evaluation were that:

- Directors feel that the Board works on the basis of trust and openness which they felt was successful in having an impact on the Company's direction and performance;
- the impact of technology and the Board's oversight of management's approach to ESG were thought to be working well;
- the Board had improved its oversight of the Group's culture, which was highlighted as an area for improvement in previous years;
- there was unanimous agreement that the Board has a clear picture of the risks and uncertainties and has the right focus on compliance; and
- meetings were thought to be well chaired and well managed, with inclusive discussions.

The evaluation also identified the following areas for improvement, which will continue to be addressed over the coming year:

- some members of the Board felt that there was scope for proposals to come to the Board at an earlier stage where the Board could provide more input prior to finalisation;
- there was a mixed response regarding how the Board is able to respond to a crisis, with there being scope for an increased focus on the role of the Board in managing a crisis and looking for the "unknown-unknowns" that could impact the Company; and
- there was an indication that the Board papers work for the most part, however there were some suggestions that the key messaging could be highlighted more clearly to ensure the key messaging is not missed in the detail.

Progress from 2021 Evaluation

RECOMMENDATIONS OF IMPROVEMENT FROM THE 2021 EVALUATION	ACTION TAKEN DURING THE YEAR
Whilst it was acknowledged that the monitoring of culture is high on the Board's agenda, it was noted that this needs to remain a regular review feature as part of the overall strategy of Valuing People.	The feedback from the 2022 assessment shows that the Board feels that its oversight regarding the Group's culture is now working better. The twice-yearly engagement sessions hosted by Nicky Dulieu as the nominated Non-Executive Director for workforce engagement, along with the regular reporting to the Board from the Group HR Director as part of the overall strategy of Valuing People, has helped to ensure that culture remains a regular review feature at Main Board level.
There was agreement that the right people were brought into the conversation to allow for meaningful discussions, however it was noted that there was scope for bringing additional members of the next level senior team, both from a succession planning perspective and to provide the opportunity for a deeper dive into key areas.	The Main Board agenda now includes a 'Deep Dive' session as an individual item whereby members of the next level senior team are invited to present to the Board on an area of their expertise. This has not only assisted the Board in considering areas of the business in even greater detail but has also allowed Boardroom exposure to those beneath the Executive Management Team level. The feedback from the 2022 assessment was that deep dives into key aspects of the business is now an area which the Board is performing well.
There was scope for Directors spending more informal time together, although it was acknowledged that this was due to the restrictions regarding in-person meetings resulting from the Covid-19 pandemic.	Since Covid-19 restrictions have eased, the Board have recommenced meetings in person and now meet in person at least four times per year together with local management teams for an overnight dinner which allows them to spend more informal time together.

DIVERSITY

The principle of boardroom diversity is strongly supported by the Board. It is the Board's policy that appointments to the Board will always be based on merit, so that the Board has the right individuals in place, and recognises that diversity is an important consideration as part of the selection criteria used to assess candidates to achieve a balanced Board. A more detailed explanation of the approach to diversity can be found on pages 183 to 184.

In line with Provision 23 of the Code, the gender split of the Company can be found on page 184 within the Nomination Committee Report.

4. AUDIT, RISK AND INTERNAL CONTROL

AUDIT, RISK AND CONTROL PRACTICES

To assist with the assessment of the Company's application of the Code, the following table sets out where key information relating to the Company's audit, risk and control practices can be found within the Annual Report:

SUBJECT	PAGE REFERENCE
Explanation of the main roles and responsibilities of the Audit Committee	See page 171 of the Audit Committee Report, under heading Responsibilities and Terms of Reference
Explanation of the work undertaken by the Audit Committee	See pages 173 to 174 of the Audit Committee Report, under heading Main Activities During the Year
Risk management and internal control systems	See pages 98 to 99 of the Strategic Report, under heading Risk Management
Robust assessment of the Company's emerging and principal risks	See pages 98 to 109 of the Strategic Report, under heading Risk Management
Adoption of going concern basis of accounting and assessment of prospects of the Company	See page 223 of the Directors' Report, under heading Going Concern
Explanation of the Directors responsibility for preparing the Annual Report and assessment forming the basis for their conclusion that the Annual Report is fair, balanced and understandable	See pages 224 to 225 of the Governance Report, under heading Statement of Directors' Responsibilities

AUDIT COMMITTEE

The Board has established an Audit Committee comprising three independent Non-Executive Directors. The Non-Executive Chairman is not a member of the Audit Committee.

The Board is satisfied that there is sufficient recent and relevant financial experience to ensure that the Committee is able to function effectively with the appropriate degree of challenge, due to the following:

- Nick Hewson is a Fellow of the Institute of Chartered Accountants in England and Wales;
- Nicky Dulieu is a Fellow member of the Association of Chartered Certified Accountants and has held various strategic and financial roles within a FTSE 250 company over a 23-year period; and
- Oliver Tant is a Chartered Accountant with the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants in England and Wales and has a long-standing career in finance where he has held senior financial positions within KPMG and a FTSE 100 company.

Further details of the role of the Audit Committee and work undertaken throughout the year can be found on pages 170 to 179.

5. REMUNERATION

REMUNERATION PRACTICES

To assist with the assessment of the Company's application of the Code, the following table sets out where key information relating to the Company's remuneration practices can be found within the Annual Report:

SUBJECT	PAGE REFERENCE
Non-Executive Director remuneration	See page 206 of the Directors' Remuneration Report, under heading: Single Total Figure Remuneration Table
Remuneration consultancy appointment	See pages 212 to 213 of the Directors' Remuneration Report, under heading: Consideration of Directors' Remuneration – Remuneration Committee and Advisors

SUBJECT	PAGE REFERENCE
Executive Director remuneration supporting alignment with long-term shareholder interests	In the Remuneration Policy table, see Operation column of LTIP component for details of vesting and holding periods, on page 198 See also page 208 of the Directors' Remuneration Report, under heading Shareholding Guidelines and Share Interests
Discretion to override formulaic outcomes, malus and clawback provisions	See page 194 of the Directors' Remuneration Report under sub-heading: Risk
Notice and contract periods	See page 202 of the Directors' Remuneration Report, under sub-heading: Service Contracts
Remuneration policy setting	See page 194 of the Directors' Remuneration Report, under sub-heading: Remuneration Strategy
Pay ratios	See page 210 of the Directors' Remuneration Report, under sub-heading: CEO Pay Ratio
Engagement regarding remuneration	See page 200 of the Directors' Remuneration Report, under sub-heading: Consideration of Shareholder Views See pages 160 to 161 of the Governance Report, under the sub-heading: Designated Workforce Non-Executive Director

REMUNERATION COMMITTEE

The Board has established a Remuneration Committee comprising all three independent Non-Executive Directors and the Non-Executive Chairman.

Nicky Dulieu is currently the Chair of the Remuneration Committee. She has significant remuneration experience and is currently appointed as the Chair of the Remuneration Committee of Adnams plc. The Board is therefore satisfied that she has sufficient remuneration experience to successfully lead the Remuneration Committee.

The Board has delegated the responsibility to the Remuneration Committee for determining the remuneration policy and setting the remuneration for the Non-Executive Chairman, Executive Directors and members of the Executive Management Team, taking into consideration the remuneration of the workforce.

Further details of the role of the Remuneration Committee and work undertaken throughout the year can be found on pages 192 to 213.

Graham Cope
Company Secretary

13 September 2022

The Oxford lifestyle show home at Midsummer Meadows, Warwick, Warwickshire

AUDIT COMMITTEE REPORT

"The Committee provides independent challenge of the Group's risk management systems and financial reporting and scrutinises the robustness of the internal control framework."

NICK HEWSON
Chair of the Audit Committee

INTRODUCTION

I am pleased to present the Audit Committee Report for the 53 weeks ended 3 July 2022, which has been prepared in accordance with the requirements of the UK Corporate Governance Code 2018 (the "Code") and the Financial Conduct Authority's Listing Rules and Disclosure Guidance and Transparency Rules (the "DTRs").

This report describes how the Committee has carried out its responsibilities during the year.

During 2022, the Committee maintained its focus on monitoring the integrity of the Group's internal control processes and risk management framework and the effectiveness of the Group's financial reporting by providing independent and objective challenge.

COMMITTEE MEMBERSHIP

There are three Members of the Committee, each of whom are independent Non-Executive Directors, with myself, the Senior Independent Director, being Chair of the Committee. The other Members of the Committee during the 2022 financial year were Nicky Dulieu, Oliver Tant and Sir Michael Lyons. Sir Michael Lyons stepped down as a Member of the Committee on 12 November 2021 when he retired from the Board. Oliver Tant joined as a Member of the Committee and as Audit Committee Chair-Designate on 1 February 2022 following his appointment to the Board. In line with Provision 24, the Chair of the Board is not a Member of the Committee.

As outlined further in the Nomination Committee Report on page 182, I have now completed a nine-year term as a Non-Executive Director of the Company and, in line with Provision 10 of the Code, I will be stepping down as a Director at the 2022 AGM and will not be seeking re-election. Oliver Tant joined the Board as Audit Committee Chair-Designate in February 2022 and it has been agreed that he shall take over the role of Chair of the Committee following the 2022 AGM.

The Board is satisfied that there is the requisite recent and relevant financial experience on the Committee (in line with Provision 24 of the Code) and that there is sufficient competence in accounting and auditing (in line with DTR 7.1.1A) due to the following:

- as Chair of the Committee, I am a Fellow of the Institute of Chartered Accountants in England and Wales;
- Nicky Dulieu is a Fellow member of the Association of Chartered Certified Accountants and has held various strategic and financial roles within a FTSE 250 company over a 23-year period. She is currently the Chair of the Audit Committee at WH Smith plc; and
- Oliver Tant is a Chartered Accountant with the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants in England and Wales and has a long-standing career in finance where he has held senior financial positions within KPMG LLP and a FTSE 100 company.

The qualifications, skills and experience of each Committee Member can be found on pages 154 to 155.

COMMITTEE MEETINGS

The Company Secretary acts as Secretary to the Committee and detailed papers and information were circulated by the Company Secretary sufficiently in advance of meetings to allow proper consideration of the matters for discussion.

To enable the Committee to provide robust challenge of the reports submitted to the Committee, regular attendees at the meetings during the year included the Group Finance Director, Finance Director – Group Services (who has the responsibility for the Company's internal audit), Chief Information Officer (who has the responsibility for IT, including cyber security and systems accounts), the Non-Executive Chairman and KPMG LLP as the external auditor.

The Committee met three times during the year and details of the meeting attendance can be seen in the table below.

The Committee has also had the opportunity to meet separately with the external auditors and internal audit function following the final audit and the review of the 53 weeks ended 3 July 2022 financial statements.

A summary of the principal activities of the Committee is provided below.

RESPONSIBILITIES AND TERMS OF REFERENCE

The key responsibilities of the Committee are:

- monitoring the timeliness and integrity of the financial statements and accompanying reports to the shareholders and Corporate Governance Statements, including reviewing any significant financial reporting judgements contained therein and the findings of the external auditors;
- monitoring and reviewing any formal announcements relating to the Company's financial performance;
- reviewing and monitoring the effectiveness of systems for internal control, financial reporting and risk management, including the Risk Register, covering all material controls (including financial, operational and compliance controls), having regard to the long-term prospects and viability of the Company;
- making recommendations to the Board in relation to the appointment and removal of the external auditors and approving the remuneration and terms of engagement;
- determining the criteria used in order to assess the quality of the external audit and reporting on any significant issues considered in relation to the financial statements;
- reviewing and monitoring the external audit process and independent activity of the external auditors as well as the nature and scope of the external audit and its effectiveness;
- reviewing and monitoring the external auditor's independence and objectivity;
- monitoring and reviewing the policy on the engagement of the external auditors to supply non-audit services, taking into consideration the impact this may have on independence;
- ensuring that the internal and external audit functions remain independent and effective through formal and transparent review;
- reviewing the Company's procedures for detecting fraud and the adequacy of its systems and controls for the prevention of bribery;
- reviewing the Company's procedures for data management and cyber resilience;
- reviewing the Company's procedures and controls for the prevention of tax evasion and the facilitation of tax evasion;
- reviewing the Company's procedures for raising concerns; and
- reporting to the Board on how the Committee has discharged its responsibilities.

The Committee's Terms of Reference are available on the Company's website (redrowplc.co.uk).

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Nick Hewson †	Chair	3/3
Nicky Dulieu †	Member	3/3
Oliver Tant [1] †	Member	2/2
Sir Michael Lyons [2] †	Member	1/1

1 Oliver Tant was appointed as a Non-Executive Director on 1 February 2022 and joined as a Member of the Committee at the same time. He attended all meetings held from his appointment date to the end of the 2022 financial year.

2 Sir Michael Lyons stepped down from the Board and as a Member of the Committee on 12 November 2021. He attended the one meeting held from the beginning of the 2022 financial year to the date he left the Board.

† Member considered to be independent. Throughout the 2022 financial year the Committee was made up of 100% independent Members.

AUDIT COMMITTEE REPORTING ON SIGNIFICANT ISSUES

The primary areas of judgement and estimation uncertainty which were considered and challenged by the Committee and how these were addressed are set out below:

AREA OF FOCUS	CONSIDERATIONS
Fire safety provision	The Committee reviewed management's assessments of the costs associated with meeting the Building Safety pledge which the Company signed up to in April 2022. In signing up to the pledge the Company has agreed to fund the remediation of life critical fire safety issues on all buildings over 11 metres in which they were involved, whether or not the buildings were constructed by the Group, going back 30 years. An additional £164m legacy fire safety provision was created and charged to cost of sales in April 2022 in respect of the buildings the Group has agreed to remediate solely as a result of signing the voluntary Building Safety pledge. The Committee reviewed management's accounting assessment to understand the nature of the remediation costs, judgements on the probability and timing of the outflow and sensitivities around any estimations. The Committee also reviewed the Key Process Improvements implemented during the year with regard to fire safety issues, which included: the formal minuting of all Fire Safety Committee meetings; and weekly fire safety operational meetings being held chaired by a Regional Chief Executive.
Valuation of inventory	The Committee receives a report prepared by management at each reporting date outlining the approach taken by management to assess the net realisable value of inventories and cost of sales, with details of developments with significant areas of judgement and any forward land against which provisions have been made.
Defined benefit pension scheme valuation	The Committee receives details of the IAS 19R – Employee Benefits valuations carried out at each reporting date for management by the actuary who advises the Company on the underlying assumptions. A sensitivity analysis is also provided for its consideration. The Committee also receives details of the triennial independent scheme valuation report prepared by the Scheme Actuary and reviews key judgement areas made including relevant actuarial advice that has been received. In addition, the Committee also reviews the external auditors' report benchmarking pension actuarial assumptions. The consolidated balance sheet included a £39m retirement benefit surplus at 3 July 2022 (27 June 2021: £40m).

CONCLUSIONS

In order to assess the appropriateness of judgements made by the Company to satisfy itself of the adequacy of disclosures and to provide independent challenge, the Committee carried out the following:

- a review of the internal control measures and risk management systems;
- a review of the findings and challenges of the external auditors; and
- a debrief and challenge of the senior Finance team, including the Group Finance Director and Finance Director – Group Services, with specific regard to the Group's valuations, forecasts and assumptions.

Following this, the Committee concluded that appropriate judgements had been applied in determining the estimates and that adequate disclosures had been made.

MAIN ACTIVITIES DURING THE YEAR

The Committee followed a programme which is structured around the annual reporting cycle and received reports from internal audit, the external audit and management. The principal activities undertaken were as follows:

DATE	ACTIVITY
September 2021	• A review of the full year 2021 results, including the Annual Report; • Consideration of the Group risk assessment process, key accounting judgement areas, viability statement and a going concern review; • A review of the latest triennial independent scheme valuation report prepared by the Scheme Actuary of the defined benefit pension scheme; • A review and discussion of the external auditors' report; • A review of the related third party transactions; • A review of the latest Business Performance Reviews; • A review of the latest Post Completion Reports; • A review of the compliance with the Anti-Bribery Policy; • An update on cyber security, including an update on compliance with the General Data Protection Regulation 2018 ("GDPR"); • A recommendation to the Board to approve the 2021 Annual Report following a review of the full and clean audit opinion from the external auditors; and • A recommendation to the Board for it to recommend a Final Dividend of 18.5p, subject to shareholder approval.
February 2022	• A review of the 2022 half-yearly accounts; • Consideration of the key accounting judgement areas, viability and going concern; • A review of the fire safety provision and discussion regarding the correspondence from the Department for Levelling Up, Housing and Communities; • Discussion of accounting policies to be applied for the 2022 financial year; • A review of the proposed external audit strategy for 2022 and associated fees; • An update on the work being undertaken in respect of reporting against Task Force on Climate-Related Financial Disclosures ("TCFD") for 2022; • Discussion regarding the development of a new control to further manage risks relating to the accuracy of infrastructure and development accruals; • A review of the Risk Register; • A review of the latest Business Performance Reviews; • A review of the Cross Divisional Testing programme; • A review of the latest Post Completion Reports; • A further update on compliance with GDPR; • A review of the compliance with the Anti-Bribery Policy and the Gifts and Hospitality Policy; • A further update on cyber security; • A review and approval of the Terms of Reference of the Committee; and • A recommendation to the Board to approve the 2022 half-yearly accounts.

DATE	ACTIVITY
June 2022	• Discussion regarding the general update from the Assurance Team; • A review of the Risk Register; • An update and discussion on internal audit and its strategy; • A review of the internal controls across the whole business; • A review of the Business Performance Review programme; • An update on the Key Process Improvements implemented during the year, which in respect of the fire safety provision included the formal minuting of meetings of the Fire Safety Committee and weekly fire safety operational meetings chaired by a Regional Chief Executive; • A review of the cyber security penetration testing; • Discussion of the update of, and adherence to, the Policies and Procedures manuals; • A review of the latest Business Performance Reviews; • A review of the Cross Divisional Testing programme; • A review of the latest Post Completion Reports; • A review of the Health, Safety and Environmental ("HS&E") Assurance Inspections; • An update on the work undertaken in respect of managing the risks and opportunities brought by climate change through compliance with TCFD; • An update and discussion on the external audit and fees; • A further update on cyber security; • An update on insurance cover renewal for the Group; • A further update on compliance with GDPR; • A review of the whistleblowing report; • A review and approval of the Group's updated Anti-Bribery Policy, Receipt of Gifts & Hospitality Policy, Anti-Facilitation of Tax Evasion Policy and Whistleblowing Policy; • Presentation of report regarding the Committee's self-evaluation and a discussion on its effectiveness; and • A review of the independence and objectivity of the external auditors.
September 2022	• A review of the full year 2022 results, including the Annual Report and a report from the external auditors; • Consideration of the Group risk assessment process, viability statement and a going concern review; • A review of the related third party transactions; • Discussion regarding the latest Business Performance Reviews; • A review of the compliance with the Anti-Bribery Policy; • An update on cyber security; and • A review of the effectiveness of the external audit process.

GOING CONCERN

Management conducts a detailed going concern review twice per year, considering liquidity and banking covenant compliance. The Committee has challenged forecast cash flows and the assumptions applied to derive the cash flows and availability of finance from existing facilities. The Committee also challenged the various risks associated with the war in Ukraine, disruption in the energy and fuel market, increasing inflation, increased economic uncertainty, increasing rates of unemployment and the impact of consumer confidence levels that have been assumed as part of this review. The cash flow forecasts evidence that the Group has adequate levels of liquidity from its committed facilities and complies with all banking covenants for at least 12 months from 13 September 2022. The Committee therefore considers that it is appropriate to continue to adopt a going concern basis in the preparation of the financial statements.

The assessment of going concern is included in the Basis of Preparation section of Accounting Policies on page 242.

EXTERNAL AUDITORS

Following the last tender process which was undertaken by the Committee in 2018, KPMG LLP was appointed as the external auditor of the Company in 2019 and reappointed at the 2022 Annual General Meeting, with 99.79 % of votes cast in favour of reappointment.

Nick Plumb has been the Audit Partner since the financial year commencing 1 July 2019 and for the financial year ending 2 July 2023 will be replaced by Ailsa Griffin as part of the planned cycle of audit partner rotation.

Provision of non-audit services by external auditors

The Committee has a formal policy in respect of the work of the external auditors. The purpose of this policy is to ensure that the auditors' objectivity and independence is maintained by ensuring both that the nature of any non-audit work undertaken and the level of fees paid does not compromise the auditors' position.

Appointments in respect of non-audit work require the prior approval of the Committee within an established budget. In addition, no work can be undertaken by the external auditors in any area where there is any identifiable risk that the work of an individual within the external audit firm or the external audit firm generally could conflict or compromise the quality, objectivity or independence of any audit or compliance work undertaken for the Group.

The external auditors are not indemnified by the Company nor has the Company purchased liability insurance for them.

There were no non-audit services provided by the external auditors during the 2022 financial year. Details of fees paid to KPMG LLP for audit are disclosed on page 252.

Independence assessment of external auditors

In line with Provision 25 of the Code, the Committee monitors and reviews the independence and objectivity of the external auditors. The Committee is satisfied that KPMG LLP remain independent and objective following its assessment, taking into consideration the following:

- Tenure of the audit firm – the 2020 financial year was the first period of KPMG LLP's appointment as the external auditor. The Committee is aware of the requirement for it to retender the Company's statutory audit services engagement at least every ten years, with rotation at least every twenty years. The Committee is also mindful of the Competition and Markets Authority's view that companies may benefit from going out to tender every five years and, when considering the specific timing for the retender of the external auditor, the Committee shall consider which year would be in the best interests of its members among other factors. Having completed only three years of external audit services, the Committee is satisfied that the independence of KPMG LLP has not been impaired;
- Tenure of the audit partner –the Committee is aware of the requirement for the Audit Partner of the external auditor to be rotated at least every five years. Nick Plumb has been the Audit Partner since the financial year commencing 1 July 2019 and for the financial year ending 2 July 2023 will be replaced by Ailsa Griffin as part of the planned cycle of audit partner rotation. The Committee is satisfied that the independence of the external auditors and the Audit Partner has not been impaired.
- Connection of the audit firm to the Members of the Committee – Oliver Tant, who was appointed to the Board and as a Member of the Committee on 1 February 2022, worked for KPMG LLP from 1982 until 2013. The Committee is satisfied that the roles held by Oliver Tant within KPMG LLP do not impair the independence of the external auditors as it has been almost ten years since Oliver Tant left KPMG LLP. KPMG LLP otherwise has no connection to any Member of the Committee or the Board; and
- Level of non-audit services provided to the Company – there were no non-audit services provided by the external auditors during the 2022 financial year therefore independence was in no way compromised.

Effectiveness assessment of external auditors

The performance of the external auditors is subject to regular review by the Committee, in line with Provision 25 of the Code.

In assessing the effectiveness of the external auditors, the Committee had regard to the challenge posed by the external auditors of key management judgements. During the audit for the 2022 financial year, the external auditor put in place a number of additional challenge mechanisms to mitigate the risks associated with the following:

- Fire safety provision – recognising that there is a degree of estimation uncertainty of the provision required due to the potential range of reasonable outcomes.
- Management override of controls – recognising that there is a fraud risk from management's ability to override of controls that otherwise appear to be operating effectively.

- Infrastructure and development contingency accruals – recognising there is a risk relating to the accuracy of infrastructure and development costs in calculating such contingencies.
- Valuation of inventory – recognising there is a risk relating to the calculation of the net realisable value of inventories and cost of sales.

During the year, Members of the Committee as well as regular attendees participated in a rigorous evaluation of the external auditors. This involved the completion of a tailored assessment framework against which the external auditors were scored with comments supporting the scoring captured on the questionnaire. The assessment framework allows for an objective analysis of progress and possible areas of improvement over the tenure of the external auditor.

In its assessment of the effectiveness of the external auditors, the Committee considered the quality of the external audit processes; the knowledge and experience of the external audit team; the external audit scope and plan; the external audit communications; and the external audit governance and independence.

Following its assessment, an anonymised report was presented to the Audit Committee and the external auditor. The areas of improvement highlighted within the assessment were discussed with the external auditor. Following this discussion, the Committee were satisfied with the effectiveness of KPMG LLP.

Re-appointment of external auditors

Following its assessment of the independence and effectiveness of the external auditors, having received the recommendation from the Committee, the Company will be proposing the re-appointment of KPMG LLP as its external auditor at the 2022 Annual General Meeting.

The Committee confirms that there were no contractual obligations that acted to restrict the Committee's choice of external auditor and that the recommendation is free from influence by any third party.

INTERNAL CONTROLS

The Board recognises its overall responsibility for the Group's system of internal control and for monitoring its effectiveness. There is an ongoing process for identifying, evaluating and managing significant risks. However, in reviewing the effectiveness of internal control, any internal control system can only provide reasonable but not absolute assurance against material misstatement or loss.

Key business activities, including finance, land acquisition, product design, and procurement and information technology are controlled by the Executive Directors. All activity is organised within a defined structure with formal lines of responsibility, designated authority levels and a structured reporting framework. A formalised reporting structure has been established within the Group. The Executive Directors, the Company Secretary, Regional Chief Executives, Group Human Resources Director, Group Customer & Marketing Director and Group Communities Director (the "Executive Management Team") meet monthly to discuss the Group's key issues, principal and emerging risks and opportunities, and more frequently if required to meet the demands of the business. The Divisions also hold monthly board meetings which are attended on a rotational basis by the Executive Directors.

The key features of the Group's internal controls are as follows:

- defined authorisation levels exist over key areas such as land purchase, the placing of orders and contracts and staff recruitment;
- the requirement of a formal land bid approval meeting to be held for all sites above a certain land value threshold prior to being submitted. Depending on the threshold, the meeting must be attended by the Group Chief Executive, the Group Finance Director, the Regional Chief Executive, the Managing Director of the Division and Harrow Estates and provides greater Group visibility of potential sites at an earlier stage. Main Board approval is required should the land value threshold reach a certain level;
- prior to completion on land purchases above a certain monetary threshold, the requirement for a peer review of the contract to be conducted by another Divisional Legal Director, following which the Legal Director must prepare a supplementary report for the Division;
- a requirement for a peer review to be conducted by another Divisional Commercial Director on the instruction of Group Commercial for any subcontract orders above a certain monetary threshold;
- a comprehensive prioritised Risk Register which is regularly reviewed and presented to the Committee;
- the Group's management information systems provide weekly updates on key statistics and information in respect of sales and production and the content of these weekly reports is regularly reviewed to ensure it remains appropriate;
- the Group has an in-house Health, Safety and Environmental department and places great emphasis on the importance of health and safety and environment management. The department works closely with the Divisions to ensure that training is provided to employees and subcontractors. Best practice is shared and appropriate actions are taken to comply with health and safety best practice and legislation throughout the organisation;
- an Environmental, Social and Governance ("ESG") scorecard with cross discipline support which improves the focus on the relevant key performance indicators and controls over delivery in those areas;
- the Board requires each director in its operating Divisions to complete an annual statement on Corporate Governance. The statement is designed to provide assurance that Group policies and procedures are being implemented and complied with in all material respects;
- key functional directors must complete a Principal Controls Self-Assessment Questionnaire which is reviewed by the Board to assist in improvements in the control framework;
- a weekly business report comprising sales funnel information, gross margins and order book is produced for the Group, each division and each site and circulated across the Group;
- a monthly reporting pack is circulated in advance and reviewed at the meetings of the Board, Executive Management Team and divisional boards. Annual budgets are set, with actual performance compared against the annual budget;
- preparation and regular updates of strategic plans;
- the policy and procedures manuals which cover all the significant aspects of the Group's operations and describes the systems and controls that are to be applied; and
- daily statements of a reconciled cash position identifying significant payments are prepared, rolling cash flow forecasts are prepared and forecast banking covenant compliance are tested.

Throughout the year, the Committee carried out assessments of internal control by considering documentation from the Executive Directors and the internal audit function as well as taking into consideration events since 3 July 2022. The internal controls extended to the financial reporting process and the preparation of consolidated financial statements. The basis for the preparation of consolidated financial statements has been undertaken in accordance with the Company's accounting policies as set out on pages 242 to 248.

In assessing the effectiveness of the internal audit function, the Committee is satisfied that it has the appropriate status, processes, knowledge and resources to deliver an effective internal audit and that the function has had a positive impact on the controls and governance of the Group.

Towards the end of the year, the Committee were informed about a failure to comply with the Group's policies and procedures in one of the Divisions. The Committee has reviewed the results of the subsequent investigation which established that, on certain developments, the Division had not correctly accounted for the latest estimates of development profit, including the omission of incurred cost overruns. Whilst the investigation has established that no adjustment was required to the Group financial statements, the Committee is satisfied that the actions taken, including the suspension of certain members of the divisional management team, are appropriate to ensure that this matter has been addressed.

With the exception of this matter, which the Committee considers has been satisfactorily addressed, the Committee confirms that it is satisfied that the system of controls has been in operation throughout the financial year and up to the date of this report.

RISK REGISTER

The Group formally reviews its prioritised Risk Register biannually and more often as necessary. At least annually, the detailed Risk Register is circulated to all Divisional Managing Directors or Regional Directors, the Regional Chief Executives and key Group Directors and Heads of Department to review with their teams. Feedback is then collated on any omissions or amendments to the risks or controls, any views regarding risks which have become more or less significant since the last review period and any other comments relating to the risks or controls.

Responses from the review exercise are then summarised and forwarded to the risk owners together with the current detailed Risk Register and a scoring matrix. The Risk Register is then updated as appropriate, according to the impact and likelihood of the risks after taking into consideration the prevent and detect controls.

The Executive Management Team, through its regular meetings, reviews key areas of risk on an ongoing basis and considers whether the internal controls identified in relation to those risks remain appropriate. The updated and reviewed Risk Register is then discussed and approved by the Committee at least twice per year.

INSURANCE

The Board has appointed an experienced broker to advise on and co-ordinate all insurance matters across the Group and they liaise closely with appropriate Group personnel at head office and within the Divisions and report directly to the Group Finance Director. The insurance renewal is discussed and agreed by the Committee annually.

RISK MANAGEMENT AND INTERNAL AUDIT

The Group has in place a robust risk management framework and the table below provides details of the key components of the risk management system which are subject to regular review and challenge by the Committee:

COMPONENT	DESCRIPTION
Risk Register	The Group's Risk Register defines controls as prevent or detect and identifies owners for each high level risk. Feedback on the risks and controls is actively encouraged. The Register itself is regularly maintained and is reviewed by the Committee biannually and more often as necessary.
Authorisation Processes	Defined authorisation levels exist over key areas such as land purchase, the placing of orders and contracts and staff recruitment.
Business Process Review Programme	The cornerstone of the internal audit work undertaken is the Business Process Review, a risk-based programme designed, based on the Risk Register, to be carried out regularly at each Division of the Group. The Business Process Review programme looks to provide assurance to the Group by testing internal controls and adherence to Policies and Procedures and reviewing specific principal and emerging risks. It also plays an important role in seeking out best practice and sharing it across the Group and identifying business process improvements. Committee Members receive an Executive Summary of each Business Process Review report as well as detailed reports and these reports are then discussed at the next Committee meeting. In addition, at its meetings the Committee reviews the progress made by the relevant Division, following the completion of a Business Process Review, against the internal audit process. The programme is reviewed annually following the completion of the Risk Register review to ensure that it evolves and adapts in line with the needs of the business.
Cross Divisional Testing Programme	During the year, the Group expanded the Cross Divisional Testing programme, which complements and runs alongside the main Business Process Review programme and covers a number of functional areas. The Cross Divisional Testing programme primarily focuses on testing which can be performed more efficiently at a remote level across all Divisions at once and therefore provides a direct and instant comparison between Divisions, immediately highlighting sources of best practice to be shared across the Group.
Development Completion Reporting	The Company has in place a business planning process whereby each land transaction, following completion of the development, is tested against its original appraisal to ascertain its performance and to improve cash flow forecasting. These Development Completion Reports are provided to the Committee and are discussed at each meeting.
Business Policies and Procedures	Group Policies and Procedures are regularly reviewed and updated by the department owners and shared on the Group's intranet, Engage. Key policies are assigned with 'mandatory read' status for all or select groups of employees to ensure that they are read and understood by the requisite audience. The Committee is provided with regular updates on changes made to the current policies and procedures as well as an overview of newly released policies. The Business Performance Reviews test key controls and adherence to the policies and procedures on a sample basis across all Divisional departments.
Gift Register Reporting	In line with the Anti-Bribery and Corruption policy and Receipt of Gifts and Hospitality policy each Division across the Group maintains its own Gift Register whereby all gifts received over the relevant threshold must be recorded. Gift authorisation forms must be formally approved and retained by each Division. Regular reviews of the Gift Register are undertaken in order to detect any potential issues arising under the Bribery Act 2010. A combined Group-wide register is provided to the Committee to allow risk assessments to be carried out by the Committee. Within the Code of Conduct, there is a gift-specific decision-making tool which employees are encouraged to use when considering whether they should accept or offer a gift or hospitality. The purpose of this is to guide them to the expected behaviours in line with the policy. The Gift Register Reports are provided to the Committee twice yearly and are discussed at the meeting.
HS&E Assurance Inspections	HS&E Assurance Inspections are undertaken by the Health, Safety and Environmental Department across all operational construction sites on a minimum frequency of one every two months. The aim of such inspections is to identify compliant and non-compliant sites in respect of both the safety of activities by the Group's subcontractors and the correct application of the Group's HS&E Management System. The scores are then benchmarked against the internal level of compliance deemed satisfactory and reported to the Committee.
Cyber Security Penetration Testing	Penetration tests are undertaken on the Group's cyber security systems at least twice per year and the Group also commissions third party system penetration testing. The results of these penetration tests are then reported at functional and Executive Management Team meetings, as well as being reported through the Audit Committee by the Chief Information Officer.

The internal audit strategy and risk management framework is discussed with the external auditors and discussed and agreed with the Committee. Suggested control improvements and any control weaknesses identified are followed up as appropriate.

BRIBERY ACT

Following the introduction of the Bribery Act 2010 the Company put in place a formal policy on bribery and corruption for all employees to strictly adhere to. The Company Secretary ensures that the policy is complied with, updates the policy, procedures and Code of Conduct as and when required and provides regular reports to the Committee.

The Bribery Act policy is formally reviewed and approved each year by the Committee. The policy contains the definition of bribery and corruption, providing examples of how this could work in the context of the Company's industry and also offering guidance as to what would be considered acceptable behaviour. The policy deals with all matters of bribery and corruption and clarifies the Company's strict approach to any form of facilitation payment or conflict of interest.

Training is given to all staff to highlight the various forms of bribery and all new staff attend an induction course at the commencement of their employment which includes a section relating specifically to bribery and the implication on individuals and the Company of an act of bribery either given or received. Within the Code of Conduct, there is a specific decision-making tool which is designed to provide employees with key questions to ask themselves should they ever be faced with difficult situations which could ultimately lead to bribery or corruption. This seeks to guide them to act in a way that is in line with Company policy and prevent any form of bribery taking place.

As outlined on page 178 within the Risk Management framework, the Committee is provided with Gift Register Reports following the twice yearly reviews on the compliance with the Anti-Bribery and Corruption policy and Gifts and Hospitality policy.

THE CRIMINAL FINANCES ACT

Following the introduction of the Criminal Finances Act 2017 on 30 September 2017, the Company put in place a policy relating to the facilitation of tax evasion. The policy is applicable to every employee and the Redrow Employee Handbook, which is provided to each new employee, includes reference to the policy and the Group's zero tolerance stance on tax evasion and its facilitation. As with the Bribery Act policy, the Company Secretary ensures that the policy is complied with and reports to the Committee on matters falling within the policy.

The Anti-Facilitation of Tax Evasion policy is formally reviewed and approved each year by the Committee. There were minor changes made to the policy during the year.

PERFORMANCE EVALUATION

In line with Provision 21 of the Code, this year the evaluation of the Committee was externally-facilitated by Independent Audit Limited ("Independent Audit"), using Independent Audit's online governance assessment service. Independent Audit also reviewed the Committee packs over the previous twelve months to assist them in their evaluation. All Members of the Committee, as well as those people who regularly attend the Committee meetings by invitation, were invited to participate in the evaluation.

Following completion of the Committee assessment questionnaire, which was tailored to the needs of the business following a meeting between Independent Audit, the Non-Executive Chairman and the Company Secretary, an anonymised effectiveness report was compiled and presented to the Members of the Committee.

The evaluation found that the Committee was discharging its responsibilities well, particularly around the reporting environment, risk assessments, clarity over the risk management environment and internal audit. It was agreed that the Committee provides the right challenge, level of discussion and debate at meetings and has a good level of support. The meetings were found to be well-chaired with the right mix of people involved in the discussion.

An area noted for improvement was to ensure that the appropriate balance was struck between having sufficient detail without spending too much time delving into operation detail which could potentially veer into executive remits. This shall remain an area of focus for the Committee with it striving to strike the right balance in this regard over the coming year.

Having discussed the findings of the evaluation, the Committee was found to be effective, concluding that it had fulfilled its remit and had in place appropriate Terms of Reference.

COMPLIANCE STATEMENT

The Company has complied with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the 53 weeks ended 3 July 2022.

Nick Hewson
Chair of the Audit Committee
13 September 2022

NOMINATION COMMITTEE REPORT

"Ensuring that the Board has the right balance of experience, knowledge, skills and background is a fundamental role of the Committee to ensure that it is able to successfully deliver the long-term strategy of the Company".

RICHARD AKERS
Chair of the Nomination Committee

INTRODUCTION

I am pleased to present the Nomination Committee Report for the 53 weeks ended 3 July 2022. This report has been prepared in accordance with the requirements of the UK Corporate Governance Code 2018 (the "Code").

During 2022, the Committee focused on ensuring that the Board and Executive Management Team have the requisite level of diverse skills, knowledge and experience to deliver the long-term success of the Company.

Since publication of the previous Annual Report, I stepped up to the position of Non-Executive Chairman on 15 September 2021 following a period of handover from John Tutte. In readiness for Nick Hewson stepping down at the 2022 AGM, I took over the role as Chair to the Committee with effect from 27 June 2022.

On 1 February 2022, we welcomed Oliver Tant as Audit Chair-Designate and independent Non-Executive Director. Oliver also joined as a Member of the Audit, Nomination and Remuneration Committees on the same date. We are delighted that Oliver Tant has joined us as he brings strong financial and audit experience as well as broader commercial and operational expertise that will add considerable value to the Board.

On 12 November 2021, Sir Michael Lyons stepped down from the Board as Non-Executive Director to concentrate on other responsibilities. As explained further on page 182, a recruitment process has commenced for the search for a new independent Non-Executive Director to join the Board.

COMMITTEE MEMBERSHIP AND MEETINGS

In addition to myself, there are three other Members of the Committee, each of whom is an independent Non-Executive Director. The other Members of the Committee during the 2022 financial year were Nick Hewson, Nicky Dulieu, Oliver Tant and Sir Michael Lyons. The Company Secretary acts as Secretary to the Committee.

As stated in my introduction above, Oliver Tant joined as a Member of the Board and the Committee on 1 February 2022 and Sir Michael Lyons stepped down as a Member of the Committee on 12 November 2021 when he retired from the Board.

The biographies of the Members of the Committee can be found at pages 154 and 155.

The Committee met formally four times during the 53 weeks ended 3 July 2022, with additional informal meetings being held to aid the recruitment process of Oliver Tant as further outlined on page 182.

For all meetings, and where otherwise necessary, papers were circulated sufficiently in advance to allow proper consideration of all matters for discussion. Details of the meeting attendance can be seen in the table opposite.

RESPONSIBILITIES AND TERMS OF REFERENCE

The key responsibilities of the Committee are:

- reviewing the structure, size and composition of the Board (including skills, knowledge and experience) and making recommendations for further recruitment to the Board or proposing changes to the existing Board;
- reviewing the leadership needs of the Company, both executive and non-executive, ensuring appropriate succession planning for Directors and other senior executives within the business;
- leading the process for Board appointments, ensuring they are conducted on merit and against objective criteria and taking into consideration that diversity is an important factor forming part of the selection criteria used to assess candidates to achieve a balance on the Board;
- making recommendations to the Board, including on appointment of Executive Directors and Non-Executive Directors to the Board, the re-appointment of Directors, the re-election of Directors at the Annual General Meeting and the membership of the Audit, Nomination, Remuneration and Placemaking and Sustainability Committees;
- ensuring that a formal, structured and tailored induction programme is undertaken by any newly appointed member of the Board;
- ensuring that a formal annual evaluation of the Board and its Committees is conducted and that such an evaluation be externally facilitated when deemed necessary and at least every three years;
- reviewing annually the time required from the Non-Executive Directors, as well as considering the external commitments of all members of the Board and assessing whether there are any issues with overboarding;
- assessing the independence of the Non-Executive Directors which the Company deem to be independent taking into consideration the circumstances outlined in Provision 10 of the Code;
- satisfying itself with regard to succession planning for the Board and the Executive Management Team, taking into account the following:
  - challenges and opportunities facing the Company;
  - future skills and expertise needed on the Board, including development and training; and
  - the need to support the development of a diverse pipeline;
- ensuring suitable candidates for the Board are identified through an appropriate recruitment process, giving due regard to the benefits of diversity, including gender and ethnicity, and recommending their appointment; and
- reviewing the Equality, Diversity and Inclusion Policy and ensuring there is sufficient linkage to the Company's strategy.

The Committee's Terms of Reference are published on the Group's website (redrowplc.co.uk).

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Richard Akers†	Chair	4/4
Nick Hewson†	Member	4/4
Nicky Dulieu†	Member	4/4
Oliver Tant [1]†	Member	1/1
Sir Michael Lyons [2]†	Member	1/1

1 Oliver Tant was appointed as a Member of the Committee on 1 February 2022 and attended the meeting held between his appointment date and the end of the 2022 financial year.

2 Sir Michael Lyons stepped down from the Board on 12 November 2021 and attended the meeting held between the beginning of the 2021 financial year and his retirement.

† Member considered to be independent. Throughout the 2022 financial year the Committee was made up of 100% independent members.

MAIN ACTIVITIES DURING THE YEAR

During the 2022 financial year, the Committee undertook the following activities:

- a review of the structure, size and composition of the Board;
- a review of executive and non-executive succession;
- a review of the independence of the Non-Executive Directors;
- a review of the succession plans of the Executive Management Team;
- an assessment of the Board composition and diversity;
- a recruitment process for a new Non-Executive Director to also act as Audit Committee Chair-Designate until assuming the Audit Committee Chair role following the retirement of Nick Hewson, resulting in the appointment of Oliver Tant;
- an evaluation of the Board, its Committees and the Executive and Non-Executive Directors;
- a review and recommendation that all of the Directors, save for Nick Hewson who will be retiring from the Board at the 2022 AGM, stand for re-election at the 2022 Annual General Meeting in accordance with the Code;
- the engagement of an external recruitment agency to commence the search for a new independent Non-Executive Director to join the Board; and
- a review of the Committee's Terms of Reference.

Where appropriate, the Directors were not present and did not vote when any individual proposals were discussed.

SUCCESSION PLANNING

Executive Directors

Matthew Pratt, previously Chief Operating Officer, was promoted to Group Chief Executive on 1 July 2020. Having joined the Board on 1 April 2019 as Chief Operating Officer, the Committee recommended the promotion of Matthew Pratt to Group Chief Executive. The Committee remains satisfied that his capabilities, experience and strategic focus allow him to effectively lead the operational management of the Group and implement strategic plans with the assistance of the Executive Management Team.

Having joined the company in 2003 as a Chief Quantity Surveyor and then becoming a Regional Chief Executive in 2013, Matthew Pratt is a prime example of how the Company develops and nurtures talent in line with the strategic theme of Valuing People, resulting in the ability for employees to make their way up to the Board.

Barbara Richmond, Group Finance Director, joined the Board from an external post in January 2010 and continues to demonstrate a high level of competence in her role, displaying effectiveness in overseeing the financial management of the Group and maintaining effective communications with shareholders.

The Committee maintains an active succession plan matrix that identifies key individuals within the business as having potential to progress to the Board and/or Executive Management Team. The succession plan matrix is reviewed on an ongoing basis and is approved by the Board at least every six months. A development plan has been put together to ensure that those identified individuals are provided with the resources deemed necessary or desirable to allow them to achieve their full potential within the business.

Non-Executive Chairman

I was appointed to the Board as independent Non-Executive Director and Chair-Designate on 1 June 2020. On 15 September 2021, I took over the role as Non-Executive Chairman following the retirement of John Tutte. From the date I joined the Board, I worked closely with John Tutte in a period of handover to ensure that there was a smooth transition to the change in roles.

I have significant industry and commercial experience gained over a long career and have also gained valuable experience as a Non-Executive Director through various roles in other companies.

My recruitment aligned with the Board's appetite for a more conventional Board structure whereby there was a Non-Executive Chairman that was also considered independent. Historically, the Chairman of the Company was also the founder of Redrow. Following this, the role was taken over by the former Group Chief Executive as part of a transition to a more conventional Board structure. The Board believes that each Chairman appointment made was in the best interests of the Company at the time and now welcomes the structure of a Board chaired by an independent Non-Executive Chairman.

Non-Executive Directors

The Board considers that succession planning of the Board and its Committees is extremely important and believes that it currently has a good balance and diversity among its Non-Executive Directors, with each of them having relevant skills derived from serving in a range of executive and non-executive positions over many years.

During the year, the Committee carried out an exercise to determine any gaps in experience or balance on the Board. As part of this exercise, the Committee assessed the independence of the current Non-Executive Directors, taking into consideration the circumstances likely to impair independence outlined in Provision 10 of the Code. The Committee acknowledged that Nick Hewson has now served a nine year term as a Non-Executive Director and therefore commenced a recruitment process last year for a replacement Non-Executive Director, resulting in the appointment of Oliver Tant.

Recruitment of Oliver Tant

In September 2021, the Committee agreed to tender for recruitment services for an additional Non-Executive Director to join the Board. A role specification was put together and the Committee considered that a person with recent and substantial financial experience within a listed business would be a good fit for the Board and would ideally join the Board as Audit Committee Chair-Designate in readiness for taking over the role from Nick Hewson prior to his retirement at the 2022 AGM.

Following this, executive recruitment firms were invited to submit tender proposals in respect of assisting the Company with this search. Following receipt of their proposals, Odgers Berndtson were formally engaged for such services and commenced a search in line with the brief provided by the Committee. At the time of engagement, Odgers Berndtsons had no connection to the Company or any of the individual directors of the Company.

The Committee were provided with a longlist of candidates from which it developed a shortlist for interviews. Each Member of the Committee, along with the Executive Directors, met with all shortlisted candidates. The Committee held a debrief following the conclusion of all interviews and meetings and made the recommendation to the Board that Oliver Tant be appointed. The Board accepted the recommendation of the Committee and formally approved the appointment, following which an announcement was made to investors and Oliver Tant joined the Board on 1 February 2022.

Recruitment of additional Non-Executive Director

The exercise in determining the right balance for the Board also resulted in the Committee commencing a search for an additional Non-Executive Director to join the Board and has again engaged Odgers Berndtson as the recruitment consultants to assist with this process. Other than its engagement for the appointment of Oliver Tant, Odgers Berndtson has no connection to the Company or any of the individual directors of the Company.

A candidate brief has been prepared and the Board has expressed the value that it believes a diverse Non-Executive Director can bring to the Board. This has been factored into the candidate brief and will therefore be given the appropriate weight during the recruitment process.

Further details of this process will be outlined in next year's Annual Report and as soon as the appointment has been approved, the Company will release an announcement to investors containing details of the appointment.

ANNUAL RE-ELECTION OF THE DIRECTORS

The Committee believes that presently the balance of Non-Executive and Executive Directors is effective and contains the appropriate mix of skills and experience for the Board to continue to operate successfully. The current composition is compliant with Provision 11 of the Code as the ratio of independent Non-Executive Directors to Executive Directors, excluding the Chairman, is 3:2 (60%).

The Committee has also assessed the time commitment of all Directors to ensure that any other commitments do not compromise their ability to commit sufficient time to the Company to properly discharge their responsibilities. The Committee does not consider that any of its Directors are overboarded and is satisfied that sufficient time and energy is devoted to the Company by each Director.

Following an assessment comprising the following factors, the Committee has satisfied itself that all Directors continue to perform satisfactorily and are important to the Company's long-term sustainable success:

- the effectiveness of the Directors as part of the annual evaluation, including in relation to their fulfilment of their duties under section 172 of the Companies Act 2006;
- the skills, knowledge and experience of the Directors, taking into consideration the requirements of the Company, including the individual contributions as follows:
  - I have a strong background in property and land acquisition and contribute extensive industry experience to the Board;
  - Matthew Pratt has 25 years' experience within the industry and contributes key operational knowledge to the Board;
  - Barbara Richmond has a strong manufacturing and retail background and contributes key financial knowledge to the Board, having over 25 years' experience;
  - Nick Hewson contributed strong commercial, financial and operational knowledge to the Board;
  - Nicky Dulieu contributes extensive retailing, customer service and remuneration experience to the Board; and
  - Oliver Tant brings strong financial and audit experience as well as broader commercial and operational expertise to the Board.
- the time dedicated by the Directors to the Company in order to properly discharge their responsibilities; and
- the fulfilment of the independence criteria, as outlined in Provision 10 of the Code, for the independent Non-Executive Directors seeking re-election at the 2022 AGM.

As such, the Committee has recommended that the Board propose the re-election of all Directors at the 2022 AGM, save for Nick Hewson who will be retiring from the Board at the 2022 AGM.

DIVERSITY

The principle of boardroom diversity is strongly supported and recognised by the Board and has clear linkages to the Company's strategy, with Valuing People being one of the Company's three strategic themes.

It is the Board's policy that appointments to the Board will always be based on merit, so that the Board has the right individuals in place, and the Board recognises that diversity is an important consideration forming part of the selection criteria used to assess candidates to achieve a balance on the Board.

The Board currently has not imposed a diversity quota at Board level but will keep this under review and consider putting this in place should it feel that it is in the best interests of the Company to do so.

The Group HR Director attends the monthly Executive Management Team meetings and provides a monthly HR report, which provides key statistics on Group employees as well as providing updates on employee engagement and recruitment. She reports to the Nomination Committee at least twice a year to provide an update on progress.

With Equality, Diversity and Inclusion ("ED&I") being an increasingly important consideration for shareholders and given its positive impact on business performance, the Remuneration Committee considered that it was an important input measure to progress going forward as part of the annual bonus. As further explained on page 204, it was agreed that for the 2023 financial year bonus, 5% would be based on management actions relating to increasing diversity.

Details of the Group's ED&I Policy can be seen on page 220.

Gender diversity

The Committee continues to note the target of 33% female representation on boards outlined in the FTSE Women Leaders review. It further notes the future mandatory reporting requirement that has been introduced by the FCA (which shall be applicable for the Company's 2023 Annual Report) regarding the meeting of the target that females hold at least 40% of seats on boards and at least one of the senior board positions (Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer) be held by a female.

The current female representation on the Board is 33% (ratio of 2:4), thereby falling in line with the FTSE Women

Leaders review target. Whilst the Board acknowledges that this representation falls short of the revised Listing Rule target in terms of percentage representation, the role of Group Finance Director, being a senior board position, is occupied by a female.

The Board believes in the benefits of cognitive diversity, from a wide range of complementary skills. The Committee will continue to aspire to maintain a diverse Board with recruitment and selection of talented individuals with a broad range of appropriate skills, irrespective of gender or otherwise.

In line with Provision 23 of the Code, the table below sets out the current position of the Company on a gender basis:

	FEMALE	MALE
Main Board	2 (33.33%)	4 (66.67%)
Executive Management Team	3 (33.33%)	6 (66.67%)
Direct reports to Executive Management Team	10 (28.57%)	25 (71.43%)
Redrow employees at 3 July 2022	765 (34.17%)	1,474 (65.83%)

Ethnic diversity

The Committee continues to monitor and review reports and recommendations relating to the composition of boards and diversity, including the Parker Review and the McGregor-Smith Review on ethnic diversity. The Group HR Director regularly reports to the Committee on the diversity of the workforce, the breakdown of which now includes employee representation figures of ethnically diverse people at an all-employee level and directorate level. Improving the diversity of our workforce is a key focus at present, both at entry level and for progression.

The Committee believes that all levels of the business should reflect a diverse workforce and that appointments to the Board will always be based on merit. The Board strictly prohibits any bias towards any particular ethnicity, creed, religious belief or otherwise.

As a national housebuilder, the Company is present in many different communities and the Board believes that the Group's workforce should be reflective of the communities we work in and the customers we create homes for, including in respect of ethnicity.

The Committee notes the Parker Review target of one person of colour on the Board by 2024 for FTSE 250 companies. It further notes the future mandatory reporting requirement that has been introduced by the FCA (which shall be applicable for the Company's 2023 Annual Report) regarding the meeting of the target that at least one member of the Board be from a non-white minority ethnic background.

The Committee acknowledges that at present, the Board comprises six Directors that are not from a minority ethnic group. Given the value placed on diversity by the Company and its focus on progressing the ED&I agenda, the Committee will ensure that the appropriate weight is placed on ethnic diversity as part of the selection process when recruiting future Directors. This is evidenced in the latest candidate brief prepared for the ongoing recruitment process of an additional Non-Executive Director which has factored in the Board's desire for a diverse Non-Executive Director, recognising the value that the Board believes such a candidate can bring to the Board.

Further details of the steps taken by the Company to increase diversity and raise awareness of the importance of an inclusive workforce can be found on pages 80 to 82 and 220.

PERFORMANCE EVALUATION

In line with Provision 21 of the Code, this year the evaluation of the Committee was externally-facilitated by Independent Audit Limited ("Independent Audit"), using Independent Audit's online governance assessment service. Independent Audit also reviewed the Committee packs over the previous twelve months to assist them in their evaluation. All Members of the Committee were invited to participate in the evaluation.

Following completion of the Committee assessment questionnaire, which was tailored to the needs of the business following a meeting between Independent Audit, the Non-Executive Chairman and the Company Secretary, an anonymised effectiveness report was compiled and presented to the Members of the Committee.

The evaluation found that the Committee was discharging its responsibilities well, particularly around the way it approaches thinking through the core skills needed on the Board, being able to articulate what the Board needs and making sound assessments. Succession planning remains an active area for ongoing development and the evaluation highlighted that further consideration could be given to the future pipeline, therefore delving deeper than the level beneath the Executive Management Team.

Having discussed the findings of the evaluation, the Committee was found to be effective, concluding that it had fulfilled its remit and had in place appropriate Terms of Reference.

Richard Akers
Chair of the Nomination Committee
13 September 2022

The Stratford show home at Ash Holt, Newton Garden Village, Nottinghamshire

PLACEMAKING AND SUSTAINABILITY COMMITTEE REPORT

RICHARD AKERS
Chair of the Placemaking and Sustainability Committee

"The Committee monitors the Company's placemaking and sustainability framework (including its approach to ESG matters) ensuring it is aligned with the three strategic themes of: Developing Thriving Communities, Building Responsibly and Valuing People."

INTRODUCTION

I am pleased to present the Placemaking and Sustainability Committee Report for the 53 weeks ended 3 July 2022.

During 2022, the Committee maintained its focus on monitoring the Company's approach to placemaking and sustainability and impact of the Company's operations on the environment, its communities and its colleagues.

Climate change

Climate change remains a matter that is high on both the Board's and the Committee's agenda and it remained a focus for this Committee during the 2022 financial year.

Task Force on Climate-Related Financial Disclosure ("TCFD")

The Committee oversaw the work undertaken by the Company in respect of the increased reporting aligned with the TCFD. The Company has voluntarily reported against the TCFD framework for the past two years and, in line with it becoming a mandatory reporting requirement for the Company this year, a working group was set up to further enhance the Group's focus in the area.

An independent consultancy firm was engaged as an advisor to the Company to help steer the project and offer expert guidance. As part of the project, risks and opportunities around climate change were identified, quantified and prioritised. Scenario analysis was then undertaken on three agreed climate scenarios over the short, medium and long term which allowed the Company to consider the 'what ifs' in relation to climate. The Company's latest TCFD report can be found on pages 112 to 125.

Net Zero Carbon Commitment – Near Term Science Based Target Setting

The Committee also oversaw the setting and submission for verification of the near term SBTi commitments which saw the Group commit to a 1.5˚C reduction for Scopes 1 and 2 by 2030 and a well-below 2˚C reduction commitment for Scope 3 by 2030. Further information relating to the SBTi targeting setting can be found on pages 61 to 63.

Governance for sustainability

The Company maintains effective governance structures across the Group, including for the sustainability strategy to ensure that initiatives, objectives and targets are reviewed and approved at the appropriate levels within the organisation. During the year, an organogram reflecting the governance structure for sustainability was approved by the Committee to display the Company's current practices and to provide clear transparency of the structure of responsibility across the Group. This can be found on page 191.

Materiality review

During the year, the Committee oversaw a stakeholder engagement and materiality review project which sought to test the Group's approach to Environmental, Social and Governance ("ESG") issues and wider material issues. The output from the project was then used to inform and determine the continuing suitability of the current sustainability and ESG business strategy. Further information relating to the materiality review can be found on pages 28 to 29.

COMMITTEE MEMBERSHIP AND MEETINGS

The Members of the Committee during the financial year comprised myself as Chair of the Committee (having taken over from Sir Michael Lyons who chaired the Committee until he stepped down from the Board on 12 November 2021), Nick Hewson, Senior Independent Director, Matthew Pratt, Group Chief Executive, Karen Jones, Group HR Director and Rose Sandell, Group Communities Director. The Company Secretary acts as Secretary to the Committee.

During the year, membership of the Committee was reviewed and the decision was taken to move forward with only members of the Main Board serving as members of the Committee. As such, Karen Jones and Rose Sandell stepped down as members of the Committee on 12 November 2021.

Whilst the advice and input from members of the Executive Management Team was of great benefit to the Committee, it was determined that such advice could be obtained through invitation whereby key management personnel could present and contribute at Committee meetings as required without extending membership outside of the Main Board.

The Committee met three times during the 2022 financial year. For all meetings, papers were circulated sufficiently in advance to allow proper consideration of all matters for discussion. Details of the meeting attendance can be seen in the table below.

RESPONSIBILITIES AND TERMS OF REFERENCE

The key responsibilities of the Committee are:

- to monitor the execution of the strategy approved by the Board and to make recommendations from time to time to the Board;
- to review and scrutinise the sustainability targets proposed by management for recommendation to the Board;
- to monitor the Company's strategy on climate change as set out by the Group Chief Executive (holding ultimate responsibility for climate-related matters) and the Group Communities Director;
- to review the performance of the Company in relation to ESG matters, taking into consideration feedback from reports received from key research and analytic bodies;
- to assess the impact of the Company's operations on the environment and communities affected by its activities, including the consideration of policies to enhance the benefits of those activities and mitigate any negative impact of those activities;
- to monitor the Company's approach to environmental, corporate social responsibility and community issues, including environmental management systems, waste and recycling management systems and energy and carbon management;
- to monitor the Company's approach to placemaking, including the Group's adherence to the Redrow 8, being the placemaking principles for designing sustainable communities;
- to review in advance of each meeting the Sustainability team's update on non-financial ESG performance to assist the Committee to more clearly evaluate the relationship between the sustainability initiatives in place, or being considered, and the related performance levels being achieved;
- to monitor the Company's developments in customer engagement and service to ensure the Group values are upheld;
- to investigate any statutory prosecutions or notices in relation to environmental and community issues and make recommendations to the Board regarding any action to be taken;
- to have regard to the Company's involvement in the community, and the Company's policy on charitable donations and activities;
- to present a brief summary report to the Board, following each Committee meeting, outlining the pertinent points that should be given due consideration and respond to any other report or information requests from the Board as and when they arise; and
- to ensure that any initiatives and objectives are aligned with the Company's three strategic themes of: Developing Thriving Communities, Building Responsibly and Valuing People.

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Sir Michael Lyons 1†	Chair	1/1
Richard Akers 2†	Chair	2/2
Nick Hewson †	Member	3/3
Matthew Pratt	Member	3/3
Karen Jones 3	Member	1/1
Rose Sandell 3	Member	1/1

1 Sir Michael Lyons stepped down from the Board on 12 November 2021 and attended the Committee meeting held between the beginning of the 2022 financial year and the date he stepped down from the Board.

2 Richard Akers took over the role as Chair of the Committee with effect from 12 November 2021 and attended the Committee meetings held between his appointment date and the end of the 2022 financial year.

3 Karen Jones and Rose Sandell stepped down as members of the Committee on 12 November 2021 and, in their capacity as members, attended the Committee meeting held between the beginning of the 2022 financial year and the date they stepped down as members. They also attended all other meetings held until the end of the 2022 financial year as invitees.

† Member considered to be independent. At the end of the 2022 financial year, the Committee was made up of 67% independent Members.

The Committee regularly reviews its Terms of Reference; these were last reviewed in November 2021 and are published on the Group's website (redrowplc.co.uk).

MAIN ACTIVITIES DURING THE YEAR

During the 53 weeks ended 3 July 2022, the principal activities of the Committee were as follows:

ACTIVITIES OF THE COMMITTEE RELATING TO THE OVERALL STRATEGY
• Discussed the progress made against the ESG Scorecard targets since publication in the 2021 Annual Report along with the new measurements and targets for the 2022 Annual Report; • reviewed the ESG Improvement Plan; • analysed the latest ESG rating figures; • received an update on the stakeholder engagement and materiality review; • reviewed the work undertaken in respect of the increased TCFD-aligned reporting for the 2022 Annual Report and resulting work stream; • reviewed the Governance Framework for the Sustainability Strategy, as displayed on page 191; and • reviewed the progress against the objectives and targets of the Group's sustainability strategy.

ACTIVITIES OF THE COMMITTEE RELATING TO THE THREE THEMES FORMING THE OVERALL STRATEGY

STRATEGIC THEME	RELATED ACTIVITIES OF THE COMMITTEE
THRIVING COMMUNITIES	• Discussed the implications of the National Model Design Code ("NMDC") on the Group and impact of local lobbying regarding the NMDC; • reviewed the Redrow 8 assessment, audits and awards; • received an update on the Nature for People strategy; • discussed the development of a high-level biodiversity net gain assessment tool to be used internally at the earliest stages of land appraisal; • discussed the progress of the Environment Bill on biodiversity net gain; • received an update on the nitrate and phosphates crisis; • reviewed the Levelling Up and Regeneration Bill published on 10 May 2022; • received an update on the latest New Homes Podcasts; and • discussed the promotion of the Company's placemaking initiatives externally.

ACTIVITIES OF THE COMMITTEE RELATING TO THE THREE THEMES FORMING THE OVERALL STRATEGY

STRATEGIC THEME	RELATED ACTIVITIES OF THE COMMITTEE
BUILDING RESPONSIBLY	• Reviewed the Group's application to join the Business Ambition for 1.5C campaign with the SBTi; • reviewed and supported the near term carbon reduction targets for Scope 1 (direct), Scope 2 (indirect – electricity purchase) and Scope 3 (all other indirect) emissions, in line with the SBTi's updated strategic approach; • received an update on the latest report from The Intergovernmental Panel on Climate Change; • reviewed the HBF: The Future Homes Delivery Plan published in July 2021 and its impact on the Group's carbon reduction targets and climate change strategy; • reviewed the overall Health, Safety and Environmental ("HS&E") performance including the implementation of the Environmental Management System; • reviewed the latest Carbon Disclosure Project results; • discussed the Future Homes Standard 2025 and carbon reduction technologies being trialled within the Group; • considered the feedback from the Hydro Treated Vegetable Oil and Air Source Heat Pump trials; • reviewed the 'Reduce the Rubble' report and approved publication on the Redrow plc website; • monitored the HS&E Assurance Inspection scoring, including the Covid-19 Compliance reporting; • reviewed the approved Group HS&E Strategy; • reviewed the latest Customer Satisfaction KPIs and strategic projects; • received an update regarding the Customer Conference held in January 2022; • discussed the New Homes Ombudsman and registration for the New Homes Quality Board; • received an update regarding usage of the Homeowner Support and Complaints Online platforms; • discussed Modern Methods of Construction; • reviewed the reports on zero defects, resource efficiency and waste reduction; • received an update on the charitable activities of the Group; • received an update regarding fire safety matters; and • received an update on responsible sourcing and supply chain.

STRATEGIC THEME	RELATED ACTIVITIES OF THE COMMITTEE
VALUING PEOPLE	• Received an update on the work undertaken to deliver the Redrow 2025 objectives; • received an update regarding feedback from the 2022 INsight survey, the workforce engagement sessions chaired by Nicky Dulieu and the divisional Engagement Groups; • reviewed the programmes relating to talent management; • reviewed the latest employee engagement initiatives; • discussed the agile working and collaborative work spaces initiatives; • discussed the introduction of the new Volunteering Policy; • received an update on the Group's Equality, Diversity and Inclusion agenda; • received an update in respect of learning and development across the Group; and • discussed the introduction of the Green Academy.

ESG DISCLOSURES

Within this Annual Report, there are a number of key ESG disclosures relating to the work and scope of the Committee. These can be found on pages 217 to 223 of the Directors Report under the heading 'Environmental, Social and Governance Disclosures'. This year, the Company has also commenced reporting against the Sustainability Accounting Standards Board ("SASB") Conceptual Framework. This can be found on pages 126 to 133 of the Strategic Report.

PERFORMANCE EVALUATION

In line with Provision 21 of the Code, this year the evaluation of the Committee was externally-facilitated by Independent Audit Limited ("Independent Audit"), using Independent Audit's online governance assessment service. Independent Audit also reviewed the Committee packs over the previous twelve months to assist them in their evaluation. All Members of the Committee, as well as those people who regularly attend the Committee meetings by invitation, were invited to participate in the evaluation.

Following completion of the Committee assessment questionnaire, which was tailored to the needs of the business following a meeting between Independent Audit, the Non-Executive Chairman and the Company Secretary, an anonymised effectiveness report was compiled and presented to the Members of the Committee.

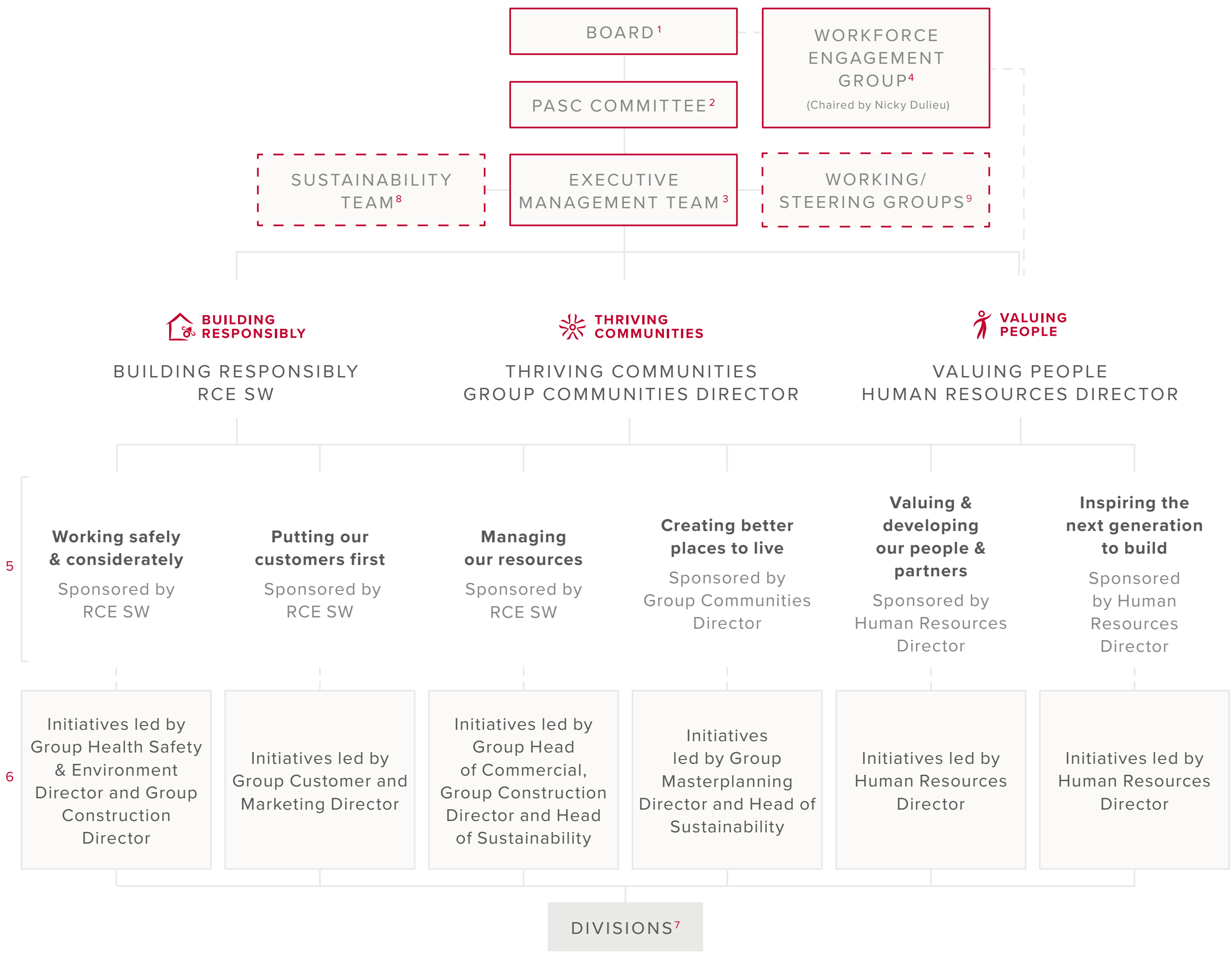
The evaluation found that the Committee was making good progress with all participants feeling that the assessment of responsibilities to communities and the factoring in of reputational risk into decision-making was carried out well. It was also felt that oversight of the placemaking framework and the Company's moral, social and health and safety responsibilities were well managed. It was noted that there should be a careful balance of the work undertaken by the Committee and what is being considered at Main Board level to ensure there is no disconnect or duplication, with clarity in this respect being a priority for the coming year.

Having discussed the findings of the evaluation, the Committee was found to be effective, concluding that it had fulfilled its remit and had in place appropriate Terms of Reference.

GOVERNANCE STRUCTURE FOR SUSTAINABILITY

The Group's sustainability strategy drives long-term value for its stakeholders and allows the Group to minimise risks and identify opportunities for growth. The sustainability strategy is built around the Group's three pillars: Building Responsibly, Thriving Communities and Valuing People. Each of the three pillars have areas of focus that set out separate objectives and targets relating to the current strategy. As part of the Group's drive for continuous improvement, objectives and targets are monitored and reviewed against the over-arching business strategy.

There is a strong governance structure in place surrounding the Group's sustainability strategy which ensures that initiatives, objectives and targets are reviewed and approved at the appropriate levels within the organisation. The governance structure for sustainability is displayed opposite:



1. Ultimate responsibility for sustainability and ESG matters. Oversight of the sustainable business strategy framework.
2. Delegated authority from the Board to monitor the execution of the sustainability strategy, as approved by the Board, and to make recommendations from time to time to the Board.
3. Delegated authority from the Board to ensure that the sustainability strategy and ESG are integrated within the Business. The Board sponsor for Sustainability, being the Group Chief Executive, also sits on the EMT and is accountable to PASC and the Board for ensuring that the structure is governed effectively.
4. Meet twice per year. Nicky Dulieu, as the Designated NED for Workforce Engagement, chairs these meetings and reports to the Board on key outcomes.
5. Sponsors are responsible for overseeing the delivery of strategic aims and initiatives within each area of focus.
6. Initiative leads are responsible for the delivery of initiatives of targets and embed related procedures within the business.
7. Divisions must comply with procedures and to assist in delivering initiatives and targets efficiently and effectively. Managing Directors are accountable to ensure that any outcomes from the strategy and initiatives are embedded within the business and followed.
8. The Sustainability team administers the structure and supports Board Sponsor and EMT to deliver it. Provides strategic advice, target setting and reporting; long-term risk and policy management.
9. Working/Steering Groups are set up based on the needs and focus of the business. These groups are comprised of subject matter expects from within the business. There is a nominated lead sponsor for each group who shall report to the EMT as appropriate. The groups meet as often as necessary and exist until the particular project has completed or the business need has been met.

Richard Akers
Chair of the Placemaking and Sustainability Committee

13 September 2022

DIRECTORS' REMUNERATION REPORT

"I am pleased to present the Directors' Remuneration Report for the 53 weeks ended 3 July 2022."

NICKY DULIEU
Chair of the Remuneration Committee

The financial year ended 3 July 2022 was my first full year as Chair of the Redrow Remuneration Committee, having become Chair of the Committee in November 2020. In line with the reporting requirements, this remuneration report is split into three sections:

- Annual Statement – This annual statement sets out the key items considered by the Remuneration Committee during the year. It includes the executive directors' remuneration outcomes for the 53 weeks ended 3 July 2022 and the context in which pay decisions were made.
- Directors' Remuneration Policy – Our policy was approved by shareholders at the 2021 AGM and has a three-year life. There are no changes proposed to the approved policy and we have included a copy of the approved policy in this report.
- Annual Report on Remuneration – This section describes in further detail the pay outcomes and the proposed implementation for the 2023 financial year. It also includes CEO pay ratio reporting and other disclosures including executives' shareholdings and historic pay outcomes.

2021 DIRECTORS' REMUNERATION POLICY

In 2020 we delayed taking a fundamental review of our policy and rolled over the policy for a further year before a more comprehensive review was undertaken last year. At the November 2021 AGM we were delighted to secure 97% support from shareholders for the Directors' Remuneration Policy. This policy, which has a three year life, retained the previous remuneration structure which has served us well.

The key changes to the policy were an increase to the maximum bonus opportunity (albeit with a lower maximum applying for FY22), bringing forward of workforce pension alignment for all executive directors to 1 January 2023 and the introduction of a post cessation shareholding guideline in line with good and market practice.

In line with Provision 40 of the Code, during the year there was a section of the second employee engagement session, led by myself as the designated Non-Executive Director for workforce engagement, that was dedicated to engagement regarding the remuneration arrangements of the Executive Directors. This ensured that such arrangements remain transparent and provided employees with the opportunity to provide their feedback relating to remuneration.

PERFORMANCE OUTCOMES FOR THE YEAR ENDED 3 JULY 2022

The Group delivered a strong trading performance resulting in underlying profit before tax of £410m returning to the record levels achieved pre Covid-19 and generating £128m of cash to end the year with net cash of £288m.

This performance sees the Group exceed our pre-pandemic record results in 2019.

Demand for our quality new homes remains strong reflecting the differentiation of our premium homes. The Group secured £1.82bn of net private reservations in the period and closed the year with a £1.4bn total order book, in line with last year.

Our HBF survey 8 week recommend score increased from 92.6% to 94.5%, in excess of our target.

Average active outlets decreased to 111 from 117, broadly in line with the guidance we issued last year. This decrease reflects the combination of the strong housing market and the time required to obtain implementable planning permissions.

Annual bonus

FY22 was the first year of the three year policy and the bonus opportunity was set at 125% of salary for executive directors, which was lower than the approved policy maximum of 150% of salary.

The bonus scheme was based on 5 metrics – profit before tax, outlets opened, customer service, health and safety and an ESG related objective. The strong performance of the Group contributed to performance exceeding expectations and has resulted in the bonus targets being met in full. Further detail of the measures, targets and performance is set out in the Annual Report on Remuneration. Half of the annual bonus will be deferred in shares.

In approving the bonus, the Committee considered the outcome in relation to the wider stakeholder experience and was comfortable that the bonus outcome was appropriate based on the strong financial and non-financial performance across a broader range of factors. In particular, the Committee considered the Group's voluntary pledge towards the remediation of life critical fire safety issues on buildings Redrow were involved with, going back 30 years. As set out in the Chairman's Statement an additional provision was taken for fire safety in high rise buildings during the FY22 financial year and this has been treated as an exceptional item in the accounts. The Committee deliberated whether this should have an impact on the bonus outcome but felt that no adjustment was required having taken into account the following factors:

- Historically, Redrow has not been a major constructor of high rise apartments and the majority of these were built between 2000 and 2010. Our Executive Directors were not directly involved in decisions relating to the construction of these buildings. Indeed the vast majority of these buildings were sub-contracted to reputable main contractors on a design and build basis.
- Remediation costs relate to a multi-year historic issue and Redrow has taken full responsibility to remedy this legacy issue.
- In contrast, the bonus scheme is based on performance for the financial year ending 3 July 2022. The Group has delivered exceptional results for FY22 and any adjustment would, in the Committee's view, be unfair on current executives and not reflect their accomplishments during a difficult post-pandemic year.
- The Committee has taken a prudent approach to incentive levels with a lower 125% of salary bonus opportunity applying in FY22, compared against a policy limit of 150% which is in line with market levels.
- The Board behaved responsibly during the pandemic, having taken voluntary salary and fee reductions and not amended targets attached to outstanding incentives. In this regard, the LTIP awards granted in 2017 and 2018 have lapsed and the 2019 LTIP will only vest in part – see below. Furthermore, Redrow signed up to the real living wage in 2020.

LTIP

The EPS and ROCE targets attached to the 2019 LTIP were set prior to the onset of the pandemic.

As a result the EPS threshold was not met and therefore this part of the award lapsed. The ROCE measure was partially achieved and this results in the overall LTIP vesting at 24.2%.

The Remuneration Committee has not applied any discretion to amend the bonus and LTIP results. Overall, the Remuneration Committee believes the outcomes under the bonus and LTIP are fair and reasonable. The annual bonus outcome is aligned with another strong set of annual results and partial vesting under the LTIP reflects the Group's recovery from the impact of the pandemic.

IMPLEMENTATION OF POLICY IN 2022/23

Base salary

Executive Directors will receive a salary increase of 5%, in line with the workforce increase applying to all employees.

Annual bonus

For FY23, a bonus maximum in line with the approved policy of 150% of salary will apply to both executive directors.

Pension provision

The CEO's pension is workforce aligned at 7% of salary and the CFO's pension will reduce from 20% to 7% of salary from 1 January 2023.

Annual bonus

Bonus measures will remain unchanged with 50% on profit before tax, 20% on outlets opened, 12.5% on customer satisfaction, 12.5% on health and safety and the remaining 5% on an ESG objective. The actual targets will be disclosed on a retrospective basis in next year's report.

Long term incentives

The Remuneration Committee considers the share price at the time of grant and will assess whether any adjustment is required to the grant level. At the time of writing the current share price is below the price at which awards were granted last year but higher than the 2020 awards grant price. While the current price is c.20% lower than the share prices at the time of the awards granted in 2017, 2018 and 2019, the Committee does not believe this is sufficiently material for an adjustment to the award level. Furthermore, the Committee considered the nil and modest vesting over the last three years and that Redrow's 150% of salary grant policy compares modestly against other housebuilders and comparable FTSE 250 companies.

Historically, LTIP awards have been based half on EPS targets and half on ROCE. Recognising Redrow's focus on sustainability, for FY23, a new climate-related metric will apply for 10% of the award with EPS and ROCE each determining 45% of the award. The new environmental measure will be based on reduction in Scope 1 and Scope 2 greenhouse gas emissions.

I hope that you have found this annual statement informative and will be supportive of the advisory remuneration resolution at the upcoming AGM. I am keen to keep open dialogue with shareholders and if you would like to provide any feedback, please contact me via the Company Secretary.

NICKY DULIEU
Chair of the Remuneration Committee

This report has been prepared in accordance with the UK Corporate Governance Code, the relevant provisions of the Listing Rules and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013

DIRECTORS' REMUNERATION POLICY

This part of the Directors' Remuneration Report sets out the Directors' Remuneration Policy ("the Policy") for the Group and has been prepared in accordance with Schedule 8: The Large and Medium sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2008 (as amended) and the UK Listing Authority's Listing Rules. This Policy was approved by shareholders at the November 2021 Annual General Meeting and has a three year life.

Remuneration strategy

The Remuneration Committee designed the Policy with the following aims in mind:

- executive directors are rewarded fairly and competitively for the delivery of strong performance;
- it takes into account the need to attract, retain and motivate executives of a high calibre and to provide an appropriate balance between short and long term incentives;
- it considers a range of factors including competitiveness against our peers, market practice, the performance of the Group, the calibre of the executive team and remuneration practices elsewhere in the Group; and
- incentive schemes are subject to stretching performance criteria with full vesting or payouts requiring exceptional performance.

In seeking to achieve the above objectives, the Committee is mindful of the views of a broad range of stakeholders in the business and accordingly takes account of a number of factors when setting remuneration. This includes market conditions, pay and benefits in relevant comparator organisations, terms and conditions of employment across the Group, the Group's risk appetite, the expectations of institutional shareholders and feedback from shareholders and other stakeholders. Whilst the views of other stakeholders are considered as part of the process, the Committee manages any potential conflicts of interest and retains the ultimate decision making authority.

This Policy has considered guidance provided by investors and proxy voting agencies. We have also taken into account the principles and provisions of the 2018 UK Corporate Governance Code and in particular the following six factors:

Clarity

- The Policy has a clear aim; to incentivise and reward for the delivery of our strategy
- The Policy is well understood by our Directors and senior executives
- Each component of remuneration is clearly explained in the Policy table, including its purpose, how it is operated, the maximum potential and any relevant performance measures
- Full disclosure of performance measures and assessments is provided for shareholders' consideration

Simplicity

- The Policy reflects standard UK market practice, with the operation of an annual incentive and a single long-term share plan, full details of which are set out in the Policy table
- All payments are in the form of cash or Redrow plc shares, there are no artificial structures used to deliver remuneration

Risk

- The Policy and our approach to target setting seek to discourage any inappropriate risk-taking
- The Committee has the ability to use its discretion to override the formulaic outturns of the incentive plans if it is felt appropriate
- Comprehensive malus and clawback provisions operate in both incentive plans, providing the ability to recover or withhold payments if appropriate

Predictability

- Appropriate individual (and where necessary aggregate) limits are set out in the Policy and within the respective plan rules so outcomes can be predicted
- The possible reward outcomes under different performance scenarios are shown in the "Illustration of Remuneration Policy" section on pages 200 to 201
- In operating the Policy, the Committee continually monitors the performance of in-flight incentive awards so that it is well aware of potential outcomes

Proportionality

- The outcomes of our incentive plans are directly aligned to the delivery of our strategy. Outcomes are assessed against multiple metrics to ensure performance is considered on a broad basis
- The Committee has the ability to use its discretion to override the formulaic outturns of the incentive plans if it is felt appropriate

Alignment of culture

- A key focus of our Policy is to promote long-term sustainable performance which is reflective of the business culture
- Incentive outcomes rely on strong performance across a broad selection of measures which are important to our stakeholders

Policy table for Executive Directors

COMPONENT AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE FRAMEWORK
Base salary To provide a market competitive element of fixed remuneration to attract and retain leaders of the required calibre to deliver the strategy.	Salaries are determined by the Committee taking into account all relevant factors such as: the size and complexity of the Company, the scope and responsibilities of the role, the skills and experience of the individual and performance in role. The salary review for executive directors takes a range of factors into consideration, including: • Business performance • Salary increases awarded to the wider employee base • Skills and experience of the individual and development over time • Scope of the individual's responsibilities • An assessment of the market positioning considering UK companies of similar size and companies in the sector. Salaries are normally reviewed annually, with any changes normally effective from the start of the financial year.	Whilst there is no prescribed maximum salary, any increases will take into account prevailing market and economic conditions and the approach to pay throughout the wider workforce. Base salary increases are awarded at the discretion of the Committee; however, salary increases will normally be no greater than the general increase awarded to the wider workforce, in percentage of salary terms. The Committee has discretion to award larger increases where it considers this appropriate, such as to reflect (for example): • a significant change in the size and complexity of the Company; • an increase in scope and responsibility of the role, or a change in role; • an Executive Director being moved to market positioning over time; and • an Executive Director falling below competitive market positioning.	Executive Directors' performance is a factor considered when determining salaries. No recovery or withholding provisions apply.

COMPONENT AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE FRAMEWORK
Benefits To provide a market competitive benefits package to support the Director in fulfilling their role.	Benefits may include: a company car (or equivalent cash allowance), private medical insurance, permanent health insurance, fixed term group income protection and a death in service benefit, and where appropriate any tax payable thereon. Executive Directors may also participate in all-employee share plans on the same basis as other employees. The Committee has discretion to include, where it considers it appropriate to do so, other benefits to reflect specific individual circumstances, such as housing, relocation, travel, or other expatriate allowances. Expenses incurred in respect of the performance of duties for the Company may be reimbursed or paid for by the Company, including any tax due on such payments.	Benefit provision, for which there is no prescribed monetary maximum, is set at an appropriate level for the specific nature and location of the role. The value of each benefit is normally based upon the cost to the Group. Participation in all employee share plans is subject to statutory limits in place at the time.	N/A
Pension To provide a market competitive element of fixed remuneration for retirement planning.	Individuals are eligible to participate in the Company's Defined Contribution (DC) pension scheme or receive a pension allowance cash supplement in lieu. Executive Directors who are members of the Company's Defined Benefit (DB) pension scheme will continue to receive benefits under the terms of that scheme. There will be no new entrants or accrual of future benefits under the DB scheme.	The maximum company contribution (in respect of a financial year) is 20% of base salary. From 1 January 2023, all executive directors will have a pension contribution rate of no more than the workforce rate (currently 7% of salary). Any new executive directors appointed to the Board will have a maximum pension contribution equal to the workforce rate (currently 7% of salary).	N/A

COMPONENT AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE FRAMEWORK
Annual Bonus A variable pay opportunity which motivates and rewards annual financial performance and delivery of the strategy on an annual basis. Deferral aligns reward with long term value of Redrow shares and provides retention.	Bonuses are determined based on measures and targets that are agreed by the Committee. Bonus is based on performance over the relevant financial year. Half of any bonus earned will be deferred into Redrow shares which vest after one year and two years, subject to continued employment. Following exercise of a vested deferred share award, participants will be entitled to receive an amount equal to the aggregate of any dividends which they would have been entitled to receive as a shareholder during the period between the grant and satisfaction of the award. In exceptional circumstances (for example, in limited situations where it may not be possible to grant a share award due to technical reasons), the Committee may determine that deferral is in the form of an equivalent cash award (which in all other respects mirrors the terms of the deferred share awards). It is not anticipated that a cash award will be made. Malus and clawback provisions apply to both the cash and deferred elements.	The maximum annual bonus opportunity is 150% of salary for executive directors. A 125% of salary maximum will apply for the first financial year of the policy period (2021/2022) and a 150% of salary limit will apply to future years under the Policy.	Performance measures are determined by the Committee each year and may vary to ensure they promote and are aligned with the Company's business strategy. Performance is assessed against key financial and non-financial performance measures linked to the delivery of the strategy and shareholder value determined each year by the Committee. The 2020/21 performance measures are set out on page 206. The Committee retains discretion to adjust the measures and/or weightings in future years to reflect prevailing financial, strategic and operational objectives of the business or of the individual. However, a minimum of 50% of the total will be based on key financial measures. No bonus will be payable for performance below threshold levels set by the Committee. Where a sliding scale of targets applies to financial measures, typically up to 20% of that element may be payable for threshold performance. The Committee has discretion to adjust the level of payout if the outcome from a formulaic assessment does not appropriately reflect underlying business performance.

COMPONENT AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE FRAMEWORK
Long Term Incentive Plan (LTIP) Designed to motivate and reward long-term performance and delivery of the strategy and provide alignment with Redrow shareholders.	Awards are normally granted to Executive Directors annually in the form of nil-cost options. The Committee may also determine that awards are made in the form of conditional share awards or in exceptional circumstances, as an equivalent cash award (for example, in limited situations where it may not be possible to grant a share award due to technical reasons) (which in all other respects mirrors the terms of the LTIP). Awards normally vest after a period of three years subject to the satisfaction of performance conditions. Vested awards will be subject to an additional holding period which requires awards to be retained for a period of two years from the end of the vesting period, except for shares sold to pay personal tax upon vesting/exercise. Awards may incorporate the right to receive the aggregate value of dividends paid on vested shares between the vesting date and the date on which the awards are released following the holding period, on such basis as the Committee may determine, which may assume the reinvestment of these dividends in shares on a cumulative basis. Malus and clawback provisions apply.	The maximum award which may be granted in respect of a financial year will normally not exceed 150% of salary. In exceptional circumstances, the Committee may make awards of up to 200% of salary.	The LTIP is based on performance measures aligned to the creation of long-term shareholder value, normally measured over a performance period of at least three years. The current performance measures are set out on page 207. For threshold performance, 20% of the awards would normally vest. The Committee retains discretion to include additional or alternative financial performance measures and/or adjust the weightings in future years to reflect prevailing strategic or operational objectives of the business aligned with shareholder value creation. Performance conditions applicable to LTIP awards may be amended if an event occurs which cause the Committee to consider that an amended performance condition would be more appropriate and not materially less difficult to satisfy.

COMPONENT AND LINK TO STRATEGY	OPERATION	MAXIMUM	PERFORMANCE FRAMEWORK
Share Ownership Guidelines Encourage Executive Directors to build a meaningful shareholding in the Group so as to further align their interests with those of shareholders.	Executive Directors are required to retain all share awards vesting as shares (after the sale of any shares to settle tax due) until they have reached the required level of holding. Shares owned outright by the Executive Director or a connected person are included. Shares or share options which are subject to a performance condition are not included. Unvested deferred bonus shares and vested LTIP awards which remain unexercised may count towards the in-employment guideline on a net of tax basis.	During employment: Executive Directors are required to build and maintain a shareholding equivalent to at least 200% of their base salary. Post employment: Executive Directors are normally required to hold shares at a level equal to the lower of their shareholding at cessation and 200% of salary for two years post cessation (excluding shares purchased with own funds and any shares from share plan awards granted before the approval of this policy). The Remuneration Committee believes this is appropriate to ensure executives are not discouraged from purchasing Redrow shares.	N/A

The Committee reserves the right to make any remuneration payments and payments for loss of office (including exercising any discretions available to it in connection with such payments) notwithstanding that they are not in line with the Remuneration Policy set out above where the terms of the payment were agreed (i) before 10 November 2014 (the date the Company's first shareholder approved Remuneration Policy came into effect); (ii) before the Remuneration Policy set out above came into effect, provided that the terms of the payment were consistent with the shareholder- approved Remuneration Policy in force at the time they were agreed; or (iii) at a time when the relevant individual was not a director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a director of the Company. For these purposes "payments" includes the Committee agreeing awards of variable remuneration and, in relation to an award over shares, the terms of the payment are "agreed" at the time the award is granted. The Committee may make minor amendments to the Remuneration Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval.

Choice of performance measures and target setting

For the annual bonus and LTIP, performance measures are chosen which help to drive and reward the achievement of the Group's strategy and also provide alignment between employees and shareholders. The Committee reviews measures each year to ensure they remain appropriate and reflect the future strategic direction of the Group. Targets for each performance measure are set by the Committee with reference to internal plans and external expectations. Performance is typically measured on a 'sliding scale' so that incentive payouts increase pro-rata for levels of performance in between the threshold and maximum performance targets.

Consideration of employment conditions elsewhere in the Group

The principles applied to the remuneration of Executive Directors are essentially the same as those for the Company. The difference between pay for Executive Directors and employees is that for Executive Directors the variable pay element forms a greater proportion of the overall package and the total remuneration opportunity is higher to reflect the increased responsibility of the role. While remuneration practices vary across the full employee population, they are based on the same broad principles which underpin the policy for Executive Directors set out above.

The Remuneration Committee is regularly briefed on pay and employment conditions across the Group and takes this into account when setting directors' remuneration.

Employees' salary levels are determined by taking into account prevailing industry rates and the Remuneration Committee takes into account the workforce salary increase when determining the increases that should apply to Executive Directors' salaries.

The Workforce Engagement group provides feedback to the nominated non-executive director for workforce engagement on employment conditions and pay.

The Company operates a SAYE scheme available to all employees with the ability to become shareholders in the Company and thereby providing the ability to comment on executive directors' pay as with all other shareholders.

Employees can raise issues through the divisional engagement groups and the national Workforce Engagement group, at performance appraisals and can write directly to the nominated non-executive director by email.

When setting the Remuneration Policy for Executive Directors, the Committee has regard to the pay and employment conditions of employees within the Company. The Committee did not consult directly with employees when formulating the Remuneration Policy for Executive Directors. The Committee considers salary increases within the business but does not formally consider any other comparison metric.

Consideration of shareholder views

The Committee engaged with all major independent shareholders and shareholder advisory groups, when developing this Remuneration Policy. Views expressed during this engagement were taken into account by the Committee and helped shape the final proposals. The Committee subsequently informed all of those consulted of the revised changes as a result of the consultation and the final proposed Policy. The Committee is grateful for the feedback received.

Clawback

For awards under the annual bonus plan (including deferred share awards) and awards made since the introduction of the 2014 LTIP, the Committee has discretion to clawback awards in the event of a material misstatement of the Company's audited financial results or employee misconduct. Awards made from 2019/20, included additional triggers relating to an error in the calculation of a performance condition and circumstances which the Committee considers sufficient to have, or had potential to have, caused reputational damage will also apply.

In such circumstances, at any time prior to the fifth anniversary of the payment of any cash bonus or vesting of a deferred bonus/LTIP award, the Committee has discretion to:

- reduce, cancel or impose further conditions on outstanding deferred bonus/LTIP awards; or
- require the participant to repay (in cash or shares) some or all of the value delivered from a deferred bonus/LTIP awards; and/or
- require the participant to repay some or all of any cash bonus received.

For deferred bonus plan awards, in the event of a material misstatement of the Company's audited financial results or employee misconduct, any unexercised awards will lapse immediately and the participant will forfeit any shares previously acquired under awards made under that plan.

Corporate events

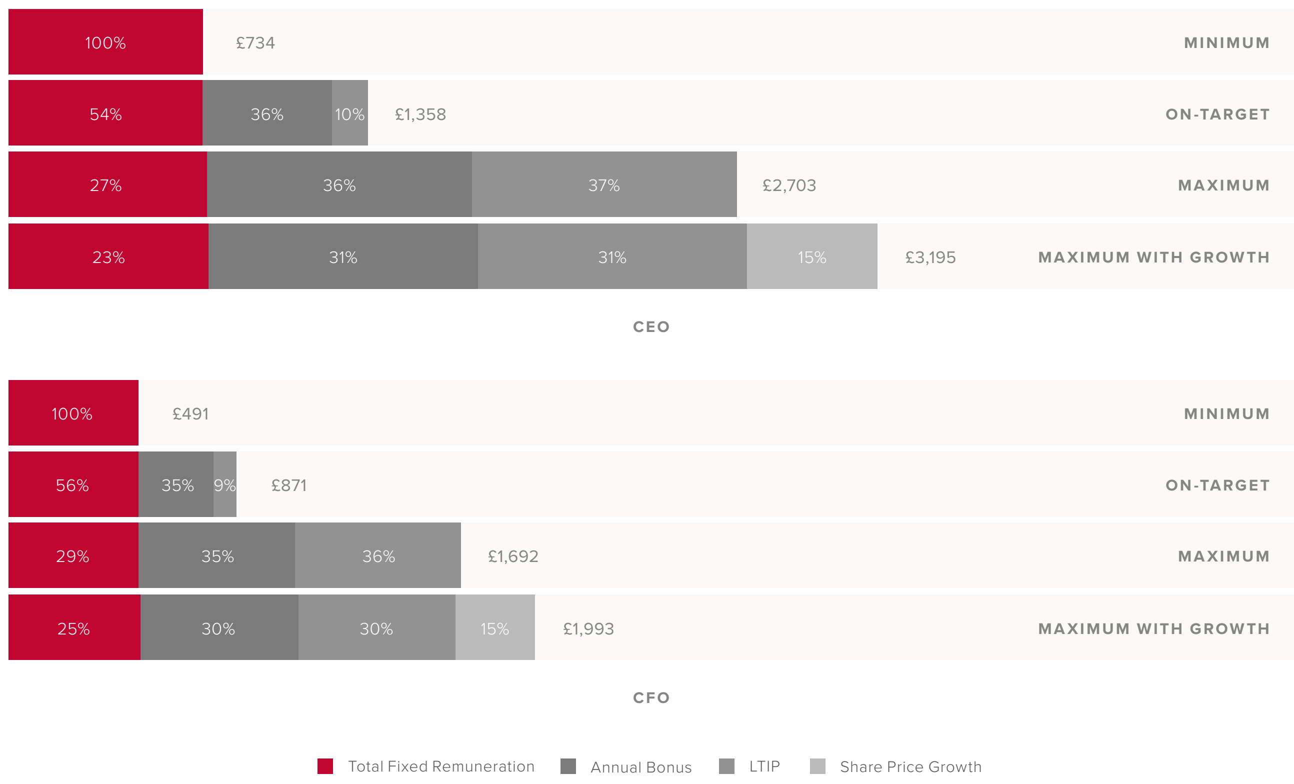
Unvested awards under the deferred bonus plan and LTIP will normally vest early in the event of a takeover or winding- up of the Company and, in the case of the deferred bonus plan, if the Company goes into administration or a voluntary arrangement is proposed with its creditors. In these circumstances, deferred bonus awards vest in full and LTIP awards vest taking into account the relevant performance conditions and, unless the Committee determines otherwise, time pro rating to reflect the proportion of the performance period that has elapsed. Awards may also be rolled over for equivalent awards in a different company. If the Company is or is likely to be affected by a demerger, special dividend, delisting or other event which in the Committee's opinion, may affect the current or future value of the Company's shares, the Committee may allow some or all of the awards to vest. The extent to which LTIP awards vest in these circumstances will be calculated on the same basis as set out above for a takeover. The terms of awards may be (a) in the event of any variation of the Company's share capital, delisting, special dividend or distribution, demerger or other event which may in the Committee's opinion, affect the current or future value of the Company's shares, adjusted or (b) amended in accordance with the plan rules.

Illustration of Remuneration Policy

The charts below illustrate the potential value of the remuneration packages for the Executive Directors under the following scenarios (no share price growth is assumed):

- Minimum – reflects fixed pay only (base salary and pension contributions as at July 2022 and benefits included using the disclosed values for the year ended 3 July 2022;
- Target – reflects fixed pay, target bonus (75% of salary) and LTIP awards vesting at threshold (i.e. 20% of salary); and
- Maximum – reflects fixed pay, maximum bonus (150% of salary) and maximum LTIP awards (being 150% of salary for the CEO and CFO).
- Maximum plus share price growth – as for Maximum above, but with the value of 50% share price growth included within the LTIP element.

ILLUSTRATIONS OF APPLICATION OF REMUNERATION POLICY (£'000)



Approach to remuneration for recruitment of a new Executive Director

On the appointment of any new Executive Director, the Committee would seek to offer a remuneration package which can secure an individual with the necessary skills and experience to lead the business and deliver the strategy.

Executive Directors would be appointed within the remuneration framework set out in the Policy Table for Executive Directors. Salaries would typically be set at an appropriately market competitive level to reflect skills and experience, although, if appropriate, the Committee may set salaries towards the lower end of the market range to allow future salary progression to reflect performance and development in the role. A higher salary than the departing director's salary may be appropriate in certain circumstances, particularly where the experience and calibre of the individual warrants such a positioning. In accordance with the Policy Table, the Committee also has discretion to include other benefits such as housing or relocation benefits, if relevant to reflect specific individual circumstances. The maximum level of variable remuneration which may be awarded (excluding any compensatory awards referred to below) would be as set out in the Policy Table.

Depending on the timing and responsibilities of the appointment, it may be necessary to set different annual bonus/LTIP performance measures and targets for initial awards from those applicable to other Executive Directors.

Where an individual forfeits outstanding incentive awards with a previous employer, the Committee may offer compensatory awards to facilitate recruitment. These awards would be in such form as the Committee considers appropriate, taking into account all relevant factors including the form, expected value, anticipated vesting and timing of the forfeited awards. The value of any compensatory awards would be no higher, in the opinion of the Committee, than the value forfeited.

Any share awards referred to in this section will be granted as far as possible under the Company's existing share plans. Share awards may be granted under the Company's LTIP in excess of the limits set out in the Policy Table above to provide compensatory buyout awards only (which may be subject to any performance conditions the Committee considers appropriate), in accordance with the terms above. If necessary, awards may be granted outside of these plans as currently permitted under the Listing Rules, but within the limits set out in this section.

Any incentive awards granted to employees prior to their promotion to the Board will be permitted to vest on their original terms.

The remuneration package for a newly appointed Non-Executive Director would normally be in line with the structure set out in the Policy Table for Non-Executive Directors.

Service contracts

The service agreements of the Executive Directors are rolling contracts which were entered into on the dates shown in the table below:

NAME	CONTRACT DATE	NOTICE PERIOD FROM THE DIRECTOR	NOTICE PERIOD FROM THE COMPANY
Barbara Richmond	18/01/10	6 months	12 months
Matthew Pratt	01/07/20	12 months	12 months

The service agreements provide for formal notice to be served to terminate the agreement, by either the Company or the Executive Director, with the required period of notice shown in the table. The agreements and letters of appointment do not include any provisions for pre-determined compensation for early termination. The Committee may terminate service agreements immediately by making a payment in lieu of notice consisting of base salary, benefits and pension for the unexpired period of notice. At the discretion of the Committee, this payment may be made as instalments over the period, subject to a duty to mitigate, or as a lump sum.

For appointments after 1 July 2017, it is the Committee's policy that notice periods will normally be 6 months from both the Director and the Company initially and thereafter, 12 months from both the Director and the Company, and that payments in lieu of notice will comprise no more than base salary, benefits and pension only over the unexpired period of notice. This policy applies to Matthew Pratt who was appointed to the Board on 1 April 2019.

The Non-Executive Directors' terms of appointment are detailed in formal letters of appointment as shown in the table below. Each appointment is for a fixed initial period of three years although this term is terminable upon either party giving three months' notice.

NAME	POSITION	DATE OF INITIAL APPOINTMENT	CURRENT DATE OF APPOINTMENT
Nick Hewson	Non-Executive	01/12/12	01/12/18
Nicky Dulieu	Non-Executive	06/11/19	06/11/19
Richard Akers	Non-Executive Chairman	01/06/21	01/06/21
Oliver Tant	Non-Executive	01/02/22	01/02/22
John Tutte[1]	Non-Executive Chairman	06/11/20	N/A
Sir Michael Lyons[2]	Non-Executive	06/01/15	N/A

1. John Tutte stepped down after the Company's 2021 Full Year Results on 15th September 2021, at which time Richard Akers was appointed Non-Executive Chairman.
2. Sir Michael Lyons stepped down from the Board on 12 November 2021

Copies of the Directors' service contracts and letters of appointment are available for inspection at the Company's registered office.

Policy on payments following Directors' termination of service

On termination of a Director's contract, the Committee's objective is to agree an outcome which is in the best interests of the Company and its shareholders, taking into account the specific circumstances and performance of the individual, as well as any relevant contractual obligations and incentive plan rules.

As described in the section above, contractual payments in lieu of notice would be limited to salary and contractual benefits and may be made in instalments subject to mitigation.

The Committee has discretion to make a payment under the annual bonus in respect of the year of leaving where an individual is designated a "good leaver" (as described below). In such circumstances, the maximum bonus opportunity would normally be reduced pro-rata to reflect the portion of the year served. Any payment would remain subject to performance against the original targets and, if practicable, would be assessed and paid (in cash) as part of the normal year end assessment process. Outstanding awards under the deferred bonus plan and the LTIP would be treated in accordance with the relevant plan rules. Under these rules, if the participant leaves as a "good leaver", then the treatment of outstanding awards will be as follows:

- Deferred bonus: Nil-cost options will be exercisable for a period of six months following the date of cessation. Options will be exercisable in full unless (for awards made in respect of 2015 and subsequent financial years other than in the case of death) the Committee may exercise discretion to reduce the awards pro-rata to reflect the extent to which the vesting period had elapsed at the date of cessation; and
- LTIP: Awards will normally continue to the original vesting date although the Committee may determine that awards vest following cessation. Where a holding period applies, awards will normally continue to be subject to that holding period following cessation. Unless the Committee determines otherwise, awards will be reduced pro-rata to reflect the extent to which the performance period has elapsed at the date of cessation and time served as an executive. The Committee will decide the extent to which the award vests in these circumstances. If an individual dies, their LTIP awards will normally vest shortly following their death and their LTIP awards will only be time pro-rated if the Committee considers it appropriate.

Circumstances in which a participant will be considered a "good leaver" are: death, ill-health, injury, disability, redundancy, retirement or the sale of the individual's employing company or business outside of the Group.

Where an individual leaves the Company for any other reason, deferred bonus and unvested LTIP awards will lapse.

The Committee retains discretion to make additional exit payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation) or by way of settlement or compromise of any claim arising in connection with the termination of a director's office or employment or for any fees for outplacement assistance and/or the director's legal and/or professional advice fees in connection with their cessation of office or employment. The details and rationale for any such payments would be disclosed in the Annual Remuneration Report.

Non-Executive Director fees

COMPONENT	OPERATION
Non-Executive fees	Fees are determined by the Board excluding the Non-Executive Directors. The fee encompasses a basic fee and supplementary fees for serving on a Board Committee or acting as Senior Independent Director. It may also include supplementary fees for undertaking duties or making a time commitment to Company business beyond the Non-Executive Director's normal role. Expenses incurred in respect of the performance of duties for the Company may be reimbursed or paid for by the Company, including any tax due on such payments. The fees payable to the Non-Executive Directors will not exceed the limit set out in the Company's Articles of Association and will be set at a level which reflects skills, experience, time commitment and appropriate market data.

ANNUAL REPORT ON REMUNERATION

IMPLEMENTATION OF POLICY FOR 2023

This section summarises how the Committee intends to operate the Remuneration Policy for the year ending 30 June 2023.

Salary

All employees of the business including executive directors have received a basic cost of living increase of 5% with some employees receiving higher increases, where appropriate.

The salaries for 2022 are effective from 1 July 2022 and are as follows:

£'000	1 JULY 2022	1 JULY 2021	% INCREASE
Barbara Richmond	**400.6**	381.5	5.0%
Matthew Pratt	**656.3**	625	5.0%

Pension

Matthew Pratt's pension contribution will be 7% of salary which is in line with the workforce contribution rate and Barbara Richmond's will be 20% of salary until 31 December 2022 and 7% of salary from 1 January 2023.

Annual bonus

The annual bonus opportunity for executive directors will be 150% of salary for FY23 in line with the annual bonus policy limit approved by shareholders last year.

Consistent with last year, 50% of the bonus will be based on PBT targets. Customer service remains of paramount importance as does the health and safety of our employees and subcontractors. Accordingly, 12.5% of the bonus will continue to be based each on customer service targets and health and safety.

Outlets opened remains an important forward looking metric and will determine 20% of the annual bonus. The final 5% on ESG will be based on management actions relating to increasing diversity.

MEASURES FOR 2022	
Profit Before Tax	50%
Outlets opened	20%
Customer Service	12.5%
Health & Safety	12.5%
ESG (diversity)	5%

These measures are felt to be appropriately aligned with our current priorities. A sliding scale of targets will apply for each measure except ESG with 20% of maximum payable for achieving a demanding threshold target. The ESG metric will involve a qualitative assessment. It is the current intention that the targets will be disclosed in the FY23 Remuneration Report provided the Committee is comfortable they are no longer commercially sensitive at the time.

LTIP awards to be granted during FY23

It is expected that LTIP awards in the 2023 financial year will be made at the level of 150% of salary to Matthew Pratt and Barbara Richmond.

Historically, LTIP awards have been based half on underlying EPS targets and half on underlying ROCE. Recognising Redrow's increased focus on sustainability and investors' calls for greater linkage between ESG and pay, for FY23, a new climate-related metric will apply for 10% of the award with underlying EPS and underlying ROCE each determining 45% of the award. The new environmental measure will be based on reduction in Scope 1 and Scope 2 greenhouse gas emissions.

The following targets will apply:

	EPS (FOR 2025)	ROCE (FOR 2025)	ESG – CARBON REDUCTION TARGETS
Threshold (13.3% vesting)	82.0 pence	22.0%	15.7%
Target (40% vesting)	90.0 pence	23.0%	18.7%
Maximum (100% vesting)	100.0 pence	25.0%	20.7%

In setting the financial targets, the Remuneration Committee considered the internal plan and market consensus and the impact of the 4% Residential Property Developer Tax. The maximum targets for EPS and ROCE have been set at levels which are materially ahead of current external expectations and are appropriately stretching. The Committee retains the power to adjust the targets to ensure they are no more or less challenging in the event of changes to the corporation tax rate (or any other tax changes currently not anticipated) for FY25. The impact of the current share buyback programme on EPS has not been considered. The targets will be adjusted for the impact of the current share buyback programme once that programme is completed.

The ROCE targets have been based on our guidance level of land creditors and the Committee will consider, at the time of vesting, whether it is appropriate to apply any discretion in the event that land creditors are materially different to the Company's guidance.

The Carbon reduction targets have been set in the context of meeting the 1.5 degree SBTi pathway. The reduction targets (measured as Scope 1 and 2 greenhouse gas emissions) are by reference to a baseline year of 2020/21 (tCO_2e 16,099) and will be measured using the year ending June 2025.

In line with our Policy, vested awards will be subject to an additional two-year post-vesting holding period.

Non-Executive Director and Chairman fees

The Board excluding the non-executive directors conducted an annual review of non-executive director fees and awarded a 5% increase from 1 July 2022 meaning the base fee for a Non-Executive Director will increase from £56,375 pa to £59,195 pa. Following a benchmarking exercise, the additional fees for Committee Chairs and the Senior Independent Director were increased from £10,000 p.a. to £12,000 p.a. from 1 July 2022. The increased fee level reflects the level of time commitment required in undertaking the role.

Richard Akers became Chairman at the AGM in November 2021 at a fee of £250,000 p.a. The Remuneration Committee conducted an annual review of this and awarded a 5% increase to £262,500, effective from 1 July 2022.

OUTCOMES IN RESPECT OF 2022

The tables below set out the remuneration for the Directors in respect of 2022. Further discussion of each of the components is set out on the pages which follow. Where indicated, these disclosures have been audited.

SINGLE TOTAL FIGURE OF REMUNERATION TABLE (AUDITED)

The remuneration of the Executive Directors in respect of 2022 is shown in the table below (with the prior year comparative)

	SALARY		BENEFITS (iii)		PENSIONS (iv)		TOTAL FIXED REMUNERATION		BONUS (v)		LTIP (vi)		TOTAL VARIABLE REMUNERATION		TOTAL	
£'000	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Matthew Pratt (i)	**625**	540	**29**	23	**44**	38	**698**	601	**781**	540	**130**	–	**911**	540	**1,609**	1,141
Barbara Richmond	**381**	370	**36**	35	**76**	74	**493**	479	**477**	370	**117**	–	**594**	370	**1,087**	849
John Tutte (ii)	**–**	169	**–**	1	**–**	34	**–**	204	**–**	–	**86**	–	**86**	–	**86**	204

(i) Matthew Pratt was appointed Group Chief Executive on 1 July 2020.

(ii) John Tutte served as Executive Chairman from 1 April 2019 to 6 November 2020. The disclosure in the above table and footnote are in reference to that period. He then became Non-Executive Chairman. John Tutte's LTIP award has been pro-rated to reflect the proportion of the performance period he was in an executive position.

(iii) Benefits include a fully expensed company car (or equivalent cash allowance) and private health insurance.

(iv) Pension includes the value of the cash allowance paid to Matthew Pratt, Barbara Richmond and John Tutte in respect of the relevant year.

(v) Annual bonus represents the full value of the bonus awarded in respect of the relevant financial year. Details of outcomes against the performance targets are set out below. See pages 192 and 193 on how the Remuneration Committee determined the level of the annual bonus payment.

(vi) The LTIP award made in September 2018 lapsed as the performance measures were not met. The 2022 column includes the value of the 24.2% of the 2019 LTIP which will vest on 11 September 2022, using the average share price over the last three months of FY22. The remaining 75.8% will lapse on that date. None of the value of the vested award is attributable to share price appreciation over the period based on an estimated vesting share price using the average share price over the last three months of FY22. No discretion was applied by the Remuneration Committee to amend the vesting outcome.

The remuneration of the Non-Executive Directors in respect of 2022 are shown in the table below (with the prior year comparative).

£'000	FEES 2022	2021
Richard Akers (i)	**210**	5
Nick Hewson	**76**	75
Nicky Dulieu	**66**	62
Oliver Tant (ii)	**23**	–
John Tutte (iii)	**63**	196
Sir Michael Lyons (iv)	**24**	65
Vanda Murray (v)	**–**	23

(i) Richard Akers joined the Board as a Non-Executive Director on 1 June 2021 and became Non-Executive Chairman on 15 September 2021.

(ii) Oliver Tant joined the Board as a Non-Executive Director on 1 February 2022,

(iii) John Tutte served as Non-Executive Chairman from 6 November 2020 to 15 September 2021. The disclosure in the above table and footnote are in reference to that period.

(iv) Sir Michael Lyons stepped down from the Board as a Non-Executive Director on 12 November 2021.

(v) Vanda Murray stepped down from the Board on 6 November 2020.

2022 ANNUAL BONUS

The maximum bonus opportunity for the Executive Directors in 2022 was 125% of salary. This was based on the achievement of stretching targets under a balanced scorecard of performance measures. The bonus measures and targets were set during 2021 as the business was recovering from the impact of the pandemic and reflected the challenging environment and uncertainty in place at the time. The following measures and targets applied:

	% of bonus opportunity	Threshold payout	Maximum payout	Actual 2022 performance	Payout achieved (% of total bonus opportunity)
PBT (i)	50.0%	£345m	£390m	£410m	50.0%
Number of outlets opened	20.0%	32	37	37	20.0%
Customer recommend score	12.5%	92%	94%	94.5%	12.5%
Accident rate (homes built/ accident)	12.5%	18	20	25.5	12.5%
ESG	5.0%	Develop and implement ESG scorecard		Objectives achieved	5.0%
Total	100%				100%

(i) PBT is underlying, pre-exceptionals

The Group returned to pre-pandemic underlying profit levels with a before tax of £410m (pre-exceptional items) which was ahead of the stretch target. We opened 37 outlets in 2022 which was in line with the maximum target. Similarly, strong performance against customer satisfaction and health and safety resulted in the bonus targets being met in full.

On the ESG component the Executive have successfully worked with the team to set science based near term (2030) carbon reduction targets. The targets for Scope 1 and 2 reductions by 2025 will form part of the LTIP moving forward.

The Committee considered the outcome in relation to the wider stakeholder experience and was comfortable that the result was warranted based on the strong financial and non-financial performance across a broader range of factors.

In line with the Policy, 50% of the bonus will be paid in cash and the other 50% will be deferred in shares which will vest after 12 and 24 months.

Long Term Incentive Plan (LTIP)

The LTIP is designed to motivate and reward long-term performance and delivery of the strategy and provide alignment with Redrow shareholders.

The sections below summarise details of the 2019 LTIP awards which were capable of vesting in 2022 and those awards which were granted during the 2022 financial year.

LTIP awards vesting in respect of 2022

The LTIP awards granted in September 2019 were based on performance over the three year performance period ending 3 July 2022. Based on performance against the EPS and ROCE targets set when the award was granted, summarised in the table following, the EPS measure was not met and the ROCE measure was met in part.

AWARD VESTING LEVEL AS A % OF SHARE OPTIONS GRANTED (FOR EACH COMPONENT)	EPS FOR 2022	ROCE FOR 2022
Nil	Below 105.0p	Below 23.4%
6.67%	105.0p	23.4%
20%	110.0p	24.4%
50%	115.0p or above	25.4% or above
Vesting between the points above is on a sliding scale basis		
Actual performance	95.6p	24.54%
Vesting (% of total award)	0%	24.2%

The original EPS targets as set out in the above table were amended to 98.96p (threshold), 103.47p (target) and 108.17p (maximum) to take account of the increase in corporation tax and the introduction of RPDT which were not known at the time the targets were set. These adjustments ensured the participant was in no better or worse position.

The EPS targets were not met and there is partial vesting under the ROCE measure. This results in 24.2% of the total award vesting. The value of the vested award is estimated and included in the 2022 LTIP column of the Single Total Figure of Remuneration table on page 205.

SCHEME INTERESTS AWARDED DURING 2022 (AUDITED)

The following table sets out details of LTIP awards to Executive Directors on 21 September 2021.

EXECUTIVE DIRECTOR	NUMBER OF AWARDS GRANTED	BASIS OF AWARD	FACE VALUE [1]	THRESHOLD VESTING (% OF MAXIMUM)	VESTING DATE
Matthew Pratt	131,192	150% of salary	£937k	13.3%	21 September 2024
Barbara Richmond	80,080	150% of salary	£572k	13.3%	21 September 2024

(i) The face value has been calculated using the average share price used to determine the number of shares awarded, being 714.6p (the average share price over the three days prior to the date of grant).

Awards to Matthew Pratt and Barbara Richmond were made in the form of nil-cost options and vested awards will be subject to a further two-year holding period.

These awards will vest in September 2024 based on performance over the three year performance period ending 30 June 2024 as follows:

AWARD VESTING LEVEL AS A % OF SHARE OPTIONS GRANTED (FOR EACH COMPONENT)	EPS FOR 2024	ROCE FOR 2024
Nil	Below 90.0p	Below 22.0%
6.67%	90.0p	22.0%
20%	95.1p	23.0%
50%	103.0p or above	25.0% or above
Vesting between the points above is on a sliding scale basis. The target range was set in light of the business outlook at the time including internal forecasts, external analyst consensus and a broader view of the macroeconomic environment. After the EPS targets were set, the Residential Property Developer Tax (RPDT) was introduced and takes effect from 1 April 2022. The Remuneration Committee, consistent with the messaging sent out in last year's report, has adjusted the targets to ensure they are no less challenging than the original ones. The revised targets are 82.5p (threshold), 90.0p (target) and 97.5p (maximum). The targets will require a further adjustment following completion of the share buyback programme.		

The Remuneration Committee has discretion to adjust the number of shares vesting from the award if it considers that the vesting outcome is not sufficiently reflective of the underlying performance of the Company.

Deferred Bonus Plan awards, being 50% of the bonus earned relating to FY21 performance, were granted during the year as set out below:

DIRECTOR	NUMBER OF AWARDS GRANTED	FACE VALUE (i)	PORTION OF BONUS DEFERRED	VESTING DATE
Matthew Pratt	37,783	£270k	50%	50% on 21 September 2022 and 50% on 21 September 2023
Barbara Richmond	25,889	£185k	50%	50% on 21 September 2022 and 50% on 21 September 2023

(i) The face value has been calculated using the average share price used to determine the number of shares awarded, being 714.6p (the average over the three days prior to the date of grant).

SHAREHOLDING GUIDELINES AND SHARE INTERESTS

Under our shareholding guidelines, Executive Directors are expected to build and retain a shareholding in the Group at least equivalent to 200% of base salary. Until the shareholding guideline has been met Executives will be required to retain all deferred bonus shares and LTIP shares on a net of tax basis. As shown in the table below, Barbara Richmond meets this guideline.

As noted above, Matthew is expected to retain all Deferred Bonus Plan and LTIP shares on a net of tax basis until the shareholding guideline is met. Non-Executive Directors are not subject to shareholding guidelines.

STATEMENT OF SHAREHOLDING AND SCHEME INTERESTS (AUDITED)

The following table sets out the shareholding (including connected persons) of the Directors in the Company as at 3 July 2022 and current interests in long-term incentives.

	NUMBER OF SHARES BENEFICIALLY HELD AT 3 JULY 2022	NUMBER OF VESTED AND UNVESTED DEFERRED BONUS AWARDS	NUMBER OF VESTED BUT UNEXERCISED LTIP AWARDS	NUMBER OF UNVESTED LTIP AWARDS	NUMBER OF HMRC APPROVED UNVESTED ALL EMPLOYEE AWARDS (SAYE)	SHAREHOLDING AS % OF SALARY	GUIDELINE MET?
Executive Directors							
Matthew Pratt	97,526	37,783	–	434,492	4,768	93%	No
Barbara Richmond	564,100	25,889	–	310,372	4,205	749%	Yes
Non-Executive Directors							
Richard Akers	60,000	–	–	–	–	–	–
Nick Hewson	22,000	–	–	–	–	–	–
Nicky Dulieu	6,500	–	–	–	–	–	–
Oliver Tant	11,303	–	–	–	–	–	–

Shareholding as a percentage of salary is based on the number of beneficially held shares and the number of outstanding deferred bonus awards (net of tax) and vested but unexercised LTIP awards (net of tax) held at 3 July 2022. The value of shareholding is calculated using the base salary as at 1 July 2022 and the average share price for the final quarter of the 53 weeks ended 3 July 2022. Matthew Pratt is building his shareholding in line with the Remuneration Policy and is expected to retain all vested Deferred bonus and LTIP awards until the shareholding guidance is met.

Between 3 July 2022 and 13 September 2022 (being the latest practicable date prior to the posting of this report), there were no further changes to the directors' beneficially held shares. On 11 September 2022, 24.2% of the 2019 LTIP award vested resulting in vesting of 25,034 options for Matthew Pratt and 22,592 options for Barbara Richmond. These options are shown in the above table under the column "Number of unvested LTIP awards".

The table below provides details of executive directors' share interests

	AWARDS HELD AT 27 JUNE 2021	GRANT DATE	SHARE PRICE ON GRANT £	AWARD VESTED	AWARDS GRANTED IN YEAR	AWARDS LAPSED IN YEAR	AWARDS EXERCISED IN YEAR	AWARDS HELD AT 3 JULY 2022	EXERCISE PRICE £	FROM	TO
Matthew Pratt											
SAYE 2020	4,768	09/11/20	4.72	–	–	–	–	4,768	3.78	01/01/24	01/07/24
LTIP 2018	23,951	10/09/18	5.887	–	–	(23,951)	–	–	–	10/09/21	10/09/28
LTIP 2019	103,448	11/09/19	5.945	–	–	–	–	103,448	–	11/09/22	11/09/29
LTIP 2020	199,852	23/09/20	4.053	–	–	–	–	199,852	–	23/09/23	23/09/30
LTIP 2021	–	21/09/21	7.146	–	131,192	–	–	131,192	–	21/09/24	21/09/31
DEF BONUS 2019	12,736	11/09/19	5.945	12,736	–	–	(12,736)	–	–	11/09/20	11/09/29
DEF BONUS 2021	–	21/09/21	7.146	–	37,783	–	–	37,783	–	21/09/22	21/09/31
	344,755			**12,736**	**168,975**	**(23,951)**	**(12,736)**	**477,043**			
Barbara Richmond											
SAYE 2019	1,821	28/10/19	6.81	–	–	–	–	1,821	4.94	01/01/23	01/07/23
SAYE 2020	2,384	09/11/20	4.72	–	–	–	–	2,384	3.78	01/01/24	01/07/24
LTIP 2018	86,122	10/09/18	5.887	–	–	(86,122)	–	–	–	10/09/21	10/09/28
LTIP 2019	93,356	11/09/19	5.945	–	–	–	–	93,356	–	11/09/22	11/09/29
LTIP 2020	136,936	23/09/20	4.053	–	–	–	–	136,936	–	23/09/23	23/09/30
LTIP 2021	–	21/09/21	7.146	–	80,080	–	–	80,080	–	21/09/24	21/09/31
DEF BONUS 2019	12,082	11/09/19	5.945	12,082	–	–	(12,082)	–	–	11/09/20	11/09/29
DEF BONUS 2021	–	21/09/21	7.146	–	25,889	–	–	25,889	–	21/09/22	21/09/31
	332,701			**12,082**	**105,969**	**(86,122)**	**(12,082)**	**340,466**			
John Tutte											
LTIP 2018	152,370	10/09/18	5.887	–	–	(152,370)	–	–	–	10/09/21	10/09/28
LTIP 2019	153,911	11/09/19	5.945	–	–	–	–	153,911	–	11/09/22	11/09/29
DEF BONUS 2019	21,375	11/09/19	5.945	21,375	–	–	(21,375)	–	–	11/09/20	11/09/29
	327,656			**21,375**	**–**	**(152,370)**	**(21,375)**	**153,911**			

i. The performance conditions attached to the 2019 LTIP awards have not been met in full and therefore 24.2% of the 2019 share options will vest on 11 September 2022 and the remainder will lapse.

ii. The performance conditions attached to the 2020 LTIP awards were disclosed in the 2021 Directors' Remuneration Report.

iii. The performance conditions attached to the 2021 LTIP awards are shown on page 207.

iv. There are no further performance conditions attached to the exercise of the deferred bonus awards.

v. John Tutte stepped down from the Board on 15 September 2021. His LTIP 2019 award shall continue to the original vesting date and shall remain subject to the two year holding period. Upon vesting, the award will be reduced pro-rata to reflect the extent to which the performance period had elapsed at the date of cessation and time served as an executive, as determined by the Committee.

GAINS MADE BY DIRECTORS ON SHARE OPTIONS

The table below outlines the notional gains made by Directors on share options exercised during the year, calculated as at the exercise date.

EXECUTIVE DIRECTOR	SCHEME	NO. SHARES EXERCISED	DATE OF EXERCISE	MID PRICE ON DATE OF EXERCISE (PENCE)	NOTIONAL GAIN ON EXERCISE (£'000)
Matthew Pratt	DEF BONUS 2019	12,736	21/09/21	709.75	90.39
Barbara Richmond	DEF BONUS 2019	12,082	21/09/21	709.75	85.75
John Tutte	DEF BONUS 2019	21,375	27/09/21	697.4	149.07

PENSION

Matthew Pratt is a deferred member of the Redrow Staff Pension Scheme (now closed for future accruals) and details of entitlements under this plan are set out below. Barbara Richmond received a pension allowance supplement equivalent to 20% of salary and Matthew Pratt received a pension allowance supplement equivalent to 7% of salary. The value of these cash supplements is included in the pension column of the Single Total Figure of Remuneration Table on page 205. Barbara Richmond and Matthew Pratt are also covered by fixed term group income protection and death in service benefit.

TOTAL PENSION ENTITLEMENTS (AUDITED)

Details of the Executive Directors' pension entitlements under the defined benefit section of the Redrow Staff Pension Scheme are as follows:

DIRECTOR	NORMAL RETIREMENT DATE	ACCRUED BENEFIT AT 3 JULY 2022 £	BENEFITS PAID TO DIRECTOR DURING PERIOD UP TO 3 JULY 2022 £	DEFINED BENEFIT ACCRUED DURING PERIOD UP TO 3 JULY 2022 £
Matthew Pratt	6 July 2040	15,921	Nil	Nil

The normal retirement date shows the date at which the Director can retire without actuarial reduction. No additional benefit is available on early retirement.

The accrued pension shown above is the amount of pension entitlement that would be paid each year on retirement on the normal retirement date, based on service to 29 February 2012. The Scheme closed the accrual of future benefits with effect from 1 March 2012.

SUPPORTING DISCLOSURES, ADDITIONAL STATUTORY INFORMATION AND ADDITIONAL CONTEXT

Percentage change in remuneration of Chief Executive, Directors and all employees

The table below shows the percentage change in the salary, benefits and annual bonus paid to each Director compared to the average pay of all Redrow employees who qualify for participation in the Company's bonus and benefits plans for the years ending June 2020, 2021 and 2022.

	NAME	MATTHEW PRATT (CHIEF EXECUTIVE)	BARBARA RICHMOND (CHIEF FINANCIAL OFFICER)	NICK HEWSON (SENIOR INDEPENDENT DIRECTOR)	SIR MICHAEL LYONS (NON-EXECUTIVE DIRECTOR)	NICKY DULIEU (iii) (NON-EXECUTIVE DIRECTOR)	JOHN TUTTE (ii) (NON-EXECUTIVE CHAIRMAN)	RICHARD AKERS (iv) (NON-EXECUTIVE DIRECTOR)	AVERAGE PAY OF REDROW EMPLOYEES
2022	Salary/fee	**15.7%**	**3.0%**	**1.3%**	**N/A**	**6.5%**	**N/A**	**N/A**	**3.1%**
	Benefits	**26.1%**	**2.9%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**(7.4%)**
	Annual bonus	**44.6%**	**28.9%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**(11.1%)**
2021	Salary/fee	35.3%	2.78%	2.74%	3.17%	N/A	N/A	N/A	3.07%
	Benefits	4.5%	Nil	N/A	N/A	N/A	N/A	N/A	1.4%
	Annual bonus	N/A (i)	N/A (i)	N/A	N/A	N/A	N/A	N/A	292.9%
2020	Salary/fee		6.50%	1.4%	(3.0%)	N/A	N/A	N/A	2.92%
	Benefits		84.2%	N/A	N/A	N/A	N/A	N/A	11.0%
	Annual bonus		(100%)	N/A	N/A	N/A	N/A	N/A	(64.3%)

(i) Zero bonus was awarded to Matthew Pratt and Barbara Richmond for FY20. £540k and £370k bonus respectively was awarded for FY21.

(ii) John Tutte served as Non-Executive Chairman from 6 November 2020 to 15 September 2021.

(iii) Nicky Dulieu was appointed as Non-Executive Director on 6 November 2019.

(iv) Richard Akers was appointed as Non-Executive Director on 1 June 2021.

CEO PAY RATIO

The table below sets out the CEO pay ratio for the last three financial years. It compares the single total figure of remuneration for the Chief Executive with that of Group employees who are paid at the 25th, 50th and 75th percentiles.

CEO PAY RATIO	2022	2021	2020
25th Percentile pay ratio	**55:1**	42:1	27:1
50th Percentile pay ratio	**35:1**	26:1	18:1
75th Percentile pay ratio	**23:1**	17:1	12:1

Our CEO pay ratios have been calculated using Option A under the Companies (Miscellaneous Reports) Regulations 2018 as this is the most statistically accurate way. The total remuneration of all UK employees for the 2022 financial year has been calculated and ranked to identify the employees where remuneration places them at the 25th, 50th and 75th percentile points.

The total pay and benefits and salary of the employees paid at the 25th percentile, 50th percentile and 75th percentile are shown in the tables below.

	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE
Salary 2022	**£25,300**	**£32,800**	***£25,980**

* The employee identified at the 75th percentile is in a sales consultant role which has the opportunity to earn higher remuneration through commission arrangements, hence the base salary is lower than the 50th percentile employee but the total pay and benefits is higher.

	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE
Total pay and benefits 2022	**£29,000**	**£46,082**	**£70,897**

The pay ratio figures for 2022 have widened compared to those in the previous year. The principal reason is that the CEO moved to the full rate for the role of £625,000 compared to an interim figure of £540,000 in the previous year. The total pay and benefits payable across the workforce has increased as shown in the table above. Therefore the year on year change in the pay ratio is in line with our expectations. The Committee will continue to monitor longer-term trends in pay.

The Remuneration Committee notes that the Chief Executive's remuneration package is appropriately more heavily weighted toward variable pay elements, i.e. annual bonus and LTIP, than the general employee population and is therefore likely to result in the ratio fluctuating as a function of the outcomes of incentive plans year on year. However, the Committee will continue to monitor pay ratios, including any longer term trends, as part of its annual agenda.

Relative importance of spend on pay

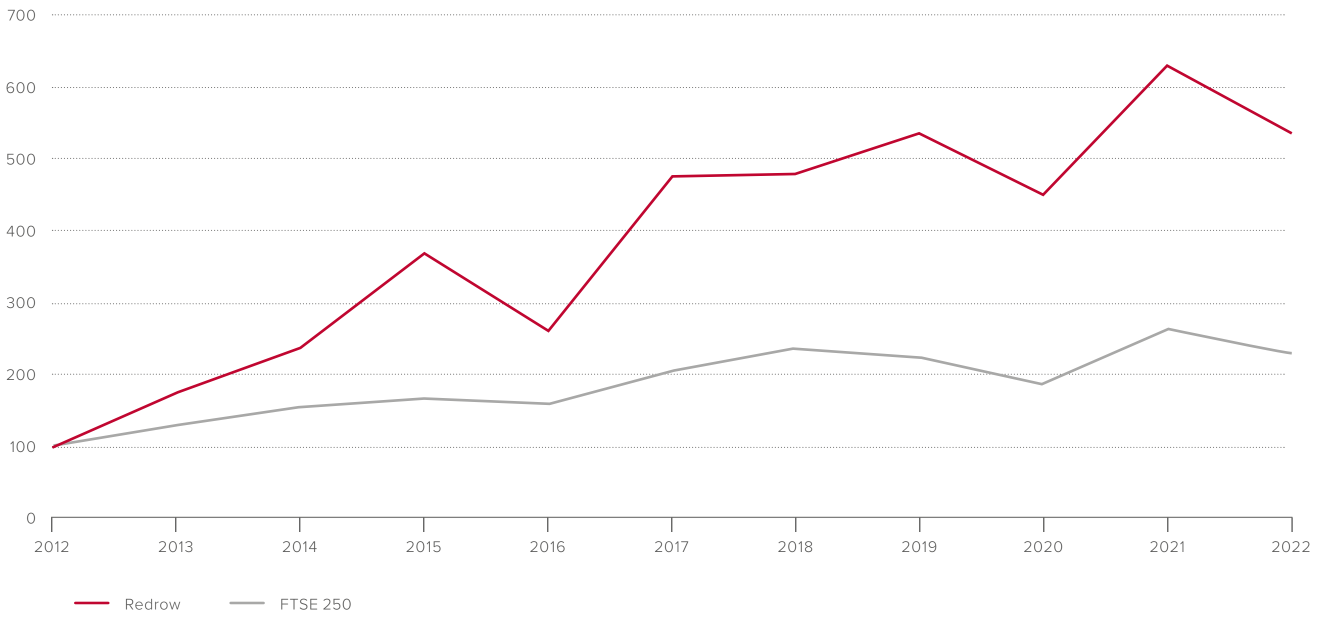
The table below shows total employee remuneration and distributions to shareholders, in respect of 2022 and 2021 (and the difference between the two).

£M	2022	2021	Change (%)
Total employee remuneration	**151**	137	10.2%
Distributions to shareholders	**113**	86	31.4%

Total employee remuneration represents amounts included in note 7a to the accounts in respect of wages, social security, pension and incentive costs for all Group employees. Distributions to shareholders include the cash returns in respect of each financial year (see note 5 to the financial statements). This represents 32.0 pence per share in respect of 2022 compared to 24.5 pence per share in respect of 2021.

Performance graph and CEO single figure table

The chart below shows the TSR of Redrow in the ten-year period ended 3 July 2022 against the FTSE 250 return index over the same period. TSR refers to share price growth with re-invested dividends. The Committee believes the FTSE 250 index is the most appropriate index against which the TSR of Redrow should be measured, as it is a constituent of the FTSE 250.



The table below provides remuneration data for the Executive Chairman/Group Chief Executive (as applicable) for each of the ten financial years over the equivalent period.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Name	Steve Morgan	Steve Morgan	John Tutte	John Tutte	John Tutte	John Tutte	John Tutte	John Tutte	Matthew Pratt	**Matthew Pratt**
Remuneration/ donations*	£1,050k	£1,922k	£2,355k	£1,916k	£2,463k	£1,950k	£2,093k	£712k	£1,141k	**£1,609k**
Bonus (% of Maximum)	80%	100%	100%	100%	100%	96.7%	85%	Nil%	100%	**100%**
LTIP vesting (% of Maximum)	19%	100%	100%	100%	100%	100%	100%	Nil%	Nil%	**24.2%**

* For Steve Morgan, this value includes the nominal salary and benefits disclosed in the Single Total Figure of Remuneration table as well as Company donations to The Steve Morgan Foundation, a UK registered charity of which Steve Morgan is a trustee, reflecting notional salary and waived annual cash bonus in respect of the relevant year. It also includes the value of deferred bonus and vested LTIP cash awards in respect of each relevant year (calculated in accordance with the methodology applicable to the Single Total Figure of Remuneration Table).

External Non-Executive directorships held by Executive Directors

It is the Committee's policy that, with the approval of the Board, Executive Directors may hold one non-executive directorship at another company in order to broaden their knowledge and experience to the benefit of the Company. The Executive Director may retain any fee received for these duties. Barbara Richmond is a non-executive director of Lonza Group Ltd and in line with the Committee's policy, she is entitled to retain the fees from this appointment. She received fees of £209k during 2022 (£188k during 2021). This represented 250,000 Swiss Francs in 2022 and 240,000 Swiss Francs in 2021.

CONSIDERATION OF DIRECTORS' REMUNERATION – REMUNERATION COMMITTEE AND ADVISORS

The Remuneration Committee is comprised solely of Non-Executive Directors. Nicky Dulieu chaired the Remuneration Committee and the other members during the year comprised Nick Hewson, Sir Michael Lyons (who stepped off the Board on 12 November 2021), Richard Akers and Oliver Tant (who joined the Board on 1 February 2022).

The Committee has agreed Terms of Reference detailing its authority and responsibilities. The Terms of Reference of the Committee are kept under regular review and are published on the Group's website and include:

- determining the Remuneration Policy in respect of the Executive Directors and the Company Secretary (together 'the Senior Executives'), taking into account the context of the Company's overall approach to remuneration for all employees and within this Policy determining the total individual package of each Senior Executive;
- determining performance targets and the extent of their achievement for both annual and long-term incentive awards operated by the Company affecting Senior Executives; and
- monitoring and approving the level and structure of remuneration of the Executive Committee immediately below the Senior Executives.

The Committee meets as often as is required but at least twice per year. The Committee met three times during the course of the financial year ended 3 July 2022 and details of Committee attendance are set out in the following table:

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Nicky Dulieu †	Chair	3/3
Nick Hewson †	Member	3/3
Richard Akers †	Member	3/3
Oliver Tant 1†	Member	2/2
Sir Michael Lyons 2†	Member	1/1

1 Oliver Tant was appointed as Non-Executive Director on 1 February 2022 and joined as a Member of the Remuneration Committee at the same time. He attended all meetings held between his appointment date to the end of the 2022 financial year.

2 Sir Michael Lyons stepped down from the Board and as a Member of the Remuneration Committee on 12 November 2021. He attended the one meeting held from the beginning of the 2022 financial year to the date he left the Board.

† Member considered to be independent. Throughout the 2021 financial year, the Committee was made up of 100% independent members.

The Committee received advice from FIT Remuneration Consultants LLP during the year. FIT were appointed to advise the Committee following a competitive tender exercise. FIT is a member of the Remuneration Consultants Group and as such voluntarily operates under the Code of Conduct in relation to executive remuneration consulting in the UK. The Committee is comfortable that FIT does not have connections with Redrow plc that may impair their objectivity and independence. The fees charged by FIT for the provision of independent advice to the Committee during 2022 was £42,567 + VAT. FIT provided no other services to the Company.

Statement of voting at Annual General Meeting

At the Annual General Meeting held on 12 November 2021, votes cast by proxy and at the meeting in respect of directors' remuneration report are shown in the table.

	VOTES FOR		VOTES AGAINST			
RESOLUTION	NO.	%	NO.	%	TOTAL VOTES CAST EXC WITHHELD	VOTES WITHHELD
Approval of the Directors' Remuneration Policy	258,197,497	96.94	8,151,899	3.06	266,349,396	430,888
Approval of Directors' Remuneration Report for the 52 weeks ended 27 June 2021	261,421,828	98.15	4,939,482	1.85	266,361,310	418,974

By order of the Board

Nicky Dulieu
Chair of the Remuneration Committee

13 September 2022

DIRECTORS' REPORT

OTHER STATUTORY DISCLOSURES

The Companies Act 2006 (the "Act") requires the Directors to present a fair review of the business during the 53 weeks to 3 July 2022 and of the position of the Company at the end of the financial year together with the financial statements, Auditors' Report and a description of the principal risks and uncertainties which the Company faces.

The Strategic Report can be found on pages 1 to 150 of the Annual Report. The FCA's Disclosure Guidance and Transparency Rules (the "DTRs") require certain information to be included in the Directors' Report. This information can be found in the Corporate Governance Report on pages 152 to 225.

Save for the announcement by the Company on 14 July 2022 that it had commenced a share buyback programme to purchase ordinary shares of 10.5p each in the Company for up to a maximum consideration of £100m, the primary purpose of which was to reduce the share capital of the Company, there have been no other significant events since the balance sheet date. An indication of likely future developments in the business of the Company and details of the Company's use of financial instruments for risk management purposes are included in the Strategic Report.

The Corporate Governance Report and the Strategic Report, together with sections of the Annual Report incorporated by reference, form part of the Directors' Report which is presented in accordance with applicable English company law. The liabilities of the Directors in connection with this report shall be limited as provided by English law.

The table below sets out where key information can be found in the Annual Report.

SUBJECT	PAGE REFERENCE
Directors	• See page 158 detailing the Directors who served during the year, along with their meeting attendance. • Biographical details of the Directors of the Company who are seeking election and re-election at the 2022 AGM are set out on pages 154 to 155. • Details of Directors' interests, including interests in the Company's shares, are disclosed in the Directors' Remuneration Report on page 208.
Dividends	See note 5 of the financial statements on page 253.
Capital structure (details of the issued share capital)	See note 18 of the financial statements on page 276.
Employment policies of the Company	Details of the Company's employment policies may be found in the Directors' Report on page 220.
The Redrow Benefit Trust (the "Employee Benefit Trust")	Details of the shares held by the Employee Benefit Trust may be found in the Directors' Report on page 216.
Dividend Waiver	Details of any arrangements under which a shareholder has waived any dividends may be found on the Directors' Report on page 216.
Environmental, social and governance ("ESG") disclosures	Details of the Company's approach to ESG matters can be found in the Directors' Report on pages 217 to 223.
Greenhouse gas emissions	All disclosures of the Company's greenhouse gas emissions, as required to be disclosed under Schedule 7 of The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (pursuant to the Act, Strategic Report and directors' report Regulations 2013), are contained in the Directors' Report on pages 217 to 218.
Redrow plc Long Term Investment Plan ("LTIP")	Details of the Company's LTIP are set out in note 7d of the consolidated financial statements on pages 255 to 256 and the Directors' Remuneration Report on pages 192 to 213.
Section 172(1) Statement	The Section 172(1) Statement can be found in the Strategic Report on pages 136 to 139.

The Directors take pleasure in presenting to the shareholders their report and audited consolidated financial statements for the 53 weeks ended 3 July 2022.

RESULTS, DIVIDENDS AND RETURN OF CASH

The Group made a profit after tax of £328m (excluding exceptional item) and £197m (including exceptional item).

An interim dividend of 10.0p (2021: 6.0p) net per share was paid on 8 April 2022.

In addition to the interim dividend, the Company announced on 14 July 2022 that it had commenced a share buyback programme to purchase ordinary shares of 10.5p each in the Company for up to a maximum consideration of £100m. The primary purpose of the buyback programme was to reduce the capital of the Company. As at 13 September 2022, being the latest practicable date prior to publication of this report, the Company had purchased 6,514,925 ordinary shares of 10.5p each in the Company for the total consideration of £34,606,713.68 and the programme remains ongoing.

The Board proposes to pay on 16 November 2022, subject to shareholder approval at the 2022 Annual General Meeting, a final dividend of 22p (2021: 18.5p) per share in respect of the 53 weeks ended 3 July 2022 to shareholders on the Register as at the close of business on 23 September 2022.

The Company has in place a dividend re-investment plan which gives shareholders the opportunity to re-invest their dividends by acquiring shares in the Company.

ANNUAL GENERAL MEETING

Notice of the 2022 Annual General Meeting to be held on Friday, 11 November 2022 will be sent to shareholders separately. Members wishing to vote, should return forms of proxy to the Company's Registrar not less than 48 hours before the time for holding the meeting.

The formal notice convening the Annual General Meeting, together with explanatory notes, will be found in a separate circular which will be sent to shareholders separately and will be available on the Company's website. Shareholders will also find with the Notice of Annual General Meeting a form of proxy for use in connection with the meeting.

DIRECTORS

The Directors of the Company during the year to the date of this report, along with their meeting attendance, are listed on page 158. The current Directors are listed on pages 154 to 155 together with their biographical details.

Details of Directors' pay, service contracts and interests in the ordinary shares of the Company are included in the Directors' Remuneration Report on pages 192 to 213.

Formal appraisals of the Executive Directors were undertaken during the financial year. Each of the Non-Executive Directors underwent an annual appraisal conducted by the Non-Executive Chairman and the Senior Independent Director carried out the appraisal of the Non-Executive Chairman. The Board confirms that Matthew Pratt and Barbara Richmond, who stand for reappointment as Executive Directors; Nicky Dulieu and Oliver Tant, who stand for reappointment as Non-Executive Directors; and Richard Akers, who stands for reappointment as Non-Executive Chairman, continue to be effective and demonstrate the appropriate commitment to their roles.

The Executive Directors have formal service agreements and termination of their employment may be effective by 12 months' notice given by the Company.

In accordance with the UK Corporate Governance Code (the "Code"), all of the Directors will retire at the Annual General Meeting to be held on Friday, 11 November 2022 and, being eligible and upon the recommendation of the Board, offer themselves for reappointment, save for Nick Hewson who will be stepping down from the Board at the 2022 AGM.

DIRECTORS INTERESTS

Related party transactions are disclosed in note 22 to the Financial Statements. A summary of remuneration provided to key management personnel is provided in note 7c.

POWERS OF THE DIRECTORS

Subject to the Company's Articles of Association, UK legislation and any special resolutions passed by the Company, the business of the Company is managed by the Board, which may exercise all the powers of the Company. Directors have been authorised to allot and issue shares by way of resolutions of the Company passed at its Annual General Meeting.

The rules in relation to the appointment and replacement of Directors are as set out in the Company's Articles of Association and applicable English company law. The Articles of Association can only be amended, or new Articles adopted, by a resolution passed by shareholders at a general meeting by at least three quarters of the votes cast.

CAPITAL STRUCTURE

As at 13 September 2022, being the latest practicable date prior to publication of this report, the Company had an issued share capital of 345,675,495 ordinary shares of 10.5 pence each (excluding 2,605,970 ordinary shares of 10.5p each held in treasury).

The Company has one class of ordinary shares which carry ordinary rights to dividends (subject to the Company's Articles of Association). Each share carries the right to one vote at general meetings of the Company in respect of resolutions which are taken on a poll.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Authority was given to the Directors at last year's Annual General Meeting to allot unissued shares up to an aggregate nominal amount of £12,326,664.70 (which is equivalent to approximately 33% of the Company's issued share capital) and up to a further aggregate nominal amount of £12,326,664.70 in connection with an offer by way of a rights issue. The authority was not exercised during the period ended 3 July 2022 or prior to the date of this report.

Authority was also given to the Company at last year's Annual General Meeting to make market purchases of the Company's ordinary shares up to an aggregate nominal value of £3,697,999.41, which is equivalent to approximately 10% of the issued share capital of the Company. Under the authority, there is a minimum and maximum price to be paid for such shares and the shares purchased by the Company pursuant to this authority may be held in treasury or may be cancelled.

In line with the authority limits, the Company announced on 14 July 2022 that it had commenced a share buyback programme to purchase ordinary shares of 10.5p each in the Company for up to a maximum consideration of £100m. The primary purpose of the buyback programme was to reduce the capital of the Company. As at 13 September 2022, being the latest practicable date prior to publication of this report, the Company had purchased 6,514,925 ordinary shares of 10.5p each in the Company for the total consideration of £34,606,713.68 and the programme remains ongoing.

The above authorities expire at the forthcoming Annual General Meeting therefore the Directors will be seeking new authorities as set out in the Notice of Annual General Meeting. As the share buyback programme is ongoing, should the resolution seeking authority to make market purchases equivalent to approximately 10% of the issued share capital of the Company not pass, the buyback programme will be discontinued.

The Company has made no non-pre-emptive issuances of equity for cash over the past three reporting periods.

VOTING AND TRANSFER OF SHARES

The Company's Articles of Association do not contain any specific restrictions on the size of a shareholder's holding or on the transfer of shares.

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities and/or voting rights.

The Company's Articles of Association do not contain, and the Company is not aware of, any restrictions on voting rights, including any limitations on voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights and arrangements by which, with the Company's co-operation, financial rights carried by securities are held by a person other than the holder of the securities.

Zedra Trust Company (Guernsey) Limited ("Zedra"), as trustee of the Employee Benefit Trust, held 10,625,995 shares (3.02%) in the Company as at 3 July 2022 on trust for the benefit of employees of the Company. The voting rights attaching to the shares held by the Employee Benefit Trust are exercisable by the Trustee and there are no restrictions on the exercise of the voting of, or acceptance of any offer relating to those shares.

In respect of those shares held within the Employee Benefit Trust, during the year, Zedra had agreed to waive payment of the following dividends:

- the 2021 final dividend of 18.5 pence per share paid on 17 November 2021 in respect of 2,400,000 ordinary shares; and
- the 2022 interim dividend of 10 pence per share paid on 8 April 2022 in respect of 2,800,000 ordinary shares.

The shares over which the dividends were waived were held to satisfy Save As You Earn share options granted by the Company which do not attract a dividend equivalent payment therefore there was no loss to the individual employees of the Company by Zedra waiving the dividends in respect of those shares.

SUBSTANTIAL HOLDINGS IN THE COMPANY

As at 3 July 2022, the Company had been advised of the following notifiable interests in its ordinary shares, in accordance with Rule 5 of the DTRs.

NOTIFIABLE PERSON	NO. OF ORDINARY SHARES HELD	% OF VOTING RIGHTS
Bridgemere Securities Limited	56,301,816	15.99%
Vidacos Nominees/HSBC [1]	17,876,321	5.08%
Zedra Trust Company (Guernsey) Limited	10,565,713	3.00%
GLG Partners LP	17,738,152	5.04%

1 The Company was notified of this interest prior to the 20 for 21 share consolidation on 8 April 2019. The figure displayed as the number of shares held has been calculated by applying the 20:21 consolidation ratio to the number of voting rights contained within Vidacos Nominees' most recent notification to the Company under DTR 5.1, at which time was 18,770,138.

The Company has not been notified of any changes to the above interests, or any other notifiable interests, since 3 July 2022 to 13 September 2022, being the latest practicable date prior to publication of this report.

CHANGE OF CONTROL

The Company's banking facilities require repayment in the event of a change of control. In addition the Company's employee share incentive schemes contain provisions, whereby, upon a change of control, outstanding options and awards would vest and become exercisable by the relevant employees, subject to the rules of the schemes.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment in event of a takeover bid.

INDEPENDENT AUDITORS

Following the latest tender process which was undertaken by the Committee in 2018, KPMG LLP was appointed as the external auditor of the Company in 2019 and was reappointed at the 2021 Annual General Meeting, with 99.79% of votes cast in favour of its reappointment.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the course of the 53 weeks ended 3 July 2022, qualifying third party indemnity provisions were in place.

The Company agreed to indemnify the Directors, former Directors and the Company Secretary of the Company and Associated Companies (as defined in Section 256 of the Companies Act 2006), to the extent permitted by law and the Company's Articles of Association, against any liability arising: in connection with any negligence, default, breach of duty or breach of trust by them; and in connection with their duties, powers or office, including in connection with the activities of the Company or an Associated Company in its capacity as a trustee of an occupational pension scheme.

The above indemnity provisions remain in force at the date of this report. In addition, the Company maintains directors' and officers' insurance for each Director of the Company and its Associated Companies.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE DISCLOSURES

Limiting the environmental impact of developments by building responsibly and creating thriving and desirable places to live are key components of the Group's strategy, and through the use of its design principles, the Company has ensured that social, environmental and economic aspects are incorporated into the communities delivered.

Valuing People is also a key component of the Group's strategy and this is executed by valuing and developing people and partners and inspiring the next generation to build.

The Board considers ESG matters as part of its regular risk assessment and the following sections seek to provide a deeper understanding of the work undertaken by the Company in relation to ESG matters.

ENVIRONMENTAL

Greenhouse Gas emissions

Greenhouse Gas (GHG) emissions data for the period 28 June 2021 to 3 July 2022 are set out in the table below.

EMISSIONS FROM:	CURRENT REPORTING YEAR (28 JUNE 2021 TO 3 JULY 2022)	COMPARISON YEAR (29 JUNE 2020 TO 27 JUNE 2021)	UNITS
Scope 1 activities:			
• Direct emissions from combustion of fuels and business travel	**9,558**	11,417	Tonnes of CO_2e
Scope 2 activities – Location Based:			
• Indirect emissions from purchased electricity and heat	**2,591**	3,263	Tonnes of CO_2e
Scope 2 activities – Market Based	**264**	4,682	Tonnes of CO_2e
Outside of Scopes [1]	**3**	N/A	Tonnes of CO_2e
Total Greenhouse Gas Emissions – Location Based:			
• (Scope 1 and Scope 2)	**12,149**	14,680	Tonnes of CO_2e
Total Greenhouse Gas Emissions – Market Based:			
• (Scope 1 and Scope 2)	**9,822**	16,099	Tonnes of CO_2e
Intensity ratio:			
Total Greenhouse Gas emissions per 100m² of build (Location Based)	**2.16**	2.84	Tonnes of CO_2e per 100m² of build
Total Greenhouse Gas emissions per 100m² of build (Market Based)	**1.75**	3.11	Tonnes of CO_2e per 100m² of build

1 These are emissions resulting from the use of HVO and should be reported separately to Scope 1 emissions under 'outside of scopes' as detailed in the UK Government Greenhouse Gas Conversion Factors file and the GHG Protocol Corporate Accounting and Reporting Standard.

This disclosure includes all of the emission sources required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. These sources fall within our consolidated financial statement and we do not have responsibility for any emission sources that are not included in our consolidated statement.

The Company has used the WRI/WBCSD GHG Protocol – A Corporate Accounting and Reporting Standard and the emissions have been calculated using the 2022 UK Government's Greenhouse Gas Conversion Factors for Company Reporting. Reported Scope 2 emissions are calculated using both the location-based and market based methods.

This inventory of greenhouse gas emissions has been verified by SGS to a limited level of assurance, in accordance with the requirements of EN ISO 14064-3:2006, as meeting the requirements of The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard. Further details and the independent assurance report can be found at https://www.redrowplc.co.uk/about-redrow/our-values/building-responsibly/managing-our-resources-efficiently/.

During the reporting period, the annual quantity of energy consumed by the Company was 53,788,513 kWh. This figure presents the underlying global energy use data that was used to calculate the GHG emissions and is calculated in kWh. Where information has been converted to kWh from other units (e.g. litres of fuel), the 2022 UK Government's Greenhouse Gas Conversion Factors for Company Reporting have been used for the required conversions.

This figure is the aggregate of:

- the annual quantity of energy consumed from activities for which the Company is responsible involving the combustion of fuel;
- the annual quantity of energy consumed resulting from the purchase of electricity and heat by the company for its own use; and
- the annual quantity of energy consumed from activities for which the Company is responsible, involving the consumption of fuel for the purposes of transport.

100% of the figures reported above relate to emissions and energy consumed solely in the United Kingdom.

The Company has taken several measures for the purpose of reducing greenhouse gas emissions and increasing the Company's energy efficiency, including:

- The exploration of a Company-wide roll out of energy-efficient site cabins with a B+ rating compared with the previous D rating. These will provide improved thermal insulation, double glazed windows with low u-values, energy efficient LED lights with PIR activation, thermostatically controlled heaters with thermal cut-out and energy efficient point-of-use hot water taps. To power the compound, the use of solar panels or hybrid generators is being encouraged.
- The exploration of the viability of installing solar photovoltaic panels on the Company's head office building. The payback period is favourable, at around six to seven years, and the Company aims to progress with the installation in 2023. The viability of installing these at all other offices is currently being explored.
- The switch to a renewable electricity contract for all of the Company's offices in February 2021 and from July 2021, all plots, show homes and site compounds were supplied by 100% Green electricity. Renewable energy is an important part of our carbon reduction strategy and this year 96% (up from 3.3% in the 2021 financial year) of the Company's operational electricity was sourced from renewable sources, backed by Renewable Energy Guarantees of Origin (REGO) certificates.
- The running of a pilot project during the year to assess the benefits of a solar generator at the Company's Amber Fields development whereby the solar generator combines solar power and storage with a diesel power back up. During the day, the energy generated by the solar panels was stored in a battery pack and the standby generator only ran when the batteries were flat. The study concluded that the Company could reduce diesel use by 70% and cut noise pollution by nearly half.
- The reduction by 8% (compared to the 2021 financial year) in the use of diesel (litres) on the Company's construction sites as a result of more efficient use of machinery on-site and securing an earlier connection to the grid. At the same time, the carbon emissions from fuel used on sites has also reduced by 8%. This is largely due to diesel being replaced by hydrotreated vegetable oil (HVO – a biodegradable non-toxic fuel that is produced from vegetable fats and oils) as the fuel source on some of our sites. By using 97,102 litres of HVO, the Company saved 264 tonnes of CO_2e that would otherwise have been emitted in to the atmosphere.
- The steady progress made on the Company's commitment to reduce the carbon impact from its company car fleet by continuing to reduce the availability of petrol and diesel cars. Employees are increasingly opting for vehicles with a lower environmental impact, with 73% of company cars ordered during the year being either Hybrid or Pure Electric. The current car choice is now 54% Pure Electric, with options in all grades, and 34% Hybrid, with only very limited purely petrol or diesel options.

Research and development

The Company has a centralised Product Development Team charged with identifying and evaluating new construction techniques and products. They are also responsible for minimising risk and seeking opportunities associated with future regulatory changes. In addition, the Company has a centralised Sustainability team, as these issues play a prominent role in the Company's activities.

The Company recognises its responsibilities to the community as a whole and has adopted an environment strategy and framework which is a core part of the Company's objectives.

The charge to the income statement in respect of research and development for the 53 weeks ended 3 July 2022 was £0.6m (2021: £0.4m).

Resource efficiency

Managing resources efficiently is a key principle underpinning one of the Company's strategic themes of Building Responsibly. The following are key examples of the Company's approach to managing its resources efficiently:

- Carbon – the Company continues to be an active member of the UK Green Building Council and is working to reduce the carbon emissions from its homes, its operations and its wider indirect activities. During the year, the Company submitted for verification Science Based Targets initiative ("SBTi") targets which saw the Group commit to a 1.5°C reduction for Scopes 1 and 2 by 2030 and a well-below 2°C reduction commitment for Scope 3 by 2030. Further information relating to the SBTi targeting setting and carbon commitments can be found on pages 61 to 63.
- Water – the Heritage homes produced by the Company have one of the lowest water use standards in the industry at 105 litres-per-person-per-day (lpppd), compared with a building regulation standard of 125 lpppd. The Company is committed to reducing the amount of water used in its operations and during the year, the water usage was 26.53m^3 per 100m^2 of build.
- Waste – the Company is also committed to reducing waste from its operations and in 2022, waste generated was 7.91 tonnes per 100m^2 of build. Where possible, we try to reuse or recycle unused materials. During the year, 98.34% of our waste was diverted from landfill and we implemented a number of design changes that improved efficiency and cut waste but also ensured that our customers continued to enjoy the high quality they expect from our homes.

The Company embeds its commitments to resource efficiency through its Waste and Resource Efficiency Policy which is available to view at redrowplc.co.uk.

For further details on the Company's approach to managing its resources efficiently, please see pages 70 to 71 of the Strategic Report.

Sustainable materials

The Company is committed to sourcing sustainable materials for use in its operations to contribute to its long-term sustainability. The following are key examples of the Company's approach to sourcing such materials:

- Timber – the Company uses timber in the construction of its homes and is committed to sourcing timber-based products from well-managed sources. In the 2022 financial year, 99.98% of the forest products used by the Company were from verified and credibly certified sources.
- Other materials – the Company also uses supply chain mapping for other materials and products used in constructing its homes to allow it to work with supply partners to identify and avoid products deemed to be high risk in respect of environmental and social ethics.
- As part of its Scope 3 commitment to net zero carbon emissions, in partnership with our supply chain we have commenced a gap analysis on the carbon content of the materials used to build our homes.

For further details on the Company's approach to sourcing sustainable materials, please see pages 60 to 70 and 74 to 77 of the Strategic Report.

Biodiversity

During the year, the Company continued to implement its industry-leading biodiversity strategy to ensure that our developments enhance biodiversity and contribute to nature's recovery. As part of this strategy, the Company set a new biodiversity net gain target to achieve a minimum of 10% net gain for biodiversity on every new planning application from November 2023, in preparation for the legislation coming into force.

Internal workshops have been running to equip our teams with the knowledge and skills to deliver our ambitions in practice.

For further details on the Company's biodiversity strategy, and action taken during the year for nature, please see pages 46 to 49 of the Strategic Report.

Climate-related disclosures

Following the recommendation of the Task Force on Climate-Related Financial Disclosure ("TCFD"), specific climate-related disclosures are included within this Annual Report. Please see pages 112 to 125 for the Company's latest TCFD report.

SOCIAL

Placemaking

The Company has an established set of placemaking principles called the Redrow 8 that has been used for over three years. The eight principles are a robust set of commitments and benchmarks that ensure that we provide high quality homes in communities that are beautiful, sustainable, well-connected and developed with nature and people in mind. During the year the Company developed its own post completion audit process which will be carried out on all developments going forward to ensure that we deliver on our design credentials.

For further details on the Company's approach to placemaking, please see pages 34 to 39 of the Strategic Report.

Workforce engagement

The Board believes that greater engagement with the workforce is essential to preserving long-term value. Valuing People is a fundamental part of the Group's strategy and understanding the views of employees and actively encouraging their participation sits highly on the Board's agenda.

See pages 160 to 161 of the Corporate Governance Report for details of the work undertaken during the year in respect of engagement with the workforce, including the Group's arrangements to: provide employees with information on matters of concern to them, including making employees aware of the financial performance of the Company; consult with employees to obtain their views; and encourage employee involvement in the Company's share plans.

Employee wellness

The Company recognises that the wellness of its employees is vital to the success of the business. During the Covid-19 lockdown period and in the time since, there has been an increase in the frequency and quality of employee communications focusing on the physical and mental wellbeing of employees. The following are examples of initiatives put in place across the Group to focus on employee wellness:

- implementation of 'agile working' to further enhance the wellbeing of our colleagues by capturing the flexibility, trust and efficiencies displayed during the Covid-19 lockdown period and making them work for the benefit of colleagues and the Company over the longer term;
- continued mental health awareness training for all Directors, managers, employees and subcontractors to help them understand their own mental health and support the mental health of colleagues;
- continued training of the Mental Health First Aiders across the Divisions and implementation of support mechanisms for them including a closed forum on the Company's intranet, a Buddy System and continued promotion of MyLife, the employee assistance programme is available to all employees, subcontractors and their families 24/7;
- use of Wellbeing Champions across each of the Divisions to work with the Engagement team to ensure the health initiatives are communicated and embedded throughout the business; and
- hosting of a variety of webinars on health and wellbeing matters, which this year included coverage of topics such as stress awareness, mental health (with a particular focus on the mental health of men and children), breast and testicular cancer, baby loss awareness and menopause.

The HR department has a dedicated team focusing on health and wellbeing to ensure that health remains a key priority and that the wellness initiatives in place are fit for purpose. The Group also has in place a Mental Health at Work Policy which is reviewed regularly and is available to employees on the Company intranet, Engage.

Equality, diversity and inclusion policy

The Company recognises that its continued success depends upon its ability to recruit the right people, retain them and help them to reach their full potential. The Company believes that attracting a diverse range of skills enables it to meet the challenge of the skills gap in the sector.

The Company is firmly committed to giving every potential recruit and employee the same opportunities irrespective of their gender, race, ethnic or national origin, disability, age, sexuality, religious belief, marital status or social class.

There is a strong commitment to continuously promoting equality, diversity and inclusion ("ED&I") throughout the business to build a culture that is inclusive to all, actively values difference and ensures everyone is treated fairly.

Given that it is an increasingly important consideration for shareholders and its positive impact on business performance, the Remuneration Committee considered that ED&I was an important input measure to progress going forward as part of the annual bonus. As further explained on page 204, it was agreed that for the 2023 financial year bonus, 5% would be based on management actions relating to increasing diversity.

The Company encourages a culture where ED&I is championed by leadership and where everyone in the Company takes ownership of ED&I, feels empowered and is confident enough to get involved with ED&I initiatives. In 2021, the Group released the Equality, Diversity and Inclusion Policy ("ED&I Policy") and implemented a number of initiatives to aid the delivery and embedment of the ED&I agenda. During the year, the Group continued to ensure that ED&I remained an ongoing area of discussion and it has now become embedded within the culture of the Group, with consistent communication and engagement focused on this important topic.

As outlined in the ED&I Policy, the Company gives full and fair consideration to applications for employment made by disabled people and is committed to offering training and career development of disabled persons. The ED&I Policy places a duty on the Company to take reasonable steps to remove any disadvantage which a disabled person may have compared with employees who are not disabled. In the event of any employee becoming disabled, the Company makes every effort to ensure that their employment continues, training needs are met and reasonable adjustments are made to the working environment.

The Company embeds its stance of diversity matters through awareness and training in the following policies:

- Equality, Diversity and Inclusion Policy
- Recruitment and Selection Policy

The ED&I Policy is inherently linked to the Group's strategy through the pillar of Valuing People. This ensures that ED&I remains an active area of discussion throughout the Group, from Divisional and Group-level all the way up to the Main Board. The Group's commitment to ED&I allows all colleagues to contribute constructively leading to new ideas and ways of working. It will also have a positive impact on employee retention and attendance which should ultimately lead to delivering better outcomes for the business and wider stakeholders.

Learning and development

The Company places considerable importance on training and developing its employees. Historically, training has primarily been delivered face-to-face at the Company's in-house training facilities and supported through blended e-learning. Having explored the value of new ways of working during the Covid-19 pandemic, the Group has placed additional emphasis on its e-learning platform and has made more use of technology to deliver training through e-learning, webinars and interactive online sessions.

The Company, in partnership with Liverpool John Moores University and Coleg Cambria, established the UK's first dedicated Housebuilding Degree. The three-year degree provides students with a full overview of housebuilding skills including quality, project management, health and safety, business skills and law. Learning is achieved through a blend of classroom activities, virtual learning, practical site visits and tutorials, meaning that learners are able to combine their studies with working and earning. In 2021, the Company opened up the degree programme to post A-Level school leavers for the first time. Following this success, the Company made the same offering again in 2022.

During the year, the Company recruited 153 trainees, including 91 apprentices, with the result that 15% of the Company's direct employees are trainees. Company apprentices receive first class training, both on site and at local colleges, and the Company partners with key suppliers to ensure that apprentices receive a comprehensive understanding of the wider aspects of their chosen field.

The Company is committed to assisting with tackling the problem of attracting young people to construction, and more specifically housebuilding, by analysing the barriers to entry-level recruitment into the sector and making recommendations to overcome these.

Health, safety and environment

The Company is committed to quality and excellence therefore it follows that minimising risk to people, plant, products and the environment is inseparable from all of its other objectives. Health and safety has naturally become embedded into the culture of the Group, as it forms part of the overall duty of being an employee or supplier of the Group.

The Group seeks to achieve the highest health, safety and environmental standards as it significantly contributes to the overall performance of the business and protects both people and environment from harm. The Company operates an environmental management system that ensures that it manages environmental impacts in a systematic way and is certified by the British Standards Institute to the international standard ISO 14001.

For further details on our approach to health and safety, see pages 52 to 53 of the Strategic Report.

Charitable and political donations

The Company recognises the difference it can create through its presence as a national housebuilder by developing thriving communities through supporting the local community and charitable projects. The Company and its employees are actively involved in fundraising activities for our selected charitable partners.

Divisions annually select a local charity to support which has a purpose that aligns with one of the Group's key priorities. This allows each part of the business to choose a charity that is meaningful to them in the communities in which they operate. In accordance with Company policy, the charity must be verified before any donations are made to it and a record is maintained of all charitable contributions made. The Group paid £0.2m (2021: £0.1m) in charitable donations during the year, being £0.1m (2021: £nil) in support of national charities and £0.1m (2021: £0.1m) in support of local charities.

The Company does not engage in or support any form of political donations. No Group company or employee is permitted to make a political donation in the name of the Company and employees are instructed to be particularly vigilant to ensure that political contributions are not made in circumstances where gifts, hospitality or the actions of third parties are engaged in transactions on behalf of the Company. The Group made no political donations during the year.

Human rights

The Board values and appreciates the contribution made by all employees at every level and is committed to protecting and respecting human rights. Each employee is treated fairly and equally and the Company has measures in place to ensure that the Group is free from discrimination. Throughout the Group there is a zero-tolerance approach to any form of harassment or bullying; forced or involuntary labour; and child labour in any form. The Board is invested in the development of employees and has put in place measures to protect both their physical and mental wellbeing.

The Company is accredited with the Living Wage Foundation and ensures that the pay of every Redrow employee is aligned with the real living hourly wage, which takes into consideration the cost of living as outlined by the Living Wage Foundation. This is extended to the supply chain as a condition to working with the Company.

The Company embeds its commitments to the protection of human rights through its Human Rights Policy which is available to view at redrowplc.co.uk.

Supply chain

The Company conducts its operations with respect to the interests and human rights of those employed in our supply chain. The Group works collaboratively with its supply chain to develop relationships based on honesty, openness, respect and fairness. In addition, the Group supports its supply chain by, among other things, improving their knowledge of sustainability through training and working with subcontractors to attract new entrants into the industry and supporting their training needs.

As a partner of the Supply Chain Sustainability School, the Group's supply chain has access to thousands of online presentations, training modules, guidance documents and checklists and is regularly invited to attend workshops and briefings.

Due diligence is conducted on the Group's supply chains to ensure that the values of the partners with which the Group works are aligned with the Group's commitments to high ethical business standards.

The Company embeds these commitments and expectations through its policy, Partnering with our Supply Chain which is available to view at available at redrowplc.co.uk.

For further details on our how the Company partners with its supply chain for sustainability, see pages 74 to 77 of the Strategic Report.

Social value

During the year, the Company continued to create thriving communities and committed £281m to the local communities served for the development of affordable housing, new schools, local shops, community and health centres as well as green spaces as part of the planning process. The Company also supported the development of 335 trainees, from apprenticeships to graduates as outlined on page 92 of the Strategic Report.

The Group is committed to providing high quality affordable homes for local people and during the year has designed, built and delivered over 1,250 new affordable homes across its developments in England and Wales in partnership with Registered Providers.

For further details on our how the Company creates strong, connected communities, see pages 42 to 45 of the Strategic Report.

Customers and marketing

The Company's purpose is to operate to create a better way for people to live and there is a strongly customer-focused culture across the Group.

During the year, based on a survey conducted by the NHBC and published by the Home Builders Federation, 94.5% of customers polled said they would recommend a Redrow home to a friend, earning the Company a top five-star rating.

'Putting Our Customers First' is a key strand underpinning the Building Responsibly component of the Company's strategy and it is recognised that responsible marketing, advertising and sales practices are vital for both the Company's customers and brand. The Company embeds its commitments to such responsible practices through its Responsible Marketing, Advertising and Sales Policy which is available to view at available at redrowplc.co.uk.

For further details on our how the Group keeps customers at the heart of the business, see pages 58 to 59 of the Strategic Report.

Business relationships

A summary of how the Board has had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of this on the decisions taken by the Company, can be found within the Stakeholder Engagement table on pages 140 to 150.

GOVERNANCE

Corporate governance

The Board remains committed to high standards of corporate governance. Details relating to the Company's governance arrangements and compliance with the UK Corporate Governance Code are provided in the Corporate Governance Report on pages 152 to 213.

Code of conduct

The Company has in place a Code of Conduct, which acts as a guide for employees to doing the right thing in business. It focuses on the values and behaviours deemed most important for the Group and seeks to guide employees in their good judgement to act in the Redrow way.

The Code of Conduct provides a number of decision-making tools to assist employees if faced with difficult decisions and sets out the Company's policy on a number of key matters deemed integral to doing the right thing in business, including:

- whistleblowing;
- health, safety and environment;
- diversity and inclusion;
- human rights;
- supply chain and modern slavery;
- integrity (comprising bribery, gifts and hospitality, tax evasion facilitation, conflicts of interest, share dealing and data and asset protection); and
- charitable and political donations.

The Code of Conduct has been made available to all employees and is publicised on the Company's intranet, Engage and is also available to view at redrowplc.co.uk.

Modern slavery

There is a Group commitment to ensuring that there is no modern slavery or human trafficking in any part of our business or supply chains. The Group has a policy in place reflecting its commitment to acting ethically and with integrity in all business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking are not taking place anywhere in its supply chains.

There are a number of key initiatives in place to assist with the approach to ethical and responsible sourcing, including the following:

- All suppliers and manufacturers must submit a detailed Supplier Appraisal Assessment for approval as part of the pre-tender qualification process. The appraisal forms also track the country of manufacture, allowing the Company to identify materials supplied by manufacturers with a high-risk profile.
- All supply partners must warrant that they shall comply, and will use their best endeavours to ensure that any subcontractor or party within their own supply chain shall at all times comply, with the Modern Slavery Act 2015.
- The Company's Standard Purchase Order and Subcontractor Terms of Contract require trading partners to comply fully with the Modern Slavery Act 2015, with any breach resulting in the termination of all live contracts.

With temporary labour acknowledged as an area of high risk for modern slavery, external specialists are engaged to manage all temporary labour requirements and processes. Alongside a number of system-based checks conducted by the external specialist, for example right to work and health and safety, they also carry out physical checks and audits periodically to ensure temporary agency workers are legally compliant and there are no instances of modern slavery.

As a partner of the Supply Chain School, the Group's workforce and supply chain have access to thousands of online presentations, training modules, guidance documents and checklists and are regularly invited to attend workshops and briefings. One of the key areas covered by the school is modern slavery, with online presentations, checklists, guidance documents and training modules accessed from their website.

In its partnership with the Supply Chain School, the Company has recently worked in collaboration with the school and other partners on further developing guidance materials to identify what a good due diligence system look like.

For further details on the steps taken by the Group to ensure that modern slavery is not taking place in our business or supply chains, please see our Slavery and Human Trafficking Statement for the 2022 financial year, which is available to view at redrowplc.co.uk.

Stakeholder engagement

The Board regularly reviews the identity and key priorities of its stakeholders and the business strategy of the Group is shaped by the issues that matter to key stakeholders.

The key stakeholders of the Group and how the Board has responded to their key priorities can be found on pages 140 to 150.

Anti-bribery and corruption

The Company has a zero tolerance approach to bribery or corruption of any form and there is a widely-publicised formal policy in place dealing with this, which is available to all employees.

The Company has a principle-based system for bribery prevention, which comprises the following six principles:

1. maintenance of bribery risk assessments within our sector;
2. top level commitment of the unacceptability of bribery which is engrained in our culture;
3. proper due diligence with people we do business with and seeking reciprocal anti-bribery agreements;
4. clear policies and procedures applicable to all employees and business partners;
5. effective implementation by embedding anti-bribery within internal controls, recruitment, remuneration policies, operations, communications and training; and
6. monitoring and reviewing through auditing and financial controls which are sensitive to bribery.

Further details of the company's Anti-Bribery and Corruption policy, and work undertaken to prevent bribery taking place within the business, can be found in the Audit Committee Report on page 179.

PROVISION OF INFORMATION TO AUDITORS

Each Director in office at the date the Directors' Report is approved, confirms that:

- so far as the Director is aware, there is no relevant audit information (as defined in section 418(3) of the Act) of which the Company's external auditors are unaware; and
- they have taken all of the steps that they ought to have taken as a Director in order to make themselves aware of any such relevant audit information and to establish that the Company's external auditors are aware of that information.

GOING CONCERN

In considering whether it is appropriate to prepare these financial statements on a going concern basis, the Directors have conducted a detailed going concern review, considering the Group's liquidity and banking covenant compliance.

Following the review, details of which can be found within the Basis of Preparation section of Accounting Policies on page 242, the Directors consider that the Group has adequate resources in place for the forecast period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

By order of the Board

Graham Cope
Company Secretary
Redrow plc
Registered no: 2877315

13 September 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and parent Company financial statements for each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards and applicable law and have elected to prepare the parent Company financial statements on the same basis.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent Company and of the Group's profit or loss for that period. In preparing each of the Group and parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule 4.1.14R, the financial statements will form part of the annual financial report prepared using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format.

RESPONSIBILITY STATEMENT OF THE DIRECTORS IN RESPECT OF THE ANNUAL FINANCIAL REPORT

We, the Directors, confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

The Directors of the Company who were in office during the year were:

John Tutte [1]	Non-Executive Chairman
Richard Akers	Non-Executive Chairman
Matthew Pratt	Group Chief Executive
Barbara Richmond	Group Finance Director
Nick Hewson	Senior Independent Director and Non-Executive Director
Nicky Dulieu	Non-Executive Director
Sir Michael Lyons [2]	Non-Executive Director
Oliver Tant [3]	Non-Executive Director

1 John Tutte stepped down from the Board on 15 September 2021

2 Sir Michael Lyons stepped down from the Board on 12 November 2021

3 Oliver Tant joined the Board on 1 February 2022

By order of the Board

Graham Cope
Company Secretary

13 September 2022

Redrow plc
Redrow House
St. David's Park
Flintshire
CH5 3RX

INDEPENDENT AUDITORS REPORT

To the members of Redrow plc

1. Our opinion is unmodified

We have audited the financial statements of Redrow plc ("the Company") for the 53 week period ended 3 July 2022 which comprise the Consolidated Income Statement, the Group and Company Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statement of Changes in Equity, the Group and Company Statement of Cash Flows, and the related notes, including the accounting policies on pages 238 to 279.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 3 July 2022 and of the Group's profit for the 53 week period then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were first appointed as auditor by the shareholders on 6 November 2019. The period of total uninterrupted engagement is for the three financial periods ended 3 July 2022. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Overview		
Materiality: group financial statements as a whole	£20.4m (2021: £15.7m) 5% of Group profit before exceptional items and tax (2021: 5% of Group profit before tax)	
Coverage	100% of Group profit before exceptional items and tax (2021: 99% of Group profit before tax)	
Key audit matters		**vs 2021**
Recurring risks	Cost of sales recognition and carrying amount of land held for development	▲
Event driven	**New:** Fire Safety Provision	▲
Parent Company Key Audit Matter	Valuation of defined benefit pension obligation	▼

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response
Cost of sales recognition and carrying amount of land held for development Pre-exceptional cost of sales (£1,624 million; 2021: £1,525 million); Carrying amount of land held for development (£1,710 million; 2021: £1,526 million). *Refer to page 172 (Audit Committee Report), pages 245 and 247 (accounting policy) and page 270 (financial disclosures).*	**Subjective estimates** The Group holds inventory in the form of land for development, work in progress and show homes. The amount of cost of sales recognised in the period is calculated at standard cost which also includes an allocation of whole site costs to each plot sold and any abnormal costs are expensed to cost of sales as incurred. Due to development timescales, for certain high risk sites (typically large multi-phased sites or sites with significant infrastructure and development costs still to be incurred), the calculation of whole site costs can include significant estimates of future costs. As a result, for certain high risk sites, cost of sales recognised in the year is subject to estimation uncertainty. Infrastructure and development works are often finalised towards the latter stages of the development therefore the level of estimation uncertainty can be significant where the future infrastructure and development requirements are large and complex. The level of estimation uncertainty is higher at the beginning of the development when fewer actual infrastructure and development costs are known. The estimates made are profit impacting and therefore there is an incentive for management to manipulate the assumptions made to meet profit targets and during the year the Group identified that there was a failure by one of the divisions to account accurately for the latest estimate of development profit, including the omission of incurred costs overruns. The carrying value of land not yet in development is assessed based on a number of key assumptions including the likelihood of favourable planning applications (if the land has been acquired without planning consents) and potential future changes to building and planning regulations, including those arising in respect of climate change. Changes in any of the key assumptions could lead to a material change in the estimation of the profits to be generated from development of the site and therefore the net realisable value of land held for development.	We performed the tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support relying on them. Our procedures included: **Sector expertise:** We used our own Quantity surveyor specialists to assist us to challenge areas of risk and assist in our risk assessment decisions for our selection of high risk sites. For a sample of sites which, due to either their size, complexity, performance, location in the division where there was a failure to account accurately for the latest estimate of development profit or combination thereof, we consider at higher risk of misstatement ('high risk sites'), we inspected the whole site build cost budgets and infrastructure and development budgets and challenged the Group's inputs and assumptions by performing the following procedures: – **Test of details:** We compared the period end carrying value of work in progress recorded to that determined by the Group's Quantity Surveyors and performed a comparison to the actual costs incurred to check whether any abnormal costs or build variances incurred, have been appropriately identified and accounted for in the period; and – **Test of details:** We assessed the accuracy of site wide costs and infrastructure and development budgets by selecting a sample of costs included in the budgets and agreed these to supporting documents such as invoices, quotations and planning obligations. **Test of details:** For a sample of residual sites not considered at higher risk of misstatement, we compared year end positions to valuations performed by internal Quantity Surveyors and assessed the accuracy of infrastructure and development budgets by agreeing a sample of budgeted costs to supporting documents such as invoices, quotations and planning obligations.

	The risk	Our response
Cost of sales recognition and carrying amount of land held for development	The effect of these matters is that as part of our risk assessment we determined that cost of sales and carrying amount of land held for development have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole and possibly many times that amount.	**Test of details:** For all sites with unit sales during the year, we compared the gross profit margin recognised to the site build cost budgets and infrastructure and development budgets and initial land appraisals and determined whether variances were supportable. **Test of details:** We identified low and negative margin sites and sites with high margins in comparison to the average margin for the period. Where applicable we corroborated exceptions to supporting documentation and compared the gross profit margin to site build cost budgets and infrastructure and development budgets and initial land appraisals. For those sites with low and negative margin we corroborated the completeness and accuracy of the Group's related net realisable value provisions recorded in relation to these sites. **Test of detail:** For both the high risk and residual sites we recalculated the cost of sales release with reference to site build costs and infrastructure and development budgets and compared to the Group's calculations. **Test of detail:** We assessed the adequacy of build contingency with reference to known build issues and the impact of build cost inflation on the standard cost. **Historical comparisons:** For a sample of sites that are sold complete in the year, we performed a retrospective review to compare the overall build cost budget (including infrastructure and development costs) and sales forecasts to actual costs and selling prices achieved to assess the accuracy of site budgets and forecasts. **Test of details:** For a sample of undeveloped land sites without planning, we corroborated the Group's assessment of the likelihood of a successful planning application by assessing underlying planning applications and legal documents and quantity surveyor assessments where applicable. We considered the impact of known and potential changes in building regulations including environmental factors likely to impact these, on the estimated profitability of the sites to assess the completeness and accuracy of related net realisable value provisions recorded. **Enquiry of personnel:** for those individuals involved in the follow up investigation to the failure of one of the divisions to account accurately for development profit, we made inquiries to challenge the scope of the review carried out and their relevant experience and competence.

	The risk	Our response
Cost of sales recognition and carrying amount of land held for development		**Extended scope:** we agreed the unrecorded costs identified by the investigation to supporting documentation as well as performing additional testing of unrecorded liabilities for all divisions including the analysis of variances to build costs. **Extended scope:** For all divisions we extended our testing of journals and other adjustments between unrelated sites and corroborated these to supporting documentation, and extended our analytical procedures to identify sites inappropriately classified as close to completion. **Assessing transparency:** We assessed the adequacy of the Group's disclosures about the degree of estimation involved in calculating cost of sales and carrying value of land and work in progress. **Assessing transparency:** We assessed the adequacy of the disclosures on page 177 of the Audit committee report within the Governance report related to a failure by one of the divisions to account accurately for development profit, including the omission of incurred costs overruns, for consistency with our knowledge and understanding acquired during the audit. **Our results:** We consider the cost of sales recognition and the carrying amount of land held for development to be acceptable (2021: acceptable).

	The risk	Our response
Fire Safety Provision (£200 million; 2021: £26 million) *Refer to page 172 (Audit Committee Report), pages 249 and 250 (accounting policy) and page 275 and 276 (financial disclosures).*	**Subjective estimates** In common with many in the sector the Group signed up to the Building Safety Fund ('BSF') pledge in April 2022 ('the Pledge'). In signing up to the Pledge the Group have agreed to remediate life critical fire safety issues on all properties over 11 metres where Redrow were the developer, going back 30 years. As a result the Group has re-estimated its fire safety provision, leading to an exceptional charge of £164m in the current financial year.	We performed the tests below rather than seeking to rely on any of the Group's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support relying on them. Our procedures included: **Test of Details:** We evaluated the existence and extent of the obligation for the Group to remediate life critical fire safety issues by obtaining the Pledge for England and evidence to support the Group's commitments in Wales and Scotland. **Test of detail:** We assessed the accuracy and completeness of the population of properties over 11 metres that were developed by the Group going back 30 years by comparing the Group's list of properties to external evidence including a list supplied by the Department for Levelling Up, Housing and Communities ('DLUHC').

	The risk	Our response
Fire Safety Provision	Estimation of the provision requires identification of the impacted properties, an assessment of the defects requiring remediation, and the likely costs. The Group's estimated provision will be subject to further refinement as detailed building inspections continue and agreement is reached with UK Government on the detailed terms of the Pledge. The effect of this matter is that, as part of our risk assessment for audit planning purposes, we determined that the amount of the provision required has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements note 1 on pages 249 and 250 disclose the sensitivity estimated by the Group.	**Challenge of assumptions:** We challenged the accuracy and completeness of the Group's assessment of which properties required a provision by confirming those properties that had BSF approval, inspecting board minutes to identify potential claims, inspecting EWS1 certificates , evaluating the Group's internal assessment of the materials and other factors likely to lead to remediation obligations under the Pledge, and we held inquiries with the Group's in-house legal counsel and fire safety committee. **Test of details:** For those properties where the BSF have approved the claim, we agreed the amount included within the provision to the supporting documentation from the DLUHC. **Challenge of assumptions:** For those properties without approved BSF claims we challenged the categories and assumptions that the Group have assigned in respect of property height, the extent of remediation required and estimated cost by inspecting third party evidence including reference to actual quotes, comparison to properties with approved BSF claims and invoices where applicable and other relevant, available industry data. **Sensitivity analysis:** We performed analysis on the potential range of possible outcomes in respect of both the number of properties included and the estimation of remediation costs under the Pledge commitments. **Sector expertise:** We utilised our own Quantity surveyor specialists to assist us in challenging the appropriateness of remediation assumptions. **Assessing transparency:** We assessed whether the Group's disclosures in respect of the fire safety provision, including the sensitivity of the provision to changes in key assumptions, have been adequately disclosed. **Our results:** We consider the amount of fire safety provision recognised to be acceptable.

	The risk	Our response
Valuation of the defined benefit obligation (Parent Company only) Parent Company: (£97 million; 2021: £137million *Refer to page 172 (Audit Committee Report), pages 247 and 250 (accounting policy) and pages 259 to 262 (financial disclosures).*	**Low risk, high value** As part of our risk assessment, we determined that the valuation of the defined benefit obligation is not at a high risk of significant misstatement subject to material estimation uncertainty but remains a subjective valuation. The potential range of outcomes as a result of reasonable changes in key assumptions, in particular those relating to price inflation rate and the discount rate, is lower than our materiality for the Parent Company financial statements as a whole. However, due to the defined benefit obligation's materiality in the context of the Parent Company financial statements, this is considered to be the area that had the greatest effect on our overall Parent Company audit. Following the reduction in the value of the obligation following a triennial valuation which completed in the prior year; the nature of the scheme; and the valuation of the defined benefit obligation compared to Group materiality, we have not assessed this as an area that had the greatest effect on our current year audit for the Group and is now included as a Parent Company key audit matter only.	We performed the tests below rather than seeking to rely on any of the Parent Company's controls because our knowledge of the design of these controls indicated that we would not be able to obtain the required evidence to support relying on them. Our procedures included: **Benchmarking assumptions:** We challenged the key assumptions applied in the calculation of the obligation, including those relating to price inflation rate and the discount rate, against externally derived market data. **Assessing actuaries credentials:** We assessed the competence, independence, and integrity of Group's external actuarial expert. **Assessing transparency:** We considered the adequacy of the Parent Company's disclosures relating to the defined benefit obligation. **Our results** We consider the carrying amount of defined benefit obligation to be acceptable (2021: acceptable).

3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £20.4 million (2021: £15.7 million) determined with reference to a benchmark of Group profit before exceptional items and tax in the 53 week period ended 3 July 2022 of £410.0 million (2021: Group profit before tax of £314.0 million), of which it represents 5% (2021: 5%).

Materiality for the Parent Company financial statement as a whole was set at £16.5 million (2021: £15.7 million), determined with reference to a benchmark of net assets, of which it represents 2.0% (2021: 1.7%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the Group was set at 75% (2021: 65%) of materiality for the financial statements as a whole, which equates to £15.3 million (2021: £10.2 million). We applied this percentage in our determination of performance materiality based on the reduced level of identified misstatements and control deficiencies during the prior period.

Performance materiality for the Parent Company was set at 75% (2021: 75%) of materiality which equates to £12.4 million (2021: £11.8 million). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £1.0 million (2021: £0.8 million), in addition to other identified misstatement that warranted reporting on qualitative grounds.

The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

Of the Group's 9 (2021: 9) reporting components, we subjected 2 (2021: 3) to full scope audits for Group purposes. For the residual 7 (2021: 6) components, we performed an analysis at an aggregated Group level to re- examine our assessment that there were no significant risks of material misstatement within these. The components within the scope of our work accounted for the percentages illustrated below.

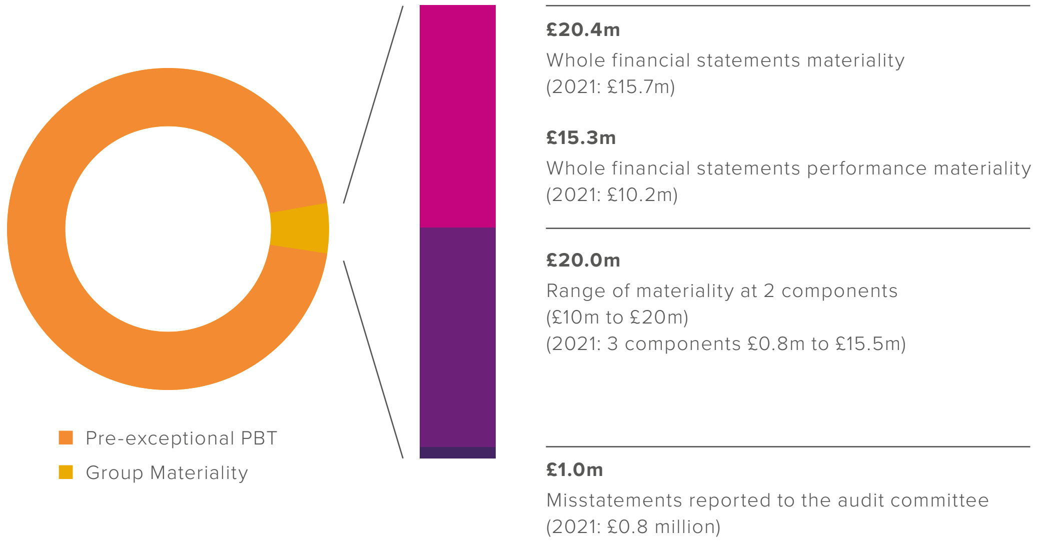
The Group team performed procedures on the exceptional items excluded from profit before exceptional items and tax in the current 53 week period ended 3 July 2022.

The component materialities ranged from £10.0 million to £20.0 million (2021: £0.8 million to £15.5 million), having regards to the mix of size and risk profile of the Group across the components.

Our audit of the Group and Components was all performed by the Group audit team.

Group profit before exceptional items and tax
£410.0m (2021: £314.0m)

Group Materiality
£20.4m (2021: £15.7m)



4. The impact of climate change on our audit

In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business including the impact of the commitments made by the Group and the changes to building and planning regulations in respect of climate change on its financial statements.

As part of our audit we have performed a risk assessment, including making enquiries of management, reading board minutes and applying our knowledge of the Group and sector in which it operates in order to understand the extent of the potential impact of climate change risk on the Group's financial statements. We also held discussions with our own climate change professionals to challenge our risk assessment.

Taking into account our risk assessment procedures we have assessed the key area contained within the financial statements for which climate change could have the greatest impact to be the net realisable value of land not yet in development and without planning due to future potential changes to building and planning regulations in respect of climate change. Our work on the carrying value of land held for development is discussed in our cost of sales recognition and carrying amount of both land held for development Key Audit Matter. We concluded that climate risk has no material effect on future build costs for those sites currently in development and therefore on the cost of sales recognition or the carrying amount of work in progress.

We have read the Group's TCFD disclosures in the Annual Report and considered consistency with the financial statements and our audit knowledge.

5. Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Parent Company or to cease their operations, and as they have concluded that the Group's and the Parent Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We used our knowledge of the Group, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period were a possible reduction in sales volumes and prices as well as increased cost inflation as a consequence of changes in the economic environment, leading to sustained medium-term decline in revenue and profits.

We also considered less predictable, but realistic second order impacts such as disruption to the Group's supply chain.

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds indicated by the Group's financial forecasts taking account of severe, but plausible adverse effects that could arise from these risks individually and collectively.

Our procedures also included:

- critically assessing assumptions in the base case and downside scenarios, particularly in relation to forecast liquidity, by confirming the completeness and accuracy of forward secured sales and consistency with external information such as industry and economic forecasts;
- assessing whether downside scenarios applied mutually consistent assumptions in aggregate, taking into account all reasonably possible downsides, using our assessment of the possible range of each key assumptions and our knowledge of the Group and the industry;
- comparing past budgets to actual results to assess the directors' track record of budgeting accurately;
- inspecting confirmation from banks of the level of cash and cash equivalents held at year end and loan facility documentation including covenant requirements; and
- considering whether the going concern disclosure on page 242 of the financial statements gives a full and accurate description of the directors' assessment of going concern, including the identified risks, dependencies, and related sensitivities.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period;
- we have nothing material to add or draw attention to in relation to the directors' statement on page 223 of the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure on page 242 to be acceptable; and
- the related statement under the Listing Rules set out on page 223 is materially consistent with the financial statements and our audit knowledge.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

6. Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

– enquiring of directors, the audit committee, internal legal counsel and inspection of policy documentation as to the Group’s high level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for ‘whistleblowing’, as well as whether they have any knowledge of any actual, suspected or alleged fraud;

– reading Board and all relevant committee minutes;

– considering remuneration incentive schemes and performance targets for management and directors, including any revenue and trading margin targets for management and directors’ remuneration;

– using analytical procedures to identify any unusual or unexpected relationships; and

– consultation with our own forensic professionals regarding the identified fraud risks and the design of the audit procedures planned in response to these. This involved the forensic professional holding an initial fraud brainstorming session as well as further discussions between the engagement partner and the forensic professional, particularly in respect of the revised risk assessment and audit response following the failure of one of the divisions to account accurately for development profit. As a result extended procedures were designed in respect of both that division and other divisions.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as costs of sales recognition, the carrying of land held for development and the fire safety provision.

On this audit we do not believe there is a fraud risk related to revenue recognition as the accounting for the majority of the Group’s revenue is non-complex and only recognised on the legal completion of the sale, being the point at which the balance of the sales is paid for and the title of the property transfers to the customer. There are therefore limited levels of judgement with limited opportunities for manual intervention in the sales process to fraudulently manipulate revenue.

We also identified fraud risks related to the cost of sales recognition and carrying amount of land held for development as well as related to the fire safety provision in response to the significance of the accounting estimates.

Further detail in respect of cost of sales recognition and carrying amount of land held for development (including the failure of one of the divisions to account accurately for development profit), as well as the fire safety provision is set out in the key audit matter disclosures in section 2 of this report.

We also performed procedures including:

– Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual or unexpected account combinations, including revenue and cash and transfers of work in progress between developments; and

– Assessing significant accounting estimates for bias.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and from inspection of the Group’s regulatory and legal correspondence as well as discussion with the directors and other management over the policies and procedures regarding compliance with laws and regulations.

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group’s licence to operate. We identified the following areas as those most likely to have such an effect: UK planning, building and fire safety regulations, health and safety, data protection laws, anti-bribery, anti money laundering and sanctions checking, employment laws and environmental laws. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

7. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors’ report

Based solely on our work on the other information:

– we have not identified material misstatements in the strategic report and the directors’ report;

– in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

– in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors’ remuneration report

In our opinion the part of the Directors’ Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the directors’ disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

– the directors’ confirmation on page 100 that they have carried out a robust assessment of the emerging and principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity;

– the risk management report disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated; and

– the directors’ explanation in the viability statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 110 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures are materially consistent with the financial statements and our audit knowledge.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Group's and Parent Company's longer-term viability.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

– the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;

– the section of the annual report describing the work of the Audit Committee, including the significant issues that the audit committee considered in relation to the financial statements, and how these issues were addressed; and

– the section of the annual report that describes the review of the effectiveness of the Group's risk management and internal control systems.

We are required to review the part of the Governance Report relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

8. We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

– adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

– the Parent Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or

– certain disclosures of directors' remuneration specified by law are not made; or

– we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

9. Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 224, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared using the single electronic reporting format specified in the TD ESEF Regulation. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with that format.

10. The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Nick Plumb (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

13 September 2022

CONSOLIDATED INCOME STATEMENT

53 WEEKS ENDED 3 JULY 2022/52 WEEKS ENDED 27 JUNE 2021	NOTE	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M	2021 £M
Revenue	2	**2,140**	**–**	**2,140**	1,939
Cost of sales	2	**(1,624)**	**(164)**	**(1,788)**	(1,525)
Gross profit		**516**	**(164)**	**352**	414
Administrative expenses		**(102)**	**–**	**(102)**	(93)
Operating profit	2	**414**	**(164)**	**250**	321
Financial income	3	**2**	**–**	**2**	1
Financial costs	3	**(6)**	**–**	**(6)**	(8)
Net financing costs		**(4)**	**–**	**(4)**	(7)
Profit before tax		**410**	**(164)**	**246**	314
Income tax expense	4	**(82)**	**33**	**(49)**	(60)
Profit for the year		**328**	**(131)**	**197**	254
Earnings per share – basic	6	**96.0p**		**57.7p**	73.7p
– diluted	6	**95.8p**		**57.5p**	73.6p

STATEMENT OF COMPREHENSIVE INCOME

53 WEEKS ENDED 3 JULY 2022/52 WEEKS ENDED 27 JUNE 2021		GROUP				COMPANY	
	NOTE	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M	2021 TOTAL £M	2022 TOTAL £M	2021 TOTAL £M
Profit for the year		**328**	**(131)**	**197**	254	**–**	–
Other comprehensive (expense)/income							
Items that will not be reclassified to profit or loss							
Remeasurements of post employment benefit obligations	7e	**(1)**	**–**	**(1)**	16	**(1)**	16
Deferred tax on remeasurements taken directly to equity		**–**	**–**	**–**	(9)	**–**	(9)
Other comprehensive (expense)/income for the year net of tax		**(1)**	**–**	**(1)**	7	**(1)**	7
Total comprehensive income/ (expense) for the year	19	**327**	**(131)**	**196**	261	**(1)**	7

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

		GROUP		COMPANY		
	NOTE	AS AT 3 JULY 2022 £M	AS AT 27 JUNE 2021 £M	AS AT 3 JULY 2022 £M	RESTATED† AS AT 27 JUNE 2021 £M	RESTATED† AS AT 28 JUNE 2020 £M
Assets						
Intangible assets	8	**1**	–	**–**	–	–
Property, plant and equipment	9	**20**	19	**–**	–	–
Lease right of use assets	10	**5**	6	**–**	–	–
Investments	11	**–**	–	**–**	–	–
Deferred tax assets	12	**1**	1	**–**	–	–
Retirement benefit surplus	7e	**39**	40	**39**	40	22
Trade and other receivables	13	**–**	–	**266**	420	774
Total non-current assets		**66**	66	**305**	460	796
Inventories	14	**2,740**	2,513	**–**	–	–
Trade and other receivables	13	**76**	100	**317**	400†	335†
Current corporation tax		**7**	1	**1**	1	1
Cash and cash equivalents	15f	**288**	160	**285**	144	41
Total current assets		**3,111**	2,774	**603**	545	377
Total assets		**3,177**	2,840	**908**	1,005†	1,173†
Equity						
Retained earnings at 28 June 2021/29 June 2020/1 July 2019		**1,768**	1,522	**878**	886†	950†
Profit for the year		**197**	254	**–**	–	2
Other comprehensive income for the year		**(1)**	7	**(1)**	7	1
Dividend paid	5	**(100)**	(21)	**(100)**	(21)	(72)
Movement due to equity based share options and owned shares held by EBT		**(18)**	6	**4**	6†	5†
Retained earnings at 3 July 2022/27 June 2021/28 June 2020	19	**1,846**	1,768	**781**	878†	886†
Share capital	18	**37**	37	**37**	37	37
Share premium account	19	**59**	59	**59**	59	59
Other reserves	19	**8**	8	**7**	7	7
Total equity		**1,950**	1,872	**884**	981†	989†
Liabilities						
Bank loans	15	**–**	–	**–**	–	170
Trade and other payables	16	**91**	152	**–**	–	–
Deferred tax liabilities	12	**15**	15	**10**	10	–
Long-term provisions	17	**110**	34	**–**	–	–
Total non-current liabilities		**216**	201	**10**	10	170
Trade and other payables	16	**914**	767	**14**	14†	14†
Provisions	17	**97**	–	**–**	–	–
Total current liabilities		**1,011**	767	**14**	14	14
Total liabilities		**1,227**	968	**24**	24†	184†
Total equity and liabilities		**3,177**	2,840	**908**	1,005†	1,173†

The financial statements on pages 238 to 279 were approved by the Board of Directors on 13 September 2022 and were signed on its behalf by:

RICHARD AKERS
Director

BARBARA RICHMOND
Director

Redrow plc Registered Number 2877315

† See page 242 and 243 for an explanation of prior year restatement of the Company balance sheet.

STATEMENT OF CHANGES IN EQUITY

THE GROUP

	NOTE	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M	TOTAL £M
Total equity at 29 June 2020		37	59	8	1,522	1,626
Profit for the year		–	–	–	254	254
Other comprehensive income for the year		–	–	–	7	7
Total comprehensive income relating to the year (net)		–	–	–	261	261
Dividends paid – distributions to owners	5, 19	–	–	–	(21)	(21)
Net purchase of own shares to satisfy share options	19	–	–	–	–	–
Other LTIP/DB/SAYE credit		–	–	–	6	6
Total equity at 27 June 2021		37	59	8	1,768	1,872
Profit for the year		–	–	–	197	197
Other comprehensive expense for the year		–	–	–	(1)	(1)
Total comprehensive income relating to the year (net)		–	–	–	196	196
Dividends paid – distributions to owners	5, 19	–	–	–	(100)	(100)
Net purchase of own shares to satisfy share options	19	–	–	–	(22)	(22)
Other LTIP/DB/SAYE credit		–	–	–	4	4
Total equity at 3 July 2022		**37**	**59**	**8**	**1,846**	**1,950**

THE COMPANY

	NOTE	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M	TOTAL £M
Total equity at 29 June 2020 as reported †		37	59	7	839	942
Prior period adjustment for other LTIP/DB/SAYE credit †		–	–	–	47	47
Total equity at 29 June 2020 – restated		37	59	7	886	989
Profit for the year		–	–	–	–	–
Other comprehensive income for the year		–	–	–	7	7
Total comprehensive income relating to the year (net)		–	–	–	7	7
Dividends paid – distributions to owners	5, 19	–	–	–	(21)	(21)
Other LTIP/DB/SAYE credit – as restated †	19	–	–	–	6	6
Total equity at 27 June 2021		37	59	7	878	981
Profit for the year		–	–	–	–	–
Other comprehensive expense for the year		–	–	–	(1)	(1)
Total comprehensive expense relating to the year (net)		–	–	–	(1)	(1)
Dividends paid – distributions to owners	5, 19	–	–	–	(100)	(100)
Other LTIP/DB/SAYE credit	19	–	–	–	4	4
Total equity at 3 July 2022		**37**	**59**	**7**	**781**	**884**

The above items are presented net of tax where appropriate. See note 4 and note 12 for information on income tax and deferred tax expense. As permitted by Section 408 of the Companies Act 2006, the Income Statement of Redrow plc is not presented as a part of these financial statements. The consolidated profit on ordinary activities after taxation for the financial year, excluding intra-Group dividends, is made up as follows:

	2022 £M	2021 £M
Holding company	**–**	–
Subsidiary companies	**197**	254
	197	254

The accompanying notes form an integral part of the financial statements.

† See page 242 and 243 for an explanation of prior year restatement of the Company balance sheet.

STATEMENT OF CASH FLOWS

	NOTE	GROUP 53 WEEKS ENDED 3 JULY 2022 £M	GROUP 52 WEEKS ENDED 27 JUNE 2021 £M	COMPANY 53 WEEKS ENDED 3 JULY 2022 £M	COMPANY RESTATED† 52 WEEKS ENDED 27 JUNE 2021 £M
Cash flows from operating activities					
Profit for the year		**197**	254	**–**	–
Depreciation and amortisation		**5**	7	**–**	–
Financial income		**(2)**	(1)	**(4)**	(4)
Financial costs		**6**	8	**2**	4
Income tax expense		**49**	60	**–**	–
Adjustment for non-cash items		**7**	4	**–**	(1)
Decrease/(increase) in trade and other receivables		**24**	(62)	**–**	–
(Increase)/decrease in inventories		**(227)**	72	**–**	–
Increase/(decrease) in trade and other payables		**86**	(6)	**2**	2
Increase in provisions		**173**	26	**–**	–
Cash inflow generated from operations		**318**	362	**–**	1
Interest paid		**(2)**	(4)	**(2)**	(4)
Tax paid		**(55)**	(54)	**–**	–
Net cash inflow/(outflow) from operating activities		**261**	304	**(2)**	(3)
Cash flows from investing activities					
Acquisition of software, property, plant and equipment		**(4)**	(2)	**–**	–
Advances and loans repaid by subsidiary undertakings		**–**	–	**239**	293
Interest received		**1**	–	**4**	4
Receipts from joint ventures		**–**	9	**–**	–
Net cash (outflow)/inflow from investing activities		**(3)**	7	**243**	297
Cash flows from financing activities					
Issue of bank borrowings		**–**	–	**–**	–
Repayment of bank borrowings		**–**	(170)	**–**	(170)
Payment of lease liabilities		**(3)**	(3)	**–**	–
Purchase of own shares		**(27)**	(1)	**–**	–
Dividend paid	5	**(100)**	(21)	**(100)**	(21)
Net cash (outflow) from financing activities		**(130)**	(195)	**(100)**	(191)
Increase in net cash and cash equivalents		**128**	116	**141**	103
Net cash and cash equivalents at the beginning of the year		**160**	44	**144**	41
Net cash and cash equivalents at the end of the year	20	**288**	160	**285**	144

The accompanying notes form an integral part of the financial statements.

† See page 243 and 244 for an explanation of prior year restatement of the Company cashflows.

ACCOUNTING POLICIES

BASIS OF PREPARATION

The Group financial statements were prepared in accordance with UK-adopted international accounting standards (IFRS) and applicable law. The Parent Company's financial statements have been prepared in accordance with UK-adopted international accounting standards (IFRS) and applied in accordance with the provisions of the Companies Act 2006 and applicable law. The financial statements have been prepared in accordance with the historical cost convention as modified by the revaluation of derivative financial instruments.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the balance sheet date and the reported amounts of revenue and expenses during the reporting period. Whilst these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates (refer to note 1).

Redrow plc is a public listed company, listed on the London Stock Exchange and domiciled in the UK.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

The Group has a £350m Revolving Credit Facility (RCF) (2021: £350m) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Group Plc, Santander, HSBC and Svenska. This expires in September 2025 (2021: September 2025) and is a committed unsecured facility. As at 13 September 2022, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in September 2025.

In addition the Group is in a net cash position at 3 July 2022 and 13 September 2022 and also has £3m of unsecured, uncommitted facilities.

The Directors have prepared forecasts including cashflow forecasts for a period of at least 12 months from the date of signing of these financial statements (the going concern assessment period). These forecasts incorporate assumptions about the timing of legal completions of new homes and land purchases, build cost inflation, profitability and working capital requirements. These forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due, taking into account the following severe but plausible downside assumptions:

- A 10% price reduction on all unexchanged private and social legal completions for the going concern assessment period compared to the base case Board approved budgeted prices;
- A 15% volume reduction for the going concern assessment period compared to the base case Board approved budgeted volumes; and
- In addition to the build inflation incorporated within the base case Board approved budgeted costs, an additional 5% build cost inflation increase has been applied to all build costs from Q1 FY23 and further increases of 5% from Q1 FY24 and 2% from Q1 FY25.

These downside assumptions reflect the further potential impact of the war in Ukraine, disruption in the energy and fuel market, increasing inflation, increased economic uncertainty, increasing rates of unemployment and the impact on consumer confidence levels.

Allowing for the above downside scenario, the model shows the Group has adequate levels of liquidity from its committed facilities and complies with all its banking covenants throughout the forecast period. The Directors therefore consider that the Group has adequate resources in place for the forecast period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies have been applied consistently with the exception of the prior period restatement noted below:

Prior period restatements

(i) Share based payments

The Company has the following share-based payments schemes: Save As You Earn Share Option scheme, Long Term Incentive scheme and Deferred Bonus Incentive. It is now recognised by the Directors that accounting treatment was incorrect in the Company financial statements for these share awards to the employees of both the Company and its subsidiaries. Whilst the cost of the share-based payments to employees of the Company have been correctly included in the Company's Income Statement, the corresponding credit had been incorrectly recorded in Accruals rather than in Equity. In respect of share awards to employees of the Company's subsidiaries, no accounting entries had been recorded for these awards nor for the subsequent recharge to the related subsidiaries that had occurred. These awards which had been recharged should have been recorded as an Intercompany receivable with a corresponding credit to Equity with a nil impact to cost of investments in subsidiaries.

The changes, which have now been made to correct these matters by the means of a prior year restatements in the manner set out below, have no effect on the cash position or profit of the Group or Company and has no further impact on the Group's or Company's financial statements beyond that set out below.

The effects of the restatement on the Company's Balance sheet at 28 June 2020 and as at 27 June 2021 is set out below:

	2021 (AS PREVIOUSLY REPORTED) £M	RESTATEMENT £M	2021 (AS RESTATED) £M
Trade and other receivables	361	39	400
Total assets	966	39	1,005
Retained earnings	825	53	878
Total equity	928	53	981
Trade and other payables – current	28	(14)	14
Total liabilities	38	(14)	24
Total equity and liabilities	966	39	1,005

For the period ended 27 June 2021 the restatements have resulted in an increase in trade and other receivables of £39m to account for the share awards to employees of the Company's subsidiaries, a reduction in trade and other payables – current of £14m to account for the share awards to employees of the Company and a corresponding increase in Equity of £53m.

	2020 (AS PREVIOUSLY REPORTED) £M	RESTATEMENT £M	2020 (AS RESTATED) £M
Trade and other receivables	300	35	335
Total assets	1,138	35	1,173
Retained earnings	839	47	886
Total equity	942	47	989
Trade and other payables – current	26	(12)	14
Total liabilities	196	(12)	184
Total equity and liabilities	1,138	35	1,173

For the period ended 28 June 2020 the restatements have resulted in an increase in trade and other receivables of £35m to account for the share awards to employees of the Company's subsidiaries, a reduction in trade and other payables – current of £12m to account for the share awards to employees of the Company and a corresponding increase in Equity of £47m.

(ii) Statement of cash flows

The movement in trade and other receivables presented in the current and prior period Company Statement of Cash Flows represents cash receipts from the repayment of advances and loans due from subsidiary undertakings.

It is now recognised by the Directors that the movement in trade and other receivables of £293m presented within the Company Statement of Cash Flows for the 52 week period ended 27 June 2021 was incorrectly presented within cash flows from operating activities when it should have been included within cash flows from investing activities. In preparing the Company Statement of Cash Flows in the financial statements for the 53 week period ended 3 July 2022, the Directors have therefore restated the comparative amounts to now present the movement in trade and other receivables of £293m within cash flows from investing activities. This change in presentation within the Company Statement of Cash Flows has no effect on the cash position of the Group or Company in their balance sheets and has no further impact on the Group's or Company's financial statements. The effect of the restatement on the Company Statement of Cash Flows in respect of the comparative amount for the 52 week period ended 27 June 2021 is set out below:

	COMPANY	
Statement of cash flows	52 WEEKS ENDED 27 JUNE 2021 – AS PREVIOUSLY REPORTED	52 WEEKS ENDED 27 JUNE 2021 – RESTATED AMOUNT
Cash flows from operating activities		
Decrease/(increase) in trade and other receivables	293	
Cash flows from investing activities		
Advances and Loans repaid by/(advanced to) subsidiary undertakings		293

The principal accounting policies are outlined below:

IMPACT OF NEW STANDARDS AND INTERPRETATIONS

a) The following standards have been issued but have not been applied by the Group in these financial statements. These amendments to standards and interpretations had no significant impact on the financial statements:

- Amendments to IFRS 9, IAS 39 and IFRS 7 'Interest Rate Benchmark Reform 2'

b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 28 June 2021 and have not been early adopted:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current'
- Amendments IAS 16 'Property, Plant and Equipment'
- Amendments to IAS 37 'Onerous Contracts '
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 'Reference to the Conceptual Framework'
- Definition of Accounting Estimates (Amendments to IAS 8)
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements
- IFRS 17 'Insurance Contracts'

The new standards and amendments to the standards noted above are expected to have no significant impact on the financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of Redrow plc and all its subsidiaries, together with the Group's share of the results and share of net assets of jointly controlled entities i.e. the financial statements of Redrow plc and entities controlled by Redrow plc (and its subsidiaries). Control is achieved where Redrow plc:

- has the power over the investee;
- is exposed or has rights, to variable returns from its involvement with the investee; and
- has its ability to use its power to affect its returns.

Redrow plc's accounting reference date is 30 June. Consistent with the normal monthly reporting process, the actual date to which the balance sheet has been drawn up is 3 July 2022 being a 53 week year (2021: 27 June 2021 being a 52 week year).

The Group has taken advantage of the exemption provided under Section 408 of the Companies Act 2006 not to present Redrow plc's Company income statement. The profit for the financial year is dealt with in the statement of changes in equity.

a. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets represents goodwill. Goodwill is subject to an annual impairment review, with any reduction in value being taken straight to the income statement. Adjustments are made as necessary to the financial statements of subsidiaries to ensure consistency with the policies adopted by the Group.

All inter-company transactions and balances between Group companies are eliminated on consolidation.

b. Interests in joint ventures

Whilst the Group has no current joint ventures the Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Redrow plc has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

REVENUE AND PROFIT RECOGNITION

Revenue represents the fair value received and receivable in respect of the sale of residential housing and land and of commercial land and developments net of value added tax and cash and non-cash incentives. This is recognised on the transfer of control to the customer on legal completion i.e. at a point in time.

Profit is recognised on legal completion.

In respect of social housing, the Group enters into contracts for the sale of social housing either at an agreed price or at a discount to open market value. Payment for these properties is made by the purchaser, either on legal completion of the unit or, in certain circumstances on a staged basis.

For those social or private rental sector contracts where payment is received on a staged basis, the Group considers these on a contract by contract basis and determines the appropriate revenue recognition based on the particular terms of that contract. The Group recognises revenue over time for the construction element of such contracts rather than at legal completion in circumstances in which effective control of the underlying land is transferred to the social or private rental sector provider before or during construction. This is because effective control of the land asset has passed to the customer and subsequent construction activity is adding value to the land asset controlled by the customer. For such contracts, revenue for the construction element is recognised by reference to the degree of completion of contract activity at the balance sheet date. Revenue for the sale of the land element of such contracts is recognised at the point in time when control of the land is transferred to the customer.

PART EXCHANGE PROPERTIES

Part exchange is consistently a de minimis proportion of our business. It is incidental to our main operation and hence this is shown on a net expense basis within cost of sales.

SEGMENTAL REPORTING

The main operation of the Group is focused on housebuilding.

The Executive Management Team (who are the Chief Operating Decision Maker as defined in IFRS 8 'Operating Segments') regularly reviews the Group's performance and balance sheet position at both a consolidated and divisional level. Each division is an operating segment as defined by IFRS 8 in that the Executive Management Team evaluates performance and allocates resources at this level.

All the divisions have been aggregated into one reporting segment on the basis that they all operate entirely within the United Kingdom and share similar economic characteristics including:

- sales demand subject to the same macro economic factors e.g. mortgage availability and Government policy;
- debt is raised centrally and the cost of capital is the same at each division; and
- national supply agreements for key inputs such as materials are negotiated centrally and in place across the Group.

Within the Financial Review, the Group has provided information on land holdings (page 96) and homes revenue proportions (page 94) by geographical area being North, Central, South and Greater London. The Executive Management Team do not consider these to be separate reportable segments because, as stated above, they review the whole operations at a consolidated and divisional level when assessing performance and allocating resources.

EXCEPTIONAL ITEMS

Exceptional items are those which in the opinion of the Board, are material by size or nature, non-recurring, outside the normal course of business and of such significance that they require separate disclosure.

NET FINANCING COSTS

Interest income is recognised on a time apportioned basis by reference to the principal outstanding and the effective interest rate. Interest costs are recognised in the income statement on an accruals basis in the period in which they are incurred.

INCOME AND DEFERRED TAX

Income tax comprises current tax and deferred tax.

Current tax is based on taxable profits for the year and any appropriate adjustment to tax payable in respect of prior years. Taxable profit differs from profit before tax as shown in the income statement as it excludes income or expenditure items which are never chargeable or allowable for tax or which are chargeable or deductible in other accounting periods. Current tax from 1 April 2022 includes Residential Property Developer Tax following its introduction by HMRC.

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the calculation of taxable profit.

Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for all temporary differences. Deferred tax is calculated at the rates substantively enacted at the balance sheet date.

Deferred tax is credited or charged in the income statement, consolidated statement of comprehensive income, or retained earnings as appropriate.

SOFTWARE AS A SERVICE (SaaS)

Implementation costs including costs to configure or customise a cloud provider's application software are recognised as administrative expenses when the services are received.

INTANGIBLE ASSETS – COMPUTER SOFTWARE (NON SaaS SOFTWARE)

Acquired computer software licences are capitalised on the basis of costs incurred to bring to use the specific software and are amortised over their estimated useful lives of three years, charged to administrative expenses. These are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

PROPERTY, PLANT AND EQUIPMENT

Freehold property comprises offices or other buildings held for administrative purposes. Freehold property is shown at cost less the subsequent depreciation of buildings.

All other property, plant and equipment is stated at historic cost less depreciation. Historic cost includes any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to write off the cost of assets to their residual values over their estimated useful lives, on a straight line basis as follows:

Buildings within freehold property	50 years
Plant and machinery	5-10 years
Fixtures and fittings	3-5 years

The assets' useful lives are reviewed and adjusted if appropriate at each balance sheet date.

These are reviewed for impairment whenever events or changes in circumstances indicate that the carrying values may not be recoverable.

The gain or loss arising on the disposal of an asset represents the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

INVESTMENT IN SUBSIDIARY COMPANIES

In the parent company books, the investment in its subsidiaries is held at cost less any impairment.

LEASES

At the inception of a contract, the Group assesses whether a contract is, or contains, a lease.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's weighted average incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option. The lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company presents right-of-use assets separately as 'Lease right of use assets' and lease liabilities as 'Trade and other payables' in the statement of financial position.

INVENTORIES

Inventories are stated at the lower of cost and net realisable value.

Cost comprises land and associated acquisition costs, direct materials and subcontract work, other direct costs and those overheads (based on normal operating capacity) that have been incurred in bringing the inventories to their present location and condition. These include infrastructure and development costs such as roads and sewers, including contributions to other community benefits such as schools, medical centres and community centres. Inventories (excluding land) are at standard cost. Abnormal costs are expensed to cost of sales as incurred.

Land includes refundable land contract exchange deposits.

Total land costs are allocated to the private housing on a development as, in the case of amenity land and social housing land, neither has sufficient contribution from sales of the precise area of the land to cover the land costs and are a planning requirement of the development.

Provisions are established to write down land where the estimated net sales proceeds less costs to complete exceed the current carrying value. Adjustments to the provisions will be required where selling prices or costs to complete change.

Net realisable value for land was assessed by estimating selling prices and cost (including sales and marketing expenses), taking into account current market conditions, considering the planning status in respect of undeveloped land and environmental factors likely to impact these in the relevant time horizon.

This net realisable value provision will be closely monitored for adequacy and appropriateness as regards under and over provision to reflect circumstances at future balance sheet dates. Any material change to the underlying provision will be reflected through cost of sales.

FORWARD LAND

The Group enters into a number of arrangements for the purchase of land. Where such arrangements are conditional on a future event the Group recognises option fees and other relevant initial costs as they fall due, which are included initially in inventory and subject to regular impairment analysis, but does not recognise the full cost of the land until the option to purchase the land has been executed. Where the Group enters into an unconditional contract on deferred payment terms the land purchased is recognised at contract inception together with a related liability, discounted at an appropriate rate. The related land creditors are shown as due within or after one year in line with the contractual payment terms, as the Directors believe this information is important in assessing the Group's liquidity and timing of future cash flows and debt profile. In line with industry practice in the cash flow statement the settlement of land creditors is shown as an operating cash flow as the Directors believe the financing of land purchases is integral to the Group's management of working capital.

EMPLOYEE BENEFITS

a. Pension obligation

The Group operates two pension schemes for its staff. The Redrow Staff Pension Scheme (the 'Scheme') closed to the accrual of new benefits with effect from 1 March 2012, with new benefits now being provided via the Redrow Group Personal Pension Plan (the 'GPP'). The Scheme is externally invested and comprises two sections: a defined benefit section and a defined contribution section. A defined benefit plan is a pension plan which defines an amount of pension benefit that an employee will receive on retirement. It is funded through payments to trustee administered funds, determined by actuarial valuations carried out on at least a triennial basis. A defined contribution plan is a pension plan under which the Group pays agreed contributions into a separate fund for each employee and any subsequent pension payable to a specific employee is determined by the amount accumulated in their individual fund. The GPP is also a type of defined contribution plan.

The asset/(liability) recognised in the balance sheet in respect of the defined benefit section of the scheme is the present value of the defined benefit obligation at the balance sheet date, less the fair value of plan assets. The defined benefit obligation is determined using the projected unit credit method on an annual basis by an independent scheme actuary.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity as they arise in full via the statement of comprehensive income.

Scheme service costs are charged to cost of sales and administrative expenses as appropriate and scheme finance costs are included in net financing costs. Past service credits are recognised immediately in income.

In respect of the defined contribution section of the Scheme and the GPP, contributions are recognised as an employee benefit expense when they are due. The Group has no further payment obligations in respect of the above once the contributions have been paid.

b. Bonus plans

The Group recognises a liability and an expense for bonuses where contractually obliged.

c. Share-based payments

Equity settled share-based payments are measured at fair value on the date of grant and expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest, having reassessed any appropriate service and non-market performance conditions.

FINANCIAL INSTRUMENTS

a. Land creditors

Deferred payments arising from land creditors are held at discounted present value using the effective interest method, in accordance with IFRS 9. The difference between the fair value and the nominal value is amortised over the deferment period via financing costs.

The interest rate applied is an equivalent loan rate available on the date of the land purchase.

Deferred payments arising from land creditors are considered as financing rather than operational in nature. However, in line with industry practice, the Group treats cash paid in respect of land, including land creditors, as operating rather than financing cashflows.

b. Derivative financial instruments and hedge accounting

Derivative financial instruments are initially recorded at fair value and the fair value is remeasured to fair value at each reporting date.

The Group's use of financial derivatives is governed by an interest rate risk management framework adopted by the Board which sets parameters to ensure an appropriate level of hedging is maintained to manage interest rate risk in respect of borrowings.

The policy prohibits any trading in derivative financial instruments or their use for speculative purposes.

The effective portion of changes in the fair value of derivative financial instruments which are designated and which qualify as cash flow hedges are recognised directly in equity in a hedge reserve. The gains or losses relating to the ineffective portion are recognised in the income statement immediately they arise.

c. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, where considered to be receivable within the Group's normal operating cycle of c4 years after the balance sheet date; otherwise they are classified as non-current assets. Loans and receivables include 'trade receivables' and 'other receivables' in the balance sheet.

Trade receivables are held at discounted present value less any impairment. The amount is then increased to settlement value over the settlement period via financing income.

d. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand, forming an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

e. Borrowings and trade payables

Interest bearing borrowings and trade payables are recorded when the proceeds are received, net of transaction costs incurred and subsequently at amortised cost. Any difference between the proceeds, net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings.

f. Deposits and payments on account

New property deposits from private customers are held within Trade and Other payables until the legal completion of the related property when revenue is recognised or the rescission of the sale contract.

Payments on account from social and private rented sector (PRS) customers are held within Trade and Other payables until legal completion of the related properties when revenue is recognised.

Deposits received in advance are typically held for a period of up to 18 months before the associated performance obligations are satisfied and the revenue is recognised.

PROVISIONS

Provisions are recognised when the Group has a pursuant legal or constructive obligation as a result of a past event, and it is probable that the Group may be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

ONEROUS CONTRACTS

Onerous contracts are contracts in which the unavoidable costs in meeting the obligations under the contract exceed the economic benefits expected to be received under it. Provision is made to reflect management's best current estimate of the least net cost of either fulfilling or exiting the contract.

SHARE CAPITAL

Ordinary shares are classed as equity.

DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements at the point at which there is a legal obligation to make a distribution to shareholders.

NOTES TO THE FINANCIAL STATEMENTS

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management have not made any individual critical accounting judgements that are material to the Group other than the disclosure judgements outlined below.

In April 2022, the Group signed up to the Government's Building Safety Pledge in respect of funding the remediation of life critical fire safety issues on buildings over 11 metres in which the Group were involved, whether or not it constructed them, going back 30 years. As an additional £164m legacy fire safety provision was required in respect of buildings the Group has agreed to remediate solely as a result of signing the voluntary Building Safety Pledge, the Directors believe that this should be treated as exceptional as it is outside the normal course of business, non-recurring and material by size and nature, in line with the accounting policy. Exceptional items are disclosed separately on the face of the consolidated income statement. As at 3 July 2022, the Group has a total legacy fire safety provision of £200m: being £164m expensed through the consolidated income statement in the year as an exceptional item, £10m expensed through the consolidated income statement in the year as ordinary trading. i.e. pre-exceptional and £26m expensed through the income statement in prior years as ordinary trading reflecting buildings the Group had a legal or constructive obligation to remediate pre-pledge. Management have not recognised any potential cost recoveries when calculating this provision. Any such recoveries realised will be separately disclosed as exceptional items.

As noted in the accounting policy, in line with industry practice, the Group treats cash paid in respect of land, including land creditors, as operating rather than financing cashflows. This is a judgement as, whilst the repayment profile of land creditors is important in assessing the Group's liquidity and timing of future cash outflows, the Directors believe that settlement of the land creditors is an operating cashflow on the basis that land purchases are integral to the Group's working capital management.

Management consider the key sources of estimation uncertainty relate to:

Carrying value of inventories and cost of sales recognition

The Group carries inventories at the lower of cost and net realisable value. Due to the nature of development timescales, it is routinely necessary to estimate costs to complete and future revenues and to allocate non-unit specific development costs between units legally completing in the current financial year and thereby impacting current year cost of sales and in future periods. A full review of the net realisable value of inventories was undertaken by the Group as at 3 July 2022, including a review of land owned without a residential planning consent, and this requires Management to use its judgement and experience in assessing any impairment provisions that may be required. If there are significant movements in UK house prices or development costs or planning regulation or expectation compared to Management expectations then further impairments or reversal of impairments already made may be needed.

The Group has a number of developments where significant estimates and judgements have been made in relation to the estimated costs to complete. These developments are also affected by a variety of uncertainties that depend on future events such as inflationary cost pressures, delays and unforeseen build issues due to the nature of infrastructure works. The Directors consider that the risk is sufficiently mitigated by the processes in place and appropriate levels of contingency that are calculated based on the past experience of Management with input from internal quantity surveyors. The Directors consider that it is impractical to provide a quantitative analysis of the estimation uncertainty involved due to the number of developments; range of estimated cost inputs; and timing of each development.

Legacy fire safety provision

Redrow is predominantly a housebuilder, however the Group historically built a small number of high rise buildings, mostly on a design and build basis by main contractors. As a result of signing the Government's Building Safety Pledge, the number of buildings in scope in respect of which the Group has a present obligation in respect of historical events increased. The Group is committed to funding the remediation of life critical fire safety issues on buildings over 11 metres in which the Group was involved going back 30 years. The Legacy fire safety provision reflects the estimated cost of works outstanding to complete the remediation of life critical fire safety issues on all identified buildings within scope. In estimating the cost of the works, Management has used relevant Building Safety Fund cost information and other external information as the basis of its estimates and classified buildings identified as in scope on the basis of a high level risk assessment including their EWS1 (External Wall Fire Review) status. However, these estimates are inherently uncertain as:

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

Legacy fire safety provision continued

- this is a highly complex area involving bespoke buildings for which investigations and assessments will be ongoing for some time;
- whilst approximately 50% of the provision is based on claims notified by BSF or detailed fire safety reports and costings, in several cases we are taking over financial responsibility for the remedial works and the actual costs may differ to the amounts notified by BSF; and
- the remaining properties have higher estimation uncertainty as our assessment is at a more preliminary stage, and the contingencies included in this element of the provision reflect the increased uncertainty over the nature and cost of the remediation required.

It is therefore possible these estimates, based on the pledge given, will change over time as more accurate cost information is obtained and as the leaseholders or ourselves have any success in recovering costs incurred by Redrow from other third parties. As a result of this, whilst these estimates may reduce significantly in light of such factors, the Group does not expect the estimates to increase significantly. If possible costs were underestimated or overestimated by 10% then profit before tax in the period would reduce or increase respectively by c£20m, c8%.

Management have not recognised any potential cost recoveries when calculating this provision. Any such recoveries realised, together with any adjustment to the amounts provided, will be separately disclosed as exceptional items in future years.

Pensions

This is not considered to have significant estimation uncertainty based on sensitivities but has been included as it is a complex estimate.

The Group has utilised assumptions including price inflation rate, mortality assumptions and a discount rate having been advised by its actuary. To the extent that such assumed rates are different from what actually transpires, the retirement benefit obligations of the Group would change. A sensitivity analysis is included on page 262.

The primary risks the Group is exposed to by the defined benefit pension scheme are the movement in corporate bond yields, the market's long-term expectations for inflation and movement in mortality rates. The scheme closed to future accrual with effect from 1 March 2012. See Note 7e.

2. REVENUE AND OPERATING PROFIT

a. Revenue

An analysis of the Group's revenue, which is wholly generated in the UK in 2022 and 2021, is as follows:

	2022 £M	2021 £M
Revenue from the sale of new housing	**2,119**	1,902
Revenue from the sale of land	**21**	37
	2,140	1,939

Included within Revenue from the sale of new housing is £189m (2021: £236m) of revenue from contracts with social housing providers or private rental sector providers on which revenue is recognised over time by reference to the stage of completion of contract activity. Of this amount £36m (2021: £68m) was included in contract liabilities at the beginning of the year. The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £nil (2021: £nil).

	NOTE	2022 £M	2021 £M
Contract assets	13	**23**	21
Contract liabilities	16	**36**	68

The contract assets relate to the Group's rights to consideration for work completed but not invoiced at the balance sheet date for contracts on which revenue is recognised over time.

The contract liabilities, which are included within social customer payments on account in note 16, relate to the advance consideration from customers at the balance sheet date for contracts on which revenue is recognised over time.

The following table shows further revenue of £98m (2021: £213m) expected to be recognised in future years in respect of contracts on which revenue is recognised over time:

	2023	2024	2025	TOTAL
Year ending June £m	86	12	–	**98**
Year ending June %	88	12	–	**100**

2. REVENUE AND OPERATING PROFIT CONTINUED

b. Operating profit

	NOTE	2022 £M	2021 £M
Operating profit is stated after charging:			
Inventories expensed in the year	14	**1,715**	1,465
Amortisation	8	**–**	2
Depreciation – Property, plant and equipment	9	**2**	2
Depreciation – Lease right of use assets	10	**3**	3
Research and development expenditure		**1**	–
Exceptional item – Legacy fire safety provision		**164**	–
Auditors' remuneration – Fees payable to the Company's Auditors for audit services (i)		**1**	1
– Fees payable to the Company's Auditors for other services (ii)		**–**	–

Exceptional item in cost of sales

In April 2022, the Group signed up to the Government's Building Safety Pledge in respect of funding the remediation of life critical fire safety issues on buildings over 11 metres in which the Group were involved, whether or not it constructed them, going back 30 years. An additional £164m legacy fire safety provision was required and charged to cost of sales in respect of buildings the Group has agreed to remediate solely as a result of signing the voluntary Building Safety Pledge. This has been treated as exceptional as it is outside the normal course of business, non-recurring and material by size and nature and of such significance as to require separate disclosure, in line with the accounting policy. A copy of the signed pledge letter can be found on our website www.redrowplc.co.uk.

Fees payable to the Company's Auditors comprise:

(i) fees payable for the audit of parent company and consolidated financial statements £157,500 (2021: £141,250) and fees payable for the audit of the Company's subsidiaries pursuant to legislation £472,500 (2021: £423,750).

(ii) Auditors' remuneration for other services comprised £nil (2021: £75,000) in respect of an independent review of the half-yearly financial statement.

The 2022 ratio of non-audit fees to audit fees is 0:1 (2021: 1:7.53).

3. NET FINANCING COSTS

	2022 £M	2021 £M
Interest payable on bank loans	**(2)**	(5)
Imputed interest on deferred land creditors	**(4)**	(3)
Financial costs	**(6)**	(8)
Other interest receivable	**2**	1
Financial income	**2**	1
Net financing costs	**(4)**	(7)

4. INCOME TAX EXPENSE

	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M	2021 £M
Current tax charge				
UK Corporation Tax in respect of current year	**82**	**(33)**	**49**	59
Adjustment in respect of prior years	**–**	**–**	**–**	–
Current tax charge/(credit)	**82**	**(33)**	**49**	59
Deferred tax				
Origination and reversal of temporary differences	**–**	**–**	**–**	1
Adjustment in respect of prior years	**–**	**–**	**–**	–
Deferred tax charge	**–**	**–**	**–**	1
Total income tax charge/(credit) income statement	**82**	**(33)**	**49**	60
Reconciliation of tax charge for the year				
Profit before tax	**410**	**(164)**	**246**	314
Tax calculated at UK Corporation Tax rate at 19.0% (2021: 19.0%)	**78**	**(31)**	**47**	60
Residential Property Developer Tax at 1.0% (2021: N/A)	**4**	**(2)**	**2**	–
Tax charge for the year	**82**	**(33)**	**49**	60
Deferred tax recognised directly in equity				
Relating to pension scheme	**–**	**–**	**–**	9
	–	**–**	**–**	9

Residential Property Developer Tax commenced on 1 April 2022 at a rate of 4.0% per annum, hence 1.0% for the 3 months ended 3 July 2022.

Current income tax charge in the Company is £nil (2021: £nil).

Information on the impact of future tax rate changes is included in note 12.

5. DIVIDENDS

The following dividends were paid by the Group:

	2022 £M	2021 £M
Prior year final dividend per share of 18.5p (2021: nil p); Current year interim dividend per share of 10.0p (2021: 6.0p)	**100**	21
	100	21

The Board is proposing a final dividend of £77m being 22.0p per share (2021: £65m being 18.5p per share) subject to Shareholder approval at the Annual General Meeting on 11 November 2022.

6. EARNINGS PER ORDINARY SHARE

The basic earnings per share calculation for the 53 weeks ended 3 July 2022 is based on the weighted average number of shares in issue during the period of 342m (2021: 344m) excluding those held in trust under the Redrow Long Term Incentive Plan (11m shares (2021: 8m shares)), which are treated as cancelled.

Diluted earnings per share has been calculated after adjusting the weighted average number of shares in issue for all potentially dilutive shares held under unexercised options.

For the 53 weeks ended 3 July 2022

UNDERLYING – PRE-EXCEPTIONAL ITEM	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	**328**	**342**	**96.0**
Effect of share options and SAYE	**–**	**1**	**(0.2)**
Diluted earnings per share	**328**	**343**	**95.8**

See note 23.

STATUTORY	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	**197**	**342**	**57.7**
Effect of share options and SAYE	**–**	**1**	**(0.2)**
Diluted earnings per share	**197**	**343**	**57.5**

For the 52 weeks ended 27 June 2021

	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	254	344	73.7
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	254	345	73.6

7. EMPLOYEES

a. Cost (including Directors)

	GROUP		COMPANY	
	2022 £M	2021 £M	2022 £M	2021 £M
Wages and salaries	**120**	109	**2**	2
Social security costs	**16**	13	**1**	1
Other pension costs	**10**	9	**–**	–
Share-based payments	**5**	6	**1**	1
	151	137	**4**	4

b. Number

The monthly average number of persons employed by the Group was:

	GROUP		COMPANY	
	2022 NUMBER	2021 NUMBER	2022 NUMBER	2021 NUMBER
Directors and administrative staff	**907**	880	**7**	8
Other personnel	**1,340**	1,328	**–**	–
	2,247	2,208	**7**	8

7. EMPLOYEES CONTINUED

c. Key management remuneration

Key management personnel, as defined under IAS 24 'Related party disclosures', are identified as the Executive Management Team and the Non-Executive Directors.

Summary key management remuneration is as follows:

	2022 £M	2021 £M
Salaries and short-term employee benefits	**5**	5
Share-based payments	**2**	2
	7	7

The number of Directors where retirement benefits are accruing in respect of defined benefit schemes are 1 (2021: 2). The aggregate amount of gains made by Directors on the exercise of share options was £0.3m (2021: £0.5m).

Detailed disclosure of Directors' emoluments and interests in shares are included in the Directors' Remuneration Report on pages 192 to 213, notably the 'Single Total Figure of Remuneration Table (Audited)' on page 205 which details remuneration paid to or received by directors in respect of qualifying services, and the 'Statement of Shareholding and Scheme Interests (Audited)' on pages 208 and 209.

d. Share-based payments

Save As You Earn Share Option scheme (SAYE)

The Redrow plc SAYE scheme is open to all employees and share options can be exercised either three or five years after the date of grant, depending on the length of the savings contract. The SAYE schemes are not subject to performance conditions.

The SAYE schemes have been valued using the Black-Scholes pricing model.

	2022	2021
Options granted during the year	**792,961**	1,634,869
Date of grant	**1 January 2022**	1 January 2021
Fair value at measurement date	**£2.30**	£1.65
Share price	**£6.55**	£4.72
Exercise price	**£5.24**	£3.78
Option life (contract length)	**3/5 years**	3/5 years
Expected dividend yield	**3.38%**	3.38%
Risk free interest rate	**1.5%**	1.5%

The expected volatility on SAYE schemes is based on the historic volatility of the Group's share price over periods equal to the length of the savings contract.

Long Term Incentive scheme (LTIP)

Except in specified circumstances, options granted under the scheme are exercisable between three and ten years after the date of grant.

Options granted under the LTIP on 21 September 2021 were granted to a limited number of Senior Executives. The scheme is discussed in greater detail within the Directors' Remuneration Report notably within the 'Directors' Remuneration Policy' on page 198.

7. EMPLOYEES CONTINUED

d. Share-based payments continued

The LTIP has been valued using the Black-Scholes pricing model.

	2022	2021
Options granted during the year	**461,937**	763,758
Date of grant	**21 September 2021**	22 September 2020
Fair value at the measurement date	**£7.146**	£4.053
Share price	**£7.146**	£4.053
Exercise price	**£0.00**	£0.00
Expected volatility	**N/A***	N/A*
Option life	**3 years**	3 years
Expected dividend yield	**N/A**	N/A
Risk free interest rate	**N/A***	N/A*

* For nil-cost awards not subject to a market based condition, volatility and risk free rate are not applicable.

The fair value at the measurement date of the LTIP granted on 21 September 2021 comprises £7.146 in respect of non-market based performance conditions.

The fair value at the measurement date of the LTIP granted on 22 September 2020 comprises £4.053 in respect of non-market based performance conditions.

Deferred Bonus Incentive (DBI)

Grants under the DBI were limited to Senior Management. Except in specified circumstances options granted under the scheme are exercisable between one and ten years after the date of grant for Tranche 1 and between two and ten years after the date of grant for Tranche 2 and are not subject to performance conditions.

In respect of options granted during the financial year ended 3 July 2022, Deferred Bonus Incentive Tranche 1 and 2 were absolute contractual entitlements to a small number of individuals and were granted on 21 September 2021.

The DBI has been valued using the Black-Scholes pricing model.

	2022 TRANCHE 1	2022 TRANCHE 2	SINGLE TRANCHE 2021	2021 TRANCHE 1	2021 TRANCHE 2
Options granted during the year	**347,870**	**347,945**	147,329	37,297	37,302
Date of grant	**21 September 2021**	**21 September 2021**	15 March 2021	22 September 2020	22 September 2020
Fair value at the measurement date	**£7.146**	**£7.146**	£6.172	£4.053	£4.053
Share price	**£7.146**	**£7.146**	£6.172	£4.053	£4.053
Exercise price	**£0.00**	**£0.00**	£0.00	£0.00	£0.00
Expected volatility	**N/A***	**N/A***	N/A*	N/A*	N/A*
Option life	**1 year**	**2 years**	1 year	1 year	2 years
Expected dividend yield	**N/A**	**N/A**	N/A	N/A	N/A
Risk free interest rate	**N/A***	**N/A***	N/A*	N/A*	N/A*

* For nil-cost awards not subject to a market based condition, volatility and risk free rate are not applicable.

7. EMPLOYEES CONTINUED

d. Share-based payments continued

Share options outstanding

The following share options were outstanding at 3 July 2022:

TYPE OF SCHEME	DATE OF GRANT	NUMBER OF OPTIONS 2022	NUMBER OF OPTIONS 2021	EXERCISE PRICE
Long Term Share Incentive 2018	10 September 2018	**–**	272,244	–
Long Term Share Incentive 2019	11 September 2019	**411,800**	411,800	–
Long Term Share Incentive 2020	22 September 2020	**712,870**	712,870	–
Long Term Share Incentive 2021	21 September 2021	**461,937**	–	–
Deferred Bonus Incentive 2012 – Tranche 1	23 October 2012	**4,656**	4,656	–
Deferred Bonus Incentive 2012 – Tranche 2	23 October 2012	**4,656**	4,656	–
Deferred Bonus Incentive 2013 – Tranche 1	24 September 2013	**4,642**	4,642	–
Deferred Bonus Incentive 2013 – Tranche 2	24 September 2013	**4,642**	4,642	–
Deferred Bonus Incentive 2014 – Tranche 1	8 September 2014	**3,615**	3,615	–
Deferred Bonus Incentive 2014 – Tranche 2	8 September 2014	**3,615**	3,615	–
Deferred Bonus Incentive 2015 – Tranche 1	14 September 2015	**3,069**	3,069	–
Deferred Bonus Incentive 2015 – Tranche 2	14 September 2015	**3,070**	3,070	–
Deferred Bonus Incentive 2016 – Tranche 1	12 September 2016	**5,136**	5,136	–
Deferred Bonus Incentive 2016 – Tranche 2	12 September 2016	**10,015**	11,220	–
Deferred Bonus Incentive 2017 – Tranche 1	11 September 2017	**7,142**	7,193	–
Deferred Bonus Incentive 2017 – Tranche 2	11 September 2017	**7,617**	9,694	–
Deferred Bonus Incentive 2018 – Tranche 1	10 September 2018	**16,563**	19,920	–
Deferred Bonus Incentive 2018 – Tranche 2	10 September 2018	**56,436**	83,123	–
Deferred Bonus Incentive 2019 – Tranche 1	11 September 2019	**59,466**	91,653	–
Deferred Bonus Incentive 2019 – Tranche 2	11 September 2019	**95,503**	358,959	–
Deferred Bonus Incentive 2020 – Tranche 1	22 September 2020	**–**	31,013	–
Deferred Bonus Incentive 2020 – Tranche 2	22 September 2020	**26,278**	31,016	–
Deferred Bonus Incentive 2020 – Single Tranche	15 March 2021	**58,094**	142,569	–
Deferred Bonus Incentive 2021 – Tranche 1	21 September 2021	**169,159**	–	–
Deferred Bonus Incentive 2021 – Tranche 2	21 September 2021	**330,159**	–	–
Save As You Earn	1 January 2016	**–**	10,140	£3.70
Save As You Earn	1 January 2017	**9,843**	73,400	£3.20
Save As You Earn	1 January 2018	**43,430**	71,482	£4.90
Save As You Earn	1 January 2019	**42,257**	369,466	£4.62
Save As You Earn	1 January 2020	**318,335**	371,617	£4.94
Save As You Earn	1 January 2021	**1,398,148**	1,549,436	£3.78
Save As You Earn	1 January 2022	**717,664**	–	£5.24

The total share options outstanding at 3 July 2022 under the LTIP, Deferred Bonus Incentive Plan and the Save As You Earn schemes represent 1.4% of the issued share capital (2021: 1.3%).

7. EMPLOYEES CONTINUED

d. Share-based payments continued

Movements in the year

The number and weighted average exercise prices of share options is as follows:

	NUMBER OF OPTIONS 2022	WEIGHTED AVERAGE EXERCISE PRICE 2022	NUMBER OF OPTIONS 2021	WEIGHTED AVERAGE EXERCISE PRICE 2021
Long Term Share Incentive scheme:				
Outstanding at the beginning of the year	**1,396,914**	**–**	1,005,256	–
Lapsed during the year	**(272,244)**	**–**	(372,100)	–
Exercised during the year	**–**	**–**	–	–
Granted during the year	**461,937**	**–**	763,758	–
Outstanding at the end of the year	**1,586,607**	**–**	1,396,914	–
Exercisable at the end of the year	**–**	**–**	–	–
Deferred Bonus Incentive scheme:				
Outstanding at the beginning of the year	**823,461**	**–**	1,446,644	–
Lapsed during the year	**(38,613)**	**–**	(61,319)	–
Exercised during the year	**(607,130)**	**–**	(783,792)	–
Granted during the year	**695,815**	**–**	221,928	–
Outstanding at the end of the year	**873,533**	**–**	823,461	–
Exercisable at the end of the year	**374,215**	**–**	267,829	–
Save As You Earn scheme:				
Outstanding at the beginning of the year	**2,445,541**	**£4.09**	1,882,162	£4.72
Lapsed during the year	**(315,864)**	**£4.43**	(654,768)	£4.68
Exercised during the year	**(392,961)**	**£4.38**	(416,722)	£4.76
Granted during the year	**792,961**	**£5.24**	1,634,869	£3.78
Outstanding at the end of the year	**2,529,677**	**£4.37**	2,445,541	£4.09
Exercisable at the end of the year	**38,292**	**£4.37**	52,367	£4.67

The weighted average share price at the date of exercise of share options exercised during the year was £6.27 (2021: £5.16).

The options outstanding at 3 July 2022 had a range of exercise prices of £nil to £5.24 (2021: £nil to £4.94) and a weighted average remaining contractual life of 5.0 years (2021: 5.1 years).

The expected life used in the models has been adjusted, based on best estimates, to reflect exercise restrictions and behavioural considerations.

The charge to income in relation to equity settled share-based payments in the year is £5m (2021: charge £6m).

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes

The Redrow Staff Pension Scheme comprises a defined benefit scheme. The Company also offers a defined contribution scheme to employees. The defined benefit scheme was closed to new entrants from July 2006, having been closed to all but a limited number of agreed new entrants from October 2001. The defined benefit scheme was closed to future accrual with effect from 1 March 2012.

The Scheme operates within the frameworks of the applicable pension's legislation and is regulated by the Pensions Regulator. The Scheme is managed by a board of Trustees who act in line with legislation and the provisions set out within the Trust Deed and Rules which underpin the day-to-day operation of the Scheme. The Trustees' overarching aim is to ensure that there are sufficient monies available to pay members benefits when they fall due. The Trustees work in collaboration with the Company to manage the risks that this aim might not be met.

The total pension charge for the year was £11m (2021: credit of £7m). A charge of £1m related to the defined benefit section of the Scheme (2021: credit of £16m), with £nil being charged to the income statement (2021: charge of £nil) and a charge of £1m to the statement of comprehensive income (2021: credit of £16m). The charge arising from the defined contribution section was £10m (2021: £9m). There were no significant events during the year to report (i.e. plan amendments, curtailments or settlements).

Triennial valuation

A full independent triennial actuarial valuation of the defined benefit section of the Scheme was undertaken at 1 July 2020 using the Projected Unit Actuarial Funding Method. As at 1 July 2020, in the opinion of the Actuary, there was a deficit of £4m in the defined benefit section of the Scheme, based on the Trustees' technical provisions assumptions with the Scheme's assets representing 98% of the Scheme's technical provisions. As at 1 July 2020 the value of the defined benefit section of the Scheme's assets was £172m. The previous triennial valuation was undertaken as at 1 July 2017 and reported a deficit of £15m.

Defined benefit scheme – IAS 19R valuation

Redrow recognises all remeasurements for its defined benefit plan in the period in which they occur, outside the income statement, in the statement of comprehensive income.

This disclosure relates to the defined benefit section of the Scheme. The Scheme's assets are held separately from the assets of Redrow and are administered by the trustees and managed professionally.

The latest formal actuarial valuation of the defined benefit section was carried out at 1 July 2020. This valuation has been updated to 3 July 2022 by a qualified actuary for the purposes of these financial statements.

The Group contributed £nil to the Scheme in the year ended 3 July 2022 (2021: £2.3m) and expects to contribute £nil to the Scheme in the year ending 2 July 2023.

The major financial assumptions used in arriving at the IAS 19R valuation were:

	2022	2021
Long-term rate of increase in pensionable salaries	**N/A**	N/A
Rate of increase of benefits in payment (lesser of 5% per annum and RPI)[1]	**3.1%**	3.2%
Rate of increase of benefits in payment (lesser of 2.5% per annum and RPI)[2]	**2.0%**	2.1%
Discount rate	**3.8%**	1.9%
Inflation assumption – RPI	**3.3%**	3.4%
– CPI	**3.1%**	2.8%

1 In respect of pensions in excess of the guaranteed minimum pension earned prior to 30 June 2006.

2 In respect of pensions earned after 30 June 2006. Other pension increases are valued in a consistent manner.

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes continued

In March 2020, the Chancellor of the Exchequer and UK Statistics Authority jointly issued a consultation on changing the Retail Price Index (RPI) formula. In November 2020 the outcome of the consultation was published with the intention that the RPI index will be amended to reflect the Consumer Price Index including housing (CPIH) from 2030. The inflation assumptions have been considered in light of this.

The mortality tables used in the actuarial valuation were as follows (which make allowance for projected further improvements in mortality):

For male and female members: SAPS3 CMI_2021 1.50% Long Term Trend (2021: SAPS3 CMI_2020 1.50% Long Term Trend)

The life expectancies from age 65 implied by these tables for typical members are:

Pensioner currently aged 65:	Male 22.3 years (2021: Male 22.3 years)	Female 24.6 years (2021: Female 24.6 years)
Future pensioner currently aged 40:	Male 24.4 years (2021: Male 24.4 years)	Female 26.8 years (2021: Female 26.8 years)

No adjustments have been made to mortality assumptions at the year end to reflect the potential effects of Covid-19 as the actual plan experience is not yet available and as it is too soon to make a judgement on the impact of the pandemic on future mortality improvements. The mortality experience analysis for the Scheme will be carried out in the future as part of the 1 July 2023 funding valuation for the defined benefit section of the Scheme.

It has been assumed that members take 80% of the maximum tax-free cash available to them at the point they retire via commutation of their pension; this is based on the current commutation factors in use for the defined benefit scheme.

The total assets, the split between the major asset classes in the Scheme, the present value of the Schemes' liabilities and the amounts recognised in the balance sheet are shown below:

	GROUP AND COMPANY					
	2022 £M QUOTED MARKET PRICE IN ACTIVE MARKET	2022 £M NO QUOTED MARKET PRICE IN ACTIVE MARKET	2022 £M TOTAL	2021 £M QUOTED MARKET PRICE IN ACTIVE MARKET	2021 £M NO QUOTED MARKET PRICE IN ACTIVE MARKET	2021 £M TOTAL
Equities	**50**	**–**	**50**	74	–	74
Debt instruments	**56**	**–**	**56**	70	–	70
Real estate	**1**	**–**	**1**	2	–	2
Investment funds	**4**	**–**	**4**	5	–	5
Other	**7**	**–**	**7**	6	–	6
Cash and cash equivalents	**16**	**–**	**16**	17	–	17
Insurance policies	**–**	**2**	**2**	–	3	3
Total market value of assets	**134**	**2**	**136**	174	3	177
Present value of obligations			**(97)**			(137)
Surplus in the Scheme			**39**			40

The Scheme's assets are invested in such a way so as to ensure that the assets are sufficient and appropriate to meet the associated liabilities as they fall due. In selecting the assets, consideration is given to the nature of the liabilities and the investment strategy of the Scheme includes an allocation to liability driven investments to mitigate the impacts of changes in interest rates and inflation on both the assets and liabilities.

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes continued

The defined benefit obligation can be approximately attributed to the scheme members as follows:

	2022 %	2021 %
Deferred members	**62**	66
Pensioner members	**38**	34
	100	100

All benefits are vested at 3 July 2022 (unchanged from 27 June 2021).

Following a High Court ruling on 26th October 2018, at the 2019 year-end the Company made an allowance within the defined benefit obligation for the estimated liabilities associated with the requirement to provide equalised benefits to male and female members in respect of Guaranteed Minimum Pensions (GMPs); otherwise known as 'GMP Equalisation'. GMP Equalisation is an issue that impacts all defined benefit schemes that were contracted out of the State additional second pension between 17 May 1990 and 5 April 1997. For the DB Scheme, the additional liability in respect of GMP Equalisation is broadly 0.5% of the defined benefit obligation and continues to be included in this figure.

The total amounts credited/(charged) against income in the year were as follows:

	GROUP AND COMPANY	
	2022 £M	2021 £M
Amounts included within the income statement:		
Administrative expenses		
Past service cost	**–**	–
Net interest on defined benefit liability	**–**	–
	–	–
Amounts recognised in the statement of comprehensive income:		
Return on scheme assets excluding interest income	**(40)**	3
Actuarial movements arising from changes in demographic assumptions	**–**	(4)
Actuarial movements arising from changes in financial assumptions	**40**	1
Actuarial movements arising from experience adjustments	**(1)**	16
	(1)	16
	(1)	16

The amount included in the balance sheet arising from the surplus in respect of the Group's defined benefit section is as follows:

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes continued

	GROUP AND COMPANY	
	2022 £M	2021 £M
Balance sheet surplus		
At start of year	**40**	22
Amounts (charged)/credited against statement of comprehensive income	**(1)**	16
Employer contributions paid	**–**	2
At end of year	**39**	40
Changes in the present value of the defined benefit obligation:		
At start of year	**137**	151
Interest expense	**3**	2
Benefit payments	**(4)**	(3)
Actuarial movements arising from changes in demographic assumptions	**–**	4
Actuarial movements arising from changes in financial assumptions	**(40)**	(1)
Actuarial movements arising from experience adjustments	**1**	(16)
At end of year	**97**	137
Changes in the fair value of the Scheme's assets:		
At start of year	**177**	173
Interest income	**3**	2
Return on scheme assets excluding interest income	**(40)**	3
Normal employer contributions	**–**	2
Benefit payments	**(4)**	(3)
At end of year	**136**	177

The Scheme rules permit the refund of any surplus to the Company with no restrictions. The surplus has therefore been recognised in full in the Group and Company balance sheets and there is no requirement to restrict the surplus nor to recognise any additional liability in respect of agreed deficit contributions.

Sensitivity of key assumptions

The table below gives a broad indication of the impact on the IAS 19R numbers to changes in assumptions and experience (away from the assumptions shown on page 259). All figures are before allowing for deferred tax.

ITEM	APPROXIMATE AMOUNT 2022	APPROXIMATE AMOUNT 2021
Present value of defined benefit obligation (£m)		
Discount rate -25 basis points	**101.1**	144.0
Discount rate +25 basis points	**92.4**	130.0
Price inflation rate -25 basis points	**92.6**	131.8
Price inflation rate +25 basis points	**100.9**	142.0
Post-retirement mortality assumption – 1 year age adjustment	**99.3**	141.9
Weighted average duration of defined benefit obligation (in years)		
Discount rate -25 basis points	**18.2**	20.5
Discount rate +25 basis points	**17.8**	20.4

8. INTANGIBLE ASSETS

The Group

	GOODWILL £M	SOFTWARE £M	TOTAL £M
Cost			
At 29 June 2020	1	2	3
Additions	–	–	–
Disposals	–	–	–
At 27 June 2021	1	2	3
Additions	–	1	1
Disposals	–	–	–
At 3 July 2022	**1**	**3**	**4**
Accumulated amortisation			
At 29 June 2020	–	1	1
Charge	1	1	2
Disposals	–	–	–
At 27 June 2021	1	2	3
Charge	–	–	–
Disposals	–	–	–
At 3 July 2022	**1**	**2**	**3**
Net book value			
At 3 July 2022	**–**	**1**	**1**
At 27 June 2021	–	–	–
At 28 June 2020	1	1	2

9. PROPERTY, PLANT AND EQUIPMENT

The Group

	FREEHOLD PROPERTY £M	PLANT AND MACHINERY £M	FIXTURES AND FITTINGS £M	TOTAL £M
Cost				
At 29 June 2020	24	3	11	38
Additions	–	–	2	2
Disposals	–	–	(2)	(2)
At 27 June 2021	24	3	11	38
Additions	–	–	3	3
Disposals	–	–	–	–
At 3 July 2022	**24**	**3**	**14**	**41**
Accumulated depreciation				
At 29 June 2020	6	3	10	19
Charge	1	–	1	2
Disposals	–	–	(2)	(2)
At 27 June 2021	7	3	9	19
Charge	–	–	2	2
Disposals	–	–	–	–
At 3 July 2022	**7**	**3**	**11**	**21**
Net book value				
At 3 July 2022	**17**	**–**	**3**	**20**
At 27 June 2021	17	–	2	19
At 28 June 2020	18	–	1	19

10. LEASE RIGHT OF USE ASSETS

The Group

	PROPERTY £M	PHOTOCOPIERS £M	VEHICLES £M	TOTAL £M
Cost				
At 29 June 2020	4	1	5	10
Additions	–	–	3	3
Disposals	–	–	(1)	(1)
At 27 June 2021	4	1	7	12
Additions	–	–	2	2
Disposals	–	–	–	–
At 3 July 2022	**4**	**1**	**9**	**14**
Accumulated depreciation				
At 29 June 2020	1	–	2	3
Charge	1	–	2	3
At 27 June 2021	2	–	4	6
Charge	–	–	3	3
At 3 July 2022	**2**	**–**	**7**	**9**
Net book value				
At 3 July 2022	**2**	**1**	**2**	**5**
At 27 June 2021	2	1	3	6
At 29 June 2020	3	1	3	7

10. LEASE RIGHT OF USE ASSETS CONTINUED

The Group continued

	AS AT 3 JULY 2022 £M	AS AT 27 JUNE 2021 £M
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**2**	3
One to five years	**4**	4
More than five years	**–**	–
Total undiscounted lease liabilities	**6**	7

On implementation of IFRS 16 leases, lease payment commitments are reported within trade and other payables.

	AS AT 3 JULY 2022 £M	AS AT 27 JUNE 2021 £M
Lease liabilities included in the statement of financial position		
Current	**2**	2
Non-current	**4**	4
	6	6

	AS AT 3 JULY 2022 £M	AS AT 27 JUNE 2021 £M
Amounts recognised in profit or loss		
Interest on lease liabilities	**–**	–

	AS AT 3 JULY 2022 £M	AS AT 27 JUNE 2021 £M
Amounts recognised in the statement of cashflows		
Total cash outflow for leases	**3**	3

11. INVESTMENTS

a. Investments

	GROUP		COMPANY	
	2022 £M	2021 £M	2022 £M	2021 £M
Joint ventures	**–**	–	**–**	–
	–	–	**–**	–

b. Investments in subsidiary undertakings

	COMPANY £M
At 27 June 2021 and 3 July 2022	**–**

The principal subsidiary company is Redrow Homes Limited. All subsidiary companies are incorporated in Great Britain except Redrow Homes (Park Heights) Limited which is incorporated in Jersey. A full list of subsidiary undertakings as at 3 July 2022 is shown on page 268. The capital of all the subsidiary companies, consisting of ordinary shares, is wholly owned by HB (HDG) Limited which in turn is wholly and directly owned by Redrow plc.

The principal activity of Redrow Homes Limited, Redrow Real Estate Limited, Redrow Regeneration plc, The Waterford Park Company Limited and The Waterford Park Company (Balmoral) Limited is residential development. The principal activity of Harrow Estates plc is land acquisition, development and resale. HB (HDG) Limited is an intermediate holding company. St David's Park Limited principal activity is business park maintenance services.

Those subsidiaries marked with † are dormant and exempt from audit.

All the subsidiaries registered office is Redrow House, St David's Park, Flintshire, CH5 3RX apart from those marked (i) and (ii) whose registered offices are as follows:

(i) c/o TLT LLP, 140 West George Street, Glasgow, G2 2HG

(ii) 13 Castle Street, St. Helier, Jersey, JE4 5UT

11. INVESTMENTS CONTINUED

b. Investments in subsidiary undertakings continued

Subsidiaries

Name	COMPANY NUMBER	Name	COMPANY NUMBER
HB (HDG) Limited	1990709	HB (1995) Limited (i) †	SC155021
Redrow Homes Limited	1990710	Redrow Homes (Wallyford) Limited (i) †	SC205159
Harrow Estates plc	6825371	St David's Park Limited	2479183
Redrow Real Estate Limited	3996541	PB0311 Limited †	7577839
Redrow Regeneration plc	5405272	Debut Freeholds Limited †	4638403
Redmira Limited †	7587765	Tay Homes (Western) Limited †	2806562
HB (NW) Limited †	1189328	Tay Homes (Northern) Limited †	2708575
HB (LCS) Limited (i) †	SC38052	Tay Homes (Midlands) Limited †	2183136
HB (MID) Limited †	2469449	Tay Homes (North West) Limited †	2189721
HB (SW) Limited †	3522335	Redrow Homes (Park Heights) Limited (ii) †	66240
HB (SWA) Limited †	2230870	Redrow Construction Limited †	1375826
HB (Y) Limited †	2293006	Poche Interior Design Limited †	2169473
HB (ESTN) Limited †	4017345	Redrow (Shareplan) Limited †	3520984
HB (WM) Limited †	3379746	Cadmoore Limited †	3977222
HB (SM) Limited †	3522321	Redrow (Sudbury) Limited †	4558070
HB (SN) Limited †	537405	The Waterford Park Company Limited	5429823
HB (WC) Limited †	4984069	The Waterford Park Company (Balmoral) Limited	6047122
HB (WX) Limited †	1940936	HB (Herne Bay No 1) Limited †	7743649
HB (EM) Limited †	2827161	HB (Herne Bay No 2) Limited †	9163243
HB (CD) Limited †	2034733	Redrow Homes East Midlands Limited †	4219459
HB (GRPS) Limited †	2898913	Radleigh Construction Limited †	4219460
HB (CPTS) Limited †	1079513	Radleigh Homes Limited †	4210633
HB (SE) Limited †	3988594	Radbourne Edge (Holdings) Limited †	8737345
HB (CSCT) Limited (i) †	SC231364	Redrow Langley Limited †	7306461
HB (SC) Limited (i) †	SC74732	Radleigh (Hackwood) Limited †	8131049

12. DEFERRED TAX ASSETS AND LIABILITIES

The following are the deferred tax assets and liabilities recognised by the Group and the movements thereon during the current and prior year:

	IMPUTED INTEREST £M	SHORT-TERM TEMPORARY DIFFERENCES £M	TOTAL £M
Deferred tax assets			
At 29 June 2020	–	1	1
Charge to income	–	–	–
Charge to equity	–	–	–
At 27 June 2021	–	1	1
Charge to income	–	–	–
Charge to equity	–	–	–
At 3 July 2022	**–**	**1**	**1**

	EMPLOYEE BENEFITS £M	SHORT-TERM TEMPORARY DIFFERENCES £M	TOTAL £M
Deferred tax liabilities			
At 29 June 2020	(4)	(1)	(5)
Charge to income	–	(1)	(1)
Charge to equity	(9)	–	(9)
At 27 June 2021	(13)	(2)	(15)
Charge to income	–	–	–
Charge to equity	–	–	–
At 3 July 2022	**(13)**	**(2)**	**(15)**

The Group has no material unrecognised deferred tax assets.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2022. This will increase the Company's future current tax charge accordingly. In addition, the Government introduced a new Residential Property Developer tax of 4% on profit effective from 1 April 2022. The deferred tax asset at 3 July 2022 has been calculated at 29% based on these rates (2021: 25%) with the exception of the deferred tax liability on employee benefits which has been calculated at 35% (2021: 35%). This reflects the results of the latest triennial valuation of the defined benefit section of The Redrow Staff Pension Scheme (see page 259) which now suggests the return of the IAS 19 surplus is highly likely to take the form of a lump sum cash refund rather than a reduction in future deficit contributions.

The Company has deferred tax liabilities of £10m (2021: £10m).

13. TRADE AND OTHER RECEIVABLES

	GROUP 2022 £M	GROUP 2021 £M	COMPANY 2022 £M	COMPANY RESTATED† 2021 £M	COMPANY RESTATED† 2020 £M
Non-current assets					
Trade receivables (net)	–	–	–	–	–
Amounts due from subsidiary companies	–	–	266	420	774
	–	–	266	420	774
Current assets					
Trade receivables (net)	22	54	–	–	–
Contract assets	23	21	–	–	–
Amounts due from subsidiary companies	–	–	317	400†	335†
Other receivables	25	21	–	–	–
Prepayments	6	4	–	–	–
	76	100	317	400	335

Current trade receivables are stated after an allowance of £7m (2021: £8m) in respect of expected credit losses with £nil provision utilised (2021: £nil), £1m provision released (2021: £nil) and £nil provision created (2021: £4m).

Amounts due from subsidiary companies are unsecured, repayable on demand and carry interest at market rate. The balance classified as current is anticipated to be repayable within the normal operating cycle of the subsidiary businesses (c4 years as explained in more detail on page 248). Of this amount £100m (2021: £100m) is expected to be recovered within 12 months of the balance sheet date.

† See page 242 and 243 for an explanation of prior year restatement of the Company balance sheet.

14. INVENTORIES

	GROUP 2022 £M	GROUP 2021 £M	COMPANY 2022 £M	COMPANY 2021 £M
Land for development	1,710	1,526	–	–
Work in progress	962	910	–	–
Stock of show homes	68	77	–	–
	2,740	2,513	–	–

Inventories of £1,715m were expensed in the year (2021: £1,465m). Work in progress includes £1m (2021: £1m) in respect of part exchange properties. Land held for development in the sum of £300m is subject to a legal charge as security in respect of deferred consideration (2021: £210m).

The carrying value of undeveloped land where net realisable value has been determined on the basis of a sale of land in its current state is £1m (2021: £16m). Land for development includes £111m of strategic land owned without a residential planning consent net of a net realisable value provision of £14m (2021: £11m and £6m). £nil of impairment costs arising for the strategic decision to scale back our London operations were expensed in the year (2021: £5m).

The Directors consider all inventory to be current in nature as they are expected to be realised within the Group's normal operating cycle of c4 years.

15. FINANCIAL RISK MANAGEMENT

The Group's financial instruments comprise cash and cash equivalents, bank loans and overdrafts, derivative financial instruments and various items included within trade receivables and trade payables which arise during the normal course of business.

The tables that follow provide a summary of financial assets and liabilities by category.

The accounting policies for financial instruments have been applied to the following items:

The Group's activities expose it to a variety of financial risks.

15. FINANCIAL RISK MANAGEMENT CONTINUED

Financial risk management is conducted centrally using policies approved by the Board. Market risk is negligible due to the Group's limited exposure to equity securities (some limited exposure arises through the Redrow Staff Pension Scheme's investment portfolio) and the associated price risk. Its foreign exchange exposure is negligible given the nature of the Group's business and its exclusive UK activities.

a. Liquidity risk and interest rate risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due. Liquidity risks are managed through the regular review of cash forecasts and by maintaining adequate committed banking facilities to ensure appropriate headroom.

At 3 July 2022, the Group had total unsecured bank borrowing facilities of £353m, representing £350m committed facilities and £3m uncommitted facilities.

The Group's cash surpluses arise from short-term timing differences. As a consequence the Group does not consider it bears significant risk of changes to income and cash flows as a result of movements on interest rates on its interest bearing assets.

The Group is exposed to interest rate risk as it borrows money at floating rates. The Group's interest rate risk arises primarily from long-term borrowings. In order to manage its interest rate risk, the Group from time to time enters into simple risk management products, almost exclusively interest rate swaps. All interest rate swaps are sterling denominated. The swaps are arranged so as to match with those of the underlying borrowings to which they relate. There were no interest rate swaps in place in 2022 or 2021.

The following table shows the profile of interest bearing debt together with its effective interest rates including non-utilisation fees.

	2022 EFFECTIVE INTEREST RATE %	2022 TOTAL £M	2022 ZERO TO ONE YEAR £M	2022 ONE TO TWO YEARS £M	2022 TWO TO FIVE YEARS £M	2021 EFFECTIVE INTEREST RATE %	2021 TOTAL £M	2021 ZERO TO ONE YEAR £M	2021 ONE TO TWO YEARS £M	2021 TWO TO FIVE YEARS £M
Bank loans – floating rate	0.5	–	–	–	–	8.1	–	–	–	–
		–	–	–	–		–	–	–	–

For the 53 weeks ended 3 July 2022, it is estimated that a 10% increase in our non-utilisation fee rate applying for the full year would decrease the Group's profit before tax by £Nil.

b. Maturity of bank loans and borrowings

The maturity of bank loans and borrowings is as below:

The Group

	2022 BANK OVERDRAFT £M	2022 BANK LOANS £M	2021 BANK OVERDRAFT £M	2021 BANK LOANS £M
Due between two and five years	–	–	–	–
	–	–	–	–

Maturities above include estimated interest payable to the maturity of the facilities.

The Company

	2022 BANK OVERDRAFT £M	2022 BANK LOANS £M	2021 BANK OVERDRAFT £M	2021 BANK LOANS £M
Due between two and five years	–	–	–	–
	–	–	–	–

15. FINANCIAL RISK MANAGEMENT CONTINUED

Maturities above include estimated interest payable to the maturity of the facilities.

The Company was fully compliant with its banking covenants as at 3 July 2022.

At the year end, the Group and Company had £350m (2021: £350m) of undrawn committed bank facilities available.

There is no material difference between the fair value of the bank overdrafts and bank loans and their carrying values as shown in the balance sheet.

c. Amounts due in respect of development land

The Group's policy permits land purchases to be made on deferred payment terms. In accordance with IFRS 9, the deferred creditor is recorded at fair value and nominal value is amortised over the deferment period via financing costs, increasing the land creditor to its full cash settlement value on the payment date.

The interest rate used for each deferred payment is an equivalent loan rate available on the date of land purchase, as applicable to a loan lasting for a comparable period of time to that deferment.

The maturity profile of the total contracted cash payments in respect of amounts due in respect of land creditors at the balance sheet date is as follows:

	BALANCE £M	TOTAL CONTRACTED CASH PAYMENT £M	DUE LESS THAN ONE YEAR £M	DUE BETWEEN ONE AND TWO YEARS £M	DUE BETWEEN TWO AND FIVE YEARS £M
3 July 2022	**376**	**380**	**289**	**51**	**40**
27 June 2021	294	298	144	125	29

d. Maturity of trade and other payables

The maturity profile of the total contracted payments in respect of financial liabilities (excluding amounts due on land creditors shown separately in note 15c) at the balance sheet date is as follows:

	BALANCE £M	TOTAL CONTRACTED CASH PAYMENT £M	DUE LESS THAN ONE YEAR £M	DUE BETWEEN ONE AND TWO YEARS £M	DUE BETWEEN TWO AND FIVE YEARS £M
Trade and other payables (excluding lease liabilities)	530	530	530	–	–
Lease liabilities	6	6	2	2	2
3 July 2022	**536**	**536**	**532**	**2**	**2**
Trade and other payables (excluding lease liabilities)	538	538	538	–	–
Lease liabilities	6	7	3	2	2
27 June 2021	544	545	541	2	2

e. Credit risk

Credit risk arises from cash and cash equivalents, including call deposits with banks and financial institutions, derivative financial instruments and trade receivables. It represents the risk of financial loss where counterparties are unable to meet their obligations.

Credit risk is managed centrally in respect of cash and cash equivalents and derivative financial instruments. In respect of placing deposits with banks and financial institutions and funds, individual risk limits are approved by the Board. The table below shows the cash and cash equivalents as at the balance sheet date:

	GROUP		COMPANY	
	2022 £M	2021 £M	2022 £M	2021 £M
Held at banks with at least an A credit rating per Standard & Poor's	**288**	160	**285**	144
	288	160	**285**	144

15. FINANCIAL RISK MANAGEMENT CONTINUED

No credit limits were exceeded during the reporting year or subsequently and the Group does not anticipate any losses from non-performance by these counterparties.

There is no specific concentration of credit risk in respect of home sales as the exposure is spread over a number of customers. In respect of trade receivables, the amounts presented in the balance sheet are stated after adjusting for any doubtful receivables, based on the judgement of the Group's management through using both previous experience and knowledge of the current position of any more substantial receivables.

f. Capital management

The Group defines total capital as equity plus net debt where net debt is calculated as total borrowings less cash and cash equivalents.

The Group monitors capital on the basis of the level of returns achieved on its capital base and, with respect to its financing structure, the gearing ratio. This is defined as net debt divided by equity.

The Group's objective in managing capital is to safeguard its ability to continue as a going concern in order to deliver value to its Shareholders and other stakeholders. The Group operates within policies outlined by the Board in order to maintain an appropriate funding structure. The Board keeps the Group's capital structure under review.

The total capital levels and gearing ratios as at 3 July 2022 and 27 June 2021 are as follows:

	2022 £M	2021 £M
Total borrowings	**–**	–
Less cash and cash equivalents	**(288)**	(160)
Net (cash)	**(288)**	(160)
Equity	**1,950**	1,872
Total capital	**1,662**	1,712
Operating profit before exceptional items	**414**	321
ROCE (Operating profit as above as a percentage of opening and closing total capital)	**24.54%**	18.5%
Gearing ratio	**N/A**	N/A

The Company has cash and cash equivalents of £285m (2021: £144m).

g. Fair values

Basis for determining fair values

The principal methods and assumptions used in estimating the fair value of financial instruments can be found in the Accounting Policies page 248.

Fair value hierarchy

Financial assets and liabilities carried at fair value are categorised within the hierarchical classification of IFRS13:

- **Level 1:** Quoted prices in active markets for identical assets or liabilities.
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- **Level 3:** Inputs are not based on observable market data.

15. FINANCIAL RISK MANAGEMENT CONTINUED

g. Fair values continued

The fair value of financial assets and liabilities is as follows:

The Group

	FAIR VALUE HIERARCHY	2022 LOANS AND RECEIVABLES FAIR VALUE £M	2022 LOANS AND RECEIVABLES CARRYING VALUE £M	2021 LOANS AND RECEIVABLES FAIR VALUE £M	2021 LOANS AND RECEIVABLES CARRYING VALUE £M
Assets per the balance sheet					
Trade and other receivables	Level 1 & 2*	**70**	**70**	96	96
Cash and cash equivalents	Level 1	**288**	**288**	160	160
		358	**358**	256	256

* Includes £3m in respect of shared equity debtors (2021: £4m) (Level 2)

	FAIR VALUE HIERARCHY	2022 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2022 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M	2021 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2021 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M
Liabilities per the balance sheet					
Bank loans and overdrafts	Level 1	**–**	**–**	–	–
Trade payables and other payables including customer deposits	Level 1	**530**	**530**	516	516
Land creditors	Level 1	**376**	**376**	294	294
Lease liabilities	Level 1	**6**	**6**	6	6
		912	**912**	816	816

Other financial liabilities are at amortised cost.

The Company

	FAIR VALUE HIERARCHY	2022 LOANS AND RECEIVABLES FAIR VALUE £M	2022 LOANS AND RECEIVABLES CARRYING VALUE £M	RESTATED† 2021 LOANS AND RECEIVABLES FAIR VALUE £M	RESTATED† 2021 LOANS AND RECEIVABLES CARRYING VALUE £M
Assets per the balance sheet					
Cash and cash equivalents	Level 1	**285**	**285**	144	144
Amounts due from subsidiary companies (current and non-current)	Level 1	**583**	**583**	820†	820†
		868	**868**	964	964

	FAIR VALUE HIERARCHY	2022 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2022 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M	2021 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2021 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M
Liabilities per the balance sheet					
Bank loans and overdrafts	Level 1	**–**	**–**	–	–
Amounts owed to subsidiary companies	Level 1	**14**	**14**	14	14
		14	**14**	14	14

† See page 242 and 243 for an explanation of prior year restatement of the Company balance sheet.

16. TRADE AND OTHER PAYABLES

	GROUP 2022 £M	GROUP 2021 £M	COMPANY 2022 £M	COMPANY RESTATED† 2021 £M	COMPANY RESTATED† 2020 £M
Non-current liabilities					
Amounts due in respect of development land	**87**	150	**–**	–	–
Lease liabilities	**4**	2	**–**	–	–
	91	152	**–**	–	–
Current liabilities					
Trade payables	**385**	362	**–**	–	–
Amounts due in respect of development land	**289**	144	**–**	–	–
Private customer deposits	**87**	68	**–**	–	–
Social customer payments on account	**48**	74	**–**	–	–
Amounts owed to subsidiary companies	**–**	–	**14**	14	14
Lease liabilities	**2**	4	**–**	–	–
Other payables	**5**	5	**–**	–	–
Other taxation and social security	**5**	7	**–**	–	–
Accruals	**93**	103	**–**	–†	–†
	914	767	**14**	14	14

See note 2.

Amounts due to subsidiary companies are unsecured, repayable on demand and bear interest at market rate on trading balances. Amounts due in respect of development land are classified as current when they are contractually due within 12 months of the balance sheet date.

† See page 242 and 243 for an explanation of prior year restatement of the Company balance sheet.

17. PROVISIONS

The Group

	LEGACY FIRE SAFETY PROVISION £M	ONEROUS CONTRACTS £M	OTHER £M	TOTAL £M
At 27 June 2021	26	1	7	34
Provisions created during the year	174	–	–	174
Provisions released during the year	–	–	(1)	(1)
Provisions utilised during the year	–	–	–	–
At 3 July 2022	**200**	**1**	**6**	**207**

	2022 £M	2021 £M
Current provisions	**97**	–
Non-current Long term provisions	**110**	34
	207	34

17. PROVISIONS CONTINUED

Legacy fire safety provision

Redrow is predominantly a housebuilder, however the Group historically built a small number of high rise buildings, mostly on a design and build basis by main contractors. As a result of signing the Government's Building Safety Pledge in April 2022, the number of buildings in scope in respect of which the Group has a present obligation as a result of historical events increased reflecting a change from last year end position and the December 2021 half year position. The Group is committed to funding the remediation of life critical fire safety issues on buildings over 11 metres in which the Group was involved going back 30 years. The Legacy fire safety provision reflects the estimated cost of works outstanding to complete the remediation of life critical fire safety issues on all identified buildings within scope. In estimating the cost of the works, Management has used relevant Building Safety Fund cost information and other external information as the basis of its estimates and classified buildings identified as in scope on the basis of a high level risk assessment including their EWS1 (External Wall Fire Review) status. However, these estimates are inherently uncertain as this is a highly complex-area-involving bespoke buildings for which investigations and assessments will be ongoing for some time. It is expected that £97m of the remaining provision will be utilised in the next 12 months and the remainder over the following three years although these timescales are subject to the completion of negotiations with relevant stakeholders. Provisions are discounted to net present value where the effect is material.

18. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES
As at 27 June 2021 and 3 July 2022 (ordinary shares of 10.5p each)	**352,190,420**

As at 3 July 2022 11m Redrow plc ordinary shares of 10.5p each are held in trust under the Redrow Long Term Incentive Plan (27 June 2021: 8m shares).

19. SHARE CAPITAL, SHARE PREMIUM ACCOUNT AND RESERVES

The Group

	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M
At 29 June 2020	37	59	8	1,522
Total comprehensive income	–	–	–	261
Dividends paid	–	–	–	(21)
Purchase of own shares to satisfy share options	–	–	–	(1)
Other LTIP/DB/SAYE credit	–	–	–	7
At 27 June 2021	37	59	8	1,768
Total comprehensive income	–	–	–	196
Dividends paid	–	–	–	(100)
Purchase of own shares to satisfy share options	–	–	–	(27)
Other LTIP/DB/SAYE credit	–	–	–	9
At 3 July 2022	**37**	**59**	**8**	**1,846**

Other reserves

Other reserves consists of a £7m Capital redemption reserve (2021: £7m) and a £1m Consolidation reserve (2021: £1m).

Undistributable reserves

Other reserves are not available for distribution.

The Company

	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M
At 29 June 2020	37	59	7	839
Total comprehensive income	–	–	–	7
Dividends paid	–	–	–	(21)
At 27 June 2021	37	59	7	825
Total comprehensive income	–	–	–	(1)
Dividends paid	–	–	–	(100)
At 3 July 2022	**37**	**59**	**7**	**724**

19. SHARE CAPITAL, SHARE PREMIUM ACCOUNT AND RESERVES CONTINUED

The Company continued

Other reserves

Other reserves consists of a £7m Capital redemption reserve (2021: £7m).

Undistributable reserves

Other reserves are not available for distribution.

Post year end on 14 July 2022, the Company announced a share buyback programme to purchase ordinary shares of 10.5p each in the Company for up to a maximum consideration of £100m. This is a non-adjusting post balance sheet event.

20. MOVEMENT IN NET CASH

The Group

	AT 27 JUNE 2021 £M	NON-CASH MOVEMENT £M	CASH FLOW £M	AT 3 JULY 2022 £M
Cash and cash equivalents	160	7	121	**288**
Bank loans	–	–	–	**–**
Net cash	160	7	121	**288**

Non-cash movement comprises movements in respect of LTIP/SAYE together with relevant IAS19, IFRS7 and IFRS16 non cash movements.

The Company

	AT 27 JUNE 2021 £M	NON-CASH MOVEMENT £M	CASH FLOW £M	AT 3 JULY 2022 £M
Cash and cash equivalents	144	–	141	**285**
Bank loans	–	–	–	**–**
Net cash	144	–	141	**285**

21. CONTINGENT LIABILITIES

The Company has guaranteed the bank borrowings of its subsidiaries. Performance bonds and other building or performance guarantees have been entered into in the normal course of business. Management estimate that the bonds and guarantees amount to £158m (2021: £156m) at the year end and consider the possibility of a cash outflow in settlement to be remote.

22. RELATED PARTY TRANSACTIONS

Within the definition of IAS 24 'Related party disclosures', the Board and key management personnel are related parties. Detailed disclosure of the remuneration of the Board is given in the Directors' Remuneration Report on pages 192 to 213 notably the 'Single Total Figure of Remuneration Table (Audited)' on page 205. A summary of remuneration provided to key management personnel is provided in note 7c.

There have been no other material related transactions with key management personnel.

The Company funds the operating companies through both equity investment and loans at commercial rates of interest. In addition, the Company provides its subsidiaries with the services of Senior Management, for which a recharge is made to those subsidiary companies based upon utilisation of services.

The amount outstanding from subsidiary undertakings at 3 July 2022 was £542m (27 June 2021: £781m). The amount owed to subsidiary undertakings at 3 July 2022 was £14m (27 June 2021: £14m).

The Company provided the Group's defined benefit pension scheme, as detailed in note 7e. Expected service costs were charged to the operating businesses at cost. There is no contractual arrangement or stated policy relating to the charge. Experience and actuarial gains are recognised in the Company, via the statement of comprehensive income.

23. ALTERNATIVE PERFORMANCE MEASURES

Redrow uses a variety of Alternative Performance Measures (APMs) which are not defined or specified by IFRSs but which the Directors believe are pertinent to reviewing and understanding the broader performance of the Group, in conjunction with IFRS defined measures.

Annual Injury Incidence Rate (AIIR)

No. of RIDDOR Accidents resulting in an injury divided by the average number of people employed multiplied by 100,000 (see ESG Scorecard on pages 6 to 7).

Cash conversion percentage

	2022	2021
Cash inflow generated from operations per statement of cash flows	**£318m**	£362m
Divided by:		
Operating profit per consolidated income statement	**£250m**	£321m
Amortisation and depreciation per note 2b	**£5m**	£7m
	£255m	£328m
Cash conversion percentage	**125%**	110%

Full year dividend per share

Interim and final dividend per share declared in respect of the financial year.

HBF customer recommend rating

Independent HBF customer satisfaction rating score.

Homes revenue from ongoing business

	2022 £M	2021 £M
Revenue per consolidated income statement	**2,140**	1,939
Revenue from the sale of land (see note 2a)	**(21)**	(37)
Revenue from the sale of new housing (see note 2a)	**2,119**	1,902
Revenue from London Build Out sites	**(52)**	(181)
Homes revenue from ongoing business	**2,067**	1,721

Hurdle rates

Gross margin and internal rate of return minimum rates required for land purchase appraisals.

Land holding years

No. of plots in owned land holdings at balance sheet date divided by no. of legal completions in financial year.

	2022	2021
Owned land holdings at 3 July 2022/27 June 2021	**29,600**	29,460
Legal completions	**5,715**	5,620
Land holding years	**5.2**	5.2

Legal completions

The number of homes legally completed in the financial year.

Monies committed to fund improvements in local communities

These reflect committed Section 106 contributions and affordable housing provided in the year.

Net asset value per ordinary share

Total net assets at balance sheet date divided by the number of ordinary shares in issue at balance sheet date.

Number of trainees

No. of trainees at year end as a percentage of employees at year end.

Order book

The value of reserved and exchanged sales which had not legally completed at the year end.

Private reservation rate

No. of private reservations per week in financial year divided by average no. of sales outlets.

Underlying return on capital employed (Underlying ROCE)

Operating profit before exceptional items adjusted for joint ventures as a percentage of opening and closing capital employed. See note 15f.

Underlying return on equity (Underlying ROE)

Profit before tax before exceptional items adjusted for joint ventures as a percentage of opening and closing net assets.

	2022	2021
Net assets at 3 July 2022/27 June 2021	**1,950**	1,872
Net assets at 27 June 2021/30 June 2020	**1,872**	1,626
Average net assets	**1,911**	1,749
Profit before taxation – pre-exceptional	**410**	314
Return on equity %	**21.5%**	18.0%

Revenue value of private reservations secured in the year

The fair value receivable in the future of private house sales reserved by customers during the year, net of cancellations.

Sales outlets

Average no. of sales outlets open in the year.

Underlying profit before tax

Profit before tax pre-exceptional item

Underlying earnings per share

As statutory earnings per share but based on pre-exceptional profit for the year per the consolidated income statement.

Underlying gross profit

Gross profit per the consolidated income statement pre-exceptional item.

Underlying operating profit

Operating profit per the consolidated income statement pre-exceptional item.

CORPORATE AND SHAREHOLDER INFORMATION

SHAREHOLDER DISCOUNTS

The Company offers a discount of 1% to Shareholders off the purchase price of a new Redrow home. In order to qualify for the discount a purchaser must hold a minimum of 2,500 ordinary shares in Redrow plc for a minimum of 12 months prior to the date of reservation, subject to a cap of £5,000.

GROUP CONTACTS – OFFICERS AND ADVISERS

Company Secretary

Graham Cope

Registered Office

Redrow House
St. David's Park
Flintshire
CH5 3RX

Registered Number 2877315
redrowplc.co.uk

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ

Stockbrokers

Barclays Bank PLC
3rd Floor Windsor Court
3 Windsor Place
Cardiff
CF10 3BX

Peel Hunt
Moor House
120 London Wall
London
EC2Y 5ET

Independent Auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
8 Princes Parade
Liverpool
L3 1QH

Solicitor

Slaughter and May
One Bunhill Row
London
EC1Y 8YY

Financial Public Relations Consultants

Instinctif Partners
65 Gresham Street
London
EC2V 7NQ

FIVE YEAR SUMMARY

12 months ended June

	2018 £M	2019 £M	2020 £M	2021 £M	2022 £M
Revenue	1,920	2,112	1,339	1,939	**2,140**
Operating profit – pre-exceptional	382	411	148	321	**414**
Operating profit – pre-exceptional as a percentage of turnover	19.9%	19.5%	11.1%	16.6%	**19.3%**
Profit before tax – pre-exceptional	380	406	140	314	**410**
Net assets	1,483	1,585	1,626	1,872	**1,950**
Net cash/(debt)	63	124	(126)	160	**288**
Gearing – net debt as a percentage of capital and reserves	N/A	N/A	7.7%	N/A	**N/A**
Return on capital employed – operating profit before exceptional items adjusted for joint ventures as a percentage of opening and closing capital employed	28.5%	28.5%	9.2%	18.5%	**24.5%**
Return on equity	28.0%	26.5%	8.7%	18.0%	**21.5%**
Number of legal completions	5,718	6,443	4,032	5,620	**5,715**
Earnings per ordinary share – pre-exceptional	85.3p	92.3p	32.9p	73.7p	**96.0p**
Dividends paid per ordinary share inc cash return	20.0p	59.0p	–	6.0p	**28.5p**
Net asset value per ordinary share	401.0p	450.0p	461.7p	531.5p	**553.7p**

NOTES

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Redrow plc

Redrow House,
St. David’s Park,
Flintshire
CH5 3RX

Telephone: 01244 520044