REDROW

CREATING A BETTER WAY TO LIVE

ANNUAL REPORT 2023

CONTENTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") HIGHLIGHTS

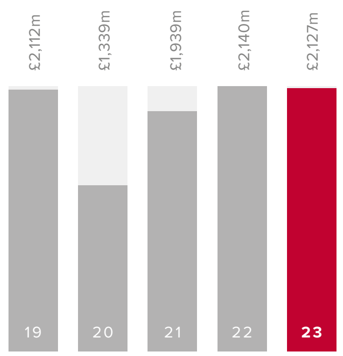
The Group Non-Financial Information Statement on pages 130 to 131 provides further information and sign posting.

Find more information at: redrowplc.co.uk

Cover image:
The Orchards, Droitwich, Worcestershire.

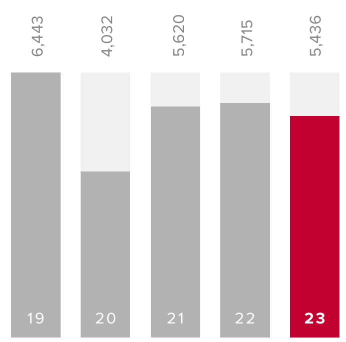
PERFORMANCE SUMMARY

REVENUE



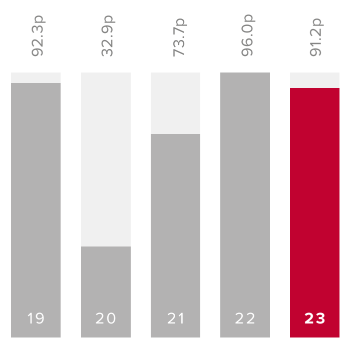
£2,127m -1%

LEGAL COMPLETIONS



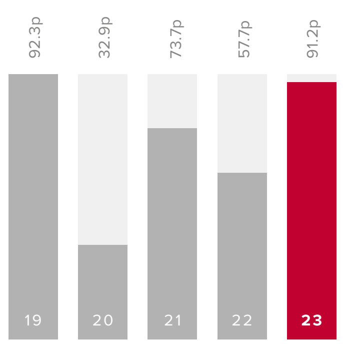
5,436 -5%

UNDERLYING EARNINGS PER SHARE*



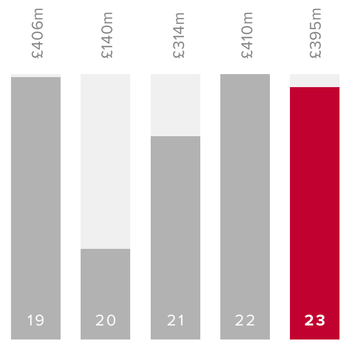
91.2p -5%

STATUTORY EARNINGS PER SHARE



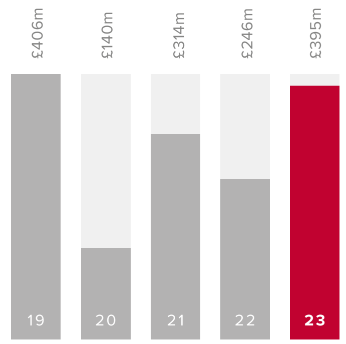
91.2p +58%

UNDERLYING PROFIT BEFORE TAX*



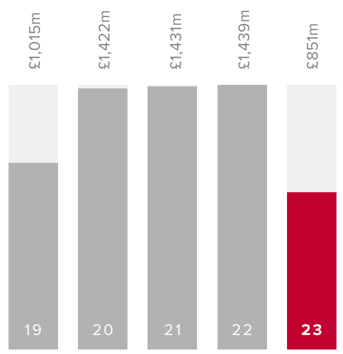
£395m -4%

STATUTORY PROFIT BEFORE TAX



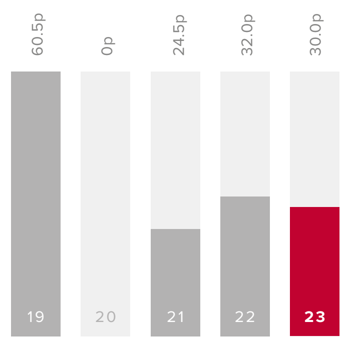
£395m +61%

ORDER BOOK*



£851m -41%

FULL YEAR DIVIDEND PER SHARE*



30.0p -6%

* 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.

CHAIRMAN'S STATEMENT

> The Board have worked hard to deal with the emerging risks, and regulatory and policy uncertainty, to ensure that our strategy remains fit for purpose in this environment.

Richard Akers
Non-Executive Chairman

The last financial year proved to be one of considerable uncertainty for the housing sector. The market almost came to a standstill in the second quarter of our financial year due to the steep rise in mortgage rates as a result of political uncertainty. Whilst the market did partially recover in spring 2023, the further rise in mortgage rates combined with the cost of living crisis means the market remained subdued. The Board have worked hard to deal with the emerging risks, and regulatory and policy uncertainty, to ensure that our strategy remains fit for purpose in this environment.

FINANCIAL RESULTS

We completed 5,436 homes in the year. Whilst this was a 5% reduction on the 2022 financial year (2022: 5,715), revenue was stable due to the increase in average selling price that was already embedded in the order book. This reflects the demand for our Heritage range of family homes in primary locations and our focus on placemaking and enabling thriving communities to develop.

Profit before tax was £395m, which was 4% below the underlying profit for 2022, primarily due to cost inflation exceeding house price inflation in the year.

SHAREHOLDER RETURNS

Our underlying earnings per share of 91.2p were 5% below the previous financial year (2022: 96.0p). In addition to the lower profit before tax this reduction is also due to higher Corporation Tax and Residential Property Development Tax effective rates totalling 24.5% versus 20% last year.

Our underlying Return on Capital Employed was 23.1% (2022: 24.5%) and underlying Return on Equity was 19.9% (2022: 21.5%). We ended the year with net cash excluding lease liabilities of £235m (2022: £288m). The average monthly net cash balance was £196m, only £54m below the prior year, despite the £100m share buyback completed in January 2023.

As a result of this strong financial performance and in line with the company's policy of three times dividend cover, the Board is proposing a final dividend of 20.0p making a total of 30.0p for the year (2022: 32.0p). Subject to shareholder approval at the Annual General Meeting on 10 November 2023, this will be paid on 16 November 2023 to all shareholders on the register at 22 September 2023.

PURPOSE AND STRATEGY

Our purpose of Creating a Better Place to Live is deeply embedded within the company. The Pillars on which this is built of Thriving Communities, Building Responsibly and Valuing People are the basis of our sustainability agenda. We have made great progress in developing our metrics and commitment to sustainability in the knowledge that it is built on creating developments which will stand the test of time.

The Group has completed its withdrawal from the London market, other than the ongoing Colindale development. Outside London our product is primarily our Heritage Range which has proven to be resilient and popular through the changing market conditions. Despite this, the company found it necessary to undertake a restructuring in July, including the closure of two offices.

FIRE SAFETY

We have continued to make progress in the area of legacy fire safety. We signed the UK Government's Self Remediation Contract and the Welsh Government's Pledge in the year concerning the remediation of life critical fire safety in buildings over 11m that we developed in the last 30 years. Remediation works are either progressing or being planned for all the buildings concerned.

PEOPLE

I am very pleased that Geeta Nanda joined the Board as an independent non-executive director on 1 May 2023. Geeta has spent almost the entirety of her career in housing associations and is currently Chief Executive of Metropolitan Thames Valley Housing Association. She will add valuable additional experience of the housing sector to the Redrow Board. Nick Hewson retired at the AGM in November 2022 after nearly ten years of service, and we thank him for the valuable contribution he has made over that time. His roles of Senior Independent Director and Audit Chair have been taken up by Nicky Dulieu and Oliver Tant respectively.

The excellent long-term performance of the business is due to the ongoing commitment and hard work of everyone at Redrow, together with our subcontractors and suppliers, and I would like to thank them all for their efforts in these uncertain times.

TRADING AND OUTLOOK

Following the macroeconomic volatility of the last financial year, as we go into 2024 the market remains challenging and uncertain. However, we believe we are well positioned to respond to the market as it develops. We have the land, people, designs and quality to deliver the homes and communities our customers want.

Richard Akers
Non-Executive Chairman
15 September 2023

Open plan Kitchen, dining, family room in the Hampstead show home at Bishop Meadows, Oldham, Lancashire.

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.

15.9%
of workforce on structured training programmes *

235
internal promotions in year

EXPERTISE IN LAND BUYING

We have the expertise and resources to ensure that the right land opportunities are secured in geographic locations, aligned to our strategy, at the right time in the house building industry cycle.

26,070
current land holdings with planning permission

PLACEMAKING

We focus on delivering high quality homes and creating attractive, sustainable and vibrant places to live with wellbeing at their heart.

£305m
committed to fund improvements to local communities *

1,488
affordable homes delivered to our communities

DIFFERENTIATED PRODUCT

Redrow focuses on the home mover segment and we evolve our designs to ensure we offer customers some of the most desirable and energy efficient homes on the market.

£1.3bn
revenue value of private reservations secured in the year *

90%
Heritage Collection revenue as a percentage of private revenue

* See note 23

BUILDING RESPONSIBLY

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

39.5
out of 45 CCS Score (above 33 target)

CLIMATE CHANGE – ROUTE TO NET ZERO

Our near-term net carbon targets have been validated by the Science Based Targets Initiative.

48%
reduction in scope 1 and 2 emissions since 2021

QUALITY AND CUSTOMER SERVICE

We have implemented the New Homes Quality Code and we continue to evolve our product and customer service. We focus on quality, differentiation and value for money for customers.

90.8%
HBF 8 week customer recommendation survey – HBF 5 star status

Excellent
Based on over 6,796 reviews
Trustpilot

A STRONG AND RESILIENT BALANCE SHEET

Redrow has net assets of £2.0bn. 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.

19.9%
return on equity *

30.0p
dividend to shareholders

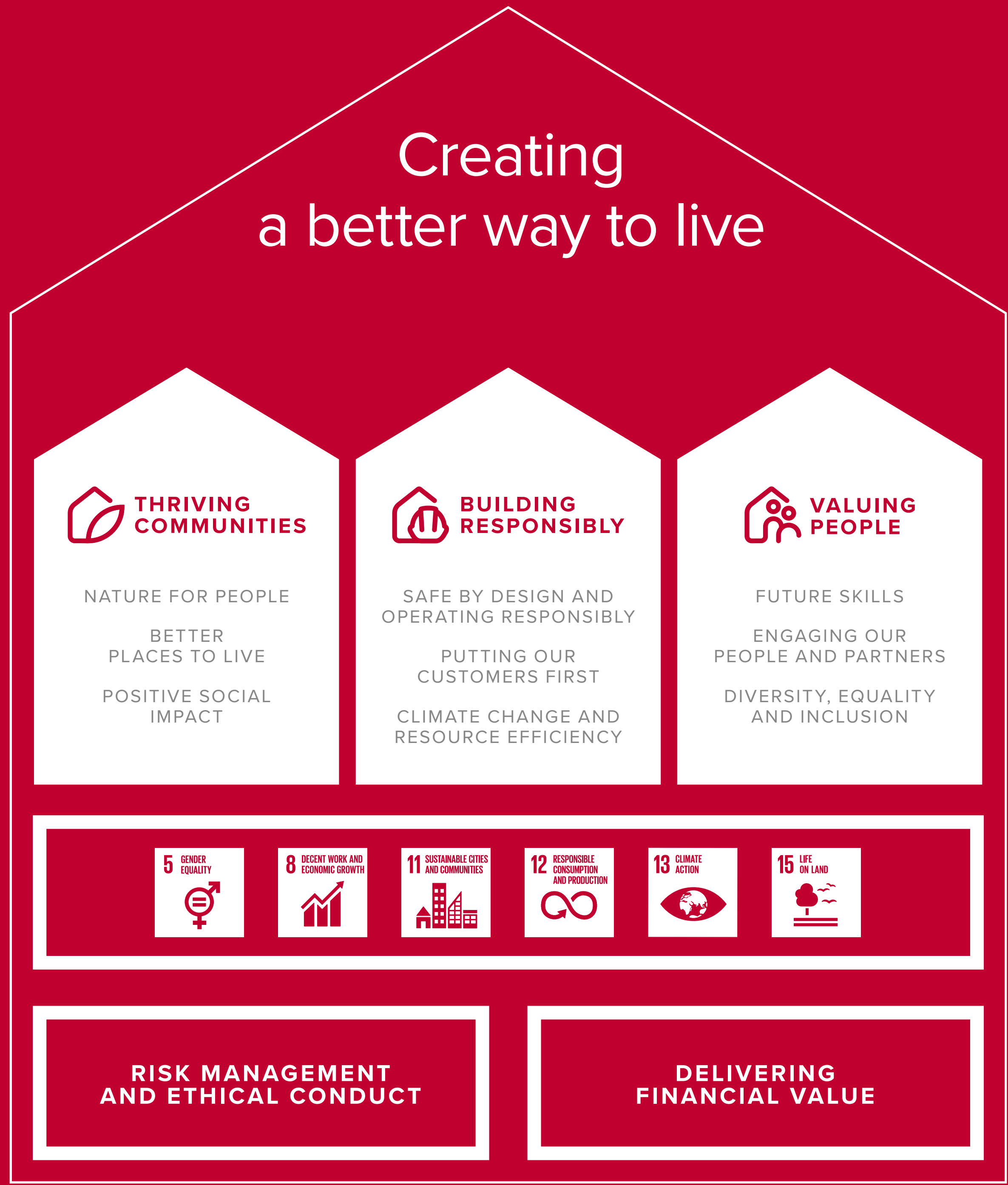
OPERATIONAL FRAMEWORK

OUR 'BETTER' PURPOSE

We are driven to create a better way to live, in turn generating financial and non-financial value for our stakeholders. Fundamental to this is delivering better: better than standard, better than our competition and better than we have done before.

REDROW STRATEGY

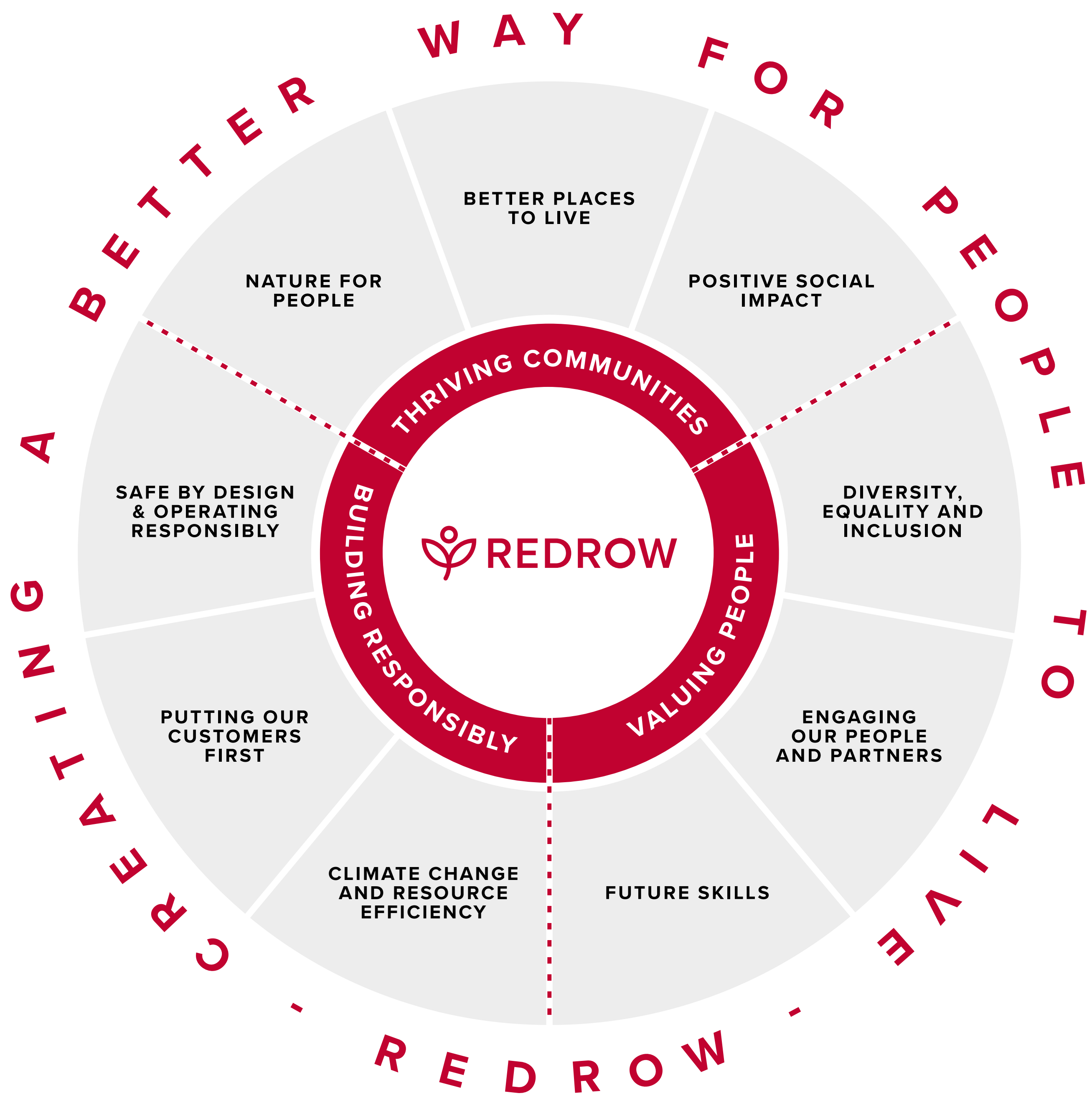
Our strategy is based on creating thriving communities by building responsibly and valuing people. By balancing these three areas, we create long-term sustainable value. We also mitigate environmental, social and governance (ESG) risks, enhancing our resilience to market and societal trends.



Strategic report Our strategy

OUR STRATEGY AND HOW WE MEASURE IT

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 with the objective of creating healthy, nature rich places with a sense of community. There are three strands which support this work:

- **Nature for People** – putting nature, people and wellbeing at the heart of our developments;
- **Better Places to Live** – creating beautiful, sustainable and inclusive places for wellbeing; and
- **Positive Social Impact** – creating positive outcomes and making a difference to the communities within which we develop.

MEASURE	2024 GUIDANCE †	KEY PERFORMANCE INDICATORS 2023	KEY PERFORMANCE INDICATORS 2022
EPS *	41p	**91.2p**	96.0p†
DPS *	14p	**30.0p**	32.0p
Revenue *	£1.65bn – £1.7bn	**£2,127m**	£2,140m
Average sales outlets *	117	**117**	111
Monies committed to fund improvements to local communities *	Continued investment in local communities	**£305m**	£281m
	Required affordable homes delivered	**1,488**	1,250

BUILDING RESPONSIBLY

Ensuring our sites are safe places to work 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:

- **Safe by Design and Operating Responsibly** – integrating health, safety and environment into everything we do;
- **Putting Our Customers First** – consistently delivering high quality, efficient homes for our customers; and
- **Climate Change and Resource Efficiency** – transition to a low carbon and more efficient business and deliver zero-carbon ready homes.

MEASURE	2024 GUIDANCE †	KEY PERFORMANCE INDICATORS 2023	KEY PERFORMANCE INDICATORS 2022
ROCE *	>10%	**23.11%**	24.54%†
Land holding years *	Maintain land holdings at c5 years	**4.8 years**	5.2 years
Waste diverted from landfill *	>95%	**98.3%**	98.3%
HBF 8 week customer recommend rating *	>94%	**90.8%**	94.5%†
Private reservation rate *	0.45	**0.46**	0.68

VALUING PEOPLE

Our objective is to inspire future industry talent and create an inclusive diverse culture for people and partners. The three strands which support this work are:

- **Future Skills** – inspiring the next generation into the sector and ensuring our people have the opportunity to develop and grow with the business;
- **Engaging Our People and Partners** – empowering and engaging our people and partners to deliver on our purpose; and
- **Diversity, Equality and Inclusion** – creating a diverse and inclusive workplace that prioritises the wellbeing of our people.

MEASURE	2024 GUIDANCE †	KEY PERFORMANCE INDICATORS 2023	KEY PERFORMANCE INDICATORS 2022
Number of trainees *	Maintain level of trainees at 15% of workforce	**15.9%**	15.0%
Overall engagement score	Maintain at 80%	**84%**	83%
Annual Injury Incidence Rate *	Continuous improvement through a 10% year on year reduction	**365**	365

* see note 23 † underlying

STRATEGY SPOTLIGHT

CREATING SUSTAINABLE VALUE

Against the headwinds of socio-economic instability, our core product of quality family homes in well-designed communities has delivered. Combined with our social purpose, we achieved solid financial returns, while continuing to create wider social value.

A DYNAMIC MACROECONOMIC ENVIRONMENT

Macroeconomic and political volatility before Christmas 2022 reduced the demand for housing. When coupled with existing inflating supply chain costs, labour shortages and the evolving complex regulatory landscape on carbon emissions, building standards, planning and quality and safety– the housebuilding sector has faced a 'perfect storm' of pressures. The robust financial and non-financial performance we achieved is therefore more indicative than ever that our business model and strategy are fit-for-purpose and that our core product is meeting market demand.

+ SEE FINANCIAL STATEMENTS ON PAGES 210 – 249

UNIQUE SELLING POINT

Quality, well-designed homes in master-planned neighbourhoods are what customers continue rating us highly for (achieving Excellent once again in Trustpilot and five stars from the HBF). When we add in access to nature, energy-smart, flexible living and cutting-edge customer service, it's clear we're pivoted to embrace emerging trends.

+ DISCOVER MORE ABOUT OUR CUSTOMER EXPERIENCE ON PAGES 46 – 49

DECARBONISING HOMES

Escalating utility costs have made energy efficient homes a key priority for customers. We're proud to be trailblazing air source heat pumps and underfloor heating (in ground floor rooms) as standard – a first for our industry. This is just one aspect of how we plan to achieve net zero emissions across our homes, operations and supply chain by no later than 2050.

+ DISCOVER MORE ABOUT OUR ENERGY-SMART HOMES ON PAGES 44 – 45

NATURAL SPACES

Well prepared for Biodiversity Net Gain regulation, all planning applications submitted after November 2023 will aim to increase biodiversity by more than 10%. Already many of our developments are planned around the inclusion of better green spaces like meadows, orchards, ponds and woodlands for communities to enjoy.

+ DISCOVER MORE ABOUT OUR THRIVING COMMUNITIES ON PAGES 34 – 37

SOCIO-ECONOMIC VALUE

We invested £258m in affordable housing, as well as a further £47m in community infrastructure, such as schools, shops, green spaces and community or health centres. A total of 349 roles were created for trainees, apprentices or graduates. Finally, we created opportunities through our supply chain, over 4,000 subcontractors and suppliers, while contributing £170m in taxes.

+ DISCOVER MORE ABOUT OUR THRIVING COMMUNITIES ON PAGES 38 – 41

CLOSING SKILLS GAPS

We've responded rapidly and robustly to construction skills shortages by investing in more apprenticeships, sponsored degrees, graduate programmes and school partnerships. Our focus is on young people from disadvantaged backgrounds and attracting more women into our industry.

+ DISCOVER MORE ABOUT OUR PEOPLE ON PAGES 68 – 71

> Sustainability is fundamental to our purpose, our business model, our culture, and strategy.
>
> I'm pleased with the progress we've made across our operational KPI's and environmental, social and governance metrics.

Matthew Pratt
Group Chief Executive

OUR BUSINESS MODEL

Overview

RESOURCES

QUALITY LAND HOLDINGS

The quality and location of our land holdings is a vital component to enable us to deliver sustainable developments and returns.

OUR DIVERSE AND TALENTED PEOPLE

Our employees are at the heart of our business and our results are achieved through their talent, hard work and dedication, working in an inclusive working environment.

OUR PLACEMAKING SKILLS

We harness our placemaking skills to deliver positive outcomes for both the developments we create and existing local communities.

OUR FINANCIAL RESOURCES

Appropriate financial resources are a key enabler to support the delivery of our strategy which is regularly and clearly communicated to our investors and relationship banks.

+ READ MORE ON PAGES 1 – 87

WHAT WE DO AND HOW WE DO IT

- Land, Planning and Design
- Commercial
- Construction
- Sales & Marketing and Customer Service
- Systems and Business Support

+ READ MORE ON PAGES 14 – 15

OUR STRATEGY

THRIVING COMMUNITIES

BUILDING RESPONSIBLY

VALUING PEOPLE

+ READ MORE ON PAGES 6 – 11

VALUE DRIVERS

- Dedicated leadership and diverse expertise
- Prioritising nature and wellbeing in placemaking
- Integrating health, safety and environment into everything we do
- Quality and customer service
- Net zero carbon strategy
- Inspiring the next generation into the sector
- Empowering and engaging our people and partners to deliver on our purpose

+ READ MORE ON PAGES 1 – 87

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 cash returns to our shareholders.

+ READ MORE ON PAGES 1 – 87

DELIVERING VALUE FOR STAKEHOLDERS

CUSTOMERS

HBF 9 month post occupancy Customer Recommend rating

81.1%

COMMUNITIES

Monies committed to fund improvements to local communities

£305m

SUPPLIERS & SUBCONTRACTORS

Average number of supplier and subcontractor partners in 2023

c4,200

OUR PEOPLE

People directly employed on average in 2023

2,270

SHAREHOLDERS

Share buyback and interim dividend paid to shareholders in 2023

£133m

+ READ MORE ON PAGES 1 – 87
AND PAGES 118 – 129

REINVESTMENT

REINVESTMENT

CONTROL ENVIRONMENT

RISK MANAGEMENT

+ READ MORE ON PAGES 88 – 99

CORPORATE GOVERNANCE

+ READ MORE ON PAGES 132 – 199

KEY PERFORMANCE INDICATORS

+ READ MORE ON PAGES 8 – 9

OUR BUSINESS MODEL

What We Do And How We Do It

LAND PLANNING AND DESIGN

We have experienced land, planning and design teams based in our divisions who have a good knowledge of their localities and the requirements and concerns of local communities in respect of housing development. They are complemented by central Group expertise including our Harrow Estates strategic land division and Group Masterplanning team.

Our teams work closely with land owners, local authorities, Registered Providers and adopt a collaborative approach to engaging with local community stakeholders.

The quality and location of our land holdings is of vital importance to delivering long term sustainable value for the business. We focus on investment in and promotion of strategic land opportunities together with shorter term opportunities receptive to the value we can add through our master planning, placemaking and technical expertise. The strength of our land holdings and investment criteria controls enables us to vary the level of our investment in new land opportunities dependant on our assessment of the land market and housebuilding industry cycle.

Our Redrow 8 placemaking principles provide a framework for us to create sustainable developments of thoughtfully designed homes that will leave a legacy of attractive and vibrant places to live for generations to come.

COMMERCIAL

The business has both division based and Group based Commercial and procurement teams to work closely with our local and national suppliers and subcontractors to maintain a strong and reliable supply chain delivering on quality of product and workmanship at acceptable cost levels.

The Commercial team are integral to the land buying process, the design process and the construction process as well as playing a key role in supporting colleagues and suppliers as we implement our net zero carbon strategy.

CONSTRUCTION

Our building responsibly strategy focuses on safety in the design, construction and use of our homes. By building safely, responsibly and considerately we continue to deliver much needed homes.

Build quality is a key focus together with managing our resources effectively to create homes of enduring quality whilst minimising our environmental impacts. The Group Construction Director and the Group Health, Safety and Environment Director and their teams promote and support continuous improvement on health and safety and the environment and build quality.

Our national apprenticeship programme helps attract and support the next generation into the housebuilding sector.

SALES & MARKETING AND CUSTOMER SERVICE

We aim to provide our customers with the best possible experience, every time they interact with us, whether they visit one of our Customer Experience Suites in person or our My Redrow online portal. We have dedicated sales consultants and customer service teams to support our customers through their home buying experience with dedicated homeowner support.

Divisional teams are supported by Group teams led by the Group Sales Director, Group Quality and Customer Director, Head of Marketing Services and Head of Communications reporting to the Group Customer and Marketing Director.

SYSTEMS AND BUSINESS SUPPORT

Robust Groupwide systems underpin everything we do, supporting operations, enhancing control and consistency and providing timely management information to aid decision making.

We have a dedicated team of in-house IT specialists who work closely with other Group specialist business support departments and the divisional teams to continue to improve and evolve our systems and IT security with major development projects sponsored by members of the Executive Management team.

Group specialist business support departments such as the Group Communities Director and our Sustainability team, the Group Legal team and the Group Human Resources team evolve strategy and provide advice to the divisions. All this is underpinned by bespoke and dedicated learning and development programmes for colleagues.

The Mulberries,
Witham, Essex.

GROUP CHIEF EXECUTIVE'S STATEMENT

> The Group has delivered another strong set of results. During the year, we have taken several important strategic decisions to maximise sustainable value for our stakeholders.

Matthew Pratt
Group Chief Executive

Sycamore Manor, Chorley, Lancashire.

Despite continuing political and economic headwinds, I'm pleased to report that the Group has delivered another strong set of results. During the year under review, we have taken several important strategic decisions to maximise sustainable value for our stakeholders, while delivering 5,436 completions (2022: 5,715).

Our Heritage Collection remains at the centre of our strategy, differentiating us from both new-build competitors and the much larger second-hand market. We continue to offer a unique proposition to homebuyers: the character of older homes combined with quality, energy efficiency and modern open plan interiors. These selling points appeal to those moving to larger homes as well as those who are downsizing. Once again, we saw the evidence of this with cash buyers representing 35.7% (2022: 33%) of all private reservations.

In January 2023, we became the first large housebuilder to announce that we would be installing air source heat pumps into all our homes on upcoming developments. Having listened to customers, we saw the opportunity to give our homes a significant further advantage over others on the market. Combining the heat pump with underfloor heating as standard across the ground floor of all our detached homes further enhanced the desirability and lifestyle benefits of our houses for customers.

Cost of living and mortgage affordability continue to have a negative impact on the market. Where appropriate, we've used targeted sales incentives to convert buyer interest into reservations. Following several consecutive Bank of England base rate increases, we remain hopeful that, as inflation eases, we will see some stability in mortgage rates. The reduction in mortgage volatility will enable potential customers to progress the purchase of their home with financial certainty. Reflecting the macro-economic picture and the tougher sales market, our average private reservation rate per week for the year was 0.46 compared to 0.68 in 2022 (excluding bulk deals 0.45 and 0.66).

Given housebuilders' strong forward order books during the financial year under review, both materials and sub-contract labour were stretched, with build cost inflation of up to 8% in some instances. These pressures have since eased as the macro-economic picture has become more uncertain, with build cost inflation beginning to return to more sensible levels. Going forward, in the new financial year, we expect build cost inflation to be circa 4%.

We ended the financial year with a total order book of £0.85bn (2022: £1.44bn) of which 65% (2022: 76%) was exchanged. We are continuing to be very selective on land buying and focused on bringing forward strategic land. This was demonstrated by the purchase of only 1,906 plots of current land. This is against the backdrop of our substantial land investment in 2021 when we added over £3bn of Gross Development Value (GDV) to our land holdings with planning at good margins. This activity secured the medium-term land bank.

As a result of our land investment in 2021 we increased the number of average outlets over the financial year to 117 and we expect to maintain this position during the 2024 financial year. We remain in a strong positive cash position, ending the financial year with £235m net cash excluding lease liabilities (2022: £288m). This is despite the fact we have returned £100m to shareholders in the form of a share buyback programme during the period from July 2022 to January 2023.

Sustainability is fundamental to our purpose, our business model, our culture, and strategy. We've made good progress across our operational KPI's and environmental, social and governance (ESG) metrics. We also exceeded industry averages for sustainability in the FTSE4Good Index and sustained high customer satisfaction ratings from the National House Building Council (NHBC) surveys and Trustpilot.

In order to embed this integrated approach throughout our business, we've refreshed our operational framework which is built around our long-standing sustainable business pillars: Building Responsibly, Thriving Communities and Valuing People. This strengthens Redrow's resilience in the face of evolving ESG risks, including regulation and industry standards, such as the Future Homes Standard, National Model Design Code and the New Homes Quality Board Code of Practice, as well as upcoming Biodiversity Net Gain legislation and the Nutrient Mitigation Scheme. It also leaves us well placed to take competitive advantage of sustainable opportunities, such as delivering energy and water-efficient homes for customers. Across the framework, we highlight how these activities contribute to the UN Sustainable Development Goals (SDG's).

Thriving Communities is about more than building homes. We apply our audited Redrow 8 placemaking principals to all our developments to ensure we deliver beautiful, nature rich, sustainable places for communities to enjoy. We bring extensive and lasting socio-economic value for local communities by investing in infrastructure like schools, health centres, shops, parks and green spaces, as well as affordable homes. These Redrow 8 placemaking principles and our Nature for People commitments ensure that our developments stand the test of time. Our research shows they're at the heart of community cohesion many years down the line.

Building Responsibly affirms our commitment to upholding the highest standards of health, safety and environmental responsibility. I'm pleased to report positive progress against targets in this area. Our 2030 net zero carbon targets have been validated by the Science-Based Targets Initiative and we're also establishing a science-based route map to 2050 that covers the entire value chain, where the majority of our emissions arise. Quality remains one of the top material issues for our stakeholders and we've earned our reputation for consistently delivering homes to a superior standard, as evidenced in 'Excellent' Trustpilot ratings and five-star HBF ratings for five years' running.

We invested further in people and systems to uphold quality and service standards, ensuring we rapidly rectified and learned from any defect reports. Our investments in apprenticeships, work placements, graduate programmes and university and schools' partnerships have been more important than ever, along with prioritising the work/life balance, professional growth, and physical and mental wellbeing of our colleagues.

Operating in an environment where there is a complete absence of any coherent housing policy from central government, is very challenging for all parts of the sector. The housing market invests for the long-term, yet the government is not providing the framework for this level of financial commitment. There is a fundamental disparity between the country's population growth and the number of homes built.

We continue to call for a long-term plan that enables the industry to invest and build the homes the country so desperately needs. The introduction of a national, independent body that could identify housing need and accelerate development in those areas would be a significant positive step. It would also generate a positive direct and indirect economic benefit across areas such as education, health, and infrastructure.

Strategic report Group Chief Executive's statement

We have made positive progress in tackling issues of legacy fire safety. We signed the UK Government's Self Remediation Contract Long Form Agreement (LFA) and the Welsh Government's Pledge Deed of Bilateral Contract regarding the remediation of life critical fire safety issues in buildings over 11m that we developed in the past 30 years. And we believe we were the first large house builder to sign the Government's Responsible Actors Scheme.

We are actively progressing 46 of the 51 buildings with known or likely external works. All 18m plus buildings are in progress, which aligns with the Government's prioritisation advice. We are on-site at 18 of these buildings, with 14 at pre-contract stage.

The industry now has an additional requirement to consider the internal common parts. We are in the process of assessing the 109 buildings expected to require works, however we don't expect this to result in a change to our overall provision.

OUTLOOK

The impact of a record number of consecutive interest rate increases in a short space of time and the general rise in the cost of living, continues to make this a challenging housing market.

As a result of this operating environment, we took the difficult decision in July 2023 to reshape the business, closing two of our smaller divisional offices: Thames Valley and Southern. Our outlets were unaffected by this change, and they are now managed by other local divisions. We also reduced a number of roles across our wider teams to reflect market conditions. We have worked closely with affected colleagues to support them throughout this time.

There are signs of economic stability, particularly with mortgage rates, following a sharp and painful period of adjustment for the country.

The strong fundamentals underpinning the new homes market remain the same. There is a chronic shortage of new homes to keep pace with the country's current and future needs.

In the first ten weeks of trading for the current financial year the reservation per outlet per week was 0.34 (2023: 0.61).

Despite these difficult market conditions our strategy remains the right one, and this was clearly demonstrated during the financial year under review. Our Heritage Collection serves different parts of the market: from downsizers who want character with energy efficiency, to aspirational home movers who desire quality and space.

I'd like to close by placing on record my thanks to all Redrow colleagues and our partners in the wider supply chain for their hard work and dedication this past year. We have once again provided high quality homes and places for thousands of families across the country. We look forward to carrying on this proud track record as we head into our 50th anniversary year in 2024.

Matthew Pratt
Group Chief Executive
15 September 2023

Dining room in the Blenheim show home at The Nook, Derby.

Operating review

"The strong financial performance of the business enabled us to return cash of over £200m to shareholders in the year whilst maintaining a robust balance sheet.

Barbara Richmond
Group Finance Director

"In a year of political and socio-economic uncertainty, we're confident that the updates we've made to our operational framework provide a bedrock to Redrow's resilience and agility as a business. We remain sharply focused on managing risk and finding opportunity in a tough market, whilst maintaining our track record of long-term, sustainable value creation for all our stakeholders. We continue to build upon our purpose-driven strategy.

Rose Sandell
Group Communities Director and Executive Management Team member responsible for the Group's sustainability strategy

The three pillars of our framework – 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.

THRIVING COMMUNITIES

BUILDING RESPONSIBLY

VALUING PEOPLE

OPERATIONAL FRAMEWORK

The Redrow operational framework is a pragmatic plan to deliver on our purpose and strategy. With robust targets and performance measures, it supports how we create long-term value for all stakeholders, while managing risk and seeking opportunity for the business.

We've updated and published the framework to reflect our latest materiality assessment (see page 24), stakeholder engagement (see page 118) and analysis of marketplace and ESG risks and opportunities. The refresh also considered Redrow 2025 commitments to accelerate innovation across the business. We continue to map framework programmes to the United Nations Sustainable Development Goals (SDGs).

ESG PERFORMANCE

As shown in our published ESG scorecard, each year we seek to enhance the transparency and scope of our ESG approach and performance (see page 252). We are informed by best international practices, including those established by the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Financial Disclosures (TCFD). We will be aligning with new standards established by the International Sustainability Standards Board (ISSB) as they're introduced. Rating agencies further challenge us to benchmark and continuously improve ESG disclosure and management and we monitor these carefully.

The scorecard, which aligns to our operational framework and includes the KPIs for our material issues, is assured annually using recognised reporting assurance protocols, including the Global Reporting Initiative (GRI) Principles for Report Quality. The full Assurance Statement can be found on our corporate website: investors.redrowplc.co.uk/key-non-financials.

See our disclosures:

- SASB – see page 270
- CDP Climate and CDP Forests, available at cdp.net/en/responses
- TCFD – see page 102
- The Science Based Targets initiative (SBTi) verification of our near-term net zero targets and the process of finalising our long-term net zero carbon target – see page 50

+ **FOR OUR ESG SCORECARD, OPERATIONAL FRAMEWORK AND REPORTING FRAMEWORKS SEE FROM PAGE 252**

+ **READ MORE ABOUT RISK MANAGEMENT ON PAGES 88 TO 99**

FTSE4Good

A CONSTITUENT OF THE FTSE4GOOD INDEX SERIES FOR THE THIRD YEAR RUNNING[2]
ESG SCORE 3.3/5

MSCI

MCSI ESG RATING
AA

ISS ESG

ISS ESG RATING ABOVE INDUSTRY AVERAGE, VERY HIGH TRANSPARENCY RATING (MAY 2023)
CORPORATE RATING C[1]

NEXT GENERATION BRONZE 2022

6TH PLACE IN THE NEXT GENERATION MOST SUSTAINABLE UK HOMEBUILDER AWARDS
BRONZE AWARD

MORNINGSTAR | SUSTAINALYTICS[3]

ESG RISK RATING, SUSTAINALYTICS
LOW

1 C in ISS ESG Corporate Rating against industry average of D+.

2 Scoring 3.53/5 FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Redrow Homes 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.

> The sustainability agenda continues to evolve at pace, with the ESG landscape becoming ever-more complex. However, with social value at the heart of our corporate purpose, we're well positioned to drive future financial and non-financial value for our stakeholders.

Garry Cornell
Sustainability Director

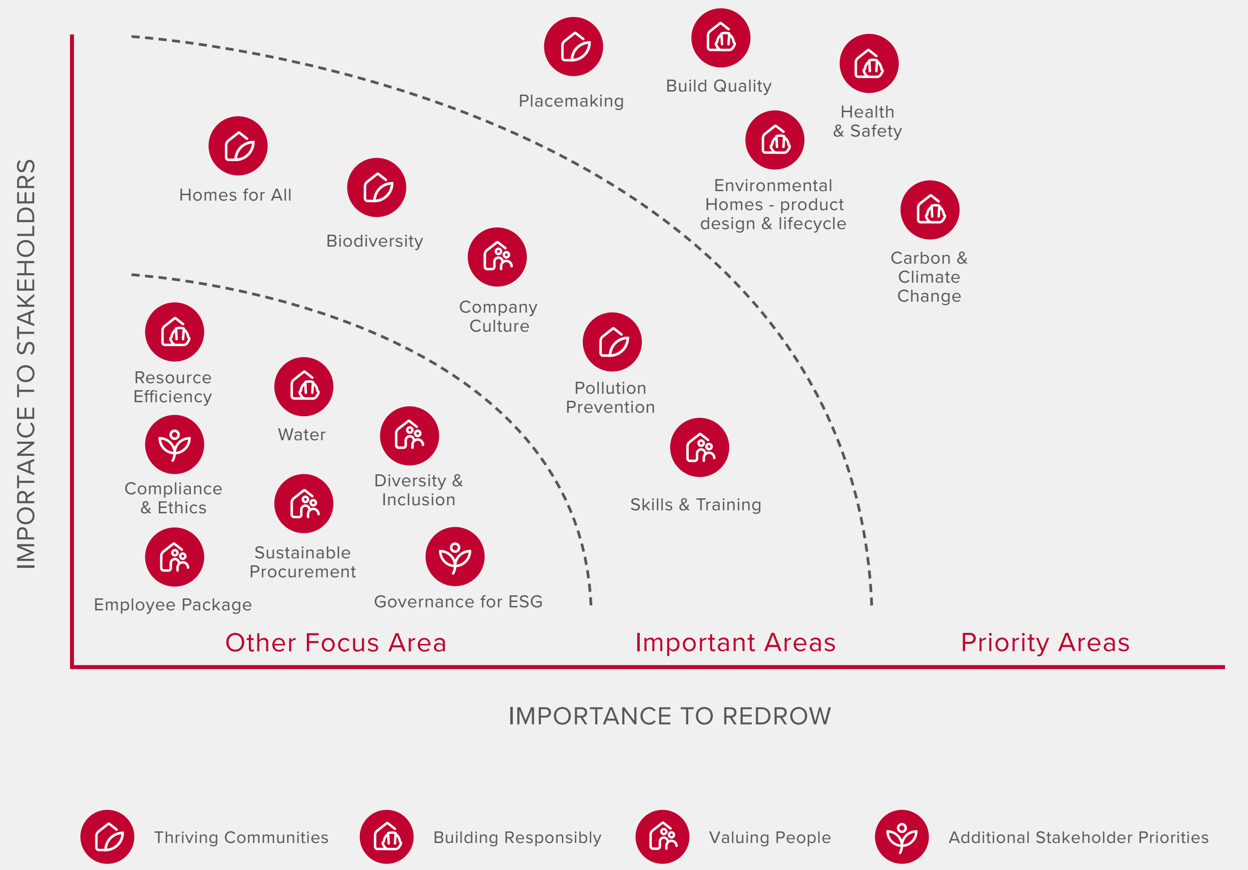
MATERIALITY

Informing our operational framework update was a detailed materiality assessment to understand stakeholder expectations and concerns. The matrix details the most material issues to our business and our stakeholders.

The best practice double materiality process assessed both financial materiality (the potential impact of sustainability issues on our financial value) and impact materiality (how our activities affect the environment, people and society). This was based on in-depth qualitative interviews and online surveys with a diverse and fair representation of ten stakeholder groups[4] across the areas we operate in (find out more about wider stakeholder engagement on page 118). Overall, feedback showed that our strategy was robust and relevant but that the framework needed to respond more to the shifting challenges of certain risks and opportunities. You can read the full Materiality Assessment Report on our website.

+ READ MORE ABOUT OUR STAKEHOLDER ENGAGEMENT ON PAGE 118

MATERIALITY MATRIX



[4] Employees, investors, the Redrow Board, suppliers, landowners, local communities, non-governmental organisations (NGOs), local planning authorities, customers and policy makers.

ALIGNMENT BETWEEN OUR OPERATING FRAMEWORK AND STAKEHOLDER PRIORITIES

PILLAR	PROGRAMME	STAKEHOLDER PRIORITY	PAGE
THRIVING COMMUNITIES	Nature for People	Biodiversity	34
	Better Places to Live	Placemaking	30
	Positive Social Impact	Homes for All	39
BUILDING RESPONSIBLY	Safe by Design and Operating Responsibly	Health and Safety	62
		Pollution Prevention	59
	Putting Our Customers First	Build Quality	46
		Environmental Homes – product design and lifecycle	44
	Resource Efficiency and Climate Change	Carbon and Climate Change	50
		Resource Efficiency	58
		Water	59
VALUING PEOPLE	Future Skills	Skills and Training	68
	Engaging Our People and Partners	Employee Package	67
		Sustainable Procurement	82
		Company Culture	80
	Diversity, Equality and Inclusion	Diversity and Inclusion	72
		Compliance and Ethics	25
		Governance for ESG	165

GOVERNANCE

Oversight for the operational framework is under the Board-level Placemaking and Sustainability Committee, which receives recommendations and updates from the three Executive Management Team pillar owners. The pillar owners meet annually to approve any revisions to the framework in consultation with the Executive Management Team, while working closely with programme owners through a series of issue-focused working groups.

In the last year, we appointed a dedicated Sustainability Director to lead the sustainability team and bring additional ESG expertise to the business. In September 2022, we formally aligned remuneration of the Executive Directors to support the delivery of our 2030 near-term Science Based Target initiative (SBTi) targets.

RESPONSIBLE AND ETHICAL CONDUCT

Our 'Better' purpose applies not only to our customer product, but to how we do business with our partners and with one another. The Redrow Code of Conduct sets out our commitment to integrity and ethical ways of working, from safety, supply chain and anti-bribery; to diversity, human rights and charitable or political contributions. The code is backed by a Responsible and Sustainable Developer Policy that reinforces our operational framework commitments.

We expect the same standards of responsible and ethical conduct from our suppliers, as outlined in our Supply Chain Policy and other supplier documents referenced in this report.

+ SEE THE PLACEMAKING AND SUSTAINABILITY COMMITTEE REPORT INCLUDING OUR GOVERNANCE STRUCTURE ON PAGE 162

+ SEE DIRECTORS REMUNERATION REPORT ON PAGE 166

+ SEE OUR RESPONSIBLE BUSINESS POLICIES AND PROTOCOLS ON PAGE 130

+ READ MORE ABOUT HOW WE TREAT CUSTOMERS FAIRLY ON PAGE 46

THRIVING COMMUNITIES

Creating better places for our customers to live

"Placemaking is about how we plan and design happy and healthy places to live – places that complement the surrounding community and support nature. This is fundamental to our business model and our trusted position in the marketplace.

Rose Sandell
Group Communities Director

HIGHLIGHTS

1,488
Affordable homes delivered in FY23

1,221
Acres of Public Open Space delivered on our developments

£305m
Community infrastructure, S106 spend and Affordable Housing

MATERIAL ISSUES

- Placemaking
- Homes for all
- Biodiversity

CONTRIBUTION TO SDGS

The last few years have shone a light on the real importance of community cohesion. At Redrow, our philosophy of placemaking is about how we plan and design happy and healthy places to live – places that complement the surrounding community and support nature. This is fundamental to our business model and our trusted position in the marketplace. The Redrow 8 Placemaking Principles is our unique and auditable framework to help us consistently meet these needs. They enable us to raise the bar for better, more sustainable ways for our customers to live.

By delivering across our three strategic programmes (Better Places to Live, Nature for People and Positive Social Impact), we contribute to wider socio-economic value. That's because we invest in infrastructure like schools, health centres, shops, parks and green spaces, as well as affordable homes. We also create employment, boost local skills and create trading opportunities, while transparently paying taxes and making charitable donations to community groups and charities.

We're well positioned to respond to evolving regulation, including the Future Homes Standard and the National Model Design Code, as well as upcoming BNG legislation. This is testament to the strong governance we have in place (see page 165), including working groups on programmatic action plans. We drive progress through targets and KPIs so that we can identify where we can add further value to communities and other stakeholders.

By creating thriving communities, we contribute to wider sustainable development, notably SDGs 11 (Sustainable cities and communities) and 15 (Life on land) through our Nature for People strategy– find out more on page 266.

OUR AWARDS

What House? Awards 2022

BEST LARGE HOUSEBUILDER
SILVER

BEST PUBLIC REALM FOR SAXON BROOK
BRONZE

the BIG Challenge
do one thing

CADDINGTON WOODS

STRATEGY SPOTLIGHT

PLACEMAKING IN PRACTICE

In the last year, we've completed the delivery of a number of new communities that help meet the nation's urgent need for quality homes. These developments go further, by meeting customer expectations for space, community connection, flexible living and access to nature.

The Orchards, Droitwich, Worcestershire.

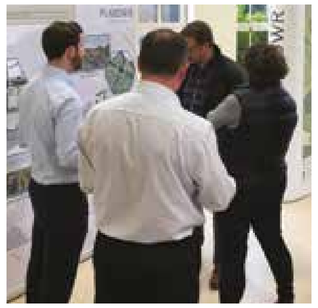
By rigorously and consistently applying the Redrow 8 Placemaking Principles outlined below, we can uphold the highest standards of quality, inspirational design and convenience that underpin the high level of trust in our business.[5]

The Orchards in Droitwich is one example of the principles in practice. It includes a mix of 241 new homes, a care home, shops, a nursery, play areas, a community orchard and a wildflower meadow all arranged as a 'walkable community' with key destinations within easy reach of attractive walks for all residents. Together with our consortium partners, we are seeing a sense of vibrancy and vitality in the new community, even at this early stage.

+ SEE OUR REDROW 8 AWARD-WINNING DEVELOPMENTS OF THE YEAR ON PAGE 32

Here are the principles in practice at The Orchards:

1. LISTEN TO LEARN:



Comprehensive consultation took place at the planning stage, with stakeholder views taken forward in the innovative design.

2. KEEPING IT LOCAL:

The development has been designed as a 'walkable community' with key destinations offering easy and inviting walks for all residents. A central hub with a new Co-op store, micro-pub and nursery are within walking distance of every home.

3. EASY TO GET AROUND:

There is an intuitive layout with a wide choice of routes for walking and cycling, including routes into Droitwich. Paths through the orchard, meadow and other green spaces have been created.

4. PLACES TO GO & THINGS TO DO:

A hilltop park, community orchard, wildflower meadow and woodland provide places to relax or exercise. The walkable community provides excellent connectivity by bike and on foot. Shops and community facilities are close to all homes.

5. NATURE FOR PEOPLE:

Green corridors, wildflower meadows, a new orchard and sustainable drainage systems combine with tree-lined roads and on-plot landscaping.

6. STREETS FOR LIFE:

Streets are designed to be safe, convenient, and attractive to walk and cycle in, with trees and shrubbery.

7. HOMES FOR ALL:

40% of the homes delivered are designated affordable, with a mix of homes to meet all needs, including 12 one-bed bungalows.

8. BUILT TO IMPRESS:

The homes are all from our Heritage Collection and include some of our most popular and beautiful homes, such as the Leamington, the Richmond and the Henley. Landscaped front gardens are set along tree-lined streets with sustainable urban drainage water features that create both kerb appeal and a sense of harmony with the local environment.

5 As evidenced in continued 'Excellent' Trustpilot ratings (see page 46).

BETTER PLACES TO LIVE

Creating beautiful, sustainable and inclusive places for wellbeing.

Delivering a better quality of life makes our places as attractive as possible for our customers. All Redrow developments are guided by – and audited under – the Redrow 8 Placemaking Principles. They're a key aspect of our design and landscaping manuals, assessment sheets and score cards. They provide a focus for all internal design discussions and the development of design guidance notes. Every layout is reviewed by an internal design review panel that includes members of the Executive Management Team and the relevant divisional managing director.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Create beautiful, sustainable and inclusive places for wellbeing.	100%	✓ 100% post completion audit conducted on completed developments

KEY ✓ Achieved ● On track ○ More work required ● Not achieved

REDROW 8: MONITORING AND IMPROVEMENT

Our planning, design and placemaking teams worked hard during the year to meet and track against the Redrow 8 Placemaking Principles, including:

COMMUNITY CONSULTATION TRAINING

Placemaking Principle 1:

As part of a wider initiative to improve the way we undertake community consultation, we ran a series of webinars open to all colleagues, featuring innovative methods of engagement from external experts.

FRONT GARDEN LANDSCAPING

Placemaking Principles 5, 6 & 8:

Ensuring we consistently achieved high quality front garden landscaping for our customers was a particular focus. This featured prominently in our internal design seminar and communications and meetings with landscape contractors and landscape designers. These engagements have prompted us to introduce further governance of quality, such as auditing front gardens from an early stage in the development.

POST-OCCUPANCY PLACEMAKING EVALUATION

All Placemaking Principles:

While continuing to gauge residents' opinion of our developments post completion (see page 31), we formalised post-completion placemaking audits, which were implemented on all completed developments[6]. These help us to understand where we can go further on each of the principles, with lessons shared across the business.

[6] Cranberry Gardens, North West; Caddington Woods, South Midlands; St Johns Mews, Yorkshire; The Orchards, Midlands; and The Pastures, North West.

100%

Of completed developments audited against Redrow 8 Placemaking Principles

90%

Of homes are within 500 metres of public transport

34%

Of developments with community infrastructure

+ READ MORE ABOUT HOW WE PRIORITISE QUALITY AND CUSTOMER SERVICE ON PAGE 46

+ READ ABOUT OUR INVESTMENT IN AFFORDABLE HOMES ON PAGE 39

PLACEMAKING LEGACY

The Redrow 8 Placemaking Principles live on many years after a development is completed – a 2022 HomeViews survey of more than 800 residents who've lived at three completed developments revealed that they continued to enjoy placemaking benefits, indicating that their communities have really started to thrive:

- 87% of residents said that there was a good sense of community
- 80% said that environmentally sustainable features were important to them
- 93% said that it was easy to access nature in their area

+ READ MORE ABOUT THESE RESIDENTS' VIEWS OF RENEWABLE ENERGY FEATURES ON PAGE 44

A BETTER WAY TO LIVE

DESIGN CODES: AHEAD OF THE CURVE

Recent and proposed changes to the planning system will see an increased focus on the design quality of new developments and how they reflect the aspirations of the local community. Having applied design codes on our larger, mixed-use developments for a number of years (in addition to the Redrow 8 Placemaking Principles), we're abreast of the design-focused planning agenda.

> "For a number of years, we've had structures in place to ensure that all new developments are informed by the views of local people and that they are well-connected, landscape-led, deliver opportunities to interact with nature and, most importantly, deliver a good quality of life for residents.

Kevin Parker

Group Master Planning Director

The Plasdŵr Design Code has provided a framework for the delivery of this innovative 21st century garden city.

At Plasdŵr in Cardiff, we've created a comprehensive design code that's been developed in close collaboration with the local planning authority. The code is proving to be instrumental in offering a strategic framework for quality, driving how we will create well-connected green corridors and other sustainable infrastructure. It's also helping to ensure that each of the five neighbourhoods has a distinctive identity through the use of materials, details, colour and landscaping, while unifying the approach across multiple phases in different geographical locations.

+ VISIT OUR PODCAST TO HEAR MORE ABOUT THE PLASDŴR DESIGN CODE

PLACEMAKERS OF THE YEAR

For the third consecutive year, we've held our internal placemaking awards to recognise the best delivered examples of each of the 8 Placemaking Principles. Our FY23 winners are set out opposite.

REDROW 8 AWARD-WINNING DEVELOPMENTS

TABLEY PARK

Early delivery of a focal green space, play area, beautiful streets and landscaping create an impressive place to live.

FOXBRIDGE MANOR

Well-landscaped streets and front gardens as well as pedestrian and cycle-friendly routes encourage activity.

THE ORCHARDS

A walkable community including shops, a micro-pub, a nursery, an orchard and a wildflower meadow.

MILL MEADOWS

New habitats for bats, insects and birds have been created as well as new connections to the coastal path.

MILLVIEW PARK

Comprehensive engagement with the local community including a review and response to all questions raised.

CHURCHLANDS

A segregated walking and cycle route is incorporated along with off-road walking routes and cycling trails.

THE MILL AT SPRINGFIELD

An attractive community including affordable housing arranged in courtyards and apartments in landmark buildings.

YEW GARDENS

A locally distinctive palette of roughcast render and brown tiles root our Heritage Collection into the local context.

NATURE FOR PEOPLE

Putting nature, people and wellbeing at the heart of our developments.

Biodiversity decline has become a pressing global issue, inextricably linked to climate change. We recognise biodiversity as a material financial and reputational risk to Redrow – as do our stakeholders.

Our Nature for People strategy and Biodiversity Net Gain (BNG) commitments are delivering tangible benefits for nature and people, with nature-rich green spaces supporting wildlife, as well as health and wellbeing for residents. They also help to attract and satisfy customers – just one of the many ways in which our developments stand out in the marketplace.

BIODIVERSITY STRATEGY

Our biodiversity strategy, Nature for People, became fully integrated into the Redrow 8 assurance and post-completion audit process in FY23 (see page 29). Developed in partnership with the Wildlife Trusts in 2020, it goes beyond BNG, with 15 commitments to actively retain, enhance and create new natural habitats on our developments.

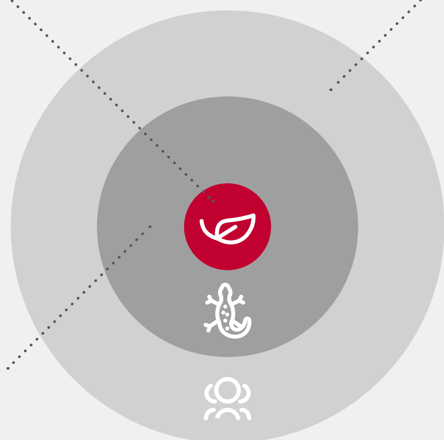
Engaging residents and wider communities with nature is critical to building lasting stewardship of natural spaces and wildlife. In FY23, we mapped the customer journey in order to ensure information on each development's natural environment is communicated at key points, from initial customer interest, to how residents can enjoy nature in their everyday lives. Examples of communications being developed include online content, site signage and move-in information for residents.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Put nature, people and wellbeing at the heart of our developments.	28%	On track: 100% of planning applications with at least 10% BNG after November 2023[8].

KEY Achieved · On track · More work required · Not achieved

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

1,221

Acres of public open space [7]

+ SEE OUR ESG HUB ON PAGE 252 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

OUR AWARDS

the BIG Challenge
do one thing

BIG BIODIVERSITY CHALLENGE AWARD, CADDINGTON WOODS
PROJECT OF THE YEAR

BIODIVERSITY NET GAIN

BNG is an approach to contribute to the recovery of nature while developing land. It seeks to leave the natural environment in a measurably better state than it was before development. Regulation on BNG will apply from November 2023 to all Redrow developments in England. We therefore began measuring BNG on all new land purchases in FY23 and we're pleased to report that 45% of planning applications[8] granted in the year are forecast to achieve a net gain for biodiversity. 28% of these successful planning applications[8] are forecast to achieve more than a 10% increase in biodiversity. The remaining 55% of applications pre-date our target and therefore calculations had not been carried out at the time of submission.

Ensuring regulatory preparedness and ongoing benefits for nature, customers and the business, we're looking at how to achieve meaningful gains for nature across the Group. We have further embedded BNG into existing business practices, developing specific governance structures, built capacity within our teams and engaged contractors and consultants. For example, in FY23, we:

- created a BNG manual[9], which sets out our approach in line with our Nature for People strategy;
- engaged landscape designers to develop a new design brief, which sets out BNG and placemaking requirements for all new development designs;
- met with key landscape contractors from all regions to ensure successful delivery and establishment of new landscaping;
- trained and engaged teams with 'biodiversity bites' lunch and learns, as well as BNG roadshows with all divisions to share best practice, problem-solve and review designs collaboratively; and
- engaged with wider stakeholders in the absence of secondary legislation or government guidance for BNG, including the Future Homes Hub Biodiversity Net Gain Groups and UKGBC.

The Finches, Halewood, Liverpool.

[7] Land on our live developments which is retained or created as green space, or landscaped communal areas.
[8] Full and reserved matters applications only.
[9] The manual emphasises that gains are relevant to the site context and connectivity, an integral part of our approach to placemaking and connecting communities with nature, and are maximised by strong design process and principles, with consultants delivering strong advice to help achieve BNG.

NET BENEFITS FOR BIODIVERSITY IN WALES

The planned approach in Wales will not require the use of a Biodiversity Net Gain calculation, rather it focuses on Net Benefits for Biodiversity on new developments. It will deploy ecologists to consider biodiversity and wider ecosystem benefits within a placemaking context early in the design process.

We welcome this development-tailored approach, which aligns well with our broader Nature for People strategy, and have been engaging with the Welsh Government, including feeding into its consultation on proposed changes to Chapter 6 of Planning Policy Wales where we're supportive of the overall concept.

Mill Meadows, Sudbrook, Monmouthshire.

UPSTREAM BIODIVERSITY

Alongside extensive work to deliver our Nature for People strategy and prepare for BNG regulations, we've started to scope work to assess the indirect risks and dependencies on nature in our supply chains. In FY24, we will begin mapping supply chain impacts on nature, starting with priority suppliers and materials – this closely aligns with our work on Scope 3 emissions (see page 54).

NUTRIENT NEUTRALITY

We're committed to playing our part in tackling high nitrate and phosphate content in rivers and coastal waters. We know that the main source of nutrient pollution is agriculture, followed by sewage effluent from industry. However, at our developments in sensitive river catchment areas, we've been working hard to find innovative solutions, such as replacing low-value agricultural land with biodiverse green infrastructure, creating wetlands and building on-development wastewater treatment works. We've been sharing learnings with our industry along the way, via the Future Homes Hub, for instance.

These solutions are proving slow to implement due to licencing agency delays and limited local authority solutions. Alongside our peers and the HBF, we will continue to lobby the government around extending the life of planning permissions in affected areas. We welcome government requirements for water companies to upgrade treatment works by 2030, the proposed Nutrient Mitigation Scheme and recent government announcement aimed at amending the current legal system.

+ READ OUR DISCLOSURES UNDER TCFD ON PAGE 102

+ READ ABOUT OUR RISK MANAGEMENT PROCESSES ON PAGE 88

A BETTER WAY TO LIVE

MEETING THE NEED FOR GREEN

Living near green space has become a key priority for customers when looking at community facilities around new homes[9]. In FY23, we progressed more developments that delivered on this and that also created habitats to support biodiversity. Examples included:

Langley Grange, West Yorkshire

Our homes are surrounded by beautiful green spaces for residents and wildlife to enjoy. This is a living example of our commitment to biodiversity and sustainability, with achievements on many fronts – from over six acres of public open space, including three newt ponds, meadow habitats, bird and bat boxes and even special underpasses for great crested newts; to ground-breaking projects focused on reducing the amount of waste created when we build our homes and creating a prototype fossil fuel-free, low carbon home.

The detailed landscape masterplan ensured that existing tree belts, hedgerows and dry-stone walls were protected, with new areas of planting to reflect the local mix of species. Natural meadows at the eastern end of the site safeguard the setting of the river Dearne and reflect the aims of our Nature for People strategy to create less formal landscaped areas that can support a wide variety of wildlife.

Mill Meadows, South Wales (Redrow 8 winner)

This 100-acre site of a former papermill is a clear example of how nature has been considered across the development lifecycle. Existing roosting populations of the endangered Lesser Horseshoe bat have successfully relocated to the new purpose-built bat house and are now breeding at the site for the first time – a real boost to populations of this species. New slow worm refuges have been created in the retained woodland, and the new community enjoys access to large areas of green open space in a stunning location next to the Severn Estuary.

[9] Source: Office for National Statistics.

POSITIVE SOCIAL IMPACT

Creating positive outcomes and making a difference to the communities within which we develop.

We seek to maximise social value created by our developments. This means helping people connect, feel safe and enjoy the communities we create. Local stakeholder engagement is fundamental to the success of this and, from the design phase, we work closely with planning authorities, residents and community groups to understand and support local needs.

This continues throughout building works when we work to uphold the standards of the Considerate Constructors Scheme – see page 64.

In FY23, a national social value taskforce sought to leverage more private sector investment for social outcomes, while local authorities and investors showed increasing interest in ESG performance in this area. In response, we've been building our understanding of the positive social impact that our developments create, including how we measure social return on investment. We have also undertaken a series of related best practice workshops with our regional teams, led by external experts, for example "injecting social value into community and stakeholder engagement".

Professor Helen Dodd from Exeter University and Kevin Parker, Redrow's Group Master Planning Director at the launch of our report 'Placemaking To Playmaking'.

HOMES FOR ALL

As described on page 40, our developments and wider operational presence in England and Wales brought significant financial and non-financial value to society in FY23. We built 1,488 affordable homes and invested £258m in partnership with Registered Providers – many of which have long-standing roots in the local area – to meet long-term community needs. Redrow affordable homes blend seamlessly into the rich variety of housing types within our Heritage Collection, with the same 'kerb appeal' and built using the same material book and high quality specifications.

We invested £47m in broader community infrastructure, including schools, shops, care homes, community/health centres and S106 spend. We also trained 349 people primarily through apprenticeships or graduate placements. Finally, we contributed £170m in public taxes and made £0.2m of charitable donations (see page 194).

HOMES FOR ALL

1,488
Affordable homes delivered

£0.2m
Donated to charity

+ READ MORE ABOUT HOW OUR BUSINESS MODEL CREATES VALUE FOR STAKEHOLDERS ON PAGE 12

+ READ MORE ABOUT OUR INVESTMENT IN TRAINING AND SKILLS ON PAGE 76

+ SEE OUR ESG HUB ON PAGE 252 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

A BETTER WAY TO LIVE

LISTEN TO LEARN

As the first of our 8 Placemaking Principles, we take a holistic 'listen to learn' approach when designing our communities. In the last year, we've seen this in action in our pioneering research and engagement around children's play in their local communities.

We partnered with Play England, Play Wales and Professor Helen Dodd from Exeter University on a detailed report into family needs when it comes to spaces for children to play. The paper, 'Placemaking To Playmaking', has shown that:

- 21% of parents have considered moving to a cul-de-sac to allow their children to play in the street.
- 40% said having a safe space for children to play is within the top three things that would attract them to a new home.
- 54% were keenly aware of the benefits of outdoor play for their child's physical health.

"I hope through my work with Redrow, all housebuilders will be inspired to create environments where children feel welcome and safe to play outdoors.

Professor Helen Dodd
University of Exeter

"Getting outside to play is one of the best ways to connect. It provides the building blocks for children's confidence, and gives them an opportunity to learn about the world around them. Parents meet other parents. Foster their friendships over a swing, a coffee in the park or kicking a ball in the field.

Kevin Parker
Group Master Planning Director

We're now taking forward the findings of the report to design-in safe, high quality, innovative play spaces, as well as launching a national playmaking campaign to encourage children and families to spend more time outdoors and engage in the art of play. Visit www.redrow.co.uk/playmaking to read the report and find out more.

+ READ MORE ABOUT STAKEHOLDER ENGAGEMENT ON PAGE 118

SOCIAL VALUE HIGHLIGHTS IN FY23

The table below illustrates some of the economic, social and environmental value we have created in FY23.

THRIVING COMMUNITIES

£305m
Community infrastructure, S106 spend and Affordable Housing.

£170m
Tax contributions (Includes; corporation tax, employers social security, PAYE, SDLT & council tax).

1,221 acres
Public Open Space – Land on our developments retained/ will be retained as green space or landscaped communal areas.

90%
Of developments are within 500 meters of public transport.

34%
Of developments with community infrastructure (e.g. Buildings providing educational, youth, community, healthcare etc).

BUILDING RESPONSIBLY

48%
Reduction in Carbon Emissions (Scope 1 & 2) tonnes of CO_2e from a 2021 baseline year.

2.07
Tonnes of CO_2e per 100m² of build (scope 1 and 2, location based) a reduction of 27% against 2021 baseline.

8.82
Tonnes of construction waste per 100m² of build (new target of 10% against a baseline year of 2021).

98.29%
Of waste diverted from landfill FY23.

28%
Of planning applications (full and reserved matters) granted in the year are forecast to achieve a >10% net gain for biodiversity.

39.5
Average CCS score FY23.

VALUING PEOPLE

1,495
Subcontractor companies supported.

2,708
Suppliers supported.

£0.2m
Charitable donations.

15.9%
Of the direct workforce are trainees and apprentices.

349
Trainees, apprentices and graduates.

HOMES FOR ALL

£258m
Capitalised value of affordable housing.

27.4%
Of all our homes delivered are affordable.

A BETTER WAY TO LIVE

CREATING SOCIAL VALUE IN THE NORTH WEST

At Woodford Garden Village in Cheshire, we've been ensuring that the development will maximise social and economic value for the local area. Once completed, the community will add more than 900 much-needed homes, including 121 affordable homes and 104 Extra Care apartments and bungalows delivered in partnership with Registered Providers of affordable housing.

We've invested a further £4.4m in community infrastructure, including £3.5m for a primary school, community centre and 19 public open spaces (parks, sports pitches, play areas, meadowland and a village green). We plan to invest a further £5.2m, meanwhile, £40,000 has been set aside as a community fund, which has so far supported 36 community groups, charities, schools and sports clubs. Investing in the future pipeline of talent, the Woodford construction team has hosted 100 quantity surveying students from Salford University and placed four trainees. We have also delivered lectures during national apprenticeship week and regular 'careers in construction' talks at nearby schools.

The development received a score of 100% from NHBC in its Construction Quality Review and a top score of 45/45 from the Considerate Constructors Scheme.

£9.6m
Community investment pot

36
Charities and community groups supported

45.92
Acres public open space

100
Students site visits

Gardening equipment, seeds and planters were provided to several schools across the North West including Woodford Primary School (pictured above) as part of Redrow's Get Set Grow initiative.

Redrow's community fund supported the Hearing Dogs for Deaf People charity. This was used for their training centre to train pups and volunteers.

THRIVING COMMUNITIES – WHAT'S NEXT?

As we work towards our 2024 targets, we plan to test innovative digital consultation techniques to further refine how we effectively and meaningfully engage with communities.

As part of our commitment to ensuring a lasting positive legacy for our developments, we will also begin phase 2 of post-occupancy placemaking evaluations, with in-depth research into the quality of life and experiences of residents living in established Redrow communities.

We also plan to conduct a social value gap analysis, which will help to inform the development of a strategy by June 2024. This will help guide colleagues in delivering long-term social value on our sites.

We are well prepared for the new BNG legislation and will continue to track our BNG outcomes for all our new developments to align with our target to ensure 100% of planning applications achieve at least 10% BNG after November 2023.

+ SEE OUR ESG HUB ON PAGE 252 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

BUILDING RESPONSIBLY

Putting customers first and working safely, considerately and sustainably

"We're committed to upholding the highest standards of quality, safety and sustainability. This applies in our builds, our operations and in how we interact with customers and wider stakeholders.

Tim Stone

Regional Chief Executive for Western and London

HIGHLIGHTS

90%

HS&E average assurance inspection score

98.3%

Waste diverted from landfill

15%

Reduction in Scope 1 and 2 GHG emissions

MATERIAL ISSUES

- Health & safety
- Carbon & climate change
- Product design & lifecycle
- Pollution prevention
- Resource efficiency
- Water
- Build quality

CONTRIBUTION TO SDGS

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

As outlined in the Redrow Code of Conduct and our Responsible and Sustainable Developer Policy, we're committed to upholding the highest standards of quality, safety and sustainability. This applies in our builds, our operations and in how we interact with customers and wider stakeholders. It's why we can be particularly proud of sustained high ratings from the HBF, NHBC, Redrow residents and the wider public.

With our near-term net zero carbon targets validated by SBTi, we doubled down on initiatives to decarbonise Redrow homes and operations during the year – from trailblazing home electric heating solutions that go further and faster than current building standards, to securing renewable energy contracts and electric company cars. With the support of expert consultants, we're now working on a long-term net zero-carbon route map, while strengthening our risks and opportunities analysis, as shown in our TCFD report on page 102. We're also mapping and beginning to address value chain emissions, starting with suppliers.

Fundamental to building responsibly is a commitment to continuous improvement on health, safety and the environment. Our HS&E Policy and Strategy, combined with performance-linked director remuneration (see Director's Remuneration Report on page 180) make clear Redrow's unwavering position on this. In FY23, we're pleased to report that we averaged a score of 90% for our HS&E assurance inspections, exceeding our target of 87%. In the spirit of continuous improvement, we continue to review and enhance operating procedures, while learning from any HS&E incidents or accidents.

By upholding high HS&E standards, we contribute to wider sustainable development, notably SDGs 8 (Decent work and economic growth), 12 (Responsible consumption and production) and 13 (Climate action) – find out more on page 266.

OUR AWARDS

GREEN APPLE ENVIRONMENT AWARDS FOR ENVIRONMENTAL BEST PRACTICE

BEST ENVIRONMENTAL PRACTICE

The Institute of Customer Service UK Customer Satisfaction Awards 2023 WINNER

BEST APPLICATION OF TECHNOLOGY

STRATEGY SPOTLIGHT

TRAILBLAZING ENERGY-SMART HOMES

Ahead of the government's proposals to decarbonise new-build homes from 2025 (part of the Future Homes Standard), we were the first large homebuilder to incorporate Air Source Heat Pumps (ASHPs) and underfloor heating as standard in Redrow houses.[10]

Our Eco Electric properties went on sale in December 2022 and will enable customers to make further savings on their energy bills beyond the £2,600 a year average saving from purchasing a new-build as opposed to an older property[11]. Critically, the homes will also achieve an average of 77%[12] emissions savings – a significant contribution to our net zero carbon value chain goals (see page 50), while also aligning with customers' goals to lower their carbon footprint.

Redrow homes, which are typically larger (including bigger gardens) and more open plan than other new-builds, lend themselves particularly well to ASHPs. We tested the technology over the last 2 years and collaborated with the supply chain in undertaking trials in our customers' homes to understand the customer experience in greater depth.

We also trialled an artificial intelligence-based home energy management system that learns from light switches, batteries, solar panels and other sources to reduce consumption and maximise the use of renewable and off-peak energy. While not selected for rollout yet, the trial provided valuable data on how our homes perform, how residents are consuming energy and their comfort and enjoyment levels.

ASHPs build on our proven track record of thicker, quality insulation and high efficiency boilers and ventilation systems. With newbuilds 53% more efficient than 1970s properties, our Eco Electric homes achieve an additional 10% reduction in heat loss. A recent survey from HomeViews reiterated that residents of our homes welcome the cost and quality benefits of our energy efficiency and renewable energy features (see table opposite).

We continue to assist customers and prospective customers to help realise potential further cost and carbon savings. In FY23, we rolled out energy calculators at our Customer Experience Suites in another industry first (see page 275).

B

Average Energy Performance Certificate (EPC) rating, Redrow homes

Future Homes Hub | Working in partnership on the climate and environment plan for new homes

We are an active member of the Future Homes Hub

> The move to ASHPs ensures our future homes are 'zero-carbon ready' for when the grid is decarbonised and supports our goal of achieving science-based net zero emissions no later than 2050 across our operations, homes and supply chain.

Matthew Pratt
CEO

Our Eco-electric media campaign was rolled out nationally to launch our new generation of eco-electric homes.

RESULTS OF HOMEVIEWS SURVEY ASKING RESIDENTS "ARE ENVIRONMENTALLY SUSTAINABLE FEATURES IMPORTANT TO YOU?"

	PERCENTAGE ANSWERING "YES"	PERCENTAGE ANSWERING "NO"
REDROW	80%	20%
homeviews	72%	28%

IN THE WORDS OF OUR CUSTOMERS

> Who doesn't want to reduce their fuel bills and do their bit for the environment? I'm really happy with the way that the air source heat pump is performing.

James
Redrow homeowner who took part in the Mitsubishi Electric trial at Great Milton Park, South Wales

[10] Underfloor heating is standard in detached homes and the majority of our smaller homes.
[11] Based on HBF analysis and reflecting the Energy Price Guarantee increases on 1 April 2023.
[12] Emissions reductions based on Dwelling Emissions Rate comparison with new Eco Electric home design.

CUSTOMERS FIRST

Consistently delivering high quality, efficient homes for our customers.

Making people's lives better through our homes goes to the core of our purpose (see page 6). Despite consistently high Trustpilot and HBF ratings over the years, we don't take customer loyalty or our respected position in the market for granted. It's why our master planners and designers are continuously finding new and creative ways to meet the changing needs of our customers and the communities we work in. It's also why we design-in technologies and features that make lives easier, reflecting Redrow 2025 innovation principles. We also invest significantly in people and systems to uphold our quality and service standards, ensuring we rectify and learn from any issues that come to our attention.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Consistently deliver high quality, efficient homes for our customers.	4.49	Achieved: Average Trustpilot Score 4.3.
	0.19	More work required: 0.15 or less reportable items per NHBC inspection.
	50.20%	More work required: NPS of 54%.
	90.8%	More work required: Customer Satisfaction rating (recommend to a friend) 94%.

KEY Achieved · On track · More work required · Not achieved

IN THE WORDS OF OUR CUSTOMERS

> Redrow kept us involved with the build of our new Cambridge home from the foundations! We highly recommend Redrow. This is a lovely neighbourhood already! We're looking forward to making lots of memories in our forever home.

Rebecca
Whitehall Grange Development

QUALITY AND SERVICE

Quality remains one of the top material issues for our stakeholders (see page 24) and we've earned our reputation for consistently delivering homes to a superior standard, as evidenced in 'Excellent' Trustpilot ratings and five-star HBF ratings for five years running. In FY23, we scored an average review rating of 4.5 from Trustpilot and exceeded our targets for NHBC Construction Quality Reviews, achieving 4.56 out of 6[13], with 87% of our build stages rated good to outstanding (exceeding our target of 82%).

However, we recognise scores have declined slightly from the previous year – for instance, 82% of new homes were handed over to customers defect-free, compared to 90% in FY22, while the NHBC found more Reportable Items (RI) (0.19 versus 0.17 in FY22[14]). We also fell short of our high benchmark for customer experience targets – with a 50.2% Net Promoter Score (NPS) and 90.8% customer satisfaction (against targets of 54% and 94% respectively).

[13] 4 being good and 6 outstanding.
[14] The NHBC records RIs when it notes any instances where we fail to meet its technical standards or building regulations. The higher the score, the more failures found.

Excellent
Based on over 6,796 reviews
Trustpilot

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2023 HOME BUILDERS FEDERATION[15]

A total of 90.8% of customers would recommend Redrow to a friend after eight weeks' occupancy (HBF Survey) – this compares to 94.5% the previous year.

This is now the fifth consecutive year that Redrow has successfully secured a Five Star HBF rating.

We've further improved how we identify, report and manage defects. For example, our RedSMI site manager inspection app has been enhanced with geotagging.

We've also implemented a new three-stage complaints process, which better captures the root cause of any issues to feed-back into continuous quality improvement.

Following the success of our Homeowner Support Portal, with over 90% of customers submitting their warranty issues online, we've formed a new team of existing colleagues to centrally assign work instructions to relevant contractors. This has led to better consistency, response times and efficiency when dealing with warranty items raised.

+ SEE OUR ESG HUB ON PAGE 252 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

[15] 90.8% of customers would recommend us to a friend eight weeks after completing purchase.

A BETTER WAY TO LIVE

THE HAMPSTEAD: FOR FAMILIES LOOKING FOR FLEXIBILITY

The Arts & Crafts-style Hampstead design launched in FY23 has rapidly become a sought-after addition to our Heritage Collection. Designed to be more affordable than other five-bedroom properties in the collection, while being equally characterful and aspirational, the Hampstead appeals to larger families looking for a moderately-priced five-bedroom home with space, flexibility (e.g. home working areas), low maintenance and high energy-efficiency.

IN THE WORDS OF OUR CUSTOMERS

> We chose a Hampstead because it's big and perfect for big families like us, with more bedrooms and more space. The Hampstead design is unique and something which makes it stand out from any other homes that we have seen so far.

Suhana Sajawal
Hampstead homeowner at Bishop Meadows, Oldham

> High quality service will always be our priority, and most importantly this will always be informed by our customers.

Emma Morris
Customer and Quality Director

As well as a seamless self-managed buying process, help is also available by visiting one of our Customer Experience Suites.

FAIRNESS AND TRANSPARENCY

We support legislation that helps protect and support consumers (and, in turn, the reputation of home builders), particularly those who may be vulnerable. We were one of the first in our sector to go live with the New Homes Quality Board Code of Practice to offer better protection and increased transparency for customers. Its fundamental principles[16] are now part of our customer strategy, compliance, complaints and monitoring procedures (e.g. mystery shopping), as well as colleague training, including programmes in adapted services for vulnerable customers.

We continue to uphold high standards of responsible marketing, data protection and information security. We've launched an online portal that enables live tracking and resolution of customer complaints, with integration to design and build quality control systems to ensure continuous improvement. We're delighted to see a 29% reduction in formal complaints, with 99% of those reported being closed within our target timeframes (which are shorter than the standards set out by the NHQB Code).

+ SEE OUR DATA PRIVACY NOTICE AT REDROW.CO.UK

NEW HOMES QUALITY CODE

A BETTER WAY TO LIVE

TAKING THE STRESS OUT OF HOME-BUYING

From Redrow (and wider market) customer surveys, we know that people want a seamless, self-managed buying process, with Redrow experts on hand to speak to at any time. This spans initial interest, right through to move-in day and the months afterwards. For prospective homeowners, Customer Experience Suites offer virtual viewings (including award-winning drone footage) and real-time availability of homes, as well as interactive information on unique features like ASHPs, underfloor heating and, new in FY23, EPC calculators to help understand the energy savings they could make.

At purchase (or selling) stage, customers have the option of completing the entire process from their smartphone, using the My Redrow platform to reserve and personalise a property, message securely with experts and view virtual tours of their future home. Since pioneering these bespoke video messaging two years ago, customer experience colleagues have created more than 20,000 clips. At the same time, customer hard hat tours remain highly popular. Once moved in, My Redrow continues to provide excellent aftersales support and customers can access advice and report any issues instantly via our highly-acclaimed Homeowner Support portal, now used by 90% of customers. Meanwhile, the new homeowner support team is available to offer friendly, expert help.

Overall, our digital/real-world model of customer servicing is working – as evidenced by customer feedback and validated in cross-sector awards, such as the Institute of Customer Service Customer Satisfaction Awards 2023.

IN THE WORDS OF OUR CUSTOMERS

Excellent customer service, communication and care! Thank you Redrow!

Barbara J
via Trustpilot

The short video messages that you both sent made the experience more special and I very much liked that. Makes buying a new home even more exciting.

Mrs. W
via Trustpilot

The reporting system on My Redrow is easy to use and responses are very prompt.

Marie Whiteley
via Trustpilot

WINNER
PROPERTY MARKETING AWARDS 2022
CELEBRATING 30 YEARS OF PMA

BEST USE OF SOCIAL MEDIA, RECREATE REDROW CAMPAIGN

The Institute of Customer Service
UK Customer Satisfaction Awards 2023 WINNER

BEST APPLICATION OF TECHNOLOGY, UK CUSTOMER SATISFACTION AWARDS

[16] Fairness, safety, service, responsiveness, transparency, independence, inclusivity, security and compliance.

CLIMATE CHANGE

Transition to a low carbon and more efficient business and deliver zero-carbon ready homes.

Redrow is ahead of the game when it comes to taking action on climate change by implementing measures before they become regulation. We're in a strong position to respond to consumer pressures, and to manage the risks posed by climate change, reducing any financial and reputational risks.

Taking rapid and informed action is not only the right thing to do as a responsible business, but it's critical to how we reduce exposure to risk, address stakeholder materiality concerns, and, above all, deliver better homes and thriving communities.

Our vision is to achieve decarbonisation across the whole value chain, while ensuring we're resilient and adaptive to a changing climate. In realising this vision, we will continue to create financial value through new market and supply chain opportunities, while contributing to national and global climate goals.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Transition to a low carbon and more efficient business and deliver zero-carbon ready homes.	48% reduction against baseline (8,318 tCO_2e)	On track: Reduce operational (Scope 1 and 2)[17] emissions by 42% by 2030 against a FY21 baseline.
	6.1% reduction against baseline (1,073,070 tCO_2e)	On track: Reduce homeowner and supply chain (Scope 3) emissions by 25% by 2030 against a FY21 baseline.

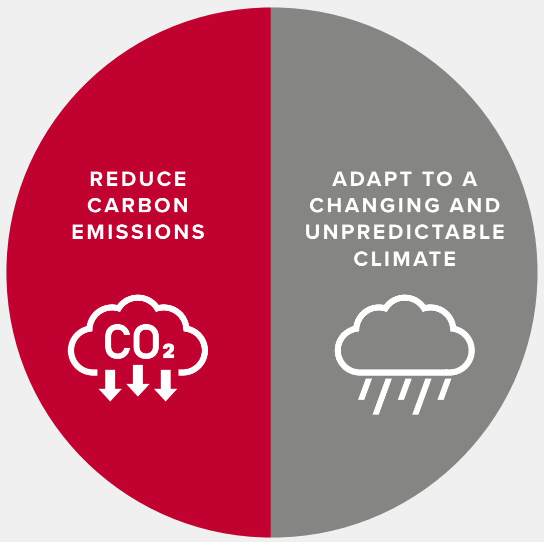
KEY Achieved | On track | More work required | Not achieved

THE REDROW CLIMATE VISION

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.

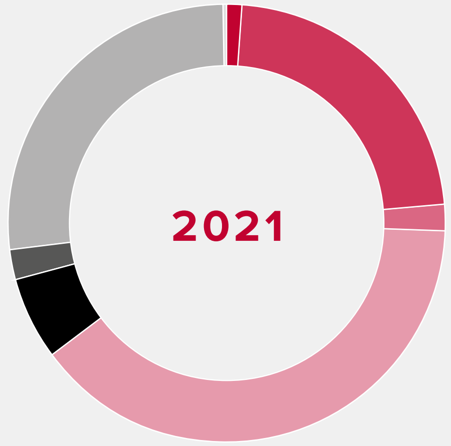
Design and build homes and communities that are comfortable and resilient in the face of a changing climate.

Source products and materials at least risk from climate disruption.

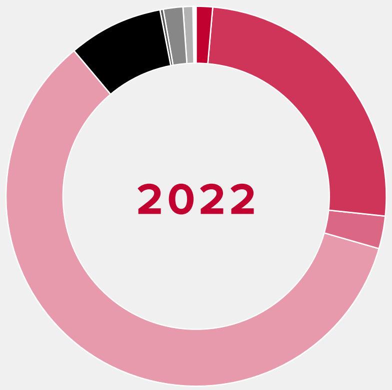
Deliver beautifully landscaped and biodiverse developments, which play a role in absorbing carbon, provide a cooling effect and support people's wellbeing and nature's recovery.

[17] The GHG Protocol defines three categories of emissions: Scope 1 are those created directly (e.g. gas and owned vehicle fuel use); Scope 2 emissions are indirect, including electricity or purchased energy; and Scope 3 are those indirectly created up and down the value chain, including supplier chain and customer home occupancy.
[18] Emissions based on externally verified 2022 data. 2023 data will be reported next year when available.

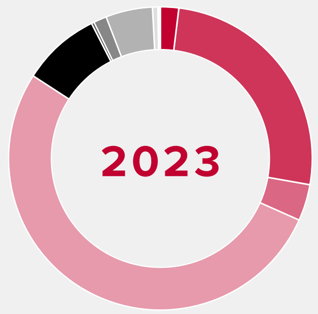
ABSOLUTE SCOPE 1 AND 2 EMISSIONS (tCO_2e)



Mains Gas – Offices	214 tco_2e
Mains Gas – Sites and Plots	3,622 tco_2e
LPG – Sites	279 tco_2e
Diesel – Sites	6,349 tco_2e
Business Travel	943 tco_2e
Air Conditioning	10 tco_2e
Electricity – Offices	348 tco_2e
Electricity – Sites and Plots	4,302 tco_2e
Heat – Sites and Plots	32 tco_2e
Total tCO_2e market based	**16,099**



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	10 tco_2e
Electricity – Offices	181 tco_2e
Electricity – Sites and Plots	0 tco_2e
Heat – Sites and Plots	81 tco_2e
HVO	3 tco_2e
Total tCO_2e market based	**9,822**



Mains Gas – Offices	163 tco_2e
Mains Gas – Sites and Plots	2,159 tco_2e
LPG – Sites	326 tco_2e
Diesel – Sites	4,358 tco_2e
Business Travel	711 tco_2e
Air Conditioning	9 tco_2e
Electricity – Offices	124 tco_2e
Electricity – Sites and Plots	409 tco_2e
Heat – Sites and Plots	59 tco_2e
HVO	0.45 tco_2e
Total tCO_2e market based	**8,318**

OUR NET ZERO CARBON COMMITMENT

Our commitment is to achieve net zero greenhouse gas (GHG) emissions no later than 2050. We've worked with the Carbon Trust to set near-term targets against a 2021 baseline. These have been validated by the Science Based Targets initiative.[19]

We're now working on our plans beyond 2030, including undertaking feasibility studies to set long-term targets for validation by SBTi. We will also align our net zero-carbon route map with the Transition Plan Taskforce Disclosure Framework that seeks to enable companies to create rigorous transition plans to net zero carbon.

+ READ OUR DISCLOSURES UNDER TCFD ON PAGE 102
+ READ ABOUT OUR RISK MANAGEMENT PROCESSES ON PAGE 88
+ READ ABOUT OUR STAKEHOLDER ENGAGEMENT ON PAGE 118
+ SEE OUR NATURE FOR PEOPLE STRATEGY ON PAGE 34

[19] Targets are considered science-based if they are designed to meet the goals of the Paris Agreement international treaty to limit warming within 1.5°C. It was adopted by 196 parties at the UN Climate Change Conference in Paris, France, on 12 December 2015.

REDUCING OPERATIONAL EMISSIONS

In FY23, our total Scope 1 and 2 GHG emissions were 8,318 tonnes of carbon dioxide equivalent (tCO_2e). This represents a 15% decrease on the previous year and is equivalent to 1.67 tCO_2e per 100m² build. This is also a 48% reduction in emissions against our FY21 baseline year, putting us well on our way to achieving both our near term carbon reduction target and our net zero carbon target.

Our latest CDP rating for climate change disclosure is C. See the full disclosure here: https://www.cdp.net

During the year, we've expanded and strengthened decarbonisation initiatives across our operations, including:

- **Reducing on-site diesel:** We further reduced our use of diesel across our construction site by 25% from 5,830 tCO_2e in FY22 to 4,358 tCO_2e in FY23, a reduction of 1,472 tCO_2e.
- **Site gas and electricity:** We reduced our gas use on our sites by 13%, and reduced electricity use by 5%. This was achieved in part by reducing the period between build completion and handover to home-owner, resulting in a lower period of energy consumption.
- **Renewable energy:** We procured 88% of our electricity from renewable sources, backed by Renewable Energy Guarantees of Origin certificates, and we're still on track to meet our target of 100% renewable electricity by 2025.
- **Energy efficiency:** Solar-powered site accommodation was successfully trialled (see the following page) and a 'switch off' campaign helped foster energy-saving habits across our show home and sales centres. Further savings were identified following Energy Savings Opportunity Scheme audits across our sites and offices.
- **Greener travel:** With even more colleagues opting for an EV car this year, our EV fleet has increased to 59%, and with more EVs on order, we're on track to hit our 100% target by 2025. Our emissions from our car fleet has reduced by 11.5% in the last year.

+ SEE FURTHER ENERGY EFFICIENCY INITIATIVES ON PAGE 196

18%

Reduction in operational energy consumption in FY23

15%

Reduction in operational (Scope 1 & 2) emissions in FY23

CDP
DRIVING SUSTAINABLE ECONOMIES

C

Our Carbon Disclosure Project (CDP) score

Score for 2023 is not published at time of publication.

ON-GOING CARBON EMISSION 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

A BETTER WAY TO LIVE

SUSTAINABLE SITE CABINS

Our Southern Counties division has been piloting solar/LPG-powered welfare units at its Penlands Green development. The hybrid system delivers much lower carbon emissions than diesel to generate electrical power, while also improving air quality and delivering a more pleasant working environment for site employees and contract staff.

This trial builds on ongoing work to make site cabins more efficient. As with our homes, the cabins now have improved thermal insulation, double glazed windows, energy efficient LED lights with PIR activation, thermostatically controlled heaters and energy efficient point-of-use hot water taps.

The Ecologic Solar cabin as trialled at Penlands Green, West Sussex.

SCOPE 3 EMISSIONS

This year, we have independently verified our Scope 3 emissions for FY21 and FY22, with our FY23 emissions being verified by September 2023. This provides us with a robust baseline to develop our carbon reduction measures with more accuracy and efficacy.

As shown below, 50% of our Scope 3 GHG emissions occur post construction when homes are in use. This is why we design homes that can be lived in with reduced energy use and incorporate eco-smart technologies such as ASHPs (see page 44). We engage customers around energy efficiency through our Customer Experience Suites and ongoing communications (see page 275).

'Embodied carbon' within building products and materials and wider supply chain activities makes up the second highest proportion of our Scope 3 footprint. In FY23, we focused on working with suppliers to co-create solutions to address this challenge.

SUPPLY CHAIN EMISSIONS BREAKDOWN*

PRODUCTS AND MATERIALS	GROUNDWORKS	THE BUILD	HOMES IN USE
20%	17%	13%	50%
Plastering **7%** Bricks **4%** Plumbing, Heating and Electric works **3%** Tiles (Roof, Wall) **2%** Others **4%**	Labour & Plant **7%** Materials **10%**	Purchased Services **7%** Upstream transportation and distribution **5%** Operations and travel **1%**	Homes **47%** Appliances **3%**

* Based on FY21 baseline data

CARBON REDUCTION INITIATIVES

Scope 3

IN OUR DIRECT CONTROL

Implement Future Homes Standard (2025) 85% lower emissions

WE CAN INFLUENCE

Support our supply chain with setting own NZC targets

Establish an EPD database for our key carbon contributors

Engage with industry product associations

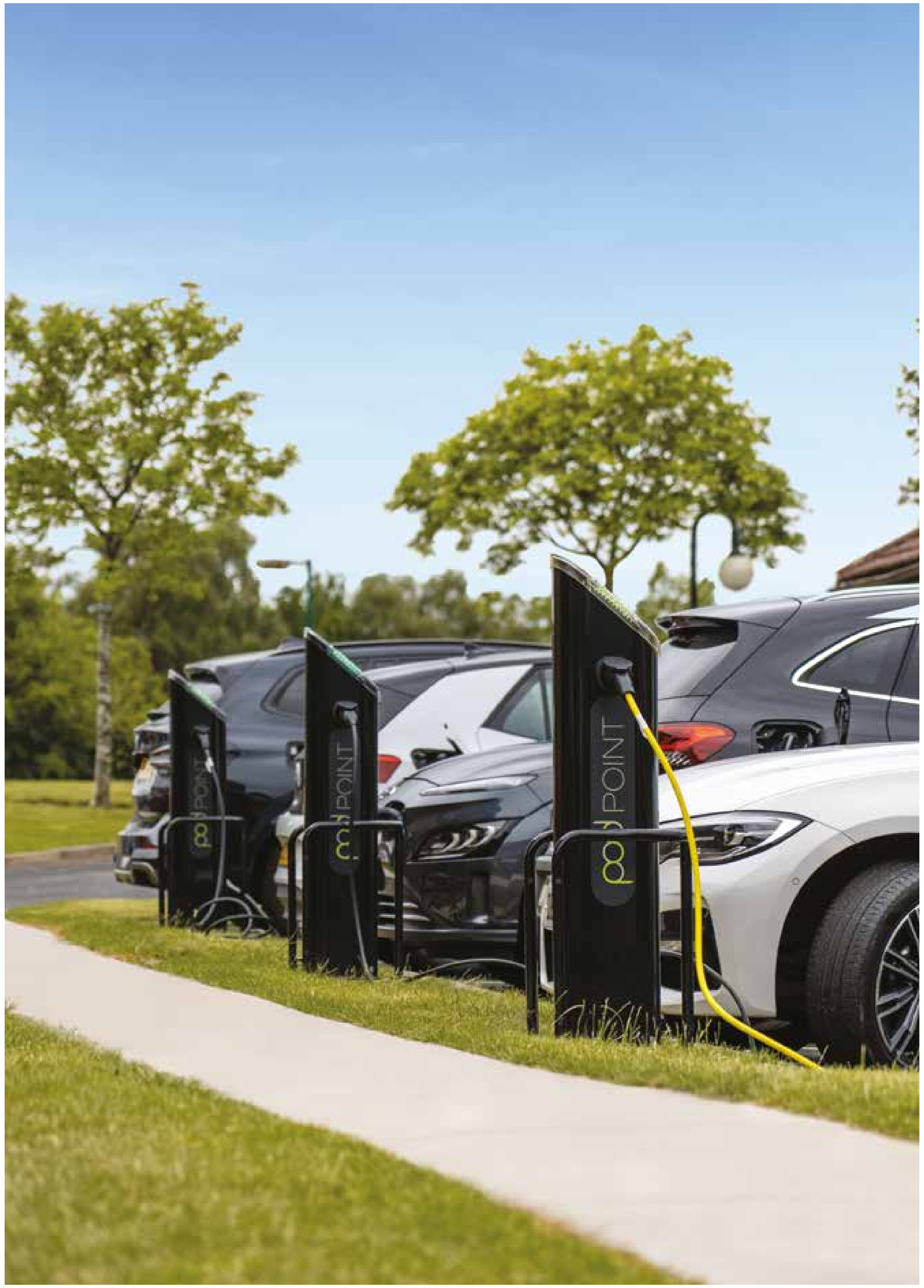
Improve data accuracy

CONTROL AND INFLUENCE

Carbon related clauses within commercial contracts

Collaborate with Supply Chain Sustainability School & Future Homes Hub

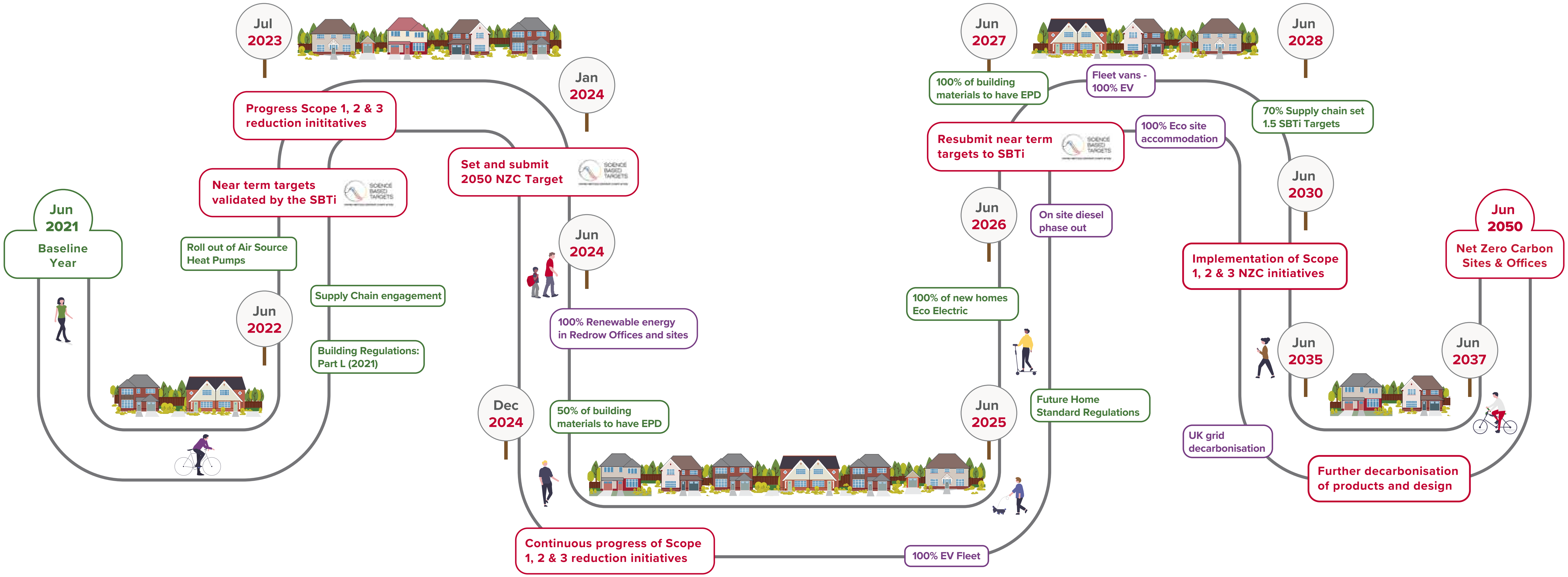
Car charging pod points are now installed at our head and regional offices.



OUR ROUTE MAP TO NET ZERO-CARBON (2050)

Redrow has responded to the SBTi's urgent call for corporate climate action by committing to align with 1.5C and net zero through the Business Ambitions for 1.5C campaign.

The SBTi has approved Redrow's near-term science based emissions reduction target. We have also committed to set long-term emissions reduction targets with the SBTi by January 2024 in line with reaching net-zero by 2050.



SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

BUSINESS AMBITION FOR 1.5°C

Key:
Key milestones: Red text
Scope 1 & 2: Purple text
Scope 3: Green text

RESOURCE EFFICIENCY

Enhance efficiencies and conserve natural resources through smarter ways of working.

Our programmes to reduce waste, improve water efficiency, and source timber responsibly has helped to not only reduce costs, but also our upstream and downstream impacts on the environment.

Working in partnership with our subcontractors and suppliers is key to delivering improvements in our resource efficiency, and we have focused on supporting our suppliers along this journey with us. Working with the wider industry such as the Future Homes Hub, and ensuring coordination across our own teams has also been critical to our success.

Our buildability and waste group comprising representatives from across the business has been driving progress, including publishing a Waste and Resource Efficiency Policy that extends to suppliers and developing an internal strategy, including specific training.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Transition to a low carbon and more efficient business and deliver zero-carbon ready homes.	98%	95% + waste recycled. (Achieved)

KEY Achieved | On track | More work required | Not achieved

A Redrow subcontractor working on site.

WASTE AND RECYCLING

In FY23, we diverted 98.3% of waste from landfill. This is a slight decrease on last year however remains within our target to achieve at least 95%. Our waste intensity increased from 7.91 tonnes per 100m^2 (t/100m^2) to 8.82t/100m^2, and as a result we have set a new target to reduce waste intensity by 10% by the end of FY25 (2021 baseline year).

We've improved data accuracy and control by streamlining the number of waste contractors we use. These help us to maintain a cost-efficient waste management service, as well as optimising reporting. In parallel, we've provided additional training and support to site operatives. Further steps during the year included:

- trialling more skip compactors to reduce waste volume and associated truck journeys, in turn reducing GHG emissions;
- piloting waste baler technologies, which reduced skip collections and subsequently fuel from fewer journeys;
- releasing a new storage guide for materials to prevent damage and a Construction Protection Policy to further reduce waste; and
- engaging site and office teams around waste and recycling, with better waste data information and signage.

WATER MANAGEMENT

Although water isn't currently rated as a significant material issue for the majority of Redrow stakeholders (see page 24), each year risks associated with water availability and quality become more acute. These range from pressures on water conservation and neutrality[20], to business continuity risks posed by supply interruptions and reputational issues arising from rising home water bills. Extreme heat and low rainfall in the summer of 2022 saw further impacts on water stressed areas.

Our homes already have one of the lowest water use specifications in the sector – with our Heritage Collection designed to achieve 105 litres per person per day (lpppd), against regulatory standards of 125 lpppd. We are exploring ways to improve this further through research and partnership. For example, we've joined multi-stakeholder forums to collaborate on water efficiency and water neutrality solutions including collaborating with the industry through the Future Homes Hub. Sustainable Drainage Systems (SuDS) are commonplace on our developments, providing many benefits including mitigating flood risk, supporting biodiversity and amenity. Our new internal SuDS Working Group is leading our continuing development of best practice and preparing the business for anticipated new mandatory requirements for SuDS in England.

Meanwhile, just as we engage customers to save energy and associated bills (see page 44), we provide tips and guidance to save water in the home and garden.

+ READ ABOUT NUTRIENT NEUTRALITY ON PAGE 37

OUR AWARDS

ZERO WASTE AWARDS

AWARD WINNER IN THE CONSTRUCTION CATEGORY
FOUR STAR

GREEN APPLE ENVIRONMENT AWARDS FOR ENVIRONMENTAL BEST PRACTICE

BUILDING AND CONSTRUCTION WASTE MANAGEMENT CATEGORY
INTERNATIONAL CHAMPION OF CHAMPIONS AWARD AND GREEN CHAMPION WINNER

ENVIRONMENTAL MANAGEMENT SYSTEM

All business operations are covered by an ISO 14001 environmental management system and each site has an environmental action plan and is subject to internal and external audit. In the last year, we saw a slight increase in environmental incidents resulting from surface water run-off. In response, our pollution prevention controls were strengthened, with improved site planning and other measures, including working closely with associated stakeholders.

+ READ MORE ABOUT HOW WE MITIGATE WATER RISKS FROM OUR ACTIVITIES IN OUR SASB DISCLOSURES ON PAGE 271

[20] In water-neutral new developments, total water demand is minimised and/or offset by investing in water projects. The key stakeholder is Natural England and the key areas affected for Redrow are Crawley, Horsham, parts of Chichester, South Downs and West Sussex.

SUPPLY CHAIN SUSTAINABILITY

Through our procurement, we create socio-economic value for local economies (see page 40). By embedding sustainability criteria into our contracts and ongoing relationships, we can make an even broader impact, mutually mitigating ESG risks and unlocking new commercial opportunities, from eco-efficiency savings to products that differentiate us in the market. Collaborating with suppliers is therefore not only an important aspect of reducing value chain emissions, but is also key to meeting our resource efficiency targets.

For example, as part of our site waste management strategy our supply chain attend toolbox talks and awareness workshops. Through our supplier appraisal we encourage our suppliers to reduce the volume of packaging waste and use packaging that can be reused or recycled where practicable.

Our Supply Chain Policy makes clear what we expect of suppliers. From contract tender, we conduct ESG appraisals and we continue to engage on ESG governance, leadership, ownership and workplace approaches throughout our relationship.

As members of the Supply Chain Sustainability School, our suppliers have access to thousands of online presentations, training modules, guidance documents and checklists. They can also attend free expert-led workshops and briefings. In FY23, these included a series on carbon awareness, attended by Redrow suppliers from diverse sectors. Attendees developed skills in carbon measurement, disclosure, strategy and Environmental Product Declaration (EPD) requirements.

> We could not have achieved the growth we are experiencing without Redrow delivering on their value of working in partnership with suppliers.

Paul Brownhill

Operations Director, Exallot

63%

Of suppliers attending our workshops had (or were in the process of establishing) a carbon reduction strategy

+ **READ ABOUT ECONOMIC VALUE CREATION IN OUR SUPPLY CHAIN ON PAGE 40**

A supplier visit taking place at Vaillant's factory. A supplier of Air Source Heat Pumps.

A BETTER WAY TO LIVE

RESPONSIBLY-SOURCED TIMBER

As laid out in our Sustainable Timber Procurement Policy and enhancing our contribution to SDG 15 (Life on land), we work with suppliers to ensure that timber comes from responsibly managed forests. During the year, 99.9% of timber sourced was certified to Forestry Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) standards. We've also increased our CDP Forests rating from C to B-. See the full disclosure at cdp.net.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Transition to a low carbon and more efficient business and deliver zero-carbon ready homes.	99.92%	● 100% timber FSC or PEFC certified

KEY Achieved · On track · More work required · Not achieved

B-

Our CDP Forest score

Score for 2023 is not published at time of publication.

Bronze

For sustainable supply chain, Global Good awards 2022

99.92% of our timber was FSC or PEFC certified.

SAFE BY DESIGN AND OPERATING RESPONSIBLY

Integrating health, safety and environment into everything we do.

Upholding the safety and wellbeing of our customers, employees and contract staff remains among the top two most material issues for our stakeholders (alongside climate change) and is key to how we manage risk and protect business continuity and our reputation.

Our HS&E Policy and Strategy emphasises safety in the design, build and use of our homes, as well as ensuring considerate and responsible conduct in our operations.

+ SEE OUR ESG HUB ON PAGE 252 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Integrate health, safety and environment into everything we do.	365 (0% reduction)	○ 10% year on year reduction in Annual Injury Incidence Rate.

KEY ✔ Achieved ● On track ○ More work required ● Not achieved

REDUCING ACCIDENTS AND INCIDENTS

We achieved a 22% reduction in minor injuries and a 30% reduction in significant incidents[21].

For any incident or accident that occurs, we ensure that lessons are learned and improvements are made to how we plan, manage and monitor activities. New or enhanced operating and management procedures have assisted in this, e.g. we now have a much clearer procedure around personal protective equipment and unannounced drug and alcohol testing. We've also improved induction processes for new supervisors and plant operators.

We've signed the UK Government's pledge and the Welsh Government's pact regarding the remediation of life critical fire safety issues in buildings over a height of 11m that we have developed in the past 30 years. Find out more on our website.

Last year we introduced our internal HS&E Awards Scheme to promote and encourage continuous improvement of our HS&E performance across our construction sites. This is a 3-tier scheme where all sites are judged to determine a HS&E Division Winner, each HS&E Divisional Winner is then put forward and judged to determine 3 HS&E Regional Winners. The 3 HS&E Regional Winners are then judged to determine the Overall Group HS&E Winner. We are pleased to announce that Overall Group HS&E Winner was our South East, Woodcote Park development.

The Site Management Team demonstrated consistent HS&E performance over the last Financial Year and worked hard to plan, manage, monitor and co-ordinate activities on site helping to ensure those activities are Safe by Design and the site is Operating Responsibly.

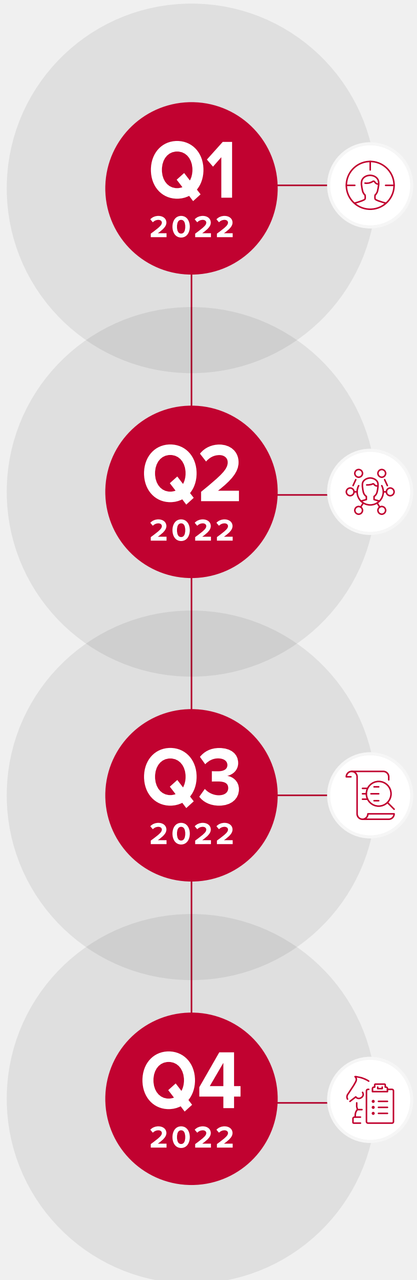
Tim Stone, Regional Chief Executive (right) with Joshua Cullen, Site Manager (left) at Woodcote Park, Herne Bay, Kent.

[21] RIDDOR: Reporting of Injuries, Diseases and Dangerous Occurrences Regulations.

A BETTER WAY TO LIVE

2023 FOCUS AREAS

The graphic below sets out our HS&E strategic level processes, describing our overall approach to managing HS&E across the business.



Governance
what everyone can do to support good safety governance.

Leadership
what we mean by leadership, who it applies to and how all employees can lead by example.

Ownership
asking everyone if they know what their individual HS&E responsibilities are and ensuring they have completed and maintained any mandatory training.

Workplaces
everyone has a responsibility to ensure workplaces are clean, secure, healthy, safe and have a minimal impact on the environment.
A Group-wide stand-down and toolbox talk was delivered to all employees and contractors to support Workers' Memorial Day on 28 April.

Every quarter, we raise internal awareness around a strategic safety theme, with tips and guidance on site noticeboards, intranet updates, toolbox talks and special events.

CONSIDERATE CONSTRUCTION

CONTRACTOR AND SUPPLIER PARTNER
CONSIDERATE CONSTRUCTORS SCHEME

A key aspect of building responsibly is ensuring that we manage our developments – and the build process – in ways that build positive relationships with the local community and respect the environment. As members of the CCS since 2018, we undergo regular audits against the Code of Considerate Practice. In FY23, CCS scored our sites an average of 39.5 out of 45, significantly exceeding our target[22]. CCS scores became part of the bonus scheme for our construction teams in the last year, further incentivising considerate practices.

A BETTER WAY TO LIVE

CCS: INCREASING SCORES YEAR-ON-YEAR

For the last five years' running, we've increased our scores under the CCS Code of Considerate Practice. Each Redrow development site is monitored twice a year (or the equivalent registration period) for potential improvements or non-compliances with regard to:

- respecting the community;
- caring for the environment; and
- valuing the workforce.

With 15 points available for each of these three priorities, many of our sites have scored the full 45 points since 2018, with our Woodford Garden Village and Saxon Brook sites achieving top marks following the new CCS scoring system in 2022 and this included three consecutive scores of 45/45.

45

CCS points scored for Saxon Brook out of a possible 45

Full marks for Saxon Brook

A large multiphase development near Exeter, Saxon Book has been recognised by CCS for its considerate construction practices across the board:

Respect the community: The public will rarely encounter any site traffic and the approach road remains clean and tidy. Noise and dust are kept to a minimum, with a road sweeper deployed twice weekly. A toolbox talk was given specifically on avoiding nuisance around occupied properties and a communication hub is in place. The site has hosted school and college visits for students to learn more about construction and career opportunities. Local subcontractors are employed where possible and there are currently four apprentices working on site.

Care for the environment: The site commits to carbon reduction, in line with Redrow 2025 objectives. It features a solar-assisted hybrid satellite office and welfare facility, with mains electricity provided under a green tariff and EV charging points available. All resource use (electricity/water/diesel) is measured and monitored. A comprehensive environmental plan and public open space planting plan incorporates a bee trail. Suppliers are assessed and selected in accordance with net zero commitments.

Value their workforce: Right to work and workforce competency checks are made. Workforce training includes ED&I and possible indicators of modern slavery, while a My Life helpline is available to employees and subcontractors. Health and wellbeing champions and mental health first aiders are available. Workers can join a cycle to work scheme.

Bumblebee Trail at Saxon Brook, Pinhoe, Exeter.

[22] Due to CCS total scores changing from 50 to 45 in FY23, we've not included comparison to FY22 data.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Integrate health, safety and environment into everything we do.	100%	Achieved: 100% sites registered to the Considerate Constructors Scheme.
	39.5	Achieved: Average CCS score at least 33/45.

KEY: Achieved · On track · More work required · Not achieved

BUILDING RESPONSIBLY – WHAT'S NEXT?

As we work towards our 2024 targets, we will address quality performance with regard to home defects as a matter of priority, while incorporating NHBC's Quality Common Scoring (QCS) system.

On our net zero GHG journey, we will publish a SBTi approved long-term target and accelerate value chain engagement, with a focus on suppliers. We will also use the Transition Plan Taskforce disclosure framework to ensure our route map achieves best practice. To amplify resource efficiency efforts, we hope to roll out more baler technologies and move towards EPD-evidenced procurement.

On safety, we will continue to enhance the Red HSE app to include more safety incident management tools and support our colleagues to drive down incidents.

+ SEE OUR ESG HUB ON PAGE 254 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

2024 TARGETS
10% year on year reduction in Annual Injury Incidence Rate
100% sites registers to the Considerate Constructors Scheme
Average CCS score at least 35/45
Net Promoter score of 54%
Customer Satisfaction rating (recommend a friend) 91%
Average Trustpilot Score 4.3
0.25 or less reportable items per NHBC inspection (RIs and BRIs combined)
NHBC CQR Group Average Score of 86% or more
NHBC CQR Average Score per inspection of 4.5/6 or more
95%+ waste recycled
100% timber FSC or PEFC certified
100% renewable energy used in offices and sites by end of 2024
Top 70% of the Supply Chain (based on spend) to be using the Supply Chain Sustainability School by the end of 2024

VALUING PEOPLE

Workplaces where people can be themselves and fulfil their potential

"With the future pipeline of talent always in mind, we've undertaken more outreach to schools, inspiring and supporting youngsters in areas of low social mobility. At the same time, we've invested in our existing workforce to attract and retain the talent we need.

Karen Jones

Group Human Resources (HR) Director

HIGHLIGHTS

2.5

Days of training per employee, on average

84%

Employee engagement score

92%

Of colleagues clear on role in supporting ED&I

MATERIAL ISSUES

- Company culture
- Sustainable procurement
- Diversity and inclusion
- Skills and training

CONTRIBUTION TO SDGS

5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

In light of national skills shortages during the last year, our role as an employer and trainer has become even more important. We've invested further in apprenticeships, work placements, graduate programmes and university partnerships. Looking to the future pipeline of talent, we've also enhanced our school outreach, with learning resources and Redrow Ambassadors supporting pupils in regions of low social mobility.

For those working at Redrow now, we've further strengthened our learning and development offer, with 2.5 days of training per employee on average. A key focus remains on empowering women, who are significantly underrepresented in our sector, to grow with us and become leaders and role models for girls and young women. Agile and flexible working arrangements continue to be supported for a healthy work-life balance and we've expanded physical and mental health support services and resources for colleagues and partners.

Valuing people extends to those working in our supply chains and the vulnerable in our communities. Our Supply Chain Policy makes clear our position with regard to treating people with respect and dignity, reinforced in our statements on Human Rights and Modern Slavery & Human Trafficking. Alongside charitable donations and development-level community funds, we incentivise employees with two days paid volunteering leave each year.

By valuing people, we contribute to wider sustainable development, notably SDGs 5 (Gender equality) and 8 (Decent work and economic growth) – find out more on page 268.

OUR AWARDS

Apprenticeships Top 100 Employers 2023

TOP 100 APPRENTICESHIP EMPLOYER

Gold – Member of The 5% Club 2022/23

GOLD ACCREDITED MEMBER OF 5% CLUB

We are a Living Wage Employer

LIVING WAGE EMPLOYER

NHBC Pride in the Job Awards 2023

20 NHBC PRIDE IN THE JOB AWARDS

STRATEGY SPOTLIGHT

CLOSING THE CONSTRUCTION SKILLS GAP

The last year has been characterised by a well-publicised nationwide skills shortage. With our research showing that nearly half of young adults say they're open to working in construction[23], we're investing to close the skills gap – from schools outreach, to acclaimed apprenticeships.

At 2 July 2023, 15.9% of employees at Redrow were trainees including graduates and apprentices, achieving our target of 15%.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Inspire the next generation into the sector and ensure people have the opportunity to develop and grow within the business	15.9%	Achieved: 15% of all employees being trainees

KEY Achieved · On track · More work required · Not achieved

+ SEE OUR ESG HUB ON PAGE 256 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

APPRENTICESHIPS

Our national apprenticeship programme continued to support 153 trade apprentices and 28 technical or commercial apprentices on their programmes. We also welcomed 109 newcomers to our programmes. Our brickwork hub in partnership with NHBC at our Amington Garden Village development in Tamworth has become a beacon for how we provide expert-led, real-world experience for apprentices. Cohorts of 20 apprentices spend six-week blocks working in a proper site environment with full health and safety protocols ensuring they are site-ready for when they start work.

"This intensive apprenticeship programme is proving to be the right choice to help individuals looking to enter this area of construction, as well as addressing the skills shortage the industry currently faces."

Clare Hindley
Head of Training

Apprentices at Stephenson College.

64

We are proud to be the highest placed homebuilder in the top 100 Apprenticeship Employers, ranked at number 64.

Apprenticeships Top 100 Employers 2023

APPRENTICE SPOTLIGHT

"The Redrow team have been incredibly welcoming and made me feel right at home. As a generally male-dominated industry, I was nervous about entering the world of construction. However, Redrow have been really supportive and encouraging. I'm thoroughly enjoying my experience and want to keep doing this job at Redrow until I retire!"

Jasmine Dyer (18)
Carpentry Apprentice

[23] Based on our survey of 1,000 young adults aged 16-24.

UNIVERSITY PARTNERSHIPS

In FY23, 19 graduates completed our two-year development programme that nurtures candidates from all degree backgrounds to become future leaders in housebuilding. We're looking forward to welcoming 13 more graduates in FY24.

Our sponsored degree programme with Coleg Cambria in Wrexham and Liverpool John Moores University has enabled 13 young people to graduate with BSc (Hons) in construction management and housebuilding. Seven of these achieved first-class honours. The programme combines on-the-job learning with fully funded university studies. In FY23, we saw an intake of 15 and there are currently 31 students rotating through Redrow's construction, commercial, technical, land and planning, customer service and sales departments.

Taking forward the university partnership model, we've now signed a three-year partnership with Nottingham Trent University to support widening access to university, giving students the opportunity to access a range of extracurricular activities that are strongly correlated with improved student outcomes. We will report back further in FY24.

SCHOOLS AND COLLEGE OUTREACH

Always looking to the next generation of talent, our work experience programme gives 15 to 18-year-olds a chance to experience careers in housebuilding. We partner with the School Outreach Company to ensure we reach regions of low social mobility, with Redrow Ambassadors inspiring pupils in diverse career pathways and providing support around CV-writing and interviewing. The partnership currently extends to around 250 schools.

“

Apprenticeships in bricklaying and site supervision are fantastic pathways into a rewarding and well-paid career in the housebuilding industry and we're delighted to see the first apprentices to achieve fully qualified status through the hub.

Geoff Mann
Qualifications Manager, NHBC

“

For anyone considering a Redrow sponsored degree programme, I would say go for it! It's not often the chance comes around to work for such a reputable company, gaining valuable experience to progress in your career, surrounded by colleagues with years of experience to learn from, while also gaining an extremely well-regarded qualification.

Beth Salisbury
Quantity Surveyor, successful sponsored degree graduate

Bricklaying apprentices at the NHBC Training Centre, Tamworth.

EQUALITY, DIVERSITY AND INCLUSION

Creating a diverse and inclusive workplace that prioritises the wellbeing of our people.

Equality, diversity and inclusion (ED&I) in our workforce benefits Redrow by enhancing creativity, innovation, productivity and connection to customers. Our expectations are outlined in our policies on ED&I and recruitment and selection. Every division has its own ED&I senior sponsor and lead representative, with more than 85 ED&I representatives driving progress internally.

92%

Of colleagues are clear about their role in supporting ED&I

+ SEE OUR ESG HUB ON PAGE 258 OR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

+ READ MORE ABOUT MANAGEMENT AND BOARD DIVERSITY ON PAGE 159

+ READ MORE ABOUT OUR ED&I POLICY ON PAGE 194

Graduate Induction course at Redrow Training Centre, Tamworth.

INCLUSIVE COMPANIES
Equality, Diversity & Inclusion for All

Business Disability Forum
Creating a disability-smart world together

employers for carers

NHBC training course at Amington Garden Village, Tamworth.

> It has been refreshing to work at a company that takes ED&I seriously. Working as a lead rep for the South East division and understanding and witnessing the impact that we make on the business has been extremely fulfilling. The ED&I Team at Head Office have been fantastic and their organisation and dedication to the cause and willingness to help is inspirational.

Georges Mikhael

Lead ED&I Rep for South East division

INCLUSIVE CULTURE

Delivering on our targets requires every Redrow employee to engage with and champion diversity issues. As well as supporting employee-led initiatives and networks, we welcome open discussion, with a dedicated ED&I intranet page. A key development in FY23 was handing over decision-making around which national/global events or campaigns to celebrate to regional ED&I representatives. As a result, we marked the following: Neurodiversity Week, Black History Month, International Women's Day, Easter, Chinese New Year, Ramadan and Eid and Pride Month. We also encouraged employee blogging and intranet posts around religious festivals.

As part of our memberships of diversity organisations, we hosted events to build skills and awareness on key topics. For example, the Business Disability Forum ran webinars on dyslexia and autism for us during Neurodiversity Week.

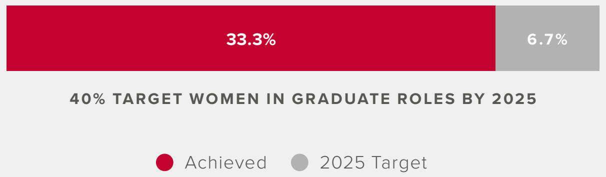
A BETTER WAY TO LIVE

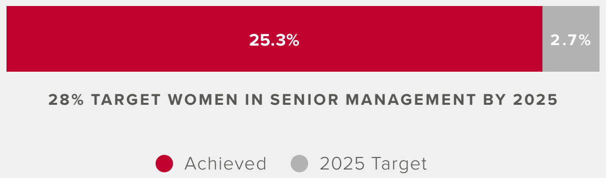
WOMEN IN CONSTRUCTION

The UK construction workforce comprises just 16% women and our research shows that three in five young women want to work for a company that has more female leaders. Bridging the gap between aspiration and reality requires a joined-up effort from companies like Redrow to work with schools, colleges, universities and policy makers. We continue to proactively target female talent through diverse university and graduate recruitment strategies. We also partner with HBF and Women into Construction on recruitment and development initiatives.

Against our 2025 ESG targets[24] for 40% of women recruited into graduate roles and 28% women in senior management by 2025, in FY23 we achieved 33.3% and 25.3% respectively.

ESG TARGETS AND PROGRESS FOR WOMEN IN CONSTRUCTION





For women working at Redrow, our six-month STAR programme provides opportunities to develop leadership skills, while the Redrow Women's Network, (relaunched as the Empower community), remains a popular forum for women to connect, share and grow – from trainee to senior executive level. The network offers peer-to-peer mentoring on a range of challenges faced by women in the workforce.

We're pleased to report that we reduced our gender pay gap further in the last year, from 5.9% to 3.5% (mean hourly average).

2023 POSITIVE ABOUT Women into Construction

+ FIND OUT MORE ABOUT HOW WE'RE INSPIRING THE NEXT GENERATION OF WOMEN INTO CONSTRUCTION AT WWW.WOMEN-INTO-CONSTRUCTION.ORG

"

The launch of Empower on International Women's Day has introduced a platform to Redrow for women to connect, network and share knowledge/experience both work-related and non-work-related and offer support or advice for each other, with all colleagues able to join, support each other and become allies.

Amanda Hollins
Chair of Empower

ZARA'S STORY

Zara Barrow joined Redrow ten years ago as an assistant site manager. She's now Redrow's Group Construction Director and Group sponsor for ED&I, inspiring the next generation of women into the industry.

"

I think that girls of school age need to understand that a career in construction is a possibility. The perception of it being just for men is out of date. There are so many opportunities for women to succeed, do well and make a difference to communities.

Zara Barrow
Group Construction Director

EVE'S STORY

Eve joined Redrow's two-year graduate training programme in September 2021. She was promoted after just 18 months in our Yorkshire division to the role of assistant designer.

"

I believe it is instrumental to ensure girls and women who may not have considered working in construction see it as the supportive environment it can be, and those who have embarked on their career, feel championed to stay long-term.

Eve Walton
Assistant Designer

[24] Operational framework targets are currently in development with guidance from external experts. Meanwhile, we report against ESG scorecard metrics.

ENGAGING PEOPLE AND PARTNERS

Empowering and engaging our people and partners to deliver on our purpose.

Valuing our people and partners is critical to ensuring our relationships flourish. We have a dedicated Non-Executive Director heading up our workforce engagement group.

LEARNING AND DEVELOPMENT

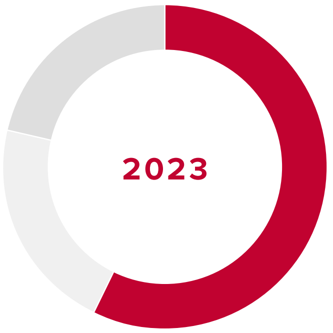
+ SEE OUR ESG HUB ON PAGE 256 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

In FY23, we delivered 5,591 days of training, the equivalent to 2.5 days per employee and a slight increase on the previous year. Alongside apprenticeships and other vocational training (see page 40), just over 15% of Redrow's workforce held trainee status at 2 July 2023.

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Empower and engage our people and partners to deliver on our purpose.	2.5	● 3 training days per employee per year.

KEY Achieved · On track · More work required · Not achieved

TOTAL TRAINEES



Apprentices	200
Graduates	75
Other	74
Total Trainees	**349**

TOTAL EMPLOYEES

2,189

Redrow employees undergoing construction training at our purpose built training centre.

A BETTER WAY TO LIVE

GETTING MORE FROM GIVING BACK

In FY23, our second-year graduates were once again out and about adding value to deserving causes. The two charity partners supported were Hope House Children's Hospice and The Children's Adventure Farm Trust.

> We were able to use the knowledge we've gained during our graduate training programme over the last 18 months and complete everything on time; it also helped expand our practical skills.

Ruben Codinha
Graduate trainee

Just as charities benefit from volunteer time, graduates develop their skills, practice team-building and connect with diverse communities.

> It's been a real team effort by the graduates and three days of hard work onsite at CAFT and Hope House Hospice. They've utilised skills in problem-solving, procurement and negotiation, all of which are key elements of their graduate training programme.

Beth Toomey
Graduate programme manager

+ READ ABOUT OUR CHARITABLE DONATIONS POLICY ON PAGE 194

A BETTER WAY TO LIVE

PRIDE IN THE JOB AWARD WINNERS

The National House Building Council (NHBC) celebrates the very best UK site managers and their commitment to raising standards in house building.

With only 444 winners selected out of over 8,000 entrants across the UK, the recipients are among the country's best house builders.

The Quality Award winners will now go on to compete for Seal of Excellence and Regional Awards in the autumn, with the national Supreme Award winners unveiled in January 2024.

In the last year, our people picked up 20 NHBC Pride in the Job awards, including joining the 'supreme' category for the first time.

CONGRATULATIONS TO OUR AWARD WINNERS

- James Barraclough
- Michael Burnell
- Peter Campbell-Wright
- Matthew Coyle
- Ian Day
- Ben Goostrey
- Cait Grady
- Jake Green
- Prageeth Harischandra
- Jason Hart
- Elliot Kingdon
- Ian Larkins
- Jack Leslie
- Keith Mitchell
- Paul Peacock
- Edward Piggford
- Adrian Stone
- Huw Thomas
- Craig Thomas
- Luke Woodall

NHBC Pride in the Job Awards 2023

> It is important we recognise the vital role site managers play in ensuring new homes are delivered on time, on safe sites and to exacting construction quality standards.
>
> This accolade recognises the best site managers across the UK and celebrates how much all the winners have inspired their teams by going the extra mile to deliver homes of the highest quality.

Steve Wood
CEO, NHBC

Left to Right: Edward Piggford, Elliot Kingdon, Craig Thomas, Matthew Coyle, Adrian Stone and Huw Thomas.

COLLEAGUE SPOTLIGHT: PRIDE IN THE JOB AWARD WINNERS

> I am delighted to win this award for the second time. It is testament to my team's hard work, dedication and consistency that we have won it two years in a row.

Jake Green
Site Manager
Tabley Park, Knutsford

This is the second year in a row that Jake Green, a father of two from Oldham, has received this award.

Jake, 28, has worked for Redrow for the past six years, after starting our graduate scheme in 2017. It was obvious from the start that the father-of-two was heading for success when he was taken off what should have been a two-year training programme and fast tracked to a promotion after just 11 months.

He was given the role of assistant site manager at 23 and his own site to run at Mulberry Park in Macclesfield. From there he went to Cranberry Gardens in Congleton before being made site manager at Tabley Park in Knutsford, where he's worked for the past three years.

> Moving to site was absolutely the best decision I made, and I wish I had made the jump into construction a lot earlier.

Cait Grady
Site Manager
King's Moat Garden Village, Chester

Cait Grady, 34, has worked for Redrow for the past 10 years, initially joining as a member of the customer and marketing team.

Realising her passion lay in construction Cait completed a masters in construction management and switched roles to a project coordinator, before becoming an assistant site manager and then site manager at Redrow's Chester development – King's Moat Garden Village.

20
NHBC Pride in the Job awards

STRATEGIC OBJECTIVE	2023 PERFORMANCE	2023 TARGET
Maintain overall engagement taken from annual survey report produced by Employee Feedback Ltd.	84%	(Achieved) Continue to achieve an engagement score of 80% or above.

KEY Achieved · On track · More work required · Not achieved

LISTENING AND RESPONDING

We saw an exceptional response to our employee survey (92% versus 88%), with an overall engagement score of 84% (compared to 83% in FY22).

Engaging and developing our people has helped enable 235 internal promotions during the year (FY22: 261). A proportion of our employees voluntarily leave or retire each year, resulting in a turnover rate of 15.2%, a significant reduction on FY22 (19.4%). Another indicator of engagement is traffic to our intranet page 'Engage'. During the year, there were an additional 44,476 views compared to the previous year, with more blogs, articles and other employee-led content shared than ever before.

We foster a 'speak out' culture at Redrow, whereby employees are empowered to raise concerns without fear of discrimination or retribution. An independent hotline is available for colleagues to anonymously report unethical or unsafe behaviours or possible breaches of the Policy on Bribery and Corruption or malpractice. This is made clear in our Whistleblowing Policy. We have an anonymous email facility for employees to raise any concerns relating to ED&I.

A WORKPLACE FOR WELLBEING

Alongside prioritising the safety of those working at or with Redrow (see page 62), we also nurture physical and mental wellbeing through our culture and workplace. Highlights in FY23 included introducing health kiosks for employees and contract staff to access a health MOT, with results and support shown instantly via a dedicated app. We also ran a 'save a life' course with the British Red Cross, as well as webinars with the British Heart Foundation and internal wellbeing events, such as 'yoga at your desk'. Internal health awareness campaigns spanned topics from menopause and diabetes to stress awareness and supporting carers.

EMPLOYEE SURVEY HIGHLIGHTS*

92% response rate to the survey

95% are proud to work for Redrow

89% would recommend Redrow as a good place to work

90% feel supported by their manager

84% of new starters say their induction gave them the information they needed

83% think communication is good between your team and other teams you work with

85% believe Redrow lives up to 'valuing people'

86% think that Directors have communicated a clear company vision for the next few years

*Last year our results were as follows: • 89% feel supported by their manager; • 81% of new starters say their induction gave them the information they need.

"We have great communication within the business and from all departments, with updates of the whole business on Engage, regular meetings and internal emails.

Redrow employee
Annual survey

"Redrow is a fantastic company to work for, I love our ethos and the people I work with. I am really proud of what we do at Redrow and proud of the experience we deliver to our customers.

Redrow employee
Annual survey

A BETTER WAY TO LIVE

MIND YOUR HEAD

Our ongoing mental health campaign, Mind Your Head, reached more employees and subcontractors with toolbox talks, 'lunch and learns' and other resources. During Mental Health Awareness Week, the campaign focused on the role of our Mental Health First Aiders (we currently have 150 people trained) and the Redrow Employee Assistance Programme.

Our ED&I reps, wellbeing champions and MHFAs are now supported further by monthly development sessions, as well as a dedicated hub and newsletter for them to expand their knowledge and confidence.

SUPPLIER PARTNERSHIPS

Beyond our operations, we work closely with supplier partners, not only on environmental sustainability (see page 60), but also on wider social impact. A close relationship is also fundamental to ensuring we deliver high quality homes on time. This was never clearer than in FY23 when the availability and costs of construction materials became a headline issue for our industry. We're pleased with the resilient position we maintained, thanks to our unique and established product range and our detailed, controlled forecast plot process, which supports procurement planning for both parties.

Our supply chain contracts make a significant contribution to socio-economic value (see page 40). We have supply agreements with around 250 suppliers nationally, covering approximately 85% of our total output. A large number of our relationships 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. We try to procure labour and materials within a 50-mile radius of each divisional office to support the local communities we work in. 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.

Finally, we uphold human rights in the supply chain, requesting that suppliers actively confirm compliance with Modern Slavery legislation and the Redrow Code of Conduct (suppliers and manufacturers). See the Directors' Report for more information.

COMMUNITY COLLABORATION

As part of how we create a positive impact in our communities (see page 38), we encourage employees to give their time and assistance to charity partners in their neighbourhoods with a Volunteering Policy that gives every employee two days' volunteering leave each year.

1,495
Subcontractor companies supported

2,708
Suppliers supported

747
Days of employee volunteering

+ SEE OUR ESG HUB ON PAGE 264 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

Redrow's in-house interior design team, pictured below with colleagues from the Hospice of the Good Shepherd, Chester, transformed a former storage room into a relaxing new 'spa like' waiting lounge space.

Redrow's Senior Management team visit the Vaillant factory, a supplier of Air Source Heat Pumps.

HEAT PUMP PARTNERSHIPS

Key to the success of introducing ASHPs into our homes is how we engage with our supply chain. We've spent the last few years preparing the business for the transition from gas boilers by conducting trials with manufacturers and working through our vision with suppliers. Together, we have been able to educate, train and engage our construction, technical, sales and customer service teams through a range of events including online training, factory tours, webinars and internal campaigns.

We're also supporting our sub-contractors to deliver this. We brought the supply chain together through a series of joint webinars. We have also supported the extensive direct training that manufacturers have in place. As a result, our sub-contractors have been able to prepare and educate their teams in new working practices. Adopting this approach means that we can smooth out and learn from issues quickly, helping us deliver best practice across the business, improving quality for our customers.

VALUING PEOPLE – WHAT'S NEXT?

With skills availability likely to remain an ongoing challenge for our sector, Matthew Pratt is chairing an expert skills panel with the HBF to identify sector-wide solutions.

Meanwhile, a new skills partnership with Nottingham Trent University will offer more industrial placements, graduate opportunities and financial support for students to access homebuilding careers.

Within Redrow, we will improve performance reviews and scale ED&I activities, with a focus on gender rebalancing within our business and sector.

+ SEE OUR ESG HUB ON PAGE 256 FOR MORE INFORMATION ON OUR PERFORMANCE AND TARGETS

+ CONTINUE TO WORK TOWARDS 2025 ED&I TARGETS SEE PAGE 269

2024 TARGETS	
15%	of all employees being trainees
3	training days per employee per year
80%+	Maintain overall engagement taken from annual salary survey report produced by Employee Feedback Ltd.

FINANCIAL REVIEW

> This year the Group has delivered a strong financial performance given market conditions.

Barbara Richmond
Group Finance Director

UNDERLYING PERFORMANCE

This year the Group has delivered a strong financial performance given market conditions. We generated operating profit of £399m (2022: underlying £414m[1]) and a return on capital employed of 23.11% (2022: 24.54%). We successfully completed the share buyback we launched in July 2022, returning £100m cash to shareholders and ended the year with net cash excluding lease liabilities of £235m (2022: £288m). FY23 was a 52 week year compared to FY22 which was a 53 week year.

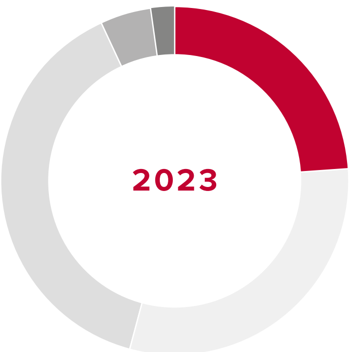
REVENUE, LEGAL COMPLETIONS AND OUTLETS

Total Group revenue was £2.1bn (2022: £2.1bn). Homes revenue was broadly maintained at £2.1bn (2022: £2.1bn) from the completion of 5,436 new homes, a 5% reduction on the prior year (2022: 5,715). The average selling price of our private home completions increased by 8% and that of our affordable homes by 5% on those in 2022 due to house price inflation and product mix. Other revenue from land sales was higher than in the prior year at £44m due to two significant land sales on larger sites (2022: £21m).

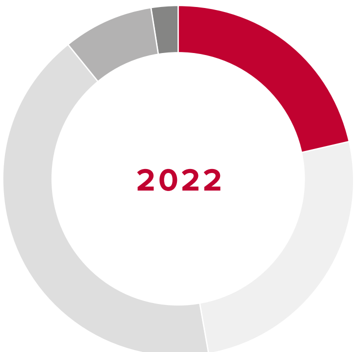
Homes Revenue grew in our North and Central regions and reduced in the South and Colindale. The Central region achieved sales growth of 15% and benefitted from both improved product availability due to an increase in outlets and an improvement in geographical and product mix. Revenue in the South reduced by just under 8% due to lower volumes and a change in mix, with a greater proportion of private apartment completions and affordable homes. As a result, Homes Revenue for the ongoing business was £2,038m, 1% lower than the prior year (£2,067m) from 5% fewer legal completions.

Revenue from private houses decreased by 2% to £1.6bn (2022: £1.7bn) on 11% lower volumes whilst revenue from private apartments decreased by 22% to £181m (2022: £232m) on 14% lower volumes. This was a result of completing the run down of our London business (excluding Colindale) and higher sales of apartments in the South East outside London which are of a lower average selling price than those in London.

HOMES REVENUE BY GEOGRAPHY

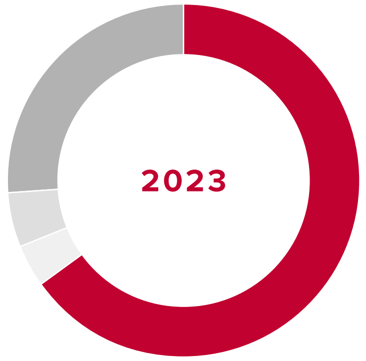


North	£493m
Central	£628m
South	£819m
Colindale	£98m
Total Homes Ongoing	**£2,038m**
Build Out (London)	£45m

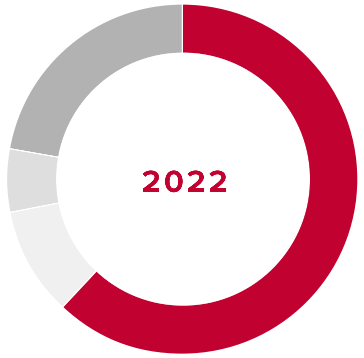


North	£458m
Central	£547m
South	£889m
Colindale	£173m
Total Homes Ongoing	**£2,067m**
Build Out (London)	£52m

CUSTOMER PROFILE CHART



Other Private	64%
HTB	4%
Investors	5%
Affordable	27%



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

Our Heritage Collection contributed 90% of private revenue in the year up from 88% last year. The average selling price of our Heritage homes increased by 9% to £473,300 (2022: £433,300). This continues to reflect the strategic shift towards quality family detached homes in primary regional locations, focusing on the home mover segment.

Affordable revenue increased 25% to £258m (2022: £207m) due to the timing of legal completions. It represented 12% of Homes Revenue (2022: 10%). In terms of volumes, affordable homes represented 27% of the 5,436 legal completions we delivered in FY23 (2022: 22% of 5,715).

Average active outlets increased to 117 (2022: 111) which was 3 below the guidance we issued, primarily due to planning delays. Our guidance for the 2024 financial year is for average active outlets to remain at 117 due to continuing delays in the planning system and a slower sales market.

RESERVATIONS AND ORDER BOOK

The Group secured £1.3bn of net private reservations in the 52 weeks to 2 July 2023 compared to £1.82bn for the 53 weeks in the previous year. We ended the financial year with a private order book of £0.6bn (2022: £1.1bn) and a total order book of £0.9bn, compared to £1.4bn last year. The reduction in reservations started with the negative impact of the Government's mini-Budget at the end of September 2022 which caused a spike in interest rates and not only a reduction in new reservations but also a very high number of cancellations. Whilst the housing market did pick up in the 2023 calendar year it did not return to normal levels of activity, with the sales rate averaging 0.53 per outlet per week for the second half of the financial year (2022: 0.71). This is due to the increases in mortgage rates. The sales rate reduced again in June as further mortgage rate rises were introduced by the major lenders.

PROFITABILITY

Gross profit was £508m, a £8m reduction on the prior year (2022: underlying £516m[1]). This represents a gross margin of 23.9% (2022: 24.1%[1]). The 20 basis point reduction in margin reflects build cost inflation which was not fully offset by house price inflation and also a higher proportion of affordable housing revenue due to the timing of legal completions.

Administrative expenses increased by £7m to £109m (2022: £102m) due mainly to cost inflation and ongoing IT investment. Administrative expenses were 5.1% of revenue, an increase on the previous year levels (2022: 4.8%).

The Group therefore delivered an operating profit of £399m (2022: underlying £414m[1]) in the year at an operating margin of 18.76% (2022: 19.3%[1]).

Net financing costs at £4m were in line with the prior year with bank interest payable and receivable increasing reflecting increases in base rate. We had an average monthly net cash balance of £196m for the year compared to £250m the previous year.

As a result, the Group delivered a profit before tax of £395m (2022: underlying £410m[1]) for the year with basic earnings per share of 91.2p (2022: underlying 96.0p[1]).

Last year 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 agreed to remediate solely as a result of signing the voluntary Building Safety Pledge. This was treated as exceptional as it is outside the normal course of business, non-recurring and material by size and nature. On 13 March 2023 Redrow signed the Self Remediation Terms (SRT) contract with DLUHC which follows on from the Building Safety Pledge and the equivalent Welsh version on 18 April 2023. The SRT widens builders' responsibilities regarding potential remedial work which may need to be undertaken and led to a further £32m of costs to be provided as a result of this scope change. This was offset by a reduction in the estimated costs of the necessary works for the external wall systems provided for in 2022. There is therefore no exceptional item in FY23.

STATUTORY PERFORMANCE

As statutory performance last year was impaired by an exceptional item in respect of the legacy fire safety provision, the review of performance above has been of underlying performance i.e pre-exceptional. From a statutory perspective gross profit of £508m was £156m higher than the £352m delivered in the prior year. Operating profit was £399m (2022: £250m) and profit before tax of £395m was a £149m increase on the £246m achieved in 2022.

TAX

The corporation tax charge for the year was £97m (2022: £49m). The Group's tax rate for 2023 was 24.5% (2022: 20%). This increase in the effective rate is a result of an increase in the corporation tax rate to 25% from 1 April 2023 and a full year of Residential Property Developers Tax (RPDT) at the rate of 4% which was introduced by HMRC from 1 April 2022.

The normalised rate of corporation tax for the year ending 30 June 2024 is projected to increase to 29% based on corporation tax and RPDT rates which are substantively enacted currently.

The Group paid £82m of corporation tax in the year (2022: £55m), in four instalments.

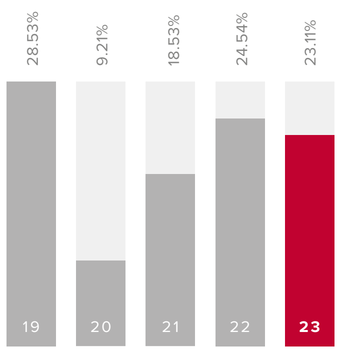
DIVIDENDS

The Board has proposed a 2023 final dividend of 20.0p per share which will be paid on 16 November 2023 to Shareholders on the register on 22 September 2023, subject to Shareholder approval at the 2023 Annual General Meeting. This gives a full year dividend of 30.0p (2022: 32.0p) on earnings per share of 91.2p (2022: underlying 96.0p[1]), a payout ratio of 33% of underlying earnings, in line with our stated policy.

RETURNS

Net assets at 2 July 2023 were £2,026m (2022: £1,950m), a 4% increase representing a NAV per share of £6.13 following the £100m share buyback and cancellation of 21,420,175 10.5p shares (2022: £5.54). Capital employed at the same date was £1,791m (2022: £1,662m) due to increased levels of work in progress and a reduction in land creditors. Our return on capital employed decreased to 23.11% (2022: 24.54%) due to the lower profit and higher capital employed (see note 15f). Return on equity also reduced to 19.9% (2022: 21.5%). (See note 23).

UNDERLYING RETURN ON CAPITAL EMPLOYED



LAND

Our gross investment in land at £1,684m (2022: £1,710m) reduced slightly as a result of our cautious approach to the land market in the light of the uncertain economic conditions. Our land holdings owned with planning amounted to approximately 4.8 years output (2022: 5.2 years). A review of the net realisable value of our land holdings at 2 July 2023 resulted in a net £4m increase in the net realisable value provision to £26m (see note 14).

Our land buying expertise, placemaking and design abilities and strong balance sheet assist us when we are in the market to secure quality land holdings in primary locations. During the financial year the Group only added c1,900 plots with planning permission to our current (owned and contracted) land holdings (2022: c6,000) due to ongoing economic uncertainty. We closed the year with 26,070 plots in the current land holdings, a 3,530 decrease on the prior year (2022: c29,600 plots).

Approximately 58% of our current land holding additions in FY23 came from our forward land holdings. This is higher than the prior year, reflecting our reduced activity in the current land market together with securing implementable planning permissions on a small number of strategic sites in the year (2022: 27%). We closed the year with 36,100 forward land holdings (2022: 37,800 plots).

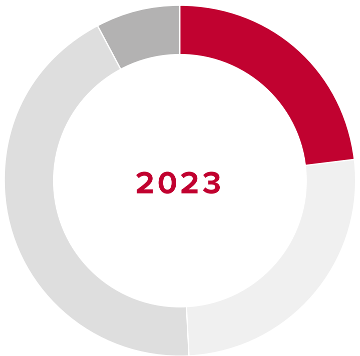
Land creditors decreased by £104m to £272m at 2 July 2023 (2022: £376m) representing 16.2% of gross land value (2022: 22.0%). This is due to the timing of land creditors maturing and the reduction in land purchases.

Our owned plot cost has increased by £7,000 to £88,000 (2022: £81,000) whilst still representing 19% (2022: 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.

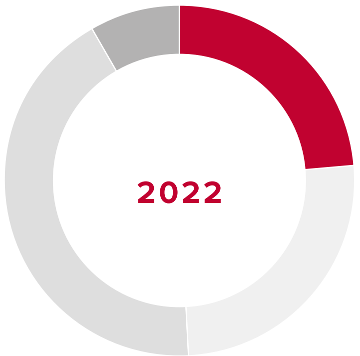
WORK IN PROGRESS

Our investment in work in progress has increased by £56m to £1,086m (2022: £1,030m) as a result of build cost inflation and increased outlets. As a percentage of Homes Revenue it increased to 52% from 49% last year.

CURRENT LAND HOLDINGS BY GEOGRAPHY



North	6,105
Central	6,748
South	11,184
London	2,033
Total	**26,070**



North	6,995
Central	7,573
South	12,599
London	2,433
Total	**29,600**

RECEIVABLES

Trade receivables and contract assets decreased by £21m at 2 July 2023 to £24m (2022: £45m) due primarily to the timing of PRS and affordable housing receipts. Other receivables decreased from £25m to £13m mainly due to the timing of the recovery of VAT on land purchases.

PAYABLES

Trade payables, customer deposits and accruals were £52m lower than 2022 levels at £561m (2022: £613m) with trade payables increasing and customer deposits and accruals decreasing reflecting timing and levels of activity.

PROVISIONS

Provisions reduced by £12m overall during the year to £195m (2022: £207m). This was due to expenditure on the legacy fire safety provision. We expect £107m of this to be utilised in FY24. Our expenditure in FY23 was lower than the £97m expected due to requests for payments to the Building Safety Fund not being received in the timeframe anticipated.

CASH FLOW AND NET CASH

There was a cash inflow generated from operations of £244m in the year (2022: £318m). This is lower than the previous year mainly due to the decrease in land purchases and reduction in land creditors already mentioned. This reduced our cash conversion percentage (see note 23) to 61% compared to 125% in the prior year. We successfully completed the £100m share buyback we announced in July 2022 in the year. As a result we closed the year with net cash excluding lease liabilities of £235m (2022: £288m).

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 (2022: nil).

PENSIONS

On 27 January 2023, the Trustees of the Redrow Staff Pension Scheme entered into a bulk annuity buy-in contract with Standard Life. This transaction is part of the Trustees strategy to reduce the Scheme's exposure to risk with the Trustees agreeing to exchange the assets of the Scheme for an insurance policy which exactly matches the projected cashflows for all future pension benefits. Thus under the bulk annuity the Trustees will receive payments from Standard Life which they will use to pay pension benefits under the Scheme.

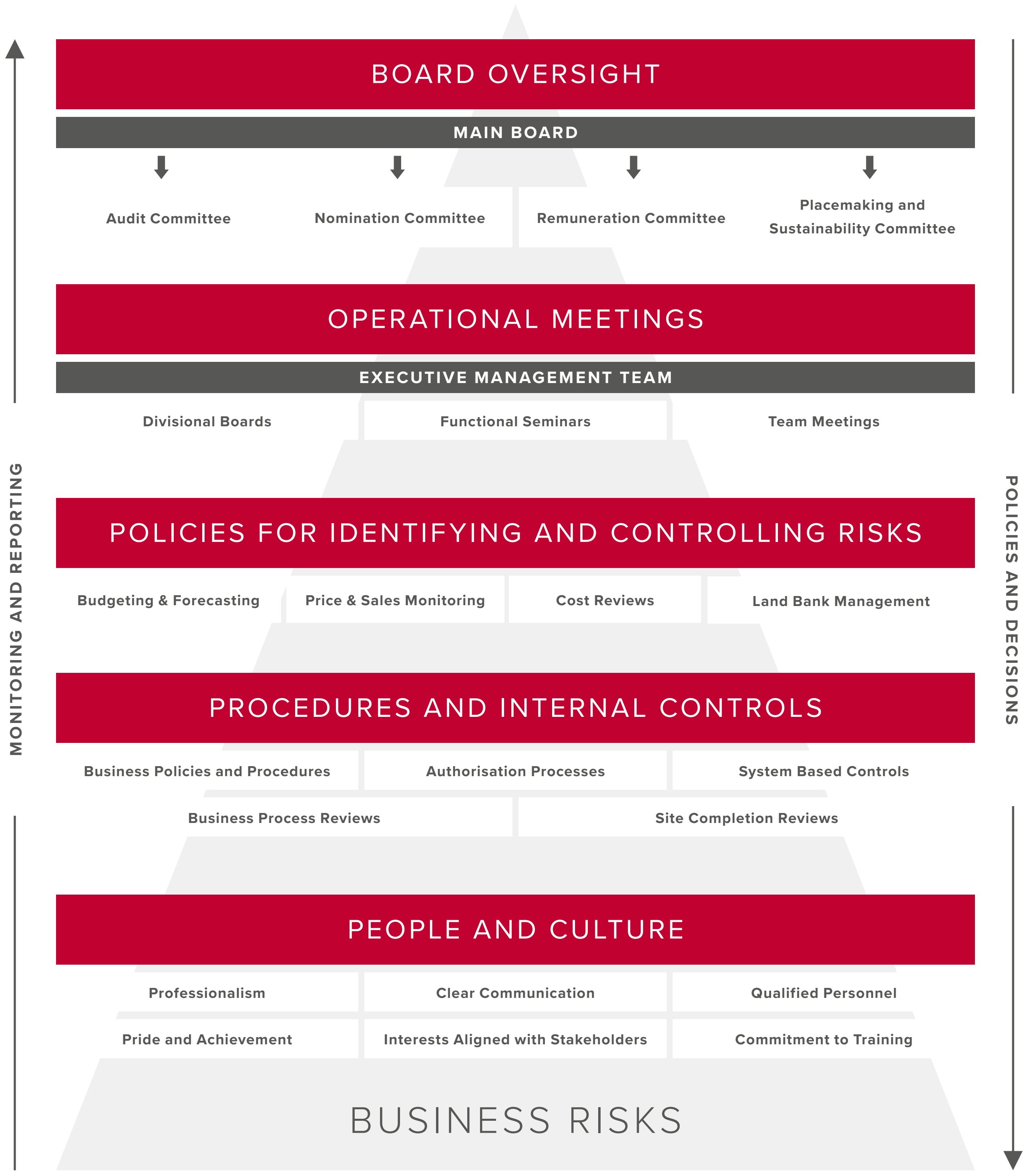
The buy-in reduces future pension and funding risk from a Company perspective. However, the Trustees making the strategic investment decision and entering into the bulk annuity buy-in contract does not impact the Company's obligations in relation to the Scheme e.g. to ensure the employee benefits are paid when they fall due. Therefore, as the Company retains responsibility for all its obligations in relation to the Scheme, it continues to treat the Scheme as a defined benefit plan as permitted by IAS 19 with £34m charged to Other Comprehensive Income in the period.

As a result, at 2 July 2023, the Group's financial statements showed a £5m surplus (2022: £39m 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

[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



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
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 more than offset by the impact of the uncertain economic conditions on the housing market, the cost of living crisis and high interest rates.	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 Management Team meetings a minimum of twice weekly in times of crisis.	↑	• Leading market indicators re volumes and values • Weekly sales statistics
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 reduced slightly due to the risk of a significant disaster e.g. a pandemic reducing, offset to a large extent by an increase in the risk of key supplier or subcontractor failure due to inflationary and interest rate pressures.	Group Commercial Director	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 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 continuing to be 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

Strategic report Risk management / continued

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
BUILDING RESPONSIBLY	**AVAILABILITY AND AFFORDABILITY OF MORTGAGE FINANCE** Availability and affordability of mortgage finance is a key factor facilitating liquidity in the housing market. This risk has increased in the year due to the increase in mortgage rates and the 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	**SUSTAINABILITY** Risks associated with failure to embed sustainable development principles. This risk has reduced slightly due to the focus on sustainable development and update of our sustainable operating framework.	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 strategy and guidance. Regular benchmarking against peers. ESG scorecard. Risks and opportunities assessment aligned to TCFD framework. Training for divisional teams. Appointment of a Group Sustainability Director.	↓	• Group GHG emissions Scope 1 & 2 • % of timber certified • Average SAP rating • Tonnes of construction waste per $100m^2$ build • % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct
THRIVING COMMUNITIES VALUING PEOPLE	**CUSTOMER SERVICE** Failure of our customer service could lead to relative under performance of our business. This risk has reduced in the year reflecting the implementation of the New Homes Quality Code.	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. Annual review of adherence to NHQB Quality Code procedures compliance signed by divisional Managing Director. 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 46) • NHBC Construction Quality Review scores and Reportable Items (see page 46)

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	RISK MOVEMENT	EXAMPLE KEY RISK INDICATORS
THRIVING COMMUNITIES BUILDING RESPONSIBLY VALUING PEOPLE	**HEALTH, SAFETY AND ENVIRONMENT** Non-compliance with Health & Safety standards and Environmental regulations could put our people and the environment at risk.	Group Health, 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. ISO 14001 environmental management system covering all business operations. 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 page 252) • 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. The risk of cyber attacks and data and systems breaches increased across the UK business landscape and therefore ourselves. Our risk was mitigated in part by our investment in further IT security measures during the year.	Chief Information Officer	Cyber Awareness campaigns. Communication of IT policy and procedures to all employees. Regular systems back up and storage of data offsite. Web access allowed list. Internal IT security specialists. New Security Operation Centre. 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. 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 and Managing Director (Harrow Estates)	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 86) • Owned land holding years (see page 9) • 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
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 and the risk of aligning design challenges and customer expectation when introducing new technologies.	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. Manufacturers providing specific training to subcontractors re new technologies installation. Regular design and technical seminars. Monitor Government emerging legislation.		• Customer satisfaction metrics (see page 46) • 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 page 256) • Employee engagement score (see page 256)

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 and Climate-Related Financial Disclosures. Ensure appropriate consideration is given to product design and placemaking to mitigate potential climate change 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 with near-term targets verified.	→	• Group GHG emissions • Scope 1, 2 & 3 • Average SAP rating

GOING CONCERN AND VIABILITY STATEMENT

An assessment of going concern is included in the Basis of Preparation section of the Accounting Policies on page 214.

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 further potential impact of the uncertain economic and housing market conditions, cost of living pressures, the impact on consumer confidence levels, the continuing war in Ukraine and disruption in the energy and fuel market.

The Group has a £350m Revolving Credit Facility (RCF) (2022: £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 on 30 September 2025 (2022: 30 September 2025) and is a committed unsecured facility. As at 15 September 2023, £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 3 July 2023 to 30 June 2026. This timeframe was selected as it:

- corresponds with the Board's strategic three year planning horizon;
- corresponds with the performance timeframe of the Long Term Incentive Plan (see page 174);
- corresponds to the timeframe required by the syndicate banks when amending or renewing the RCF;
- represents a reasonable estimate of the typical time between purchasing a site with an outline planning consent, progressing through detailed planning consent and building and selling the first phase of the development; and
- allows due consideration of the impact of Government policy and regulatory change.

On an annual basis, the Directors formally review the financial forecasts for the Group including cashflow forecasts. These forecasts incorporate assumptions about the timing of legal completions of new homes and land purchases, build cost inflation, interest rates, profitability and working capital requirements. The Directors identified the Principal Risks that have the most impact on the viability of the Group within the three year period as:

(i) Housing market;
(ii) Key supplier or subcontractor failure;
(iii) Planning and regulatory environment; and
(iv) Availability and affordability of mortgage finance.

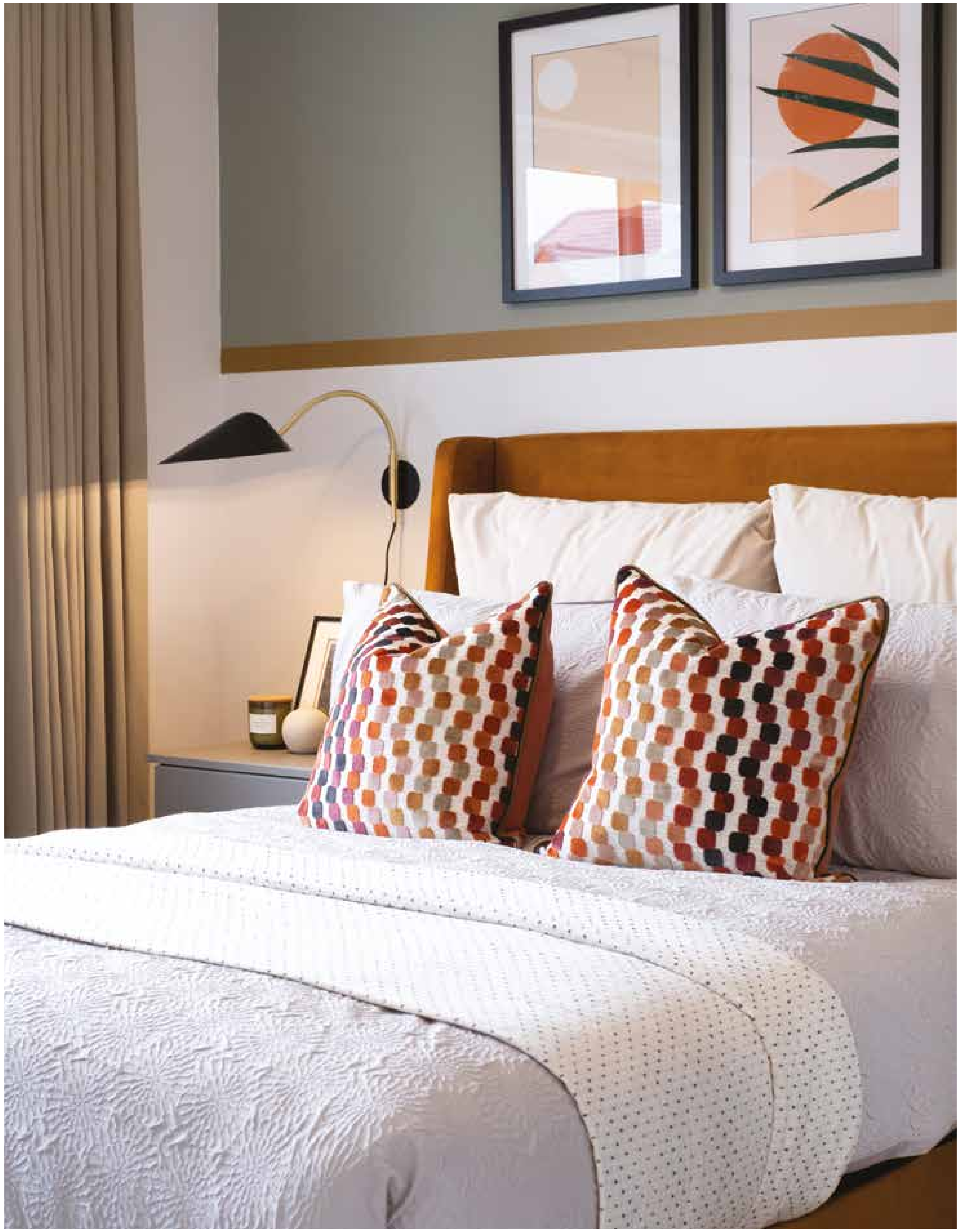
These have informed our stress testing and the three year plan has been stress tested taking into account the following severe but plausible downside assumptions:

- A 10% price reduction on all unexchanged private and social legal completions for FY24 and FY25 concern compared to the base case Board approved budgeted prices (Risk (i) and (iv) above);
- A 30% volume reduction for FY24 and FY25 and a 15% volume reduction for FY26 compared to the base case Board approved budgeted volumes (Risk (i), (ii), (iii) and (iv) above);
- In addition to the build cost inflation incorporated within the base case Board approved budgeted costs, an additional 3% build cost inflation has been applied to all build costs from Q1 FY24 falling to 2% from Q1 FY25 (Risk (ii) and (iii) above); and
- The Bank of England base rate increasing to 6% during FY24 before reducing gradually to 4.0% by the end of the viability assessment period.

Mitigations to this sensitivity analysis include a reduction in land investment and development and a reduction in dividends to align with the Company dividend payout ratio policy.

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 2026.

Interior in The Stratford show home at Parc y Coleg, Newport, Gwent.



TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES (TCFD)

INTRODUCTION

The following section outlines Redrow's disclosure of Climate-Related Financial Disclosures in line with the requirements of the London Stock Exchange Listing Rules, Section 414(CB)2A of the Companies Act 2006 and the TCFD Recommendations and Recommended Disclosures taking into consideration Sections C and E of the TCFD Annex. Financial quantification has not been disclosed due to data availability however financial risk level categorisations have been provided. We confirm that we are compliant with all recommended disclosures save for our partial compliance with the recommended disclosure 'Metrics and Targets A' as not all cross-industry metrics are fully disclosed within this TCFD report. GHG emission and remuneration metrics have been disclosed and we are working to improve operational procedures and reporting for the remaining metrics (transition and physical risks, climate-related opportunities, capital deployment and internal carbon prices). In 2024 we will set a route map and timeline for future disclosure of unreported metrics.

The following section clearly references where any relevant information can be found in other sections of this Annual Report, or separate sources.

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 fourth year of TCFD reporting.

The climate-related risks and opportunities have been assessed during the year along with the scenario analysis. The scenarios chosen last year remain appropriate for the business and as such there has been no change to those during the year. Embedding the impacts of the possible climate change scenarios into the business remains an active and ongoing process to ensure that our strategic response is current and appropriate.

During 2023 we have undertaken work to develop more robust KPIs and metrics to measure and monitor the financial impact of climate-related risks and opportunities for the business. We have also reviewed our priority risks and opportunities to identify any changes due to a changing climate and economic landscape, to improve the accuracy and robustness of the quantifications, and to ensure the methodologies employed are specific to our operations.

We have undertaken a series of workshops to examine site-level physical risks posed by climate change under a hot-house scenario in 2050 and beyond. Anomaly temperature changes, precipitation rates, and wind gust projections from the UK Met Office Climate Projections (UKCP) model were explored at four of our strategic sites under development. This exercise has allowed us to review current physical risk management processes to identify necessary changes to improve the mitigating activities for extreme physical risks, as well as adapt products to future changing climate. See page 105 for an overview of this research project.

Lastly, we have also commenced work to align with the TCFD's seven cross-industry metrics, and work will continue into 2024 to quantify.

1. GOVERNANCE

Role of the Board

The organisational governance structure is outlined on page 136 and the governance structure for sustainability is outlined on page 165.

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 governed as follows:

- **Main Board** – the overall responsibility for the stewardship of the Company's placemaking and sustainability framework (including its approach to environmental, social and governance ("ESG") matters inclusive of climate change), compliance and performance are reserved for the Board.
- **Placemaking and Sustainability Committee** – delegated responsibility from the Board to consider material issues relating to sustainability policies, assess the effectiveness of sustainability practices and review other material ESG issues, including climate-related issues, where the expertise of the Committee is required. This 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.
- **Audit Committee** – climate-related issues discussed 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.
- **Remuneration Committee** – considers climate-related issues at its meetings as there is now a climate reduction target included for the Long-Term Incentive Plan (LTIP) options, as outlined on page 181, and the Remuneration Committee will assess the performance of the Company against this target.

Role of Management

Climate-related matters are managed as follows:

- **Executive Management Team** – 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 operational framework (Thriving Communities, Building Responsibly and Valuing People) and the 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 their day-to-day practices.
- **Cross Departmental Working Groups** – the Group Communities Director and the Group Sustainability Director both chair and attend several cross departmental working groups across the business which include the Group Design and Technical Director, Group Commercial Director, 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 ensure that climate and sustainability-related issues are understood and implemented across the business. The following are examples of the working groups actively working in this area at present:
  i. Net Zero Carbon working group;
  ii. Climate Change Risk steering group;
  iii. Biodiversity working group;
  iv. Part L Building Regulation working group;
  v. Environment Management review group; and
  vi. Build and Waste working group.
- **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 Communities Director and Group Sustainability Director 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.

2. STRATEGY

Identification and Impact of Significant Risks

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 operational strategy. As part of our increased focus on climate impacts and our net zero carbon commitments, our approach evolved last year to assess risks and opportunities that may be impacted by the changing nature and increasing severity of physical impacts from climate change, 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 and likelihood in the short, medium, and long-term outlook under current operating condition. The impact timeframes chosen are as follows:

IMPACT TIMEFRAME	DESCRIPTION	WHY CHOSEN?
Short	1-3 years	Chosen in line with the time frame for viability assessment and corresponds with the Board's three year planning horizon.
Medium	3-10 years	Chosen in line with the near term SBTi target (2030) and time frame corresponds to 5.2 year land holding year KPI.
Long	10-30 years	Chosen in line with our SBTi net zero emissions target (2050).

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. The risks and opportunities have been reviewed during the year and a summary of those deemed significant to the business can be seen below:

CATEGORY	DESCRIPTION	POTENTIAL FINANCIAL IMPACT	IMPACT TIMEFRAME	MANAGEMENT & RESPONSE
Transition Regulation	Impact of new building regulations and planning requirements in response to further climate change impacts	Increased production costs to adopt the new requirements	Short	Design and costing for potential solutions to ensure homes meet future regulatory requirements. Target set to reduce our absolute scope 3 GHG emissions 25% by 2030 from a 2021 base year, which includes reducing emissions from homes in use. Reviewing potential changes in legislation and developing possible cost effective solutions, including exploration of new technologies and designs.
Transition Regulation	Introduction of regulatory financial penalties for carbon emissions	Increased costs from increasing taxes, emissions trading, or other penalties for carbon emissions	Long	Trialling of new technologies to replace fossil fuel use. Target set of reducing our absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year.
Transition Market	Volatility in the energy market	Increased operating costs	Short	Employment of specialist energy brokers to identify lowest cost options for renewable energy purchases. Trialling energy efficiency technologies such as solar panels and energy efficient site cabins to reduce energy demand.
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	Detailed planning for energy demand forecasts and cost evaluation for any additionally required energy infrastructure costs included earlier into the financial evaluation process.

CATEGORY	DESCRIPTION	POTENTIAL FINANCIAL IMPACT	IMPACT TIMEFRAME	MANAGEMENT & RESPONSE
Physical Acute	Increasing frequency of extreme weather events	Reduced revenue and higher costs from decreased production capacity (e.g. transport difficulties, supply chain interruptions and potential decrease in land availability e.g. floodplains expanding)	Long	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.
Opportunity Market	Attracting and retaining employees through climate change credentials	Benefits to workforce management and planning (e.g. improved health and safety and employee satisfaction) resulting in lower costs and turnover rate savings	Medium	Providing information of our climate change commitments and progress through our website and social media, and including climate change information in inductions and training. Development of business processes that support employees to make low carbon choices in work (e.g. EPD information for low carbon products, EV cars, cycle to work schemes etc.).
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 with marketing opportunities	Medium	Continued focus on providing products and places to allow our customers to make low-carbon choices. Providing information to customers throughout the sales process on the energy efficiency benefits of our homes.

As part of the review of the risks during the year, we are monitoring the risk of increased supply chain costs, both due to physical and transitional impacts of climate change on our suppliers' operations. The assessment of the impact that climate change may have on supplier costs will be considered as part of setting our long term SBTi net zero carbon target later this year. We will then use this assessment to quantify the risk of increased supply chain costs to understand whether this is a significant risk for the business.

The assessment of these risks and opportunities are reviewed annually as part of the annual risk review process and updated in response to changing operating context and findings from scenario analysis activities.

Impact on Business Model

During the year, we sought to further understand the actual and potential physical risks from climate change on our business model. A research project was conducted to explore the localised impacts of our changing climate on the development process at four strategic developments sites across England (impacts being based on the high impact global-emissions to align with the Hot House scenario used in our scenario analysis).

The project investigated how our strategic development process currently addresses climate-related physical risks and sought to identify the necessary adaptations required to navigate climate change. To understand site-specific technical details and the wider development processes, a range of site technical, regional and Group stakeholders attended a series of workshops.

The general workshop discussed the initial stages of our strategic development processes, from land search through to tender. The following themes came out of this workshop:

1. Further consideration could be given of extreme weather events in both the design and construction planning stages;
2. Increased and earlier due diligence and on-site monitoring to further understand and track evolving climate-related physical risks;
3. Continued assessment of the suitability of materials for a changing climate, considering factors such as durability and resilience; and
4. Reiteration that local infrastructure capacity (such as electrical grid capacity for electric vehicles and air source heat pumps) becomes a crucial aspect of planning and development and a key consideration as the UK economy transitions towards zero-carbon.

There were then four site specific workshops held to explore the UK Met Office Climate Projections (UKCP) at a site level, and associated impacts on the later stages of our strategic development process from programme development through to completion. The following themes came out of these workshops:

1. Earlier cross-team planning may allow for more bespoke plans to individual sites resulting in an improved site layout and phasing of activities onsite;
2. Further forecast and planning to be made for the transition risks associated with changing regulations and requirements;
3. Increased interrogation of data during the land acquisition stage with more on-site investigation and monitoring during changing seasons and weather events to better understand the potential impacts of extreme weather on sites; and
4. Further exploration of new technologies and materials to not only adapt to future physical impacts but also to reduce the whole life carbon footprint by improving energy efficiency and reducing embodied carbon.

The workshops were insightful and served as a platform to identify key pinch points and potential challenges that may arise when updating processes, KPIs and strategies for adapting to future climate-related risks. Feedback from this workstream was reported through the Executive Management Team and will go to the Main Board in due course via the Placemaking and Sustainability Committee.

Impact on Strategy

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.

A description of our approach to supporting the United Nations Sustainable Development Goals and the impact on the Company's business and strategy, in particular SDG13 (Climate Change) and SDG15 (Life on Land), can be found within our Operational Framework for FY24 on page 266.

The following are areas of strategic focus of the Board to help on our journey to net zero and the associated targets to track progress are outlined on page 113.

AREA OF STRATEGIC FOCUS	HOW THIS IS BEING MANAGED?	READ MORE
Build resilience to a changing climate through risk management	• Climate-change is embedded into the Group's risk management processes. • Scenario analysis for climate change is qualitatively assessed annually to ensure risks and opportunities remain current and the business can respond to mitigate.	Page 112

AREA OF STRATEGIC FOCUS	HOW THIS IS BEING MANAGED?	READ MORE

Reduce carbon emissions from our operations	• Trialling of low-carbon technologies in the move to reduce emission, such as:
	  • 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; and
	  • Hydrotreated Vegetable Oil (HVO) trialled as an alternative to diesel for on-site generators and construction machinery.
	• Purchasing renewable energy for our offices, plots, show homes, and site compounds.
	• Installation of car charging stations at all divisional offices and introduction of charging stations at our sites and customer experience suites.
	• We have targets to have a 100% EV car fleet by 2025.
	• We have a route map to net-zero which can be found on page 56.
		Page 50
		Associated Targets
		❶ ❷

Understand and minimise our embodied carbon	• Educating suppliers and encourage the setting of their own science-based targets. • Improving the accuracy of our procurement data to give greater visibility on quantities and carbon emissions. • Requiring suppliers to provide Environmental Product Declarations (EPDs) for their products before the end of 2024. • Continual engagement and work alongside our supply partners to ensure we can achieve our shared goal of carbon reduction.	Page 54 Associated Targets ❷ ❻ ❼
Deliver attractive low carbon homes	• Keeping up to date with latest technology and adopting technology such as air source heat pumps so that our homes can become zero-carbon ready.	Page 44 Associated Targets ❺
Align executive remuneration with our climate commitments	• In recognition of the increasing importance of climate reduction being embedded into strategy, the LTIP options granted in 2022 and those to be granted in September 2023 contain a climate reduction target. • Assessment of the performance of the Company against the climate-related LTIP target will be regularly reviewed by the Remuneration Committee.	Page 181 Associated Targets ❸ ❹

Set ambitious emissions reductions targets in line with climate science	• The Company announced its Net Zero Carbon Commitment in 2021 and 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 we have set the following Science Based Targets initiative ("SBTi") verified commitments:
	  • Near-term 1.5˚C reduction commitment for our absolute Scopes 1 and 2 by 2030 – emissions reduction of 42% from a 2021 base year; and
	  • Well Below 2˚C reduction commitment for our absolute Scope 3 by 2030 – emissions reduction of 25% from a 2021 base year.
	• We will set a long term SBTi Net Zero Carbon target for verification before the end of 2023.
		Page 50
		Associated Targets
		❶ ❷

Impact on Financial Planning and Capital Expenditure

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 of the risks deemed significant to business was reviewed during the year. Following quantification, the risks and opportunities were sorted into categories of either minor, moderate or major reflecting Redrow's internal impact scale. This financial risk range categorisation can be seen on the Scenario Analysis Outcomes Table on page 110.

The impact of climate-related issues on the financial planning process of the Company falls within the remit of the Board. The scenario analysis has provided a deeper understanding of the impact of climate-related risks and opportunities on our business strategy and financial planning. Whilst the financial quantification is not disclosed within the TCFD Report this year, the financial risk level categorisations, as used in our qualitative analysis, have been reported to the Board through the Governance structures to assist with financial planning and strategic decisions.

During the year, the Company engaged with investors and lenders to further understand how an organisation's management of ESG risks, including those associated with climate-change, influences their capital allocation policies. Feedback was provided to the Board that businesses are increasingly being assessed by such stakeholders on their risk exposure and management of climate-related issues as part of informing investment decisions therefore having a strong risk management framework around climate-related risks is crucial to ensuring capital is not restricted on this basis.

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. Such matters are also considered as part of major plans of action, setting annual budgets and as part of the selection criteria to measure the performance of the Company.

Regarding major capital expenditure, in relation to the Company's business this comes only in the form of working capital i.e. land. Future climate-related risks relating to such 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 of its strategic land assets.

The Placemaking and Sustainability Committee has given consideration to the actions required by the Company and its partner supply chain to allow the Company to meet its SBTi commitments, including having regard to the operational costs associated with the carbon reduction initiatives in the context of meeting the SBTi targets and associated impact on revenue.

We plan to conduct further research to better understand the deeper layers of our product supply chain, to assess if physical risks exist from climate change to our raw material supplies and the location of manufacturing sites.

For further detail of how climate-related issues are considered by the Board in the context of guiding strategy, see page 50 of the Operating Review.

Scenario Analysis

Last year was the first year that we performed climate scenario analysis and this has been kept under review during the year. Redrow aligned the investigation with existing scenario narratives including Representative Concentration Pathways (RCPs) [1,2,3] and Shared Socioeconomic Pathways (SSPs) [4] has investigated climate-related risks and opportunities in 2025, 2030 and 2050 under three of these scenarios as shown in the table 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. These time frames and scenario narratives remain appropriate and have not changed for 2023. For a conceptualisation of Redrow's operating context under each of the three scenarios, see pages 117 to 118 of the 2022 Annual Report.

SCENARIO NAME	DESCRIPTION OF THE SCENARIO	WHY CHOSEN?	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.	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.	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.	Chosen as it further provides a view on transition risks in a longer time horizon than the early transition.	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.	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.	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

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

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 financial risk range categorisation shown in Scenario Analysis Outcomes table. 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.

As a result of the scenario analysis, Redrow has identified that it is most exposed to transitional risks, such as increased building regulations, planning requirements and regulatory financial penalties for carbon emissions. However, due to management actions currently undertaken, such as use of air source heat pumps and underfloor heating as standard, these are suspected to be less impactful. The physical risks of climate change are likely to be less impactful in the timeframes underpinning the scenario analysis however as described on pages 105 to 106 we have begun looking into future impacts on our properties to ensure our strategy remains flexible and resilient. We believe that, with the management actions in place as outlined on pages 106 to 107, the Group's strategy remains resilient to climate-related risks and opportunities under the three scenarios.

SCENARIO ANALYSIS OUTCOMES

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	Impact of new building regulations and planning requirements in response to further climate change impacts.	Significant cohesive policy action to lower resource intensity. Impact of new regulations and more rigorous building regulations in response to further climate change impacts.	Major	Major	Major	Sudden severe policy response to compensate for late start.	Major	Major	Major	No significant regulation likely, wide regional disparities possible in the cost of bringing product to the market.	Major	Major	Major
Transition	Regulation	Introduction of regulatory financial penalties for carbon emissions.	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	Major	Continued low cost of carbon.	Minor	Minor	Minor
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	Moderate	Moderate	Higher likelihood of increasing frequency of extreme weather events in the UK before 2050.	Moderate	Moderate	Moderate
Opportunity	Market	Attracting & retaining employees through climate change 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	Moderate	Strong ESG credentials are a key market differentiator under this scenario, but again there may be lack of skills in the market.	Minor	Minor	Minor
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	Moderate	Some eco-conscious consumers but this is not a key driver of sales, but their is added value from Redrow's approach to sustainability.	Minor	Minor	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.

Process for Climate Risk Management

A comprehensive risk register is maintained at Group level covering all high-level risks across all aspects of the business. The climate-related risk management process is integrated into the overall risk management framework with climate-related risks having a specific section within the risk register and feature as appropriate within other sections of the risk register, for example 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 88 to 99.

The climate scenario analysis and financial quantification has provided detailed assessment of risks and opportunities against the three chosen scenarios. This has provided a greater understanding of the climate-related risks and has allowed them to be prioritised based on potential impact.

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. 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.

Integration of Climate-Related Risks

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 was reviewed and refreshed in 2023 as part of a materiality assessment. 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 actions are incorporated into the businesses operational framework (see page 266), and our 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 Operational framework, we have set a target to achieve a minimum 10% net gain for biodiversity on every new planning application from November 2023. This enables climate resilience and informs the design of our new developments.

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

Metrics

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:

- Group GHG emissions Scope 1 and 2
- Group GHG emissions Scope 3
- Total GHG emissions per 100m^2 of build
- Total scope 3 GHG emissions per 100m^2 of build
- Total energy and fuel consumption by source
- % of electricity procured from renewable sources
- Tonnes of construction waste per 100m^2 build
- % of waste diverted from landfill
- Water use per 100m^2 build
- % of timber certified
- Average Standard Assessment Procedure (SAP) rating
- Average Energy Performance Certificate (EPC) rating
- Average Dwelling Emission Rate (DER)

These metrics, along with historical outputs and descriptions of the calculation methodologies, can be found within the ESG Scorecard on page 252.

We have further improved our Scope 3 data and emissions profiling to improve our understanding of the cost to implement Scope 3 carbon reductions. In the future this understanding of cost will help support the development of an internal cost of carbon.

Greenhouse Gas Emissions

Greenhouse Gas (GHG) emissions data for Scope 1, 2 and 3 are detailed on page 195 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, and end-of-life treatment of sold products categories as reported on a market-basis. This year we have reported externally verified Scope 3 data for the first time, up to FY2022. This supports our commitment to fully disclose our complete carbon footprint. In future years we intend to align our Scope 3 verified data reporting with our financial year reporting by further improving the complex data collection requirements needed for Scope 3 accounting.

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.

A description of the KPIs used to assess progress against the targets used to manage climate-related risks and opportunities and related calculations can be found from page 252 within the ESG Scorecard.

We have set the following targets to manage our climate-related risks and opportunities:

TYPE OF TARGET	DESCRIPTION
SBTi verified commitments	1 Reduce our absolute scope 1 and 2 GHG emissions 42% by 2030 (from a 2021 base year)
	2 Reduce our absolute scope 3 GHG emissions 25% by 2030 (from a 2021 base year)
LTIP performance targets [1]	3 LTIP 2022: reduce Scope 1 and Scope 2 greenhouse gas emissions by 20.7% by financial year ending 2025
	4 LTIP 2023: reduce Scope 1 and Scope 2 greenhouse gas emissions by 37.3% by financial year ending 2026
Other [2]	5 Purchase 100% REGO-backed renewable electricity for all operations by the end of 2024
	6 95% + of construction waste diverted from landfill
	7 Reduce construction waste intensity by 10% by end of FY25 (from a 2021 baseline)

1 These are the maximum vesting targets and are with reference to a baseline year of 2020/21 (tCO_2e 16,099) and have been set in the context of meeting the 1.5 degree SBTi target
2 Progress against these can be found within the ESG Scorecard from page 252

S.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 26 to 65 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 ultimate responsibility for the effective management of the risks the Group faces in order to achieve its strategic and financial objectives lies with the Main Board. See pages 88 to 99 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 page 102. 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 100 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.

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 118 to 129 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

Decision	Setting and monitoring the transition plan to net zero.
Context	During the year, the Company received validation by the Science Based Targets initiative (SBTi) of its Greenhouse Gas (GHG) emissions targets to reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year and absolute scope 3 GHG emissions 25% within the same timeframe. The Company is also in the process of setting of a long term net zero carbon target and the Board has supported a number of initiatives around this.
Stakeholder considerations	• **Employees** – feedback gained from the INsight survey, the materiality assessment survey and the designated Non-Executive Director for workforce engagement showed that working for a responsible Company that takes its environmental responsibilities seriously is an important factor to many employees, particularly in attracting the next generation into the industry. • **Investors** – ESG and in particular climate change is of increasing importance to investors and we understand their want to invest in companies that are proactive in managing the risks surrounding climate change. • **Customers** – a recent survey reiterated that residents of our homes welcome the cost and quality benefits of our energy efficiency and renewable energy features, which contributes to the Company's commitment to deliver 'zero-carbon ready' for its customers. • **Suppliers** – understanding that Scope 3 emissions account for a large proportion of the Company's GHG emissions, we have worked hard with suppliers to support them on their own journey of education and adaptation to ensure that the shared goal of carbon reduction can be achieved. • **Community, Environment and Non-Governmental Organisations** – being an environmentally responsible developer is a priority for the Company and the setting of ambitious carbon reduction targets is indicative of its commitment to the community and the environment. • **Policy Makers and Local Planning Authorities** – the Company understands the impact of the Climate Change Act and its national adaptation programmes on the business. It also ensures that it complies with Regulations relating to carbon efficiency (such as the amendments to Building Regulations in preparation for the Future Homes Standard). • **Landowners** – have expectations about ensuring developments leave a positive legacy and contribute to their ESG and climate objectives. The Company's purpose and track record aligns with their expectations ensuring that we remain a developer of choice.
Non-stakeholder considerations	• **Long-term consequences** – carbon emissions are adversely affecting the planet and it is the responsibility of the Company to not only reduce its own emissions but to also encourage others over which it has influence to do the same. In setting and monitoring the transition plan, the Board had regard to the long-term consequences of the Company as well as the impact of those consequences on the environment. • **Maintenance of high standards of business conduct** – being an environmentally responsible developer allows us to maintain high standards of conduct which is echoed throughout our business.
Strategic actions supported by the Board	• Installation of car charging stations at divisional offices and introduction of charging stations at our sites and customer experience suites, with targets set for 100% electric car fleet by 2025. • Purchase renewable energy for our offices, plots, show homes, and site compounds, with a target to achieve 100% renewable by 2025. • Introduction of the requirement of our suppliers to provide Environmental Product Declarations (EPDs) for their products before the end of 2024. • Trialling of low-carbon technologies in the move to reduce emissions. • Ensuring that sufficient resources were provided to support and educate suppliers on their carbon footprint and reduction initiatives. • Setting near term carbon reduction targets for the business, that are verified by the SBTi and align with the Business Ambition of 1.5°C. • Establishing remuneration linked to achieving carbon reduction targets. • Introduction of air source heat pumps as a standard for all new developments from January 2023, in advance of any planned future legislation.
Expected outcomes	• Reduced financial and reputational risk for the Company by responding appropriately to climate change and making the necessary adaptations to the business. • Improved engagement and standing with stakeholders as a result of the Company understanding the shared value placed on carbon reduction and pro-actively responding with the net zero transition plan. • The ability to deliver better homes and thriving communities. • A decarbonised value chain which contributes to national and global climate goals.
Link to strategy	• In setting and monitoring the net zero transition plan, the Company is acting as a responsible developer and Building Responsibly is a vital part of the Company's strategy.

STAKEHOLDER ENGAGEMENT

Effective communication with our stakeholders and understanding their interests and priorities is crucial to the long term success of our business.

The Board receives regular reporting from the Executive Management Team on engagement with stakeholders, as well as having direct engagement with stakeholders themselves. This ensures that as a business we are able to keep up with the evolving needs of our stakeholders and adapt our practices where necessary.

Our key stakeholders, their priorities, engagement methods and impact they have on Board decisions are set out on the following pages:

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 • Adopt sustainable and responsible 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 Nicky Dulieu with significant shareholders to explain and obtain feedback regarding the proposal to amend the performance conditions of the 2022 LTIP; • Direct engagement by senior management to understand how an organisation's management of ESG risks influences their capital allocation policies; • Regulatory reporting such as the Annual Report, results and trading updates; • The Annual General Meeting, at which each of the Directors were in attendance in 2022, 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).	Examples of the impact of investors on the Board's decision making include the: • Payment of an interim dividend of 10p per share on 6 April 2023; • Implementation of a share buyback programme to return up to £100m to shareholders. The programme completed on 9 January 2023 and resulted in the Company purchasing and cancelling 21,420,175 ordinary shares of 10.5p each; and • Proposal to pay a final dividend of 20p per share on 16 November 2023, subject to shareholder approval at the 2023 AGM.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 • Adopt sustainable and responsible business practices	Examples of engagement with our employees include: • Bi-annual workforce engagement meetings hosted by our designated Non-Executive Director for workforce engagement, Nicky Dulieu; • Employee communication via the intranet, Engage; • Employee engagement meetings in all parts of the business; • Circulation of the annual INsight survey; • Division specific communications, including regular updates from the Managing Directors on news relating to the division and beyond; and • Company performance communications.	Examples of the impact of employees on the Board's decision making include the: • Hosting of an annual all-employee staff conference, held virtually to allow all office and site workers to attend; • Continued accreditation with the Living Wage Foundation 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 calculated by the Foundation; • Introduction of health kiosks for employees and sub-contract partners to access a health MOT, with results and support shown instantly via a dedicated app; • Trained Mental Health First Aiders across all areas of the business; • Introduction of the Green Academy aimed at informing and supporting our colleagues and their families on all areas of sustainability; and • Renewed annual invitation for all employees to join to Sharesave scheme in 2023 at the full 20% share price discount to promote share ownership.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 sub-contractors • Safety and wellbeing of our people • Compliance with laws and regulations • High quality health, safety and environmental practices • Adopt sustainable and responsible business 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 sub-contractors 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 sub-contractors to train their recruits to agreed standards, including inviting them to workshops and briefings; • Continued engagement on ESG governance, leadership, ownership and workplace approaches throughout relationships with our suppliers; • Working closely with our suppliers on environmental sustainability as well as wider social impact; 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; • Working with suppliers to improve the buildability of the units via product innovation and reviewing of new technologies; • Facilitation of a series of workshops for suppliers supported by Environmental Product Declarations experts to assist our suppliers to provide EPDs for their products; • Presentation from Redrow Group Commercial and Group Sustainability of a seminar targeting groundworkers with a focus on carbon reduction; • 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; and • Increased use of new modular cabins to replace older site accommodation.
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 for future generations to be proud of • Additionality provided through social value • To work collaboratively and in partnership with one another to unlock schemes • Adopt sustainable and responsible business practices	Examples of engagement with landowners include: • Engagement with landowners and proactive monitoring of the market conditions to deliver a clear defined strategy at both Group and divisional level; • 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; and • Ongoing engagement with landowners during protracted periods of planning promotion to ensure that their own business needs are considered alongside that of land management and any interim land uses prior to development.	Examples of the impact of landowners on the Board's decision making include the: • Measurement of 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; • Reference in bid submissions to quality of the Redrow product and the creation of legacy for landowners; • Development of a revised Land Appraisal training programme which was rolled out to all existing Land teams during the year and will be incorporated into the induction for all new Land team members going forward; • 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; and • Understanding of the range of existing land uses to ensure that the Company can tailor any proposals to meet landowners' needs whether that is legacy, financial, environmental, family or business needs and to strive for a "win-win" relationship with landowners.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 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 energy efficient homes with a lower carbon footprint • 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; • Customer feedback via the NHBC and other surveys; • Business benchmarking survey undertaken with homeowners in their two year warranty period undertaken by the Institute of Customer Service; • Close monitoring of customer complaints and feedback; • Direct engagement regarding the value of the Group's wider offering around placemaking, community and energy efficiency via the Customer Experience suites; and • Research undertaken to understand the attitude of the general population towards energy efficiency when considering home purchasing.	Examples of the impact of customers on the Board's decision making include the: • Signing up of the self-remediation terms in March 2023 which follows on from the signing of the Fire Safety Pledge last year; • Enhancements to the RedSMI site manager inspection app with geotagging and pre-completion inspection information ensuring more data can be accessed in real time on the portal; • Retaining the use of the Company's highly acclaimed Homeowner Support portal allowing customers to instantly report any issues, which is now used by 90% of customers; • Roll out of energy calculators at our Customer Experience Suites to assist customers to realise further cost and carbon savings; • Integration of the fundamental principles of the New Homes Quality Board Code of Practice into the Group's customer strategy, compliance, complaints and monitoring procedures; • Retaining 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; • Resourcing of a Homeowner Support team, comprising experienced colleagues redeployed from within the Group, to help ensure defects are reported and actioned efficiently; and • Ahead of time roll-out of Air Source Heat Pumps and under floor heating as standard in detached homes on all new developments, a decision made based on research and customer listening.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 • 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 • Adopt sustainable and responsible business practices	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; • 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: • Setting of the target to reduce our Scope 1 and 2 emissions by 42% and our Scope 3 emissions by 25% by 2030 in line with our verified SBTi commitments and supporting of initiatives to enable the Company to set a long term net zero carbon target later this year; • Undertaking of a series of workshops to examine site-level potential physical risks posed by climate change under a hot-house scenario in 2050 and beyond; • Retaining contractor partnership with the Considerate Constructors Scheme; • Further trialling of low carbon technologies in excess of current building regulations; • Full integration of the biodiversity strategy into the Redrow 8 assurance and post-completion audit process; • Procurement of Renewable Energy Guarantees of Origin (REGO) backed electricity supplier contract for our officers; • Aim to procure labour and materials within a 50-mile radius of each divisional office to support the local communities we work in; • Programming of a series of webinars for colleagues with experts in different aspects of community consultation, the first webinar being on 'injecting social value into community consultation'; and • Development of internal biodiversity bite learning sessions and the Biodiversity Net Gain Manual.

STAKEHOLDER GROUP	WHY IMPORTANT TO US?	KEY PRIORITIES OF 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 energy efficient homes with a lower carbon footprint • Produce local plans and neighbourhood plans • Implement the National Model Design Code • Address life critical fire safety issues • Adopt sustainable and responsible business practices	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 on matters including fire safety, the National Model Design Code and the Future Homes Standard; • Working with the Department for Environment, Food & Rural Affairs and Natural England to contribute to the agenda on the mandatory biodiversity net gain requirements for new developments and the water and nutrient neutrality agenda; • Engagement with Government via our membership with industry organisations such as the Home Builders Federation and Future Homes Task Force; • Attendance at meetings and forums to engage with policy makers relevant to our operations; • Government lobbying in relation to matters impacting the housing market; • Engagement with regulatory bodies during industry sector visits; and • Engagement in respect of local plan and neighbourhood plan consultations seeking to influence local policy on housing, design and sustainability.	Examples of the impact of policy makers and local planning authorities on the Board's decision making include the: • Working with the Future Homes Hub to explore how the Future Homes Standard and other standards can be delivered at scale to inform the consultation; • Signing up of the self-remediation terms in March 2023 which follows on from the signing of the Fire Safety Pledge last year; • Supporting of initiatives and adaptations in response to evolving regulation, including the Future Homes Standard, the National Model Design Code and upcoming Biodiversity Net Gain legislation; and • 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.

GROUP NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In line with Section 414CB of the Companies Act 2006, the table below sets out where key non-financial and sustainability information can be found within this report:

RELATED POLICIES AVAILABLE ON OUR WEBSITE	LOCATION IN THIS ANNUAL REPORT	PAGE REF.	RELATED PRINCIPAL RISKS*
Environment	Operating Review – Thriving Communities	26	Health and Safety/Environment
Purchasing of sustainable timber products policy	Operating Review – Building Responsibly	42	Key Supplier or Subcontractor Failure
Group Health, Safety & Environmental policy statement	Strategic Report – Task Force on Climate Related Disclosures (TCFD)	102	Appropriateness of Product
Partnering with our supply chain	Strategic Report – Stakeholder Engagement	126	Sustainability
A responsible and sustainable developer	Governance Report – Placemaking and Sustainability Report	162	Climate Change
	Other Information – ESG Hub	262	
Employees	Operating Review – Valuing People	66	Attracting and Retaining Staff
Code of conduct	Strategic Report – Stakeholder Engagement	120	
Equality, diversity and inclusion policy	Governance Report – Workforce Engagement	140	
	Directors' Report – Equality, Diversity and Inclusion Policy	194	
	Other Information – ESG Hub	256	
Social	Operating Review – Thriving Communities	26	Housing Market
A responsible and sustainable developer	Operating Review – Customers First	46	Health and Safety/Environment
Human rights policy statement	Strategic Report – Stakeholder Engagement	126	Attracting and Retaining Staff
Partnering with our supply chain	Governance Report – Placemaking and Sustainability Report	162	Customer Service
Responsible marketing, advertising and sales policy statement	Other Information – ESG Hub	252	Key Supplier or Subcontractor Failure
			Availability of Mortgage Finance
Human Rights	Operating Review – Valuing People	67	Attracting and Retaining Staff
Human rights policy statement			Key Supplier or Subcontractor Failure
Slavery and human trafficking statement			
Anti-Corruption and Anti-Bribery	Governance Report – Whistleblowing	139	Fraud/Uninsured Loss
Code of conduct	Governance Report – Conflicts of Interest	139	Attracting and Retaining Staff
Bribery and corruption policy statement	Audit Committee Report – Bribery Act	154	Cyber Security
Whistleblowing policy statement			
Business Model	Our Strategy	6	All
Code of conduct	Strategy Spotlight	10	
A responsible and sustainable developer	Strategic Report – Our Business Model	12	
	Corporate Governance Report – Strategy, Purpose, Culture	138	
Non-Financial KPIs	Strategic Report – Our Strategy	9	Land Procurement
Code of conduct	Other Information – ESG Hub	252	Customer Service
A responsible and sustainable developer			Attracting and Retaining Staff
Group Health, Safety & Environmental policy statement			Health and Safety/Environment
			Planning and Regulatory Environment
			Appropriateness of Product
			Climate Change
Climate-Related Financial Disclosures	Strategic Report – Task Force on Climate Related Disclosures (TCFD)	102	Climate Change
A responsible and sustainable developer	Other Information – ESG Hub	252	Sustainability
			Health and Safety/Environment
			Appropriateness of Product
			Planning and Regulatory Environment

* For full description of related principal risks, see pages 90 to 99.

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.

STRATEGIC REPORT APPROVAL

The Strategic Report outlined on pages 1 to 131 has been approved by the Board.

By order of the Board

Graham Cope
Company Secretary

15 September 2023

Corporate governance report

“Quality corporate governance is one of the cornerstones of a strong sustainable business and the Board ensures that it has an infrastructure in place which promotes transparency, awareness, accountability and responsibility.

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. The Company welcomes the launch by the FRC of the ongoing consultation to revise the Code as we believe that the enhancements will strengthen reporting to the benefit of our stakeholders.

This report has been prepared and approved by the Board and, on behalf of the Board, I confirm that during the 2023 financial year, the Company applied the principles of, and was compliant with the provisions of, the Code other than as outlined on page 137.

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, Nick Hewson stepped down from the Board on 11 November 2022 having served a nine-year term as a Non-Executive Director of the Company.

On 1 May 2023 we welcomed Geeta Nanda as an additional independent Non-Executive Director. Geeta Nanda is also a member of the Audit, Remuneration, Nomination and Placemaking and Sustainability Committees. Further details of her appointment can be found on page 158 of the Nomination Committee Report.

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 internal evaluation of the Board and each of its Committees was carried out this year, led by the Senior Independent Director with the assistance of myself and the Non-Executive Chairman. This follows on from the external evaluation carried out by Independent Audit last year.

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 page 158.

Climate change

Climate change has remained a key agenda item throughout the year with a focus on the Task Force on Climate-Related Financial Disclosures (“TCFD”) framework and the Climate-Related Financial Disclosures introduced this year in section 414CB(2A) of the Companies Act 2006. During the year the Company has also put in place a number of initiatives to decarbonise Redrow homes and operations and has undertaken feasibility studies to set long-term targets for validation by SBTi.

During the year, alongside a specialist consultant, the Company sought to further understand the physical risks from climate change on its operating model. A research project was conducted to explore the localised impacts of our changing climate on the development process at four strategic development sites. See page 105 for an overview of this research project.

The work of the Climate Change Risk Steering Group is 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 2023 TCFD report can be found on page 102.

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 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 meetings 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 page 140.

Annual General Meeting

Our 2023 Annual General Meeting will be held on Friday, 10 November 2023 and the Notice of Annual General Meeting, together with Explanatory Notes, will be sent to you separately and will be available on the Company's website.

Graham Cope
Company Secretary
15 September 2023

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, Nicky Dulieu, who is the Senior Independent Director, Oliver Tant and Geeta Nanda; 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 (62)

Non-Executive Chairman

M N R P

Date of Appointment: 1 June 2021

Experience: Richard Akers was formerly 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. He currently holds the position of Senior Independent Director of Shaftesbury Capital plc. Until 2021, he 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.

Contribution and Skills: Richard Akers has a strong career background in property and land acquisition and contributes extensive industry experience to the Board.

MATTHEW PRATT (48)

Group Chief Executive

M P

Date of Appointment: 1 April 2019

Experience: Matthew Pratt has worked at Redrow for over 20 years. He joined the Redrow Board in April 2019 as Chief Operating Officer and was promoted to Group Chief Executive with effect from 1 July 2020. In his time he has had various positions in a variety of business, joining 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.

Contribution and Skills: Matthew Pratt has over 25 years' experience within the industry and contributes key operational knowledge to the Board. He trained as a quantity surveyor and graduated with an honours degree in Building from Nottingham Trent University.

BARBARA RICHMOND (63)

Group Finance Director

M

Date of Appointment: 18 January 2010

Experience: Barbara Richmond has 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 was appointed a Non-Executive Director of Lonza Group Ltd in 2014 and became Chair of their Audit and Compliance Committee in May 2022.

Contribution and Skills: Barbara Richmond has a strong manufacturing and retail background and contributes key financial and major acquisition and disposals knowledge to the Board. She is a Fellow of the Institute of Chartered Accountants in England and Wales and a graduate of the University of Manchester.

GRAHAM COPE (59)

Company Secretary

M

Date of Appointment: 1 January 2003

Experience: Graham Cope joined Redrow as Head of Legal in November 2002 and was appointed Company Secretary two months later. Graham Cope has 30 years' experience in the housebuilding sector, either working in-house or for house builder clients in private practice.

Contribution and Skills: Graham Cope is a highly experienced solicitor having qualified in 1989 and is a member of the Law Society. He has a strong background in the housebuilding sector and provides valuable advice on governance, corporate conduct and business ethics.

NICKY DULIEU (59)

Senior Independent Director

M A N R

Date of Appointment: 6 November 2019

Experience: Nicky Dulieu is currently a Non-Executive Director and Senior Independent Director of The Unite Group plc (where she is also Chair of the Remuneration Committee), WH Smith plc (where she is also Chair of the Audit Committee) and John Lewis Partnership plc (where she is also Chair of the Audit and Risk Committee). She is also a Commercial Board member of the Royal Horticultural Society. Nicky Dulieu 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.

Contribution and Skills: Nicky Dulieu is a Fellow member of the Association of Chartered Certified Accountants with strong Non-Executive Director experience. She has extensive knowledge of retailing and customer service and brings valuable remuneration and audit experience from her current and past external appointments.

Redrow Board of Directors at Kings Moat Garden Village, Chester, Cheshire
Left to right: Oliver Tant, Geeta Nanda, Matthew Pratt, Barbara Richmond, Richard Akers, Nicky Dulieu and Graham Cope.

OLIVER TANT (62)

Non-Executive Director

M A N R

Date of Appointment: 1 February 2022

Experience: Oliver Tant served as Chief Financial Officer of Imperial Brands PLC until 2021 where he was responsible for finance, treasury, investor relations, procurement and information technology. Prior to this role, he held several 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. He is currently a Non-Executive Director and Chair of the Audit Committee of B&M European Value Retail S.A. and he previously served as Audit Chair of the Royal Hospital for Neuro-Disability.

Contribution and Skills: 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. He brings to the Board strong financial and audit experience as well as broader commercial and operational expertise.

GEETA NANDA (58)

Non-Executive Director

M A N R P

Date of Appointment: 1 May 2023

Experience: Geeta Nanda is a long-serving chief executive who has spent almost the entirety of her career in housing associations and the associated policy development arena and is currently the Chief Executive of Metropolitan Thames Valley Housing Association, which is one of the largest housing associations in the country with around 60,000 homes. She is also the former Chair of the G15, the group representing London's largest housing associations. In addition, Geeta Nanda is currently a Non-Executive Director of The PRS Reit plc and a member of the DLUHC older person taskforce and the Princes Homeward National Expert panel to end homelessness.

Contribution and Skills: Geeta Nanda brings to the Board strong housing experience as well as broader commercial and operational expertise.

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 and Climate Change

REDROW GOVERNANCE STRUCTURE

ARTICLES OF ASSOCIATION
TERMS OF REFERENCE
REDROW HANDBOOK AND 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 year ended 2 July 2023 the Company has been fully compliant with the principles and provisions of the Code, other than the partial compliance with provision 38. As explained in the 2022 Annual Report, the pension contribution rate for our Group Finance Director was aligned with that of our wider workforce on 1 January 2023, at a rate of 10% of salary. Prior to this, the Group Finance Director's rate was 20% of salary in line with the Directors' Remuneration Policy which was approved by shareholders with a 96.94% majority at the 2021 AGM.

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 the page opposite.

BOARD MEETING ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Richard Akers	Non-Executive Chairman	9/9
Matthew Pratt	Group Chief Executive	9/9
Barbara Richmond	Group Finance Director	9/9
Nick Hewson[1]	Former Senior Independent Director	3/3
Nicky Dulieu	Senior Independent Director	9/9
Oliver Tant	Non-Executive Director	9/9
Geeta Nanda[2]	Non-Executive Director	1/1

1 Nick Hewson stepped down from the Board on 11 November 2022 and attended all meetings held from the beginning of the 2023 financial year to the date he left the Board.

2 Geeta Nanda was appointed as Non-Executive Director on 1 May 2023 and attended the one meeting held from her appointment date to the end of the 2023 financial year.

BOARD MEETINGS

The Board meets regularly and frequently, not less than seven 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 137.

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 together with the Senior Independent Director. 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 9 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 88 to 99.

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, at Division, at 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 the lives of our 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 Audit Committee Chair 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 three 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 investigations into the three incidents have concluded and were dealt with in line with the policy and the Redrow Employee Handbook.

The Whistleblowing Policy is formally reviewed and approved each year by the Board, with changes being approved in June 2023.

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.

Each Head of Department and/or Managing Directors must make an annual Related Party Transaction and Conflict of Interest Disclosure confirming any instances where employees had an actual or potential conflict of interest.

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 2022 and February 2023, 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. Remuneration Committee Chair engagement – prior to the Remuneration Committee agreeing to amend the performance conditions of the 2022 LTIP awards and partially waive the awards granted, the Chair of the Committee reached out to significant shareholders to explain the rationale behind the proposal and obtain feedback.

4. Senior management engagement – feedback was provided to the Board following engagement with significant shareholders to further understand how an organisation's management of ESG risks influences their capital allocation policies.

5. Annual General Meeting – last year the AGM took place at Village Hotel Chester St. David's, St. David's Park, Ewloe, Deeside CH5 3YB on Friday 11 November 2022. All Directors attended the AGM, which allowed them to engage directly with shareholders and their representatives and answer any questions. The Board provided the shareholders with the opportunity to ask questions and engaged with them following the meeting. If 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.

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 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.

   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. One of the sessions had a dedicated section on executive remuneration and how the executive bonus was calculated.

   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 a 92% 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. 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.

6. 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. Managing Directors and Heads of Departments provide, at least quarterly, an overview of news within the related Division and beyond.

7. 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.

Details of how the Company invests and rewards its workforce can be found on page 76.

STAKEHOLDER ENGAGEMENT

During the 2023 evaluation of the Board, it was identified that there was scope to develop a fuller understanding of interactions with key stakeholders to ensure all aspects are fully covered at Board level. As a result, it was agreed that a stakeholder engagement matrix would be maintained by the Board and key management personnel would be responsible for providing a summary of ongoing actions and engagement with each stakeholder group during the period between the Main Board meetings. This would ensure that stakeholders remain a regular feature of discussions at Board level.

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 page 118 to 129 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 page 114 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.

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 was appointed to the Board as Chair-Designate and independent Non-Executive Director on 1 June 2021 and was made Non-Executive Chairman on 15 September 2021.

Group Chief Executive

Matthew Pratt, as Group Chief Executive, is responsible for:

- operational management of the Group and leading the Executive Management Team;
- implementing strategic plans as agreed with the Board 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 and ensuring that the strategy aligns with financial objectives;
- maintaining effective communications with shareholders;
- maintaining strong relationships with the Company's banks, brokers and auditors; 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, Nicky Dulieu was appointed as Senior Independent Director on 11 November 2022, following the retirement of Nick Hewson from the Board. Nicky Dulieu has a wealth of experience as a Non-Executive Director and, having been on the Board since 2019, 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 page 157.

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 and ensuring that there is a good flow of information to the Board, Committees and Executive Management Team.

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. He also plays a key role in the annual evaluation of the Board.

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

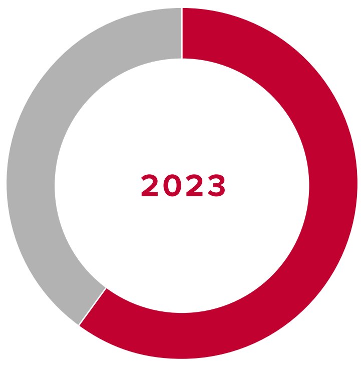
The Board considers that it is of a size and has a balance of skills, knowledge and experience that is appropriate for its business. The Executive Management Team provides the Board with an appropriate view of the detail of the business, which, together with the benefit of their significant collective 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 134 to 135.

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 2023 AGM to be independent in accordance with Provision 10 of the Code, as they each:

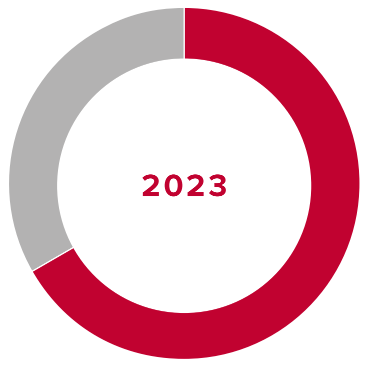
- have not been employed by the Company or Group;
- have no material business relationship with the Company;
- do not participate in the Company's employee share plans or pension scheme;
- have not received additional remuneration beyond the director's fee displayed on page 182 of this Annual Report;
- have no close family ties with any of the Company's Directors, Executive Management Team or advisers;

COMPOSITION OF THE BOARD (EXCLUDING CHAIRMAN)



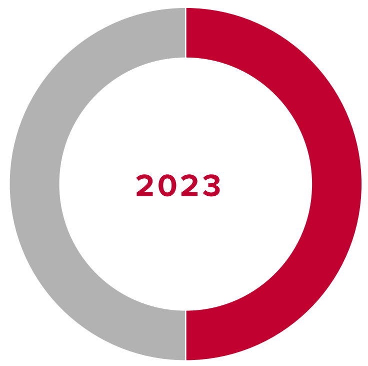
Non Executive	3
Executive	2

LENGTH OF TENURE OF NON-EXECUTIVE DIRECTORS



One to three years	2
Over 3 years	1

MAIN BOARD BY GENDER



Male	3
Female	3

- 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%).

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 Committees outlined in the table below.

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 Chairs provide reports to the Board on the work undertaken by the Committees.

In addition to the Board, each Committee completed a performance evaluation during the 2023 financial year. The

TABLE OF COMMITTEES

COMMITTEE	PAGE OF COMMITTEE REPORT	CHAIR	MEMBERS (EXC. CHAIR)	% OF COMMITTEE INDEPENDENT
Audit	146	Oliver Tant	Nicky Dulieu, Geeta Nanda	100%
Nomination	156	Richard Akers	Nicky Dulieu, Oliver Tant, Geeta Nanda	100%
Placemaking and Sustainability	162	Richard Akers	Matthew Pratt, Geeta Nanda	67%
Remuneration	166	Nicky Dulieu	Richard Akers, Oliver Tant, Geeta Nanda	100%

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.

NOMINATION, AUDIT AND 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 practices can be found within the Annual Report:

CODE DISCLOSURE	PAGE REFERENCE
COMPOSITION, SUCCESSION AND EVALUATION	
Main roles and responsibilities of the Nomination Committee	156
Annual reappointment of Directors and justification for recommendation	159
Tenure of Chairman	158
External search consultancy and connection disclosure	158
Annual evaluation of Board, Committees and Directors	158
AUDIT, RISK AND INTERNAL CONTROL	
Main roles and responsibilities of the Audit Committee	147
Recent and relevant financial experience of the Committee members	146
Work undertaken by the Audit Committee	149
Risk management and internal control systems	151
Robust assessment of the Company's emerging and principal risks	88
Adoption of going concern basis of accounting and assessment of prospects of the Company	196
Directors responsibility for preparing the Annual Report and assessment forming the basis for their conclusion that the Annual Report is fair, balanced and understandable	198
REMUNERATION	
Non-Executive Director remuneration	182
Remuneration consultancy appointment	191
Executive Director remuneration supporting alignment with long-term shareholder interests	174
Discretion to override formulaic outcomes, malus and clawback provisions	170
Notice and contract periods	178
Remuneration policy setting	170
Pay ratios	189
Engagement regarding remuneration	175

Further details of the role, membership and work undertaken by the Committees throughout the year can be found in their individual Committee reports on the pages which follow.

Graham Cope
Company Secretary
15 September 2023

The Blenheim house type interior at The Nook, Derbyshire.

AUDIT COMMITTEE REPORT

"

The integrity of the financial statements and the robustness of the internal control processes and risk management framework are fundamental to the work of this Committee.

Oliver Tant
Chair of the Audit Committee

INTRODUCTION

I am pleased to present the Audit Committee Report for the year ended 2 July 2023, 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 2023, 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 as Chair of the Committee. The other Members of the Committee during the 2023 financial year were Nicky Dulieu, Geeta Nanda and Nick Hewson. Nick Hewson stepped down as Chair of the Committee on 11 November 2022 when he retired from the Board, at which point I took over the position of Audit Committee Chair.

Geeta Nanda joined as a Member of the Committee on 1 May 2023 following her appointment to the Board. In line with Provision 24, the Chair of the Board is not a Member of the Committee.

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:

- I, Oliver Tant, am a Chartered Accountant with the Institute of Chartered Accountants of Scotland and the Institute of Chartered Accountants in England and Wales. I am the Chair of the Audit Committee at B&M European Value Retail S.A. and have a long-standing career in finance having held senior financial positions within KPMG LLP and a FTSE 100 company;
- 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 Chair of the Audit and Risk Committee of John Lewis Partnership plc; and
- Geeta Nanda has been a Member of the Committee since her appointment and has recent experience of providing independent challenge of the Company's financial performance, risk management and control procedures.

The qualifications, skills and experience of each Committee Member can be found on pages 134 to 135.

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

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Oliver Tant †	Chair	4/4
Nicky Dulieu †	Member	4/4
Geeta Nanda[1] †	Member	1/1
Nick Hewson[2] †	Former Chair	1/1

1 Geeta Nanda was appointed as a Non-Executive Director on 1 May 2023 and joined as a Member of the Committee at the same time. She has attended the meeting held from her appointment date to the end of the 2023 financial year.

2 Nick Hewson stepped down from the Board and as Chair of the Committee on 11 November 2022. 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 2023 financial year, the Committee was made up of 100% independent Members.

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. In addition, other Redrow Group Directors attend as and when invited to do so.

The Committee met four times during the year and details of the meeting attendance can be seen in the table above.

It was agreed that going forward, the Committee would meet five times per year due to the changing regulatory environment resulting in more items to be discussed and reviewed by the Committee. The Committee has also had the opportunity to meet separately with the internal audit function during the course of the year and the external auditors following the final audit and the review of the year ended 2 July 2023 financial statements.

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 judgments 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 Code of Conduct;
- 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).

AUDIT COMMITTEE REPORTING ON SIGNIFICANT ISSUES

The primary areas of judgment 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	Following on from the Committee's review last year of the fire safety provision provided in the 2022 financial year, the Committee reviewed the changes as a result of the Group signing the Self Remediation Terms for England (and the equivalent for Wales) in March 2023. This involved considering the revised methodology to calculate the provision as a result of the Self Remediation Terms. The Committee reviewed management's accounting assessment to understand the nature of the remediation costs, judgments 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 update of commercial systems to fully handle main contractor budgets to support the Group's fire safety works.
Build cost variances	The Committee reviewed the Group's analysis of the build cost variances to update the standard cost of work in progress to approximate actual costs and also reviewed the judgments involved in respect of this.
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, 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. This included the proposed treatment of the Trustee investment decision to purchase a bulk annuity insurance policy during the year. A sensitivity analysis is also provided for its consideration. The Committee also receives details of the latest 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 auditor's report benchmarking pension actuarial assumptions. The consolidated balance sheet included a £5m retirement benefit surplus as at 2 July 2023 (3 July 2022: £39m).
Going concern and viability	The Committee challenged the various risks associated with the continuing uncertain nature of the economic environment and market conditions.

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 of the external auditor's testing of controls; 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 2022	• A review of the full year 2022 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 2022 Task Force on Climate-Related Financial Disclosures ("TCFD") Report; • A review and discussion of the external auditor's report; • A review of the related party transaction summary; • 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; • An update of the whistleblowing investigations; • A review of the independence and objectivity of the external auditors; • A recommendation to the Board to approve the 2022 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 22p, subject to shareholder approval.
February 2023	• A review of the 2023 half-yearly accounts; • A review of the strategy report from the external auditors; • Consideration of the key accounting judgement areas and going concern; • Discussion of accounting policies to be applied for the 2023 financial year; • A review of the fire safety provision, its utilisation to date and an update on the monthly Fire Safety Committee meetings; • Discussion regarding use of the subsidiary audit exemption for certain Group companies; • A review of the accounting treatment of the Redrow Staff Pension Scheme; • 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 review of the compliance with the Anti-Bribery Policy and the Gifts and Hospitality Policy; • An update on the compliance with the Code of Conduct; • An update on control improvement implementation; • A review of a fraud allegation and resultant control measures adopted; • 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 2023 half-yearly accounts; and • A recommendation to the Board for it to recommend an interim dividend of 10p.
April 2023	• An update on the work being undertaken in respect of reporting against TCFD for 2023; • A review of the Cross Divisional Testing programme; • A review of the latest Business Performance Reviews; • An update on control improvement implementation; and • An update on compliance with the General Data Protection Regulation 2018 ("GDPR").

DATE	ACTIVITY
June 2023	• Discussion regarding the general update from the Assurance Team; • A review of the Risk Register; • Discussion regarding the strategic plan for the Commercial function; • An update and discussion on internal audit and its strategy; • A review of the internal controls across the whole business; • Discussion of the key process and systems improvements implemented during the year; • An update and discussion on the external audit and fees; • An update on insurance cover renewal for the Group; • 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, Whistleblowing Policy and Code of Conduct; • Report presentation of the Committee's self-evaluation and a discussion on its effectiveness; and • A review of the updated Terms of Reference of the Committee.
September 2023	• A review of the full year 2023 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 party transaction summary; • Discussion regarding the latest Business Performance Reviews; • A review of the compliance with the Anti-Bribery Policy; • An update on cyber security; • A review of the 2023 TCFD Report and work undertaken during the year by the Climate Change Risk Steering Group; • A review of the effectiveness of the external audit process and independence and objectivity of the external auditors; • A recommendation to the Board to approve the 2023 Annual Report; and • A recommendation to the Board for it to recommend a final dividend of 20p, subject to shareholder approval.

INTERACTION WITH FRC

The Company received a letter on 11 October 2022 from the FRC noting that it had carried out an AQR on KPMG's audit of the Group's financial statements for the period ended 27 June 2021. This review covered one Key Audit Matter specified within KPMG's Independent Auditor's Report in the 2021 Annual Report, along with other areas of audit focus. The Audit Committee reviewed and discussed the scope of the AQR, the AQR report conclusions and the actions that will be taken in response to the AQR findings with KPMG. The Audit Committee was satisfied that the matters raised by the AQR were appropriately incorporated into the 2023 audit plan.

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 continuing uncertain nature of the economic environment, interest rates and consumer confidence levels in light of inflation levels and the cost of living crisis 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 2023. 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 Going Concern Basis of Accounting Policies section on page 214.

EXTERNAL AUDITORS

Following the last tender process which was undertaken by the Committee in November 2018, KPMG LLP was appointed as the external auditor of the Company for the financial year ended 30 June 2019 and reappointed at the 2022 Annual General Meeting, with 99.79% of votes cast in favour of re-appointment.

Paul Glendenning is the current Audit Partner and will act as such for the audit of the financial statements for the period ended 2 July 2023. He has held handover meetings with the former Audit Partner, Nick Plumb.

Provision of non-audit services by external auditors

The Committee has a formal policy in respect of the work undertaken by 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 financial year ended 2 July 2023. Details of fees paid to KPMG LLP for audit are disclosed on page 222.

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 – KPMG LLP has completed four years of external audit services;
- Tenure of the audit partner – the financial year ended 2 July 2023 is the first period which Paul Glendenning has served as Audit Partner;
- Connection of the audit firm to the Members of the Committee – I, Oliver Tant (Chair of the Committee), worked for KPMG LLP from 1982 until 2013. The Committee is satisfied that the roles held do not impair the independence of the external auditors as it has been ten years since I 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 financial year ended 2 July 2023.

Following the above assessment, the Committee is satisfied that the independence of the KPMG LLP has been 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 judgments. During the audit for the financial year ended 2 July 2023, the external auditor put in place a number of 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 as well as the risks associated with the scope and methodology used in for the calculation.
- Management override of controls – recognising that there is a fraud risk from management's ability to override controls that otherwise appear to be operating effectively.
- 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 an evaluation of the external auditors whereby they reviewed the performance of KPMG LLP. Respondents provided comments on areas where they thought the external auditors were performing well, as well as areas where they felt there was scope for improvement.

Following its assessment, an anonymised report was presented to the Committee and the external auditor. The report was reviewed by the Committee and discussed with the external auditor, following which the Committee noted it was satisfied with the effectiveness of KPMG LLP.

Following completion of the 2023 audit, the Committee will undertake a full review of the external auditors where they will consider the following in respect of the audit of the 2023 financial statements: 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.

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 2023 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 controls and for monitoring its effectiveness. There is an ongoing process for identifying, evaluating and managing significant risks. However, in reviewing the effectiveness of internal controls, 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 at least monthly to discuss the Group's key issues and 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.

Redrow's internal control environment is based on the 'three lines of defence' model which is designed to protect against loss and is supported by a process of independent review, as follows:

- The first line of defence comprises routine management oversight of operations in the divisions themselves, performed within the framework of policy and procedures and standardised controls, many of them are automatic controls embedded within our IT systems, developed by the second line of defence.
- The second line of defence comprises functional teams and experts operating at a Group level and the Regional Chief Executives responsible for a number of divisions.
- The third line of defence is primarily the Group Assurance team who provide objective assurance on the effectiveness of all aspects of internal control (save for HS&E and cyber security) based on a risk based annual assurance programme supplemented by additional ad hoc reviews.
  - The third line of defence for HS&E is the Group HS&E team who provide site and office HS&E inspections and internal audits.
  - The third line of defence for cyber security is external cyber security experts.

The Committee reviews the work of the three lines in monitoring the effectiveness of controls, with the effectiveness being assessed in the context of an ongoing process for identifying, evaluating and managing risks.

The Group has in place robust processes and controls to protect the effective operation of the business and safeguard our financial and non-financial assets. The key features of the Group's internal controls are as follows:

- the 'three lines of defence' model, as outlined above;
- 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 Group Commercial 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 undertaking of scenario analysis and financial quantification of risks and opportunities deemed significant to the business relating to climate change;
- 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, related party transactions and conflicts of interest. 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 2 July 2023. 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 214 to 219.

During the year the Audit Committee assessed the Group's risk management and internal controls systems to be adequate. However it concluded that the reporting of build cost variances could be improved and a management review be implemented to analyse the movements in underlying gross margin year on year. Following the Committee's recommendation, the Board have agreed to implement the changes in the next financial year.

As reported in the 2022 Annual Report, at the end of the previous financial year, the Committee were informed about a failure to comply with the Group's policies and procedures in one of the Divisions and took action to satisfy itself that the matter had been satisfactorily addressed. In addition to terminating certain members of the divisional management team, during the year the Group also put in place increased control measures which included:

- the appointment of a Group Commercial Director to strategically lead the function and enhance communications between Group Commercial and the Divisions;
- the creation of a new Commercial System training programme for all Commercial colleagues;
- the implementation of peer reviews carried out by Group Commercial and routine checks to ensure the accuracy of the valuation function;
- making amendments to Commercial Policies and Procedures; and
- improving and enhancing commercial systems.

With the exception of this matter, which the Committee considers has been satisfactorily addressed, and the enhancements in the reporting of build cost variances to be implemented in the next financial year, 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 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.

The internal audit strategy and risk management framework is discussed with the external auditors, and then discussed and agreed with the Committee. Suggested control improvements and any control weaknesses identified are followed up as appropriate.

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. Business Process Review executive summary reports are presented to the Audit Committee and copies of the detailed reports are provided to the Chair of the Audit Committee. Action plans are developed by the Divisions to implement the Business Process Review recommendations and follow up meetings held to review these. 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	The Cross Divisional Testing programme 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.

COMPONENT	DESCRIPTION
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 the appropriate meetings.
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 and discussed at the relevant meetings.
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	Third party penetration tests are undertaken on the Group's cyber security systems at least twice per year. The results of these penetration tests are then reported at functional and Executive Management Team meetings, as well as being reported through the Committee by the Chief Information Officer.

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 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 provide 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 reviewed and considered by the Committee at least twice per year. The Committee then reports to the Board to provide the relevant assurances that the risk management process has been managed effectively by the business during the period.

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 and insurance co-ordinators within the Divisions and report directly to the Group Finance Director. The insurance renewal is discussed and agreed by the Committee annually.

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 offers 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 aims to encourage 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 154, 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, 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.

CODE OF CONDUCT

The Company has in place a Code of Conduct, which acts as a guide for employees to do 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 judgment 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. The Committee reviews and approves the Code of Conduct at least annually.

PERFORMANCE EVALUATION

After reviewing the 2022 externally facilitated evaluation report, a questionnaire was created and tailored, taking into consideration comments made in the previous year's assessment as well as the current market.

The questionnaire was completed by all Members of the Committee, its regular attendees and KPMG LLP as external auditor. Following completion of the Committee assessment questionnaire, 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. The meetings were found to be well-chaired with the right mix of people involved in the discussion. The procedures of the Committee were found to be conducive to effective performance and flexible enough to deal with all eventualities.

As part of the review, the following items were agreed as actions to progress during the 2024 financial year:

- as the new Chair of the Committee, I would develop an action plan based on feedback of the Committee as I continue to enhance its operation; and
- the number of Committee meetings would be increased to five per year to:
  - enable the Committee to discharge its responsibilities to the fullest; and
  - allow for more rigorous challenge by the members of the Committee.

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 year ended 2 July 2023.

Oliver Tant
Chair of the Audit Committee

15 September 2023

NOMINATION COMMITTEE REPORT

> The Committee is responsible for ensuring that the Board is of the appropriate structure, size and composition to create and deliver our strategy.

Richard Akers
Chair of the Nomination Committee

INTRODUCTION

I am pleased to present the Nomination Committee Report for the year ended 2 July 2023. This report has been prepared in accordance with the requirements of the UK Corporate Governance Code 2018 (the “Code”).

During 2023, 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, Nick Hewson stepped down from the Board as Non-Executive Director on 11 November 2022 having served a nine-year term as a Non-Executive Director of the Company.

On 1 May 2023, we welcomed Geeta Nanda as an additional independent Non-Executive Director. Geeta Nanda is also a Member of the Audit, Remuneration, Nomination and Placemaking and Sustainability Committees. We are delighted that Geeta Nanda has joined us as she brings strong housing experience as well as broader commercial and operational expertise that will add considerable value to 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 2023 financial year were Nicky Dulieu, Oliver Tant, Geeta Nanda and Nick Hewson. The Company Secretary acts as Secretary to the Committee.

As stated in my introduction above, Geeta Nanda joined as a Member of the Board and the Committee on 1 May 2023 and Nick Hewson stepped down as a Member of the Committee on 11 November 2022 when he retired from the Board.

The biographies of the Members of the Committee can be found on pages 134 to 135.

The Committee met formally three times during the year ended 2 July 2023. 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	3/3
Nicky Dulieu †	Member	3/3
Oliver Tant †	Member	3/3
Geeta Nanda[1] †	Member	1/1
Nick Hewson[2] †	Member	1/1

1 Geeta Nanda was appointed as a Member of the Committee on 1 May 2023 and attended the meeting held between her appointment date and the end of the 2023 financial year.

2 Nick Hewson stepped down from the Board on 11 November 2022 and attended the meeting held between the beginning of the 2022 financial year and his retirement.

† Member considered to be independent. Throughout the 2023 financial year, the Committee was made up of 100% independent members.

MAIN ACTIVITIES DURING THE YEAR

During the 2023 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;
- an evaluation of the Board, its Committees and the Executive and Non-Executive Directors;
- a review and recommendation that all of the Directors stand for re-election at the 2023 Annual General Meeting in accordance with the Code; 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 and was made Non-Executive Chairman on 15 September 2021.

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.

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.

Recruitment of Geeta Nanda

As outlined in last year's report, the Board engaged Odgers Berndtson as the recruitment consultants to assist with the search for a new Non-Executive Director in addition to the recruitment process which led to the appointment of Oliver Tant. Other than assisting with the recruitment of Oliver Tant in 2021, Odgers Berndtsons has no connection to the Company or any of the individual directors.

A role specification was put together with a focus on housing and operational experience and the Committee expressed the value that it believed a diverse Non-Executive Director could bring to the Board.

The Committee was 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 Geeta Nanda be appointed.

The Board accepted the recommendation of the Committee and formally approved the appointment in December 2022, following which an announcement was made to investors and Geeta Nanda joined the Board on 1 May 2023.

BOARD PERFORMANCE EVALUATION

In line with the Code, each year a formal performance evaluation of the Board and its Committees is undertaken.

In 2022, an externally facilitated evaluation of the Board and Committees was carried out by Independent Audit. This year, a formal internal evaluation of the Board and Committees was undertaken to build upon the progress made in previous years. In line with Provision 21 of the Code, the Board shall be engaging an external evaluator to facilitate the evaluation of the Board by no later than 2025.

After reviewing the 2022 evaluation report, a questionnaire was created and tailored, taking into consideration comments made in the previous year's assessment as well as the current market.

The questionnaires were completed by all members of the Board and each member of the Committees. Members of the Executive Management Team and key external advisors were also invited to participate in the relevant questionnaires.

In addition to participating in the questionnaires, interviews were set up by the Senior Independent Director and Company Secretary with each individual Board member. Directors were requested to give feedback on the general effectiveness of the Board and to discuss their answers and observations from completion of the evaluation questionnaires. Directors were also asked to provide feedback on how well they felt the Company had responded to the key points from the 2022 Board evaluation.

All interviewees were advised that comments made during the interviews were confidential and would only be fed back to the Board via an anonymised report.

Following completion of the questionnaires and interviews, the Company Secretary together with the Senior Independent Director compiled an anonymised effectiveness report which was presented at the relevant Board and Committee meetings held in June 2023.

Having considered the output of this year's evaluation, the Board considers that it continues to function effectively and its relationship with its Committees continues to be sound. The main observations from the evaluation were that:

- the role of the Board and the understanding of the Board's responsibilities is clear and Directors are cohesive in supporting Board decisions;
- Board Members are open and honest with each other about what they really think and the relationship between Board Members and management is constructive;
- the Board manages its time effectively in meetings and has a good insight into areas that might affect the Company's reputation; and
- the right behaviours are being driven when setting strategy and financial targets and the reward structures produce appropriate incentives that encourage desired behaviours and responsible risk-taking.

The evaluation also identified the following areas for improvement, which will continue to be addressed over the coming year:

- to improve meeting organisation, it was agreed that an Annual Board agenda was to be put in place to include proposed locations, routine matters and specific topics;
- use of external speakers was noted to be valuable and that it would assist with planning to agree a program of external presenters to the Board for the next year to achieve more from these; and
- It was identified that there was scope to develop a fuller understanding of interactions with key stakeholders to ensure all aspects are fully covered at Board level.

PROGRESS FROM 2022 EVALUATION

RECOMMENDATIONS OF IMPROVEMENT FROM THE 2022 EVALUATION	ACTION TAKEN DURING THE YEAR
Scope for proposals to come to the Board at an earlier stage where the Board could provide more input prior to finalisation.	During the past year, the Chairman together with the Company Secretary have evolved the Annual Board programme which has assisted with the planning and timing of matters being presented to the Board.
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.	The disaster scenario matrix was reviewed and is now maintained and discussed by the Board twice per year. Additionally, a Business Continuity Plan is maintained by the Company which sets out the roles and responsibilities at varying levels in the event of a crisis.
Key messaging in Board papers could be highlighted more clearly to ensure the key messaging is not missed in the detail.	The content of the papers presented to the Board has changed over the past year and this remains ongoing as part of the evolution of the Board programme.

ANNUAL RE-ELECTION OF THE DIRECTORS

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 re-appointments.

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.

The Committee 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.

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 displayed on pages 134 to 135;
- 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.

Following the recommendation from the Nomination Committee, 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.

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

TABLE OF BOARD GENDER DIVERSITY

	NO. OF BOARD MEMBERS	% OF THE BOARD	NO. OF SENIOR POSITIONS[1] ON THE BOARD	NO. IN EXECUTIVE MANAGEMENT	% OF EXECUTIVE MANAGEMENT
Men	3	50%	2	6	67%
Women	3	50%	2	3	33%
Not specified/prefer not to say	–	–	–	–	–

1 Senior position is classified as: Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer.

2 The data in the above table is collected by the Company upon appointment on the basis of self-reporting by the individuals concerned.

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 and for the 2023 financial year bonus, 5% was based on management actions relating to increasing diversity. It has been agreed that this would be increased to 10% of the 2024 financial year bonus.

Details of the Group's ED&I Policy can be seen on page 194.

Gender diversity

The composition of the Board currently exceeds the target of 33% female representation on boards outlined in the FTSE Women Leaders review. The Company also exceeds the targets as set out by the FCA (at least 40% of Board seats occupied by females and at least 1 female in a Senior Position on the Board) and the information is set out above in line with Listing Rule 9.8.6R(10).

TABLE OF GENDER DIVERSITY

	MALE	FEMALE
Main Board	3 (50%)	3 (50%)
Executive Management Team	6 (67%)	3 (33%)
Direct reports to Executive Management Team	28 (78%)	8 (22%)
Redrow employees at 2 July 2023	1,448 (66%)	741 (34%)

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 above sets out the current position of the Company on a gender basis.

Ethnic diversity

The Committee continues to monitor and review reports and recommendations relating to the composition of boards and 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 composition of the Board currently meets the target of at least one Board member from a minority ethnic background by 2024 set by the Parker Review. The Company also meets the target as set out by the FCA (at least one individual on the Board from a minority ethnic background) and the information is set out above in line with Listing Rule 9.8.6R(10).

TABLE OF ETHNIC DIVERSITY

	NO. OF BOARD MEMBERS	% OF THE BOARD	NO. OF SENIOR POSITIONS[1] ON THE BOARD	NO. IN EXECUTIVE MANAGEMENT	% OF EXECUTIVE MANAGEMENT
White British or other White (including minority white groups)	5	83%	4	9	100%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	1	17%	–	–	–
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

The data in the above table is collected by the Company upon appointment on the basis of self-reporting by the individuals concerned.

1 Senior position is classified as: Chair, Chief Executive Officer, Senior Independent Director or Chief Financial Officer.

The Committee notes the new targets launched for December 2027 by the Parker Review that each FTSE 350 company set a percentage target for senior management positions that will be occupied by ethnic minority executives and that these targets will be included in next year's Annual Report.

Given the value placed on diversity by the Company and its focus on progressing the ED&I agenda, the candidate brief prepared for the latest recruitment process for a Non-Executive Director 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. We are pleased to have appointed Geeta Nanda and believe her skills, experience and background will be highly beneficial 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 page 72.

COMMITTEE PERFORMANCE EVALUATION

After reviewing the 2022 externally facilitated evaluation report, a questionnaire was created and tailored, taking into consideration comments made in the previous year's assessment as well as the current market.

The questionnaire was completed by all Members of the Committee and its regular attendees. Following completion of the Committee assessment questionnaire, 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, is effectively chaired and reports appropriately to the Board. Succession planning remains an active area for ongoing development and it was agreed that the induction process would be reviewed during 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.

Richard Akers
Chair of the Nomination Committee

15 September 2023

PLACEMAKING AND SUSTAINABILITY COMMITTEE REPORT

"

The Committee is focused on the Company's operations on the environment, its communities and its employees and ensures alignment with the three strategic themes of: Developing Thriving Communities, Building Responsibly and Valuing People.

Richard Akers

Chair of the Placemaking and Sustainability Committee

INTRODUCTION

I am pleased to present the Placemaking and Sustainability Committee Report for the year ended 2 July 2023.

During the year, 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 employees.

COMMITTEE MEMBERSHIP AND MEETINGS

The Members of the Committee during the financial year comprised myself as Chair of the Committee, Matthew Pratt, Geeta Nanda and Nick Hewson. Nick Hewson stepped down as a Member of the Committee on 11 November 2022 when he retired from the Board. The Company Secretary acts as Secretary to the Committee.

The Committee met three times during the 2023 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.

The Committee regularly reviews its Terms of Reference. These were last reviewed in May 2023 and are published on the Group's website (redrowplc.co.uk).

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Richard Akers †	Chair	3/3
Matthew Pratt	Member	3/3
Geeta Nanda[1] †	Member	1/1
Nick Hewson[2] †	Member	1/1

1 Geeta Nanda was appointed as a Non-Executive Director on 1 May 2023 and joined as a Member of the Committee at the same time. She has attended the meeting held from her appointment date to the end of the 2023 financial year.

2 Nick Hewson stepped down from the Board on 11 November 2022 and attended the Committee meeting held between the beginning of the 2023 financial year and the date he stepped down from the Board.

† Member considered to be independent. At the end of the 2023 financial year, the Committee was made up of 67% independent Members.

MAIN ACTIVITIES DURING THE YEAR

During the year ended 2 July 2023, 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 in the 2022 Annual Report along with the new measurements and targets for the 2023 Annual Report;
- reviewed the ESG Improvement Plan;
- analysed the latest ESG rating figures;
- received an update on the stakeholder engagement and materiality review;
- received an update on the non-financial reporting journey of the Company;
- reviewed the reporting against the United Nations Sustainable Development Goals;
- discussed of the latest CDP Climate Change and Forests submission;
- reviewed the work undertaken in respect of the TCFD-aligned reporting for the 2023 Annual Report and resulting work stream;
- discussed the climate change physical risk workshops which were carried out alongside a specialist consultant to help understand the impact of climate related physical risks on four strategic Redrow developments;
- reviewed and ratified the Redrow Sustainable Operational Framework for implementation in the 2024 financial year;
- discussed progress on the assessment and feasibility in setting a Net Zero Carbon target in line with the Company's SBTi commitment;
- discussed the global frameworks and standards of which the Company may wish to report against in the coming years;
- received an update on the work of the Transition Plan Taskforce and Taskforce for Nature-related Financial Disclosures and impact of these on the Company; and
- discussed the UK Taxonomy and impact of this on the Company.

ACTIVITIES OF THE COMMITTEE RELATING TO THE THREE THEMES FORMING THE OVERALL STRATEGY

STRATEGIC THEME	RELATED ACTIVITIES OF THE COMMITTEE
THRIVING COMMUNITIES	• Discussed of the new Biodiversity Net Gain Target and received an update of the Company's biodiversity strategy; • discussed National Planning and Design Policy matters; • received an update on the Redrow Design and Layout Seminar; • discussed the post-completion placemaking audits and reviewed the Redrow 8 and layout review process; and • received an update on the community collaboration and consultation project.
BUILDING RESPONSIBLY	• Reviewed the overall Health, Safety and Environmental ("HS&E") performance; • reviewed the latest Customer Satisfaction KPIs and strategic projects; • reviewed the Group's SBTi validated Greenhouse Gas emissions targets of reducing absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year and absolute scope 3 GHG emissions 25% within the same timeframe; • discussed the ongoing work to submit a long-term net zero carbon target and initiatives around this; • discussed the findings of the air source heat pump trial project; • discussed the 5 Star Status awarded to Redrow for the 5th year running by the Home Builders Federation; • received an update on the activities of the Virtual Homeowner Support Team; • discussed the ongoing work relating to the Future Homes Standard; • received an update on the charitable activities of the Group; and • received an update on the engagement work with the supply chain.
VALUING PEOPLE	• Received an update regarding feedback from the 2023 INsight survey, the workforce engagement sessions chaired by Nicky Dulieu and the divisional Engagement Groups; • discussed the employee turnover and initiatives to align this figure with targets; • received an update colleague benefits and the communication of these; • 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 work undertaken in developing the Company's Green Academy.

PERFORMANCE EVALUATION

After reviewing the 2022 externally facilitated evaluation report, a questionnaire was created and tailored, taking into consideration comments made in the previous year's assessment as well as the current market.

The questionnaire was completed by all Members of the Committee and its regular attendees. Following completion of the Committee assessment questionnaire, an anonymised effectiveness report was compiled and presented to the Members of the Committee.

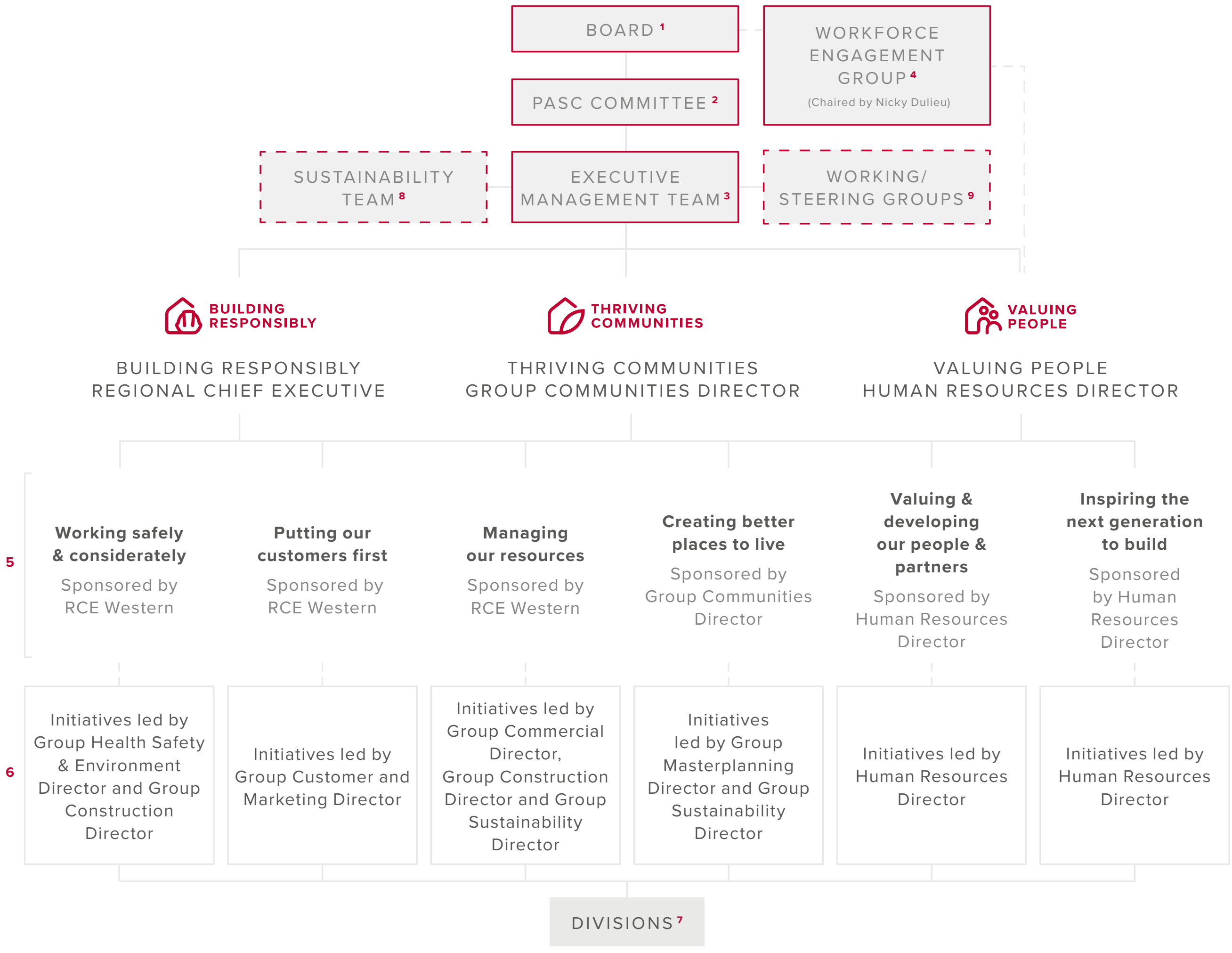
The evaluation found that the Committee has effectively performed its responsibilities and that it receives the right quality of external advice. It was agreed that a Board discussion was to be had regarding the remit and objectives of the Committee to ensure that it has the right focus and balance.

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 which was in place during the 2023 financial year 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 experts 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

15 September 2023

DIRECTORS' REMUNERATION REPORT

"

I am pleased to present the Directors' Remuneration Report for the 52 weeks ended 2 July 2023.

Nicky Dulieu
Chair of the Remuneration Committee

As in previous years, this remuneration report is split into three sections:

- Annual Statement – in my letter I set out the key items considered by the Remuneration Committee during the year. It includes the executive directors' remuneration outcomes for the 52 weeks ended 2 July 2023 and the context in which pay decisions were made.
- Directors' Remuneration Policy (the Policy) – our Policy was approved by shareholders at the 2021 AGM and we have now entered into the final year of the three-year Policy. There are no changes proposed to the Policy and we have included a copy in this report for ease of reference.
- Annual Report on Remuneration – this section describes in further detail the pay outcomes in respect of 2023 and the proposed implementation for the 2024 financial year. It also includes CEO pay ratio reporting and other disclosures including executives' shareholdings and historic pay outcomes.

PERFORMANCE OUTCOMES FOR THE YEAR ENDED 2 JULY 2023

Business context

Redrow's proven business model has played an important role during a time of significant political and economic uncertainty. After a strong first quarter the market was significantly impacted by political events in the second quarter which resulted in a steep rise in mortgage rates. Against this backdrop of considerable uncertainty we still managed to deliver total revenue of £2.1bn, in line with last year. Furthermore, despite ongoing build cost inflation and lower build rates our underlying profit before tax was £395m, compared to £410m in 2022.

We completed 5,436 homes in the year. Whilst this was a 5% reduction on the 2022 financial year (2022: 5,715), revenue was stable due to the increase in average selling price. This reflects both the differentiation of our Heritage range of family homes in primary locations, which differentiates us from both new build competitors and the much larger second hand market and, secondly, our focus on placemaking which enables thriving communities to develop.

As a result of our land investment in 2021 we increased the average number of outlets over the 2023 financial year to 117 and we expect to maintain this position during the 2024 financial year. We remain in a strong positive cash position, ending the financial year with £235m net cash excluding lease liabilities (2022: £288m). This is despite the fact we have returned £100m to shareholders in the form of a share buyback programme.

Building Responsibly remained a key pillar of our strategy in 2023. This was demonstrated by maintaining excellent health and safety levels; demanding high environmental standards as we became the first large housebuilder to announce that we would be installing air source heat pumps into all our homes on upcoming developments; and building quality homes that enhances our reputation in the market as evidenced by 'Excellent' Trustpilot ratings and five-star HBF ratings.

Wider employee pay at Redrow

Ongoing cost-of-living pressures continue to impact our employees and the Committee has been pleased with the Executives' response to address this in the context of a challenging trading environment. Last year we gave a 5% salary uplift to all employees and all employees will receive an increase of at least 3% in 2024. The Company reviewed employee pension contributions during the year and concluded that this was an area that should be enhanced. Accordingly, from 1 January 2023 the pension contribution rate was increased from 7% to 10% of salary for all monthly paid employees. At Redrow, 864 monthly paid employees are eligible to participate in the Universal Bonus scheme. The actual payout for the year was low (average of 1.84% of salary) but recognising the current pressures facing our more junior employees, the Board decided to pay the bonus out in full (5% of salary) to all eligible participants in September 2023.

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 gave employees the opportunity to provide their feedback relating to remuneration.

2023 annual bonus

The bonus scheme was based on 5 metrics – profit before tax (50%), outlets opened (20%), customer service (12.5%), health and safety (12.5%) and a diversity-based ESG measure (5%).

- Profit: Reflecting the challenging political and economic turbulence experienced during the year, the profit threshold was not met;
- Customer Service: the customer service threshold was also not achieved reflecting the stretching nature of the targets following the change in measurement implemented in 2022;
- Outlets opened: 31 outlets were opened during the year which was equal to the maximum target and therefore resulted in a full payout;
- Health and Safety: The accidents per number of homes built was between threshold and maximum leading to a partial payout; and
- ESG: Significant progress was made on diversity and inclusion objectives, resulting in this objective being met.

Overall, this resulted in a payout of 35.9% of maximum. The Committee considers the lower bonus outcome this year to be consistent with the overall stakeholder experience and a fair reflection of management's commendable performance in very uncertain times.

Further detail of the measures, targets and performance is set out in the Annual Report on Remuneration. In line with our policy half of the annual bonus will be deferred in shares.

2020 LTIP vesting

The EPS and ROCE targets attached to the LTIP were set in December 2020 in the midst of the pandemic and were stretching in the context of the outlook at the time. Post pandemic, the Group's recovery was encouraging with the Group recording underlying EPS of 96.0p in FY22. FY23 has been more challenging for reasons set out above and overall, EPS and ROCE performance has been just above the maximum targets set, resulting in full vesting based on formulaic outcomes.

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 and to the extent it believes there have been windfall gains. The Committee considers the overall three-year performance of the business in the context of the recovery from the pandemic to have been strong and reflective of the actions of the management team. Therefore, the Committee has agreed that the vesting outcome is warranted, particularly in the context of nil LTIP vesting in 2020 and 2021, partial 24% vesting in 2022 (all impacted by the pandemic) and anticipated nil vesting in 2024 due to the reasons outlined below. The awards were granted at a price of 405 pence and the estimated vesting price is c.20% higher. The Committee does not believe this constitutes a windfall gain that requires an adjustment to the vesting level.

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 the stakeholder experience in a difficult year and vesting under the LTIP reflects the Group's recovery from the impact of the pandemic and management's actions.

TERMS OF THE 2022 LTIP AWARD

On 1 September 2022 the Remuneration Committee met to set the performance conditions applying to the 2022 LTIP grant and approved stretching EPS, ROCE and Carbon reduction targets that reflected the prevailing internal and external outlook. The measures and targets were disclosed in last year's report which was signed off on 13 September 2022 and the award was made a week later on 21 September 2022.

On 15 September 2022, the Government announced that the Mini-Budget would take place on 23 September, just two days after the LTIP grant was made. The Mini-Budget created an immediate and significant economic shock, one effect of which was to lead to a dramatic increase in mortgage pricing. This in turn dented customer confidence which translated into a material reduction in the number of reservations. The shock to the market and the subsequent impact on housebuilders was unexpected and a direct result of the Government's Mini-Budget.

This created a number of business risks for Redrow and, from a people perspective, the Committee was very concerned with the Mini-Budget's impact on the 2021 and 2022 LTIP awards which were no longer achieving their purpose – to motivate sustained performance and retain key staff. The impact resulted in it being highly unlikely that either of these awards would achieve their performance targets and this would create a fallow period in 2024 and 2025 and a retention risk to the business. Furthermore, the financial measures and targets set by the Committee were incentivising management to grow the business which was no longer in the best interests of shareholders during the period of heightened uncertainty.

The Committee was determined to address these risks and, given the 2022 grant was made just two days prior to the Mini-Budget, and in order to ensure it motivated the management team and remained an appropriate incentive over the 3-year performance period, the Committee revisited the terms of the 2022 award around 6 months following the grant of the awards.

The EPS and ROCE measures (with an aggregate weighting of 90%) were replaced with a relative Total Shareholder Return (TSR) condition with the Carbon reduction measure (10%) remaining unchanged. The Committee understands the challenges and optics with revisiting terms of LTIP awards but on this occasion felt that this was warranted for the following reasons:

- The Remuneration Committee identified the risk early and took swift action to address the issue by revising the most recently granted LTIP award only. Achieving the original EPS and ROCE targets would have required management to take actions which were not in line with the Board's strategy and would have incentivised inappropriate risk-taking.
- The number of LTIP awards were reduced by 1/6th to reflect the change in performance measure which took place six months into the 36-month vesting period.
- The TSR measure requires management to take a balanced view on risk and shareholder returns and therefore was considered to be an appropriate measure in the circumstances. TSR is measured against a peer group of other housebuilders who were similarly impacted by the Mini-Budget and any vesting is by no means guaranteed with the Company tracking at median (5th out of 9) against the peer group at the time of the change. As a result, this is considered to be a 'neutral' change and no less challenging than the original EPS/ROCE targets at the time the Committee set them.
- There will be no amendment to the in-flight September 2021 LTIP award for which a significant proportion of the 3-year performance has elapsed and therefore this award which was performing strongly, is now expected to lapse. Furthermore, the 2022/23 bonus as set out earlier was significantly impacted and delivered a relatively low outturn as a result.

Furthermore, two new underpins will apply to the 2022 award to ensure stakeholder interests are protected:

- Notwithstanding performance against the relative TSR measure, the Remuneration Committee will apply appropriate negative discretion if absolute TSR between the date of change of the performance conditions and vesting is negative.
- The Committee may reduce vesting to reflect the wider stakeholder experience and in doing so will consider the experience of our employees, customers, and suppliers.

The Committee communicated this change to leading investors and is grateful for the written support received from those who responded.

IMPLEMENTATION OF POLICY IN 2023/24

Base salary

Barbara Richmond joined Redrow over 13 years ago and is the longest serving CFO amongst FTSE350 UK-listed housebuilders. Her extensive track record includes successfully navigating our business through economic cycles and major financial and macro incidents including the credit crunch and the pandemic and she has been instrumental in ensuring our proven business model is sufficiently prudent and robust at a time of significant political and economic uncertainty.

It is clear from our interactions with investors that Barbara is held in very high regard and should be retained and rewarded appropriately. The Committee has considered her value to the business, her extensive responsibilities, and the potential cost of replacing Barbara with a finance director of similar calibre, noting that Barbara is the longest serving CFO in the sector and 4 out of the 7 other FTSE 350 housebuilders have recently changed their CFO. In the light of this, the Committee has concluded that a more material salary adjustment is required, increasing Barbara's base salary from £400,600 to £470,000. As a secondary check, the Committee considered the proposed salary level against market benchmarks and took comfort that Barbara's proposed salary would be broadly in line with market data in the sector.

However, as the financial year drew to a close the Committee felt that such an increase at the current time given the challenges facing the business was not appropriate and agreed, subject to continued strong performance in the role, to defer the increase to 1 July 2024.

Accordingly, both Matthew Pratt and Barbara Richmond will receive a salary increase of 3% from 1 July 2023 which is in line with the minimum workforce increase applying to all employees.

Pension provision

The CEO's and CFO's pension is workforce aligned at 10% of salary.

Annual bonus

For FY24, a bonus maximum in line with the approved policy of 150% of salary will apply to both executive directors. The weighting on the financial performance has been increased with profit before tax applying to 65% of the bonus (up from 50%). The measure based on the number of outlets opening has been removed as the focus has shifted away from buying land at the current time. Customer Service, Health and Safety and ESG objectives relating to diversity will continue to feature. 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 based on the current price it is expected that awards will be granted to executive directors with a face value of 150% of salary, which remains modest

Churchlands, Lisvane, Cardiff.

against other housebuilders and companies of a similar size.

For the 2023/24 grant, the metrics will be EPS, ROCE, relative TSR and Carbon reduction. The inclusion of a relative TSR measure reflects the support received from shareholders during the consultation to change the terms of the 2022 award. Full details of the weightings and targets for each metric are set out in the Annual Report on Remuneration.

DIRECTORS' REMUNERATION POLICY REVIEW

We have entered into the final year of the three-year Policy. Over the course of the year the Committee will review the terms of the Policy to ensure we remain compliant with good practice, have incorporated the latest views of shareholders and to ensure the Policy supports the business's commercial goals. We will consult with shareholders on any changes we propose making.

I hope that you have found this annual statement informative and clear and that you 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. The Policy set out in this report remains unchanged from that published in the 2021 Annual Report except for updates to the Illustration of Remuneration Policy chart, the Policy table to reflect a change to the employee pension contribution rate and to the service contracts section to update for changes to Board composition.

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 included in the Policy
- 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
- 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 with 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 have a pension contribution rate of no more than the workforce rate. Any new executive directors appointed to the Board will have a maximum pension contribution equal to the workforce rate. The workforce rate was 7% of salary and increased to 10% of salary from 1 January 2023.	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 2023/24 performance measures are set out on page 180. 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 in the Annual Report on Remuneration. 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 Group. 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 Group. 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

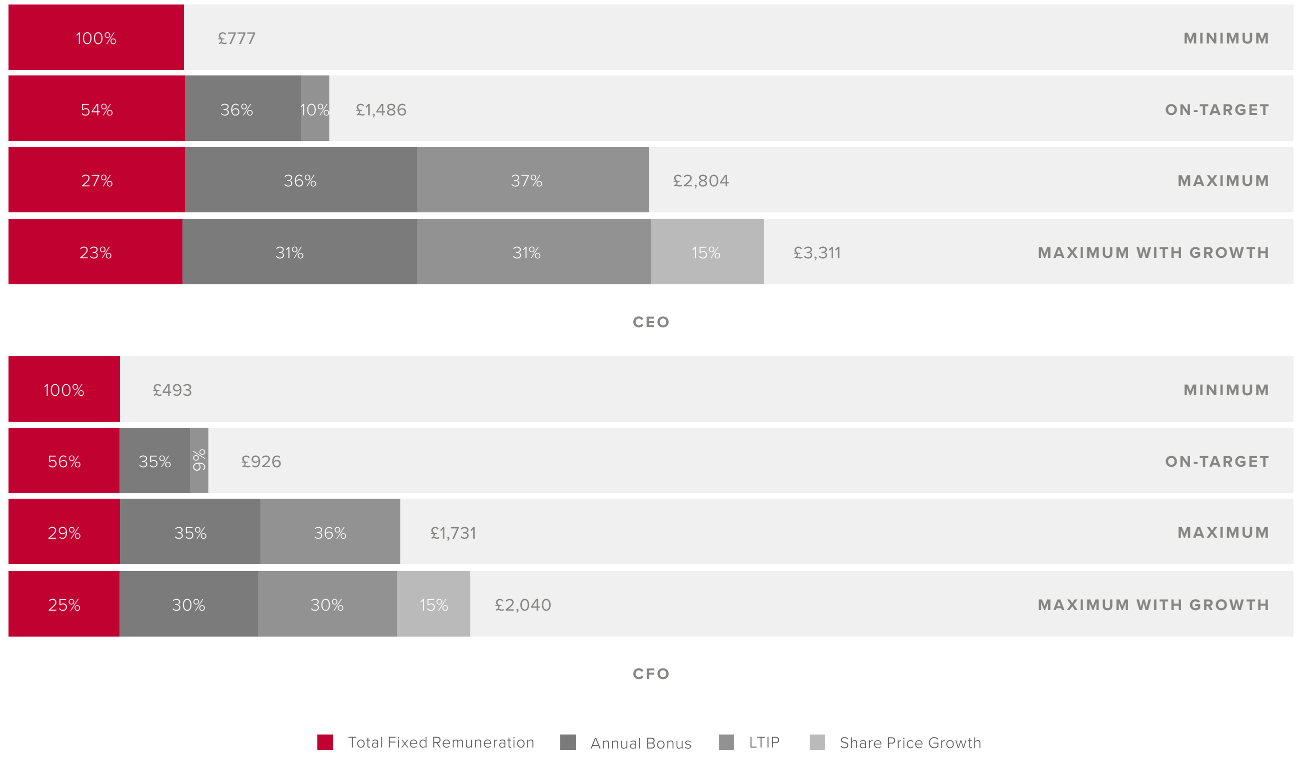
Unvested awards under the deferred bonus plan and LTIP will normally vest early in the event of a takeover or winding-up of the Company and, in the case of the deferred bonus plan, if the Company goes into administration or a voluntary arrangement is proposed with its creditors. In these circumstances, 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 rata 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 opposite 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 1 July 2023 and benefits included using the disclosed values for the year ended 2 July 2023);
- Target – reflects fixed pay, target bonus (75% of salary) and LTIP awards vesting at threshold (i.e. 20% of maximum);
- Maximum – reflects fixed pay, maximum bonus (150% of salary) and maximum LTIP awards (being 150% of salary for the CEO and CFO); and
- 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 following table:

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 [1]	Non-Executive	01/12/12	N/A
Nicky Dulieu	Non-Executive	06/11/19	06/11/22
Richard Akers	Non-Executive Chairman	01/06/21	01/06/21
Oliver Tant	Non-Executive	01/02/22	01/02/22
Geeta Nanda [2]	Non-Executive	01/05/23	01/05/23

1. Nick Hewson stepped down from the Board at the November 2022 Annual General Meeting.
2. Geeta Nanda joined the Board as a Non-Executive Director on 1 May 2023.

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 exercises 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 2024

This section summarises how the Committee intends to operate the Remuneration Policy for the year ending 30 June 2024.

Salary

All employees of the business including executive directors have received a salary increase of 3% with some employees receiving higher increases, where appropriate.

The salaries are effective from 1 July 2023 and are as follows:

£'000	1 JULY 2023	1 JULY 2022	% INCREASE
Barbara Richmond	**412.6**	400.6	3.0%
Matthew Pratt	**676.0**	656.3	3.0%

As set out in the Chair's Annual Statement, it is the Committee's intention to increase Barbara Richmond's salary to £470,000 from July 2024 subject to continued good service and performance in the role.

Pension

Matthew Pratt's and Barbara Richmond's pension contributions in FY2024 will be 10% of salary which is in line with the workforce contribution rate. The workforce pension contribution rate was increased from 7% to 10% of salary on 1 January 2023.

Annual bonus

The annual bonus opportunity for executive directors will be 150% of salary for FY24 in line with the annual bonus policy limit approved by shareholders at the last Policy review.

The Committee considered carefully the metrics and weightings for the year in the context of current market conditions and the key financial and non-financial priorities of the business over the next 12 months. In previous years, an element of the bonus was based on the number of outlets opened but for FY24 this has been removed as the focus has shifted away from buying land at the current time.

Instead, the Committee has placed a higher weighting on financial performance measured by profit before tax (PBT) which will increase from 50% to 65% and on ESG which will increase from 5% to 10%, The ESG measure is based on our diversity goals focusing on female entrants into graduate schemes and increasing our intake of apprentices from an ethnically diverse background.

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.

MEASURES FOR FY24	
Profit Before Tax	65%
Customer Service	12.5%
Health & Safety	12.5%
ESG (diversity)	10%

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. Unlike last year, the ESG metric will involve a quantitative assessment with this element of the bonus split between two independently assessed targets relating to female diversity and ethnic diversity.

It is the current intention that targets will be disclosed in the FY24 Remuneration Report provided the Committee is comfortable they are no longer commercially sensitive at the time.

LTIP awards to be granted during FY24

The Remuneration Committee will consider the prevailing share price at the time of grant and assuming there is no significant change from the date this report is signed off, it is expected that LTIP awards in the 2024 financial year will be made at the level of 150% of salary to Matthew Pratt and Barbara Richmond.

The key financial KPIs for Redrow are EPS growth and ROCE. Last year, the Committee introduced a climate-related metric and this remains an important non-financial goal for the business. When we consulted shareholders on changes to the terms of the September 2022 LTIP award, those who responded were supportive of the use of relative total shareholder return at the current time. Reflecting this, and taking into account our medium-term priorities, the following measures and targets will apply for the September 2023 LTIP award:

	WEIGHTING	THRESHOLD[2] (20% VESTING)	MAXIMUM[2] (100% VESTING)
Underlying EPS (FY26)	40%	62.8 pence	70 pence
ROCE (FY26)	20%	14.5%	16.5%
Relative TSR	30%	Median	Upper Quartile
Carbon reduction (Scope 1 & 2 GHG emissions)[1]	10%	-32.7%	-37.3%

1. 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 2026.
2. For each measure, vesting will be on a straight line basis between Threshold and Maximum.

In setting the financial targets, the Remuneration Committee considered the internal plan and market consensus, recognising the current macro-economic environment and challenging trading conditions is likely to result in lower profitability over the next three year period.

Reflecting this and the need to set challenging targets in the current circumstances, the EPS threshold has been set at current market consensus meaning none of this part of the award will vest unless market expectations have been met or exceeded. The maximum is materially ahead of current external expectations and is appropriately stretching. The ROCE targets have also taken into account internal and external forecasts and have been based on our guidance level of land creditors. 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 Committee retains the power to amend targets to ensure they are no more or less challenging in the event of unforeseen changes to tax rates or accounting standards during the performance period.

The TSR measure will compare Redrow's three-year return against the following home construction peers – Barratt, Bellway, Berkeley, Crest Nicholson, MJ Gleeson, Persimmon, Taylor Wimpey and Vistry.

The Carbon reduction targets have been set in the context of meeting the 1.5 degree SBTi pathway and our overall goal of reducing our absolute Scope 1 and 2 GHG emissions by 42% by FY30, from our FY21 base year. Our 2030 net zero carbon targets have been validated by the Science-Based Targets Initiative.

In 2023, a significant reduction in GHG emissions was achieved with over half of the reduction down to the transition to REGO backed renewable electricity. Recognising the material progress that has been achieved in such a short space of time, the emission reduction targets for the 2023/24 LTIP are based on delivering our 2028 and 2029 SBTi pathway two to three years earlier than scheduled, in 2026. As emissions are related to build activity and given prevailing political and economic headwinds, the Committee will consider whether any adjustments to vesting are required to reflect a material deviation in build assumptions implicit in our SBTi pathway.

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 3% increase from 1 July 2023 meaning the base fee for a Non-Executive Director will increase from £59,195 p.a. to £60,975 p.a.

The additional fees for Committee Chairs and the Senior Independent Director were also increased from £12,000 p.a. to £12,360 p.a. from 1 July 2023. The base fee and additional fees reflect the level of time commitment required in undertaking the role.

The Remuneration Committee reviewed the Chairman's fee and agreed a 3% increase from £262,500 to £270,375 p.a., effective from 1 July 2023.

SINGLE TOTAL FIGURE OF REMUNERATION TABLE (AUDITED)

The tables below set out the remuneration for the Directors in respect of 2023. Further discussion of each of the components is set out on the pages which follow. Where indicated, these disclosures have been audited.

The remuneration of the Executive Directors in respect of 2023 is shown in the table below (with the prior year comparative).

	SALARY		BENEFITS (i)		PENSIONS (ii)		BONUS (iii)		LTIP (iv) (v)		TOTAL REMUNERATION		TOTAL FIXED REMUNERATION		TOTAL VARIABLE REMUNERATION	
£'000	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Matthew Pratt	**656**	625	**33**	29	**56**	44	**353**	781	**986**	122	**2,084**	1,601	**745**	698	**1,339**	903
Barbara Richmond	**401**	381	**39**	36	**60**	76	**216**	477	**676**	110	**1,392**	1,080	**500**	493	**892**	587

(i) Benefits include a fully expensed company car (or equivalent cash allowance) and private health insurance.

(ii) Pension includes the value of the cash allowance paid to Matthew Pratt and Barbara Richmond in respect of the relevant year. Barbara Richmond's pension contribution was 20% of salary until 31 December 2022 and then reduced to the prevailing workforce contribution rate of 10% of salary. Matthew Pratt's pension contribution for the year was in line with the workforce rate which was 7% of salary until 1 January 2023 and 10% of salary thereafter.

(iii) Annual bonus represents the full value of the bonus awarded in respect of the relevant financial year including both cash and deferred elements. Details of outcomes against the performance targets are set out below. See page 166 and 167 on how the Remuneration Committee determined the level of the annual bonus payment.

(iv) The 2023 column includes the value of the September 2020 LTIP which will vest in full on 23 September 2023. The value of this award has been based on the average share price over the last three months of FY23 of 493 pence. 21.7% of this award is attributable to share price appreciation over the period based on the estimated vesting share price. No discretion was applied by the Remuneration Committee to amend the vesting outcome.

(v) The 2022 column includes the value of the 24.2% of the 2019 LTIP which vested on 11 September 2022. In last year's report this was calculated using the average share price over the last three months of FY22 of 519 pence. The figure has been updated to reflect the actual share price on 11 September 2022 of 488 pence.

The remuneration of the Non-Executive Directors in respect of 2023 are shown in the table below (with the prior year comparative).

	FEES	
£'000	**2023**	**2022**
Richard Akers (i)	**263**	210
Nicky Dulieu (ii)	**78**	66
Oliver Tant (iii)	**67**	23
Geeta Nanda (iv)	**10**	–
Nick Hewson (v)	**29**	76
John Tutte (vi)	**–**	63
Sir Michael Lyons (vii)	**–**	24

(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) Nicky Dulieu was appointed Senior Independent Director on 11 September 2022.

(iii) Oliver Tant joined the Board as a Non-Executive Director on 1 February 2022.

(iv) Geeta Nanda joined the Board as a Non-Executive Director on 1 May 2023.

(v) Nick Hewson stepped down from the Board as a Non-Executive Director on 11 November 2022.

(vi 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.

(vii) Sir Michael Lyons stepped down from the Board as a Non-Executive Director on 12 November 2021.

2023 ANNUAL BONUS

The maximum bonus opportunity for the Executive Directors in 2023 was 150% of salary. This was based on the achievement of stretching targets under a balanced scorecard of performance measures. The following measures and targets applied:

	% OF BONUS OPPORTUNITY	THRESHOLD PAYOUT	MAXIMUM PAYOUT	ACTUAL 2023 PERFORMANCE	PAYOUT ACHIEVED (% OF TOTAL BONUS OPPORTUNITY)
PBT (i)	50.0%	£423m	£478m	£395m	0.0%
Number of outlets opened	20.0%	26	31	31	20.0%
Customer recommend score (ii)	12.5%	80%	84%	79.6%	0.0%
Accident rate (homes built/ accident)	12.5%	25.0	27.5	27.1	10.9%
ESG	5.0%	Partial achievement	Objectives achieved	Fully achieved (see assessment below)	5.0%
Total	100%				35.9%

(i) PBT is underlying, pre-exceptional items.

(ii) This measure was changed from the 8 week HBF customer satisfaction survey to the 9 month version to better represent true customer service achieved.

The PBT threshold was not met. See Chairman's statement on pages 2 and 3. The Customer recommend score was marginally below threshold and therefore no bonus under this measure was accrued.

The Accident rate outcome was between threshold and maximum resulting in a partial payout. The ESG component was based on supporting the improvement in gender and ethnic diversity of Redrow's new entrant population and, as set out in last year's report, this involved a qualitative assessment. The following factors were considered:

- Targets on gender and ethnic diversity are now reported on and discussed at Executive Management Team meetings ensuring its importance is emphasised.
- ED&I and the specific targets are an agenda point at every divisional engagement meeting and have featured at the last two national workforce engagement meetings. A working group has been set up to look at how the business can improve in relation to site-based employees.
- During the year the business has invested in third party recruitment support to improve the rigour of the process and conducted a thorough review of all recruitment promotional materials and processes to ensure the use of inclusive language and images to widen reach. The use of virtual assessment centres has proved particularly effective in widening participation.

The Committee recognises that the financial performance delivered by the business was below expectations set at the beginning of the year and this is reflected in a below target bonus outcome. However, the Committee believes strong progress has been made in certain areas including health and safety and diversity, that management responded appropriately to the change in the macro-economic environment and that a 35.9% of maximum bonus outcome is appropriate in the circumstances.

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 September 2020 LTIP awards which are capable of vesting in September 2023 and those awards which were granted during the 2023 financial year.

LTIP awards vesting in respect of 2023

The LTIP awards granted in September 2020 were based on performance over the three year performance period ending 2 July 2023. Based on performance against the EPS and ROCE targets set when the award was granted, summarised in the table following, the EPS and ROCE measures were met in full.

AWARD VESTING LEVEL AS A % OF SHARE OPTIONS GRANTED (FOR EACH COMPONENT)	EPS FOR 2023 (SEE NOTE 1)	ROCE FOR 2023 (SEE NOTE 2)
Nil	Below 73.0p	Below 17%
6.67%	73.0p	18%
20%	77.0p	20%
50%	86.0p or above	20% or above
Vesting between the points above is on a sliding scale basis		
Actual performance	91.2p	23.11%
Vesting (% of total award)	50%	50%

1. The original EPS targets as set out in the above table were amended to 71.38p (threshold), 75.28p (target) and 84.09p (maximum) to (i) take account of the increases in corporation tax and the introduction of RPDT, and (ii) to adjust for the impact of the £100m share buy-back programme. Neither of these were known at the time the targets were set and these adjustments ensured the participant was in no better or worse position. This is consistent with the methodology applied to previous awards and consistent with Redrow's approach for LTIP awards.
2. The original ROCE targets as set out in the above table were amended upwards to 18.1% (threshold), 19.2% (target) and 21.3% (maximum) to remove the benefit of the impact of the FY22 exceptional item from net assets / capital employed.

The EPS and ROCE targets were set in December 2020 during the pandemic and were stretching in the context of the outlook at the time. Post pandemic, the Group's recovery was encouraging with the Group recording EPS of 95.6p in FY22. FY23 has been more challenging for reasons set out earlier in this report and overall, EPS and ROCE performance has been just above the maximum targets set, resulting in 100% of the awards vesting.

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 and to the extent the Remuneration Committee believes there have been windfall gains. The Committee considers the overall three-year performance of the business in the context of the recovery from the pandemic to have been strong and reflective of the actions of the management team. Therefore, the Committee has agreed that the vesting outcome is warranted, particularly in the context of nil LTIP vesting in 2020 and 2021, partial 24% vesting in 2022 and anticipated nil vesting in 2024. The awards were granted at a price of 405 pence and the estimated vesting price is c.20% higher. The Committee does not believe this constitutes a windfall gains that requires an adjustment to the vesting level.

The value of the vested award is estimated and included in the 2023 LTIP column of the Single Total Figure of Remuneration table on page 182.

SCHEME INTERESTS AWARDED DURING 2022/23 (AUDITED)

Long Term Incentive Plan

The following table sets out details of the original LTIP awards granted to Executive Directors on 21 September 2022.

EXECUTIVE DIRECTOR	NUMBER OF AWARDS GRANTED	BASIS OF AWARD	FACE VALUE [1]	THRESHOLD VESTING (% OF MAXIMUM)	VESTING DATE
Matthew Pratt	198,193	150% of salary	£984k	13.3%	21 September 2025
Barbara Richmond	120,962	150% of salary	£601k	13.3%	21 September 2025

(i) The share price used to determine the number of shares awarded was £4.967 (the average share price over the three days prior to the date of grant).

As set out in the Annual Statement, on 1 September 2022 the Remuneration Committee set the performance conditions applying to the 2022/23 LTIP grant (EPS, ROCE and Carbon reduction targets) and approved stretching targets for each of the conditions that reflected the prevailing internal and external outlook. The measures and targets were based on performance in FY25:

- EPS range of 82p to 100p
- ROCE range of 22% to 25%
- Carbon reduction of 15.7% to 20.7% (Scope 1 and 2, using a baseline of 2020/21 (tCO_2e 16,099))

Within two days of granting the LTIP targets the Mini-Budget took place and created an immediate and significant economic shock to the market and the subsequent impact on housebuilders was unexpected and a direct result of the Government's Mini-Budget.

The purpose of the LTIP is to drive long term performance commensurate with the business's risk appetite. It quickly became clear that the 2022 LTIP awards were no longer achieving their purpose – to motivate sustained performance and retain key staff.

Given the 2022 grant was made just two days prior to the Mini-Budget, and in order to ensure it motivated the management team and remained an appropriate incentive over the 3-year performance period, the Committee revisited the terms of the 2022 award around six months following the grant of the awards.

The EPS and ROCE measures were replaced with a relative Total Shareholder Return (TSR) condition

	RELATIVE TSR [1] (90%)	ESG – CARBON REDUCTION [2] (10%)
Threshold (13.3% vesting)	Median rank	15.7%
Target (40% vesting)	n/a	18.7%
Maximum (100% vesting)	Upper Quartile rank or higher	20.7% or higher

1. TSR is measured against Barratt, Bellway, Berkeley, Crest Nicholson, MJ Gleeson, Persimmon, Taylor Wimpey and Vistry.
2. 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.

Furthermore, the Committee introduced two underpins that will apply to the revised 2022 award to ensure stakeholder interests are protected:

- Notwithstanding performance against the relative TSR measure, the Remuneration Committee will apply appropriate negative discretion if absolute TSR between the date of change of the performance conditions and vesting is negative.
- The Committee may reduce vesting to reflect the wider stakeholder experience and in doing so will consider the experience of our employees, customers, and suppliers.

To reflect the above change in performance condition which took place six months into the 36 month performance period, participants surrendered 1/6th of the awards they were granted. The following table sets out details of the original LTIP awards granted to Executive Directors on 21 September 2022 and the revised number of awards.

	ORIGINAL GRANT – 21 SEPTEMBER 2022			TERMS OF THE REVISED GRANT TO REFLECT THE CHANGE IN PERFORMANCE CONDITIONS				
EXECUTIVE DIRECTOR	NUMBER OF AWARDS GRANTED	BASIS OF AWARD	FACE VALUE [1]	NUMBER OF AWARDS AFTER 1/6TH REDUCTION	BASIS OF AWARD AFTER 1/6TH REDUCTION	FACE VALUE	THRESHOLD VESTING (% OF MAXIMUM)	VESTING DATE
Matthew Pratt	198,193	150% of salary	£984k	165,096	125% of salary	£820k	13.3%	21 September 2025
Barbara Richmond	120,962	150% of salary	£601k	100,761	125% of salary	£500k	13.3%	21 September 2025

(i) The share price used to determine the number of shares awarded was £4.967 (the average share price over the three days prior to the date of grant).

The Committee understands the risks with amending performance targets but believes this is warranted given the Committee acted early to amend the targets to reflect a change in the external environment, there is a reduction in the number of awards grant and the revised award requires outperformance of the sector for any vesting. The Committee communicated this change to leading investors and were grateful for the written support received from those who responded. The same adjustments to targets and reductions to grants were made to all 2022 LTIP recipients.

LTIP awards made to Matthew Pratt and Barbara Richmond were in the form of nil-cost options and vested awards will be subject to a further two-year holding period.

Deferred Bonus Plan

Deferred Bonus Plan awards, being 50% of the bonus earned relating to FY22 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	78,644	£391k	50%	50% on 21 September 2023 and 50% on 21 September 2024
Barbara Richmond	48,001	£238k	50%	50% on 21 September 2023 and 50% on 21 September 2024

(i) The face value has been calculated using the average share price used to determine the number of shares awarded, being £4.967 (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.

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 2 July 2023 and current interests in long-term incentives.

	NUMBER OF SHARES BENEFICIALLY HELD AT 2 JULY 2023	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	107,515	97,536	25,034	496,130	4,768	126%	No
Barbara Richmond	572,765	60,946	22,592	317,777	5,252	738%	Yes
Non-Executive Directors							
Richard Akers	60,000	–	–	–	–	–	–
Nick Hewson [1]	33,500	–	–	–	–	–	–
Nicky Dulieu	6,500	–	–	–	–	–	–
Oliver Tant	11,303	–	–	–	–	–	–
Geeta Nanda	–	–	–	–	–	–	–

(i) The shareholding of Nick Hewson is as at the date he stepped down from the Board on 11 November 2022.

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 2 July 2023. The value of shareholding is calculated using the base salary as at 1 July 2023 and the average share price for the final quarter of the year ended 2 July 2023. 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 2 July 2023 and 15 September 2023 (being the latest practicable date prior to the posting of this report), there were no further changes to the directors' beneficially held shares. On 21 September 2023, 100% of the 2020 LTIP award will vest and 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 3 JULY 2022	GRANT DATE	SHARE PRICE ON GRANT £	AWARD VESTED	AWARDS GRANTED IN YEAR	AWARDS LAPSED IN YEAR	AWARDS EXERCISED IN YEAR	AWARDS HELD AT 2 JULY 2023	EXERCISE PRICE £	EXERCISABLE FROM	EXERCISABLE TO
Matthew Pratt											
SAYE 2020	4,768	09/11/20	4.72	–	–	–	–	4,768	3.775	01/01/24	01/07/24
LTIP 2019	103,448	11/09/19	5.945	25,034	–	(78,414)	–	25,034	–	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	131,192	21/09/21	7.146	–	–	–	–	131,192	–	21/09/24	21/09/31
LTIP 2022	–	21/09/22	4.967	–	198,183	(33,097)	–	165,086	–	21/09/25	21/09/32
DEF BONUS 2021	37,783	21/09/21	7.146	18,891	–	–	(18,891)	18,892	–	21/09/22	21/09/31
DEF BONUS 2022	–	21/09/22	4.967	–	78,644	–	–	78,644	–	21/09/23	21/09/32
	477,043			**43,925**	**276,827**	**(111,511)**	**(18,891)**	**623,468**			
Barbara Richmond											
SAYE 2019	1,821	28/10/19	6.81	1,821	–	–	(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
SAYE 2022	2,868	09/11/22	3.137	–	–	–	–	2,868	3.137	01/01/26	01/07/26
LTIP 2019	93,356	11/09/19	5.945	22,592	–	(70,764)	–	22,592	–	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	80,080	21/09/21	7.146	–	–	–	–	80,080	–	21/09/24	21/09/31
LTIP 2022	–	21/09/22	4.967	–	120,962	(20,201)	–	100,761	–	21/09/25	21/09/32
DEF BONUS 2021	25,889	21/09/21	7.146	12,944	–	–	(12,944)	12,945	–	21/09/22	21/09/31
DEF BONUS 2022	–	21/09/22	4.967	–	48,001	–	–	48,001	–	21/09/23	21/09/32
	343,334			**37,357**	**168,963**	**(90,965)**	**(14,765)**	**406,567**			

i. The performance conditions attached to the 2020 LTIP awards have been met in full and therefore these awards will vest on 21 September 2023.
ii. The performance conditions attached to the 2021 LTIP awards were disclosed in the 2022 Directors' Remuneration Report.
iii. The performance conditions attached to the 2022 LTIP awards are shown on page 185.
iv. There are no further performance conditions attached to the exercise of the deferred bonus awards.

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	NUMBER OF SHARES EXERCISED	DATE OF EXERCISE	MID PRICE ON DATE OF EXERCISE (PENCE)	NOTIONAL GAIN ON EXERCISE (£'000)
Matthew Pratt	DEF BONUS 2021	18,891	21/09/22	488.4	92.2
Barbara Richmond	SAYE 2019	1,821	14/02/23	511.0	–
Barbara Richmond	DEF BONUS 2021	12,944	21/09/22	488.4	63.2

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 to 31 December 2022 and 10% of salary thereafter. Matthew Pratt received a pension allowance supplement equivalent to 7% of salary to 31 December 2022 and 10% of salary thereafter. The value of these cash supplements is included in the pension column of the Single Total Figure of Remuneration Table. Barbara Richmond and Matthew Pratt are also covered by fixed term group income protection and death in service benefit.

TOTAL PENSION ENTITLEMENTS

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 2 JULY 2023 £	BENEFITS PAID TO DIRECTOR DURING PERIOD UP TO 2 JULY 2023 £	DEFINED BENEFIT ACCRUED DURING PERIOD UP TO 2 JULY 2023 £
Matthew Pratt	6 July 2040	17,526	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 Group 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, 2022 and 2023.

	NAME	MATTHEW PRATT (GROUP CHIEF EXECUTIVE)	BARBARA RICHMOND (CHIEF FINANCIAL OFFICER)	RICHARD AKERS (ii) (NON-EXECUTIVE DIRECTOR)	NICKY DULIEU (iii) (NON-EXECUTIVE DIRECTOR)	OLIVER TANT (iv) (NON-EXECUTIVE DIRECTOR)	GEETA NANDA (v) (NON-EXECUTIVE DIRECTOR)	NICK HEWSON (vi) (SENIOR INDEPENDENT DIRECTOR)	AVERAGE PAY OF REDROW EMPLOYEES
2023	Salary/fee	**5.0%**	**5.1%**	**25.0%**	**18.4%**	**N/A**	**N/A**	**N/A**	**5.0%**
	Benefits	**13.8%**	**8.3%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**(10.8%)**
	Annual bonus	**(54.8%)**	**(54.7%)**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**(42.2%)**
2022	Salary/fee	15.7%	3.0%	N/A	6.5%			1.3%	3.1%
	Benefits	26.1%	2.9%	N/A	N/A			N/A	(7.4%)
	Annual bonus	44.6%	28.9%	N/A	N/A			N/A	(11.1%)
2021	Salary/fee	35.3%	2.78%	N/A	N/A			2.74%	3.07%
	Benefits	4.5%	0.0%	N/A	N/A			N/A	1.4%
	Annual bonus	N/A (i)	N/A (i)	N/A	N/A			N/A	292.9%
2020	Salary/fee		6.50%	N/A	N/A			1.4%	2.92%
	Benefits		84.2%	N/A	N/A			N/A	11.0%
	Annual bonus		(100%)	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) Richard Akers was appointed as Non-Executive Director on 1 June 2021 and Non-Executive Chairman on 1 September 2021.
(iii) Nicky Dulieu was appointed as Non-Executive Director on 6 November 2019 and subsequently appointed Senior Independent Director on 11 September 2022.
(iv) Oliver Tant was appointed as Non-Executive Director on 1 February 2022.
(v) Geeta Nanda was appointed as Non-Executive Director on 1 May 2023.
(vi) Nick Hewson stepped down from the Board as Non-Executive Director on 11 November 2022.

CEO PAY RATIO

The table below sets out the CEO pay ratio for the last four financial years. It compares the single total figure of remuneration for the Group Chief Executive with that of Group employees who are paid at the 25th, 50th and 75th percentiles.

CEO PAY RATIO	2023	2022	2021	2020
25th Percentile pay ratio	**65:1**	55:1	42:1	27:1
50th Percentile pay ratio	**41:1**	35:1	26:1	18:1
75th Percentile pay ratio	**27:1**	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 2023 financial year has been calculated and ranked to identify the employees where remuneration places them at the 25th, 50th and 75th percentile points.

The salary and total pay plus benefits of the employees paid at the 25th percentile, 50th percentile and 75th percentile are shown in the two tables below.

	25TH PERCENTILE	50TH PERCENTILE	75TH PERCENTILE
Salary 2023	**£30,384**	**£40,617**	***£30,435**

* 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 2023	**£32,098**	**£50,309**	**£78,002**

The pay ratio figures for 2023 have widened compared to those in the previous year and have returned to similar levels to 2019. This reflects two factors. Firstly, the CEO is now on the full salary rate for the role following a period of transition and, secondly, the full vesting of the LTIP compared to a 24.2% vesting outcome in the previous year. The total pay and benefits payable across the workforce has increased as shown in the table above but is not as variable as the CEO's pay. 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 Group 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

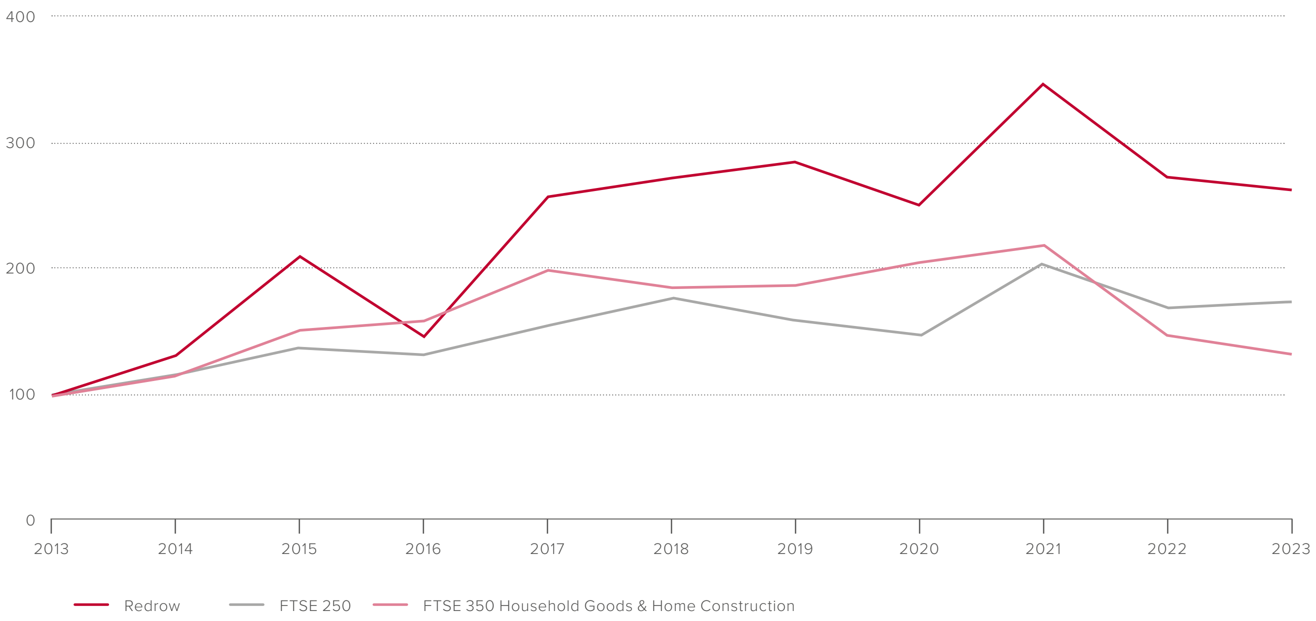
The table below shows total employee remuneration and distributions to shareholders, in respect of 2023 and 2022 (and the difference between the two).

£M	2023	2022	Change (%)
Total employee remuneration	**155**	151	2.6%
Distributions to shareholders	**199**	113	76.1%

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 30.0 pence dividend per share in respect of 2023 and £100m share buyback programme compared to 32.0 pence per share dividend in respect of 2022.

Performance graph and CEO single figure table

The chart below shows the TSR of Redrow in the ten-year period ended 2 July 2023 against both the FTSE 250 return index and the FTSE 350 Household Goods & Home Construction index over the same period. TSR refers to share price growth with re-invested dividends. The Committee believes the FTSE 250 and FTSE 350 Household Goods & Home Construction indices are the most appropriate indices against which the TSR of Redrow should be measured, as Redrow is a constituent of both.



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.

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Name	Steve Morgan	John Tutte	John Tutte	John Tutte	John Tutte	John Tutte	John Tutte	Matthew Pratt	Matthew Pratt	**Matthew Pratt**
Remuneration/ donations*	£1,922k	£2,355k	£1,916k	£2,463k	£1,950k	£2,093k	£712k	£1,141k	£1,601k	**£2,084k**
Bonus (% of Maximum)	100%	100%	100%	100%	96.7%	85%	Nil%	100%	100%	**35.9%**
LTIP vesting (% of Maximum)	100%	100%	100%	100%	100%	100%	Nil%	Nil%	24.2%	**100%**

* 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 £248k during 2023 (£209k during 2022). This represented 280,000 Swiss Francs in 2023 and 250,000 Swiss Francs in 2022.

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 (who stepped down from the Board and the Committee on 11 November 2022), Richard Akers, Oliver Tant and Geeta Nanda (who joined the Board and the Committee on 1 May 2023).

TABLE OF ATTENDANCE

NAME	ROLE	ATTENDANCE AT MEETINGS
Nicky Dulieu †	Chair	4/4
Richard Akers †	Member	4/4
Oliver Tant †	Member	4/4
Geeta Nanda[1] †	Member	1/1
Nick Hewson[2] †	Member	2/2

1 Geeta Nanda was appointed as Non-Executive Director on 1 May 2023 and joined as a Member of the Remuneration Committee at the same time. She attended the meeting held between her appointment date to the end of the 2023 financial year.

2 Nick Hewson stepped down from the Board and as a Member of the Remuneration Committee on 11 November 2022. He attended all meetings held from the beginning of the 2022 financial year to the date he left the Board.

† Member considered to be independent. Throughout the 2023 financial year, the Committee was made up of 100% independent members.

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 four times during the course of the financial year ended 2 July 2023 and details of Committee attendance are set out in the table above:

The Committee received advice from FIT Remuneration Consultants LLP during the year. FIT was appointed to advise the Committee following a competitive tender exercise. FIT is a founder 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 2023 was £62,852 + VAT. FIT provided no other services to the Company.

Statement of voting at Annual General Meeting

The Directors' Remuneration Policy was approved by shareholders at the Annual General Meeting on 12 November 2021 and there was an advisory shareholder vote to approve the Directors' Remuneration Report at the Annual General Meeting held on 11 November 2022. The votes cast by proxy and the meetings in respect of directors' remuneration are shown in the table.

	VOTES FOR		VOTES AGAINST		TOTAL VOTES CAST	VOTES
RESOLUTION	NO.	%	NO.	%	EXC WITHHELD	WITHHELD
Approval of the Directors' Remuneration Policy (2021)	258,197,497	96.94	8,151,899	3.06	266,349,396	430,888
Approval of Directors' Remuneration Report for the 53 weeks ended 3 July 2022	247,511,457	98.66	3,367,538	1.34	250,878,995	57,766

By order of the Board

Nicky Dulieu
Chair of the Remuneration Committee

15 September 2023

DIRECTORS' REPORT

The Directors take pleasure in presenting to the shareholders their report and audited consolidated financial statements for the year ended 2 July 2023.

The Companies Act 2006 (the "Act") requires the Directors to present a fair review of the business during the year ended 2 July 2023 and of the position of the Company at the end of the financial year together with the financial statements, Auditor's Report and a description of the principal risks and uncertainties which the Company faces.

The Company is required to disclose certain information in the Directors' Report by the FCA's Listing Rules and Disclosure Guidance and Transparency Rules (the "DTRs") and by legislation applicable to the Company. 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 table below sets out where this key information can be found in the Annual Report.

SUBJECT	PAGE REFERENCE
INCORPORATED BY REFERENCE	
Details of long-term incentive schemes	181 & 225
Likely future developments of the business	1 to 131
Risk management and internal controls	88 to 99
Workforce engagement	140
Business relationships	118 to 129
Management of climate related risks	102 to 113
Corporate governance arrangements	132 to 199
Section 172(1) Statement	114
Stakeholder engagement	118 to 129
TCFD Report	102 to 113

DIVIDENDS

An interim dividend of 10.0p (2022: 10.0p) net per share was paid on 6 April 2023.

The Board proposes to pay on 16 November 2023, subject to shareholder approval at the 2023 Annual General Meeting, a final dividend of 20p (2022: 22p) net per share in respect of the year ended 2 July 2023 to shareholders on the Register as at the close of business on 22 September 2023.

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.

CAPITAL STRUCTURE AND ACQUISTION OF OWN SHARES

As at 15 September 2023, being the latest practicable date prior to publication of this report, the Company had an issued share capital of 330,770,245 ordinary shares of 10.5 pence each (there are no shares 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 2 July 2023 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.

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.

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. The share buyback programme completed on 9 January 2023 and resulted in the Company repurchasing 21,420,175 ordinary shares of 10.5p each in the Company, of which 12,852,106 were cancelled and 8,568,069 transferred to treasury. The average price paid per share was £4.70. On 16 May 2023, all 8,568,069 shares held in treasury were cancelled, leaving no shares held in treasury.

The Company has made no non-pre-emptive issuances of equity for cash over the past three reporting periods.

DIRECTORS

The Directors of the Company during the year ended 2 July 2023, along with their meeting attendance, are listed on page 137. The current Directors are listed on pages 134 and 135 together with their biographical details.

All Directors will be seeking re-election at the upcoming AGM for the reasons outlined on page 159.

Details of Directors' pay, service contracts and interests in the ordinary shares of the Company are included in the Directors' Remuneration Report on page 182.

The liabilities of the Directors in connection with this report shall be limited as provided by English law.

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 of Association adopted, by a resolution passed by shareholders at a general meeting by at least three quarters of the votes cast.

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 the Company's 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 in the Company.

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.

EMPLOYEE BENEFIT TRUST

Zedra Trust Company (Guernsey) Limited ("Zedra"), as trustee of the Employee Benefit Trust, held 9,782,375 shares (2.96%) in the Company as at 2 July 2023 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.

DIVIDEND WAIVER

In respect of those shares held within the Employee Benefit Trust, during the year, Zedra agreed to waive payment of the following dividends:

- the 2022 final dividend of 22p per share paid on 16 November 2022 in respect of 2,500,000 ordinary shares; and
- the 2023 interim dividend of 10p per share paid on 6 April 2023 in respect of 4,000,000 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 2 July 2023, 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[1]	56,301,816	15.99%
Vidacos Nominees/HSBC[2]	18,770,138	5.08%
GLG Partners LP	19,487,673	5.89%

1 Notified prior to commencement of the Share Buyback Programme, an event which altered the Issued Share Capital of the Company. The number of shares held and % of voting rights is displayed as it was stated on the latest TR-1 Form submitted to us by the Notifiable Person.

2 Notified prior to commencement of the B Share Scheme, which was accompanied by a 20 for 21 consolidation, and the Share Buyback Programme, both events which altered the Issued Share Capital of the Company. The number of shares held and % of voting rights is displayed as it was stated on the latest TR-1 Form submitted to us by the Notifiable Person.

The Company has not been notified of any changes to the above interests, or any other notifiable interests, since 2 July 2023 to 15 September 2023, 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.

SIGNIFICANT EVENTS POST YEAR END

There have been no significant events affecting the Company or its subsidiaries since the balance sheet date.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

During the course of the year ended 2 July 2023, 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 Act), 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.

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 year ended 2 July 2023 was £1m (2022: £0.6m).

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 in charitable donations during the year, being £0.1m in support of national charities and £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.

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 page 140 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.

EQUALITY, DIVERSITY AND INCLUSION POLICY

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.

As outlined in the Equality, Diversity and Inclusion Policy ("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 and is reviewed and approved annually by the Nomination Committee. 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.

For details of how ED&I is considered by the Board and its Committees, see page 159 of the Nomination Committee Report. Details of the KPIs relating to Diversity and Inclusion, including targets where applicable, can be seen within the ESG Scorecard on page 258.

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 118 to 129.

GREENHOUSE GAS EMISSIONS

Greenhouse Gas (GHG) emissions data for the period 4 July 2022 to 2 July 2023 are set out in the table below.

This disclosure includes all 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 2023 UK Government's Greenhouse Gas Conversion Factors (DEFRA) 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 14064-3:2019, 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 on our website: https://www.redrowplc.co.uk/sustainability/esg-disclosures/

During the reporting period, the annual quantity of energy consumed by the Company was 44,003,874 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 2023 UK Government's Greenhouse Gas Conversion Factors for

EMISSIONS FROM:	CURRENT REPORTING YEAR (4 JULY 22 TO 2 JULY 23)	PREVIOUS YEAR (28 JUNE 21 TO 3 JULY 22)	UNITS
Scope 1 activities:			
• Direct emissions from combustion of fuels and business travel	**7,726**	9,558	Tonnes of CO_2e
Scope 2 activities – Location Based:			
• Indirect emissions from purchased electricity and heat	**2,568**	2,591	Tonnes of CO_2e
Scope 2 activities – Market Based	**592**	264	Tonnes of CO_2e
Outside of Scopes [1]	**0.46**	3	Tonnes of CO_2e
Total Greenhouse Gas Emissions – Location Based:			
• (Scope 1 and Scope 2)	**10,294**	12,149	Tonnes of CO_2e
Total Greenhouse Gas Emissions – Market Based:			
• (Scope 1 and Scope 2)	**8,318**	9,822	Tonnes of CO_2e
Intensity ratio:			
Total Greenhouse Gas emissions per $100m^2$ of build (Location Based)	**2.07**	2.16	Tonnes of CO_2e per $100m^2$ 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.

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:

- Reducing construction site diesel use in generators and site equipment by 25%. This is a result of more efficient use of vehicles and machinery, and securing earlier connections to the electricity grid, which allows for quicker transition to electric power for site cabins.
- The roll out of energy-efficient site cabins with a B+ rating compared with the previous D rating. These 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 reduce emissions further the use of solar panels or hybrid generators is being trialled, along with smart distribution boards to better manage consumption.
- Reducing gas, electricity and heat consumption, down by 10%. Reduction from our site use has been driven in part by minimising the time between build completion and handover to homeowner, resulting in a lower period of energy consumption of gas (40% reduction) and electricity (23% reduction) in comparison to the previous financial period.
- Procurement of 88% of our electricity from renewable sources (backed by Renewable Energy Guarantees of Origin). Due to a change in supplier part way through the year, and a decision not to sign a longer-term contract when energy prices were at their peak, our percentage of renewable energy use has reduced against last year, however a new 100% renewable contract is now in place.
- The steady progress made on the Company's commitment to reduce the carbon impact from its company car fleet has seen over 100 more employees opt for all electric cars, with 73% of company cars ordered during the year being either Hybrid or Pure Electric. The current fleet car mix is now 54% electric, with an EV option available at all grades. Despite miles covered increasing back to pre-pandemic levels, our emissions have reduced by 11.5% in the last year.
- The exploration of the viability of installing solar photovoltaic panels on the Company's divisional and head office buildings. The payback period is favourable, at around six to seven years, with installation complete at South Midlands divisional office. Further installation will be considered across other offices in the next few years.

CORPORATE GOVERNANCE ARRANGEMENTS

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 132 to 199.

ANNUAL GENERAL MEETING

Notice of the 2023 Annual General Meeting to be held on Friday, 10 November 2023 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.

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 Going Concern Basis of Preparation section of Accounting Policies on page 214, 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
15 September 2023

The Chelford house type at Tabley Park, Knutsford, Cheshire.

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:

Richard Akers	Non-Executive Chairman
Matthew Pratt	Group Chief Executive
Barbara Richmond	Group Finance Director
Nick Hewson [1]	Senior Independent Director and Non-Executive Director
Nicky Dulieu	Senior Independent Director and Non-Executive Director
Oliver Tant	Non-Executive Director
Geeta Nanda [2]	Non-Executive Director

1 Nick Hewson stepped down from the Board on 11 November 2022
2 Geeta Nanda joined the Board on 1 May 2023

By order of the Board

Graham Cope
Company Secretary
15 September 2023

Redrow plc
Redrow House
St. David's Park
Flintshire
CH5 3RX

INDEPENDENT AUDITOR'S 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 52 week period ended 2 July 2023 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 210 to 249.

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 2 July 2023 and of the Group's profit for the 52 weeks 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 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 four financial periods ended 2 July 2023. 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	£19.2m (2022:£20.4m) 5% of Group profit before tax (2022: 5% of Group profit before exceptional items and tax)	
Coverage	100% of group profit before tax (2022: 100% of Group profit before exceptional items and tax)	
Key audit matters		**vs 2022**
Recurring risks	Cost of sales recognition and carrying amount of work in progress	▲
	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 work in progress Cost of sales (£1,619 million; 2022: £1,788 million); carrying amount of work in progress (£1,017 million; 2022: £962 million). *Refer to page 148 (Audit Committee Report), page 217 (accounting policy) and page 241 (financial disclosures).*	**Subjective judgements:** The Group holds inventory in the form of land for development, work in progress and show homes. Cost of sales and inventory (excluding land) is recognised at standard cost and any abnormal costs are expensed to cost of sales as incurred. The current macro-economic conditions, including high levels of inflation and extended development timescales, have resulted in an increase in the level of build cost variances. As a result, there is a risk that the standard cost on certain developments no longer accurately approximates the actual build cost. Judgement is applied in determining the classification of build cost variances as abnormal costs and those that require the standard cost to be revised. The judgements made are profit impacting and therefore there is an incentive for management to manipulate the assumptions made to meet profit targets. The effect of these matters is that, as part of our risk assessment, we determined that the carrying value of work in progress and the recognition of cost of sales due to the accuracy of the standard cost, involves a high degree of judgement. The financial statements note 1 on page 221 disclose judgements made by the Group.	We performed the detailed tests below rather than seeking to rely on the Group's control, because our knowledge of the design of the control indicated that we would not be able to obtain the required evidence to support reliance on the control. Our procedures included: – **Testing application:** We challenged the Group's judgement on the classification of build costs variances as abnormal costs or variances that require an adjustment to the standard cost in accordance with IAS 2 by assessing the nature of the additional variances to supporting documentation such as subcontractor valuations, third party quotes and invoices. We obtained corroborative evidence through inquiries with Divisional commercial teams in instances where third party evidence wasn't available due to the nature of the variance. – **Enquiry of personnel:** We made inquiries with the Group Commercial Director, Group's Quantity Surveyors and Divisional commercial teams to understand variances on a sample of developments and assess whether the Group's policy is applied consistently across the Group. – **Assessing transparency:** We assessed whether the Group's disclosure in respect of costs of sales recognition and the carrying amount of work in progress, including key judgements, have been adequately disclosed. We performed an assessment of whether the overstatement of cost of sales and understatement of work in progress identified through these procedures were material, taking into account findings from other areas of the audit and qualitative aspects of the financial statements as a whole. **Our results:** We consider the cost of sales recognition and the carrying amount of work in progress to be acceptable (2022: acceptable).

	The risk	Our response
Fire Safety Provision (£188 million; 2022: £200 million). *Refer to page 148 (Audit Committee Report), page 220 (accounting policy) and pages 245 and 246 (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') and signed the self-remediation terms ('SRT') in March 2023 which replaced the Pledge and the Welsh Government's Pledge Deed of Bilateral Contract in April 2023. In signing up to the SRT and the Welsh Government's Deed of Bilateral Contract ('SRT Deed'), the Group has agreed to remediate both external and internal life-critical fire safety issues on all properties over 11 metres in, England and Wales, where Redrow was the developer, going back 30 years. In comparison to 'the Pledge', the SRT has widened the developers' responsibilities to also include potential remediation works on internal communal areas. 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 the remediation work and tendering process progresses and detailed building inspections continue. The effect of this matter is that, as part of our risk assessment, we determined that the amount of the provision required for fire safety remediation 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 245 and 246 disclose the sensitivity estimated by the Group.	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 SRT and SRT Deed for England and Wales respectively, performing a comparison between the SRT and the April 2022 Pledge and evidence to understand the Group's commitments in Scotland and Northern Ireland. **Test of details:** We assessed the completeness and accuracy 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 direct confirmation from the Department for Levelling Up, Housing and Communities ('DLUHC'), a list of buildings included in the SRT, the Welsh SRT Deed, reviewing board minutes, and enquiring with the Group's internal legal counsel. **Test of details:** For those properties with approved BSF claims, we agreed the amount included within the provision to the direct confirmation from DLUHC. **Test of details:** For a sample of properties where remediation work has commenced, we agreed the costings to underlying supporting documents such as quantity surveyor appraisals, contractor invoices and contracts. **Benchmarking of assumptions:** For those properties where the internal and external remediation costs have been estimated, we challenged the appropriateness of the provision methodology prepared by management and assessed the reasonableness of key assumptions that the Group have assigned to estimate the external and internal costs per plot and plot numbers by benchmarking to comparable data, inspecting External Wall System ('EWS1') certificates and correspondences from management companies of the relevant properties. **Historical comparisons:** For a sample of properties, we performed a retrospective review by comparing actual remediation costs incurred to the Group's previously estimated cost to evaluate the Group's forecasting accuracy. **Sensitivity analysis:** We performed analysis on the potential range of possible outcomes in respect of the estimation of remediation costs under the SRT.

	The risk	Our response
		Sector experience: We utilised our Quantity Surveyor specialists to assist us in challenging the appropriateness of remediation assumptions. We also evaluated the competence, independence and integrity of the management's experts. **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 (2022: acceptable).
Valuation of the defined benefit obligation (Parent Company only) (£74 million; 2022: £97 million) *Refer to page 148 (Audit Committee Report), page 218 (accounting policy) and pages 229 and 232 (financial disclosures).*	**Low risk, high value:** As part of our risk assessment, we determined that the valuation of the defined benefit obligation is not a significant risk of material misstatement due to low estimation uncertainty. The potential range of outcomes as a result of reasonable changes in key assumptions, in particular those relating to mortality, price inflation rate and the discount rate, is lower than our materiality for the 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 will have the greatest effect on our overall parent Company audit. Due to the nature of the scheme and the value of the defined benefit obligation in relation 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 therefore 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, discount rate and mortality, against externally derived market data. – **Assessing actuary's credentials:** We assessed the competence, independence and integrity of Group's external actuarial expert. – **Assessing transparency:** We considered the adequacy of the Group and Parent Company's disclosures relating to the defined benefit obligations and buy-in transaction. **Our results:** We consider the carrying amount of defined benefit obligation to be acceptable (2022: acceptable).

In the prior year audit our key audit matter was in relation to Cost of sales recognition and carrying amount of land held for development was identified as having significant estimation uncertainty however we have not assessed this as one of the most significant risks in our current year audit and, therefore, have directed our efforts on the judgements involved in assessing the impact of build cost variances on the standard cost. We continue to perform procedures over the carrying value of land held for development. However, due to lower levels of land acquisitions in the year, and a number of sites having obtained planning permission during the year, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

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 £19.2 million (2022: £20.4 million) determined with reference to a benchmark of Group profit before tax in the 52 week period ended 2 July 2023 of £395.0 million (2022: Group profit before exceptional items and tax of £410.0 million), of which it represents 5% (2022: 5%).

Materiality for the Parent Company financial statement as a whole was set at £18.0 million (2022: £16.5 million), determined with reference to a benchmark of net assets, of which it represents 1.5% (2022: 2.0%).

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% (2022: 75%) of materiality for the financial statements as a whole, which equates to £14.4 million (2022: £15.3 million). We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

Performance materiality for the Parent Company was set at 75% (2021: 75%) of materiality which equates to £13.5 million (2022: £12.4 million).

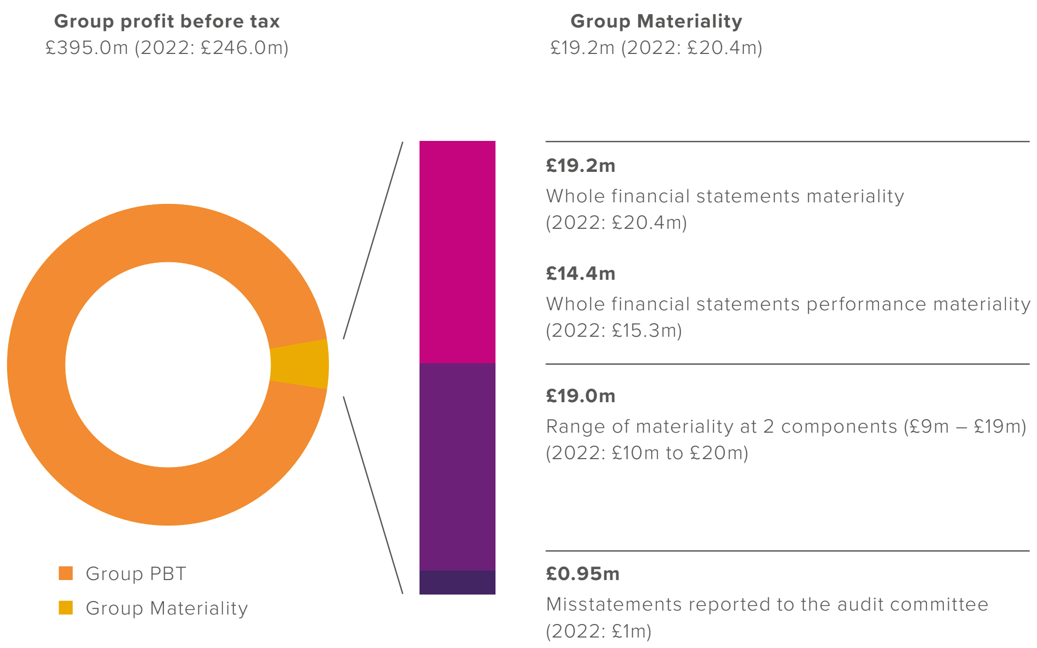
We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.9 million (2022: £1.0 million), in addition to other identified misstatement that warranted reporting on qualitative grounds.

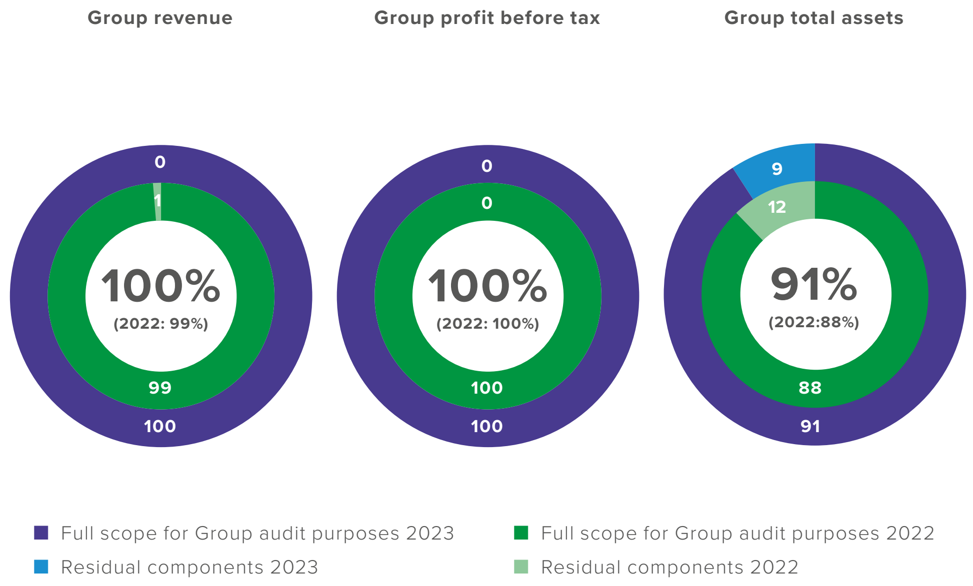
The scope of the audit work performed was fully substantive as we did not rely upon the Group's internal control over financial reporting.

Of the Group's 9 (2022: 9) reporting components, we subjected 2 (2022: 2) to full scope audits for Group purposes. For the residual 7 (2022: 7) 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 opposite.

The component materialities ranged from £9.0 million to £19.0 million (2022: £10.0 million to £20.0 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.





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. 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 Company or to cease their operations, and as they have concluded that the Group's and the 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, profitability and performance, including assessing consistency to 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;

– selecting a sample from the forward order book and corroborating to sales and reservation contracts; and

– considering whether the going concern disclosure on page 214 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 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 196 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 Parents Company's use of that basis for the going concern period, and we found the going concern disclosure on page 214 to be acceptable; and

– the related statement under the Listing Rules set out on page 196 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 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 team and the forensic professional, particularly in respect of our risk assessment and audit response following the failure of one of the divisions to account accurately for development profit at the beginning of the financial period, as reported in our 2022 audit report;

– we assessed the adequacy of the disclosures on page 153 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.

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 value of work in progress 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 work in progress as well as related to the fire safety provision in response to the significance of the accounting estimates.

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, cost of sales and cash; 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, taxation legislation and the building safety act 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 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 90 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 100 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 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 Corporate 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 198, 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.

Paul Glendenning (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

15 September 2023

CONSOLIDATED INCOME STATEMENT

52 WEEKS ENDED 2 JULY 2023/53 WEEKS ENDED 3 JULY 2022	NOTE	2023 TOTAL £M	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M
Revenue	2	**2,127**	2,140	–	2,140
Cost of sales	2	**(1,619)**	(1,624)	(164)	(1,788)
Gross profit		**508**	516	(164)	352
Administrative expenses		**(109)**	(102)	–	(102)
Operating profit	2	**399**	414	(164)	250
Financial income	3	**5**	2	–	2
Financial costs	3	**(9)**	(6)	–	(6)
Net financing costs		**(4)**	(4)	–	(4)
Profit before tax		**395**	410	(164)	246
Income tax expense	4	**(97)**	(82)	33	(49)
Profit for the year		**298**	328	(131)	197
Earnings per share – basic	6	**91.2p**	96.0p		57.7p
– diluted	6	**90.9p**	95.8p		57.5p

STATEMENT OF COMPREHENSIVE INCOME

52 WEEKS ENDED 2 JULY 2023/ 53 WEEKS ENDED 3 JULY 2022		GROUP				COMPANY	
	NOTE	2023 TOTAL £M	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M	2023 TOTAL £M	2022 TOTAL £M
Profit for the year		**298**	328	(131)	197	**550**	–
Other comprehensive (expense)/income							
Items that will not be reclassified to profit or loss							
Remeasurements of post employment benefit obligations	7e	**(34)**	(1)	–	(1)	**(34)**	(1)
Deferred tax on remeasurements of post employment benefit obligations		**12**	–	–	–	**8**	–
Other comprehensive expense for the year net of tax		**(22)**	(1)	–	(1)	**(26)**	(1)
Total comprehensive income/ (expense) for the year	19	**276**	327	(131)	196	**524**	(1)

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

		GROUP		COMPANY	
	NOTE	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M
Assets					
Intangible assets	8	**1**	1	**–**	–
Property, plant and equipment	9	**22**	20	**–**	–
Lease right of use assets	10	**10**	5	**–**	–
Investments	11	**–**	–	**–**	–
Deferred tax assets	12	**1**	1	**–**	–
Retirement benefit surplus	7e	**5**	39	**5**	39
Trade and other receivables	13	**–**	–	**860**	266
Total non-current assets		**39**	66	**865**	305
Inventories	14	**2,770**	2,740	**–**	–
Trade and other receivables	13	**42**	76	**117**	317
Current corporation tax		**–**	7	**2**	1
Cash and cash equivalents	15f	**235**	288	**238**	285
Total current assets		**3,047**	3,111	**357**	603
Total assets		**3,086**	3,177	**1,222**	908
Equity					
Retained earnings 4 July 2022/28 June 2021		**1,846**	1,768	**781**	878
Profit for the year		**298**	197	**550**	–
Other comprehensive expense for the year		**(22)**	(1)	**(26)**	(1)
Dividend paid	5	**(108)**	(100)	**(108)**	(100)
Net purchase of own shares arising from share buyback programme	18	**(100)**	–	**(100)**	–
Movement due to equity based share options and owned shares held by EBT		**8**	(18)	**6**	4
Retained earnings at 2 July 2023/3 July 2022	19	**1,922**	1,846	**1,103**	781
Share capital	18	**35**	37	**35**	37
Share premium account	19	**59**	59	**59**	59
Other reserves	19	**10**	8	**9**	7
Total equity		**2,026**	1,950	**1,206**	884
Liabilities					
Trade and other payables	16	**104**	91	**–**	–
Deferred tax liabilities	12	**3**	15	**2**	10
Long-term provisions	17	**88**	110	**–**	–
Total non-current liabilities		**195**	216	**2**	10
Trade and other payables	16	**750**	914	**14**	14
Current income tax liabilities		**8**	–	**–**	–
Provisions	17	**107**	97	**–**	–
Total current liabilities		**865**	1,011	**14**	14
Total liabilities		**1,060**	1,227	**16**	24
Total equity and liabilities		**3,086**	3,177	**1,222**	908

The financial statements on pages 210 to 249 were approved by the Board of Directors on 15 September 2023 and were signed on its behalf by:

RICHARD AKERS
Director

BARBARA RICHMOND
Director

Redrow plc Registered Number 2877315

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 27 June 2021		37	59	8	1,768	1,872
Profit for the year		–	–	–	197	197
Other comprehensive income 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
Profit for the year		–	–	–	298	298
Other comprehensive expense for the year		–	–	–	(22)	(22)
Total comprehensive income relating to the year (net)		–	–	–	276	276
Dividends paid – distributions to owners	5, 19	–	–	–	(108)	(108)
Net purchase of own shares arising from share buyback programme	18	(2)	–	2	(100)	(100)
Satisfaction of share options from treasury shares	19	–	–	–	2	2
Other LTIP/DB/SAYE credit		–	–	–	6	6
Total equity at 2 July 2023		**35**	**59**	**10**	**1,922**	**2,026**

THE COMPANY

	NOTE	SHARE CAPITAL £M	SHARE PREMIUM ACCOUNT £M	OTHER RESERVES £M	RETAINED EARNINGS £M	TOTAL £M
Total equity at 27 June 2021		37	59	7	878	981
Profit for the year		–	–	–	–	–
Other comprehensive income for the year		–	–	–	(1)	(1)
Total comprehensive income 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
Profit for the year		–	–	–	550	550
Other comprehensive expense for the year		–	–	–	(26)	(26)
Total comprehensive expense relating to the year (net)		–	–	–	524	524
Dividends paid – distributions to owners	5, 19	–	–	–	(108)	(108)
Net purchase of own shares arising from share buyback programme	18	(2)	–	2	(100)	(100)
Other LTIP/DB/SAYE credit	19	–	–	–	6	6
Total equity at 2 July 2023		**35**	**59**	**9**	**1,103**	**1,206**

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:

	2023 £M	2022 £M
Holding company	**–**	–
Subsidiary companies	**298**	197
	298	197

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

	NOTE	GROUP 52 WEEKS ENDED 2 JULY 2023 £M	GROUP 53 WEEKS ENDED 3 JULY 2022 £M	COMPANY 52 WEEKS ENDED 2 JULY 2023 £M	COMPANY 53 WEEKS ENDED 3 JULY 2022 £M
Cash flows from operating activities					
Profit for the year		**298**	197	**550**	–
Depreciation and amortisation		**4**	5	**–**	–
Dividend from subsidiary undertakings	5	**–**	–	**(550)**	–
Financial income		**(5)**	(2)	**(6)**	(4)
Financial costs		**9**	6	**2**	2
Income tax expense		**97**	49	**–**	–
Adjustment for non-cash items		**–**	7	**–**	–
Decrease in trade and other receivables		**34**	24	**–**	–
Increase in inventories		**(30)**	(227)	**–**	–
(Decrease)/increase in trade and other payables		**(151)**	86	**1**	2
(Decrease)/increase in provisions		**(12)**	173	**–**	–
Cash inflow/(outflow) generated from operations		**244**	318	**(3)**	–
Interest paid		**(4)**	(2)	**(2)**	(2)
Tax paid		**(82)**	(55)	**–**	–
Net cash inflow/(outflow) from operating activities		**158**	261	**(5)**	(2)
Cash flows from investing activities					
Acquisition of software, property, plant and equipment		**(4)**	(4)	**–**	–
Advances and loans repaid by subsidiary undertakings		**–**	–	**160**	239
Interest received		**4**	1	**6**	4
Receipts from joint ventures		**–**	–	**–**	–
Net cash (outflow)/inflow from investing activities		**–**	(3)	**166**	243
Cash flows from financing activities					
Payment of lease liabilities		**(3)**	(3)	**–**	–
Purchase of own shares		**(100)**	(27)	**(100)**	–
Dividend paid	5	**(108)**	(100)	**(108)**	(100)
Net cash (outflow) from financing activities		**(211)**	(130)	**(208)**	(100)
(Decrease)/increase in net cash and cash equivalents		**(53)**	128	**(47)**	141
Net cash and cash equivalents at the beginning of the year		**288**	160	**285**	144
Net cash and cash equivalents at the end of the year	20	**235**	288	**238**	285

The accompanying notes form an integral part of the financial statements.

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 BASIS OF PREPARATION

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) (2022: £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 on 30 September 2025 (2022: 30 September 2025) and is a committed unsecured facility. As at 15 September 2023, £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 2 July 2023 of £225m (see note 20) 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, interest rates, 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 30% volume reduction for the going concern assessment period compared to the base case Board approved budgeted volumes;
- In addition to the build cost inflation incorporated within the base case Board approved budgeted costs, an additional 3% build cost inflation has been applied to all build costs from Q1 FY24 falling to 2% from Q1 FY25; and
- The Bank of England base rate increasing to 6% during FY24 before reducing to 5.5% by the end of the going concern assessment period.

Mitigations to this sensitivity analysis include a reduction in land investment and development and a reduction in dividends to align with the Company dividend payout ratio policy.

These downside assumptions reflect the further potential impact of the uncertain economic and housing market conditions, cost of living pressures, the impact on consumer confidence levels, the continuing war in Ukraine and disruption in the energy and fuel market.

Allowing for the above downside scenario, the model shows the Group has adequate levels of liquidity from its committed facilities and compiles with all its banking covenants throughout the going concern assessment period. The Directors therefore consider that the Group has adequate resources in place for the going concern assessment 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.

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 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'

b) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 4 July 2022 and have not been early adopted:

- Amendments to IAS 1 'Classification of Liabilities as Current or Non-current'
- Definition of Accounting Estimates (Amendments to IAS 8)
- Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements
- Amendments to IAS 12 'Income Taxes' – deferred tax related to assets and liabilities arising from a single transaction
- IFRS 17 'Insurance Contracts'

Management is in the process of assessing the impact of IFRS 17 in relation to performance bonds provided and cross guarantees provided for the Group entities and expect no significant impact on the Financial Statements.

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 2 July 2023 being a 52 week year (2022: 3 July 2022 being a 53 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 incentives. This is recognised on the transfer of control to the customer on legal completion i.e. at a point in time for the vast majority of sales.

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 on legal completion i.e. at a point in time for such contracts where the Group retains effective control of the land asset until legal completion. 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 based on the percentage of build completion of each unit multiplied by the build contract cost of the unit as reviewed by Quantity Surveyors. 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 86) and homes revenue proportions (page 84) 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 2023 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 (excluding land) are at standard cost. Abnormal costs are expensed to cost of sales as incurred. The standard costs are set for each phase at the outset of that phase.

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.

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 are less than 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 (liability)/asset 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 value of plan assets. Plan assets include insured annuities with matching benefits which are valued on the basis of corresponding DBO. In January 2023, the Trustees of the Scheme entered into a bulk insurance policy with Standard Life covering the benefit entitlements of all pensioner and non-pensioner Scheme members (who were not already insured under a separate policy) prior to GMP equalisation. The asset value attributed to this policy for IAS19 purposes has been set equal to the defined benefit obligation of the members covered under the policy excluding the allowance for GMP equalisation. The remaining invested scheme assets have been taken at their fair value (see note 7e). 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, changes in actuarial assumptions and actual/ expected return on plan assets are charged or credited to equity as they arise in full via the statement of comprehensive income. Any surplus from the Scheme will be recognised only if there are any future economic benefits available either in the form of a refund or reduction in future contributions.

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. Market based performance conditions are valued using a stochastic model. The charge to the income statement is recognised in administrative expenses and the credit to the retained earnings via the Statement of Changes in Equity.

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 consider the critical judgements and 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. Cost of sales and inventory (excluding land) is recognised at a site or phase specific standard cost and any abnormal costs are expensed to cost of sales as incurred. The standard cost is based on a detailed budget for the site or phase with specific allocation of budgeted costs to an individual unit.

Due to the nature of development timescales, the standard cost is affected by a variety of uncertainties such as inflationary cost pressures, build delays and unforeseen build issues. Judgement is needed to allocate build variances between 'abnormal costs' and 'standard cost'. Abnormal costs include, but are not limited to, costs to rectifying contaminated land, redesign works and change of contractor due to quality issues or administration. The level of judgement required is increased during periods of volatility. The current year total build variances of c£100m are significantly higher than prior periods due to the unique combination of current macro-economic conditions leading to extended development timescales in response to a fall in demand from Q4 calendar 2022, combined with high levels of build cost inflation due to fulfilling a record opening orderbook as a result of as a strong upsurge in demand post pandemic. As a result, a full review has been carried out by the Group to analyse the build cost variances to update the standard cost of work in progress to approximate actual costs.

Legacy fire safety provision

The Group holds a provision of £188m (2022: £200m) in respect of legacy fire safety remediation. As outlined in the 2022 Annual Report, in April 2022 the Group signed the Government's Building Safety Pledge in respect of funding of remediation of life critical fire safety issues on buildings over 11m in which the Group was involved in going back 30 years.

On 30 January 2023 Michael Gove announced the publishing of the self remediation terms (SRT) which follows on from the signing of the Building Safety Pledge last year. Redrow signed this SRT on 13 March 2023 and the Welsh version on 18 April 2023. This SRT widened developers' responsibilities regarding potential remediation work which may need to be undertaken notably to include communal internal areas and for all buildings over 11m to be risk assessed regardless of EWS1 (External Wall Fire Review) status.

The legacy fire safety provision reflects management's best estimates of the cost of works outstanding to complete the remediation of all identified buildings within scope to the standard outlined in the SRT including the reimbursement of funds to the Build Safety Fund (BSF) as appropriate. Prior year provisions represented Management's best estimate of the liability based on the information available at the time in relation to the obligations at the time. In estimating the cost of the works for calculating the provision at 2 July 2023, Management has used the latest BSF cost information shared with Redrow, taken into account the cost of contracts Redrow has placed and tenders received together with input from external cost consultants with respect to estimated external and internal remediation cost per plot. Management classified buildings as in scope according to a risk assessment across 6 risk categories used in reporting to DLUHC including their ESW1 status.

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;
- whilst c50% of the provision is based on claims notified by the BSF or insurers and contracts placed by Redrow, actual costs may differ as works progress;
- the remaining properties have a higher degree of estimation uncertainty as our assessments, remediation strategies and tenders are 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; and
- it is not possible to establish the extent of internal area fire safety works without an intrusive survey of each building and whilst external expert cost estimates were used, these may change as more information becomes available.

The main movements in the provision estimates compared to last year reflect confirmation of EWS1 status in respect of a number of properties reducing the risk categorisation of those buildings and therefore the cost estimate for external fire safety works (as no external remediation cost allowance has been made for those properties with a satisfactory ESW1) and the obligation in the SRT in respect of internal communal areas which extended the scope of Redrow's obligations and required the inclusion of cost estimates for such works in the provision.

Given the high degree of complexity and uncertainty, it is possible that these estimates, based on the SRT, 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. No recovery is currently assumed. If possible costs (excluding known BSF costs) were underestimated or overestimated by 10% then the profit before tax in the period would reduce or increase respectively by c£13m, c3%.

1. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY CONTINUED

Net realisable value of inventories

This is not considered to have significant estimation uncertainty but has been included as it is a complex estimate. A full review of the net realisable value of inventories was undertaken by the Group as at 2 July 2023, 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 taking into account for example movement in house prices, development costs, impact of climate change and regulatory change. 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 in future period.

Pensions

This is not considered to have significant estimation uncertainty based on sensitivities as the Trustees of the Scheme have entered into a buy-in transaction with matching benefits and under IAS19 value of the annuity policy is equal to DBO 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 232.

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.

Judgements in relation to certain disclosures

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.

2. REVENUE AND OPERATING PROFIT

a. Revenue

An analysis of the Group's revenue, which is wholly generated in the UK in 2023 and 2022, is as follows:

	2023 £M	2022 £M
Revenue from the sale of new housing	**2,083**	2,119
Revenue from the sale of land	**44**	21
	2,127	2,140

Included within revenue from the sale of new housing is £109m (2022: £189m) 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 £nil (2022: £36m) 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 £20m (2022: £nil).

	NOTE	2023 £M	2022 £M
Contract assets	13	**11**	23
Contract liabilities	16	**–**	36

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.

2. REVENUE AND OPERATING PROFIT CONTINUED

a. Revenue continued

The following table shows further revenue of £14m (2022: £98m) expected to be recognised in future years in respect of contracts on which revenue is recognised over time:

	2024	2025	2026	TOTAL
Year ending June £m	14	–	–	**14**
Year ending June %	100	–	–	**100**

b. Operating profit

	NOTE	2023 £M	2022 £M
Operating profit is stated after charging:			
Inventories expensed in the year	14	**1,538**	1,715
Amortisation	8	**–**	–
Depreciation – Property, plant and equipment	9	**2**	2
Depreciation – Lease right of use assets	10	**2**	3
Research and development expenditure		**1**	1
Exceptional item – Legacy fire safety provision		**–**	164
Auditor's 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

There were no exceptional costs in the 52 weeks ended 2 July 2023. In the 53 weeks ended 3 July 2022, there was an exceptional item of £164m in cost of sales. This arose as a consequence of 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. The additional £164m legacy fire safety provision was charged to cost of sales in respect of buildings the Group agreed to remediate solely as a result of signing the voluntary Building Safety Pledge. This was treated as exceptional as it was 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.

Fees payable to the Company's Auditors comprise:

(i) fees payable for the audit of parent company and consolidated financial statements £216,250 (2022: £157,500) and fees payable for the audit of the Company's subsidiaries pursuant to legislation £648,750 (2022: £472,500).

(ii) No non-audit services were provided in either 2023 or 2022.

The 2023 ratio of non-audit fees to audit fees is 0:1 (2022: 0:1).

3. NET FINANCING COSTS

	2023 £M	2022 £M
Interest payable on bank loans	**(4)**	(2)
Imputed interest on deferred land creditors	**(5)**	(4)
Financial costs	**(9)**	(6)
Other interest receivable	**5**	2
Financial income	**5**	2
Net financing costs	**(4)**	(4)

4. INCOME TAX EXPENSE

	2023 TOTAL £M	2022 PRE-EXCEPTIONAL ITEM £M	2022 EXCEPTIONAL ITEM £M	2022 TOTAL £M
Current tax charge				
UK Corporation Tax in respect of current year	**98**	82	(33)	49
Adjustment in respect of prior years	**(1)**	–	–	–
Current tax charge/(credit)	**97**	82	(33)	49
Deferred tax				
Origination and reversal of temporary differences	**–**	–	–	–
Adjustment in respect of prior years	**–**	–	–	–
Deferred tax charge	**–**	–	–	–
Total income tax charge/(credit) income statement	**97**	82	(33)	49
Reconciliation of tax charge for the year				
Profit before tax	**395**	410	(164)	246
Tax calculated at UK Corporation Tax rate at 20.5% (2022: 19.0%)	**81**	78	(31)	47
Residential Property Developer Tax at 4.0% (2022: 1.0%)	**16**	4	(2)	2
Tax charge for the year	**97**	82	(33)	49
Deferred tax recognised directly in equity				
Relating to pension scheme	**12**	–	–	–
	12	–	–	–

An increase in the UK Corporation Tax rate from 19% to 25% effective 1 April 2023 was substantively enacted on 24 May 2022. No further increase has been substantively enacted in respect of future years.

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 (2022: £nil).

5. DIVIDENDS

The following dividends were paid by the Group:

	2023 £M	2022 £M
Prior year final dividend per share of 22.0p (2022: 18.5p); Current year interim dividend per share of 10.0p (2022: 10.0p)	**108**	100
	108	100

The Board is proposing a final dividend of £66m being 20.0p per share (2022: £77m being 22.0p per share) subject to Shareholder approval at the Annual General Meeting on 10 November 2023. There are ample distributable reserves from which to lawfully pay the proposed dividend (see note 19).

Redrow plc received a non-cash dividend of £550m from its subsidiary undertaking HB (HDG) Limited settled via inter-company account on 15 July 2022.

6. EARNINGS PER ORDINARY SHARE

The basic earnings per share calculation for the 52 weeks ended 2 July 2023 is based on the weighted average number of shares in issue during the period of 327m (2022: 342m) excluding those held in trust under the Redrow Long Term Incentive Plan (10m shares (2022: 11m 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 52 weeks ended 2 July 2023

UNDERLYING AND STATUTORY	EARNINGS £M	NUMBER OF SHARES MILLIONS	PER SHARE PENCE
Basic earnings per share	**298**	**327**	**91.2**
Effect of share options and SAYE	**–**	**1**	**(0.3)**
Diluted earnings per share	**298**	**328**	**90.9**

1,764,773 LTIP share options and 1,037,498 deferred bonus share options outstanding at the period end (2022: 1,586,607 and 873,533) were not included in the calculation of diluted earnings per share as they are anti-dilutive for the respective periods.

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

7. EMPLOYEES

a. Cost (including Directors)

	GROUP		COMPANY	
	2023 £M	2022 £M	2023 £M	2022 £M
Wages and salaries	**121**	120	**2**	2
Social security costs	**16**	16	**1**	1
Other pension costs	**12**	10	**–**	–
Share-based payments	**6**	4	**1**	1
	155	150	**4**	4

b. Number

The monthly average number of persons employed by the Group was:

	GROUP		COMPANY	
	2023 NUMBER	2022 NUMBER	2023 NUMBER	2022 NUMBER
Directors and administrative staff	**935**	907	**7**	7
Other personnel	**1,335**	1,340	**–**	–
	2,270	2,247	**7**	7

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:

	2023 £M	2022 £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 (2022: 1). The aggregate amount of gains made by Directors on the exercise of share options was £0.2m (2022: £0.3m).

Detailed disclosure of Directors' emoluments and interests in shares are included in the Directors' Remuneration Report on pages 166 to 191, notably the 'Single Total Figure of Remuneration Table (Audited)' on page 182 which details remuneration paid to or received by directors in respect of qualifying services, and the 'Statement of Shareholding and Scheme Interests (Audited)' on page 186.

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.

	2023	2022
Options granted during the year	**2,756,663**	792,961
Date of grant	**1 January 2023**	1 January 2022
Fair value at measurement date	**£1.38**	£2.30
Share price	**£3.92**	£6.55
Exercise price	**£3.14**	£5.24
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 2022 were granted to a limited number of Senior Executives. The performance conditions applying to this grant were EPS, ROCE and carbon reduction targets. The Remuneration Committee revisited the terms of the award around 6 months following the grant of the award and revised two of the performance measures in the light of economic conditions being EPS and ROCE and replaced them with a market based Total Shareholder Return (TSR) condition. To reflect these changes in performance conditions 6 months into the 36 month performance period participants surrendered 1/6th of the share options originally granted. The scheme is discussed in greater detail within the Directors' Remuneration Report notably within the 'Directors' Remuneration Policy' on page 174.

7. EMPLOYEES CONTINUED

d. Share-based payments continued

The LTIP granted on 21 September 2022 was modified on 11 April 2023 which resulted in an incremental fair value of £1.1m which will be recognised over the remaining vesting period.

The LTIP has been valued using the Black-Scholes pricing model for the non-market based performance conditions and a stochastic model for the market based TSR condition.

	2023	2022
Options granted during the year	**584,388**†	461,937
Date of grant	**21 September 2022**	21 September 2021
Fair value at the measurement date	**£4.776/£2.092/£2.174**	£7.146
Share price on date of grant/and modification	**£4.967/£4.780**	£7.146
Exercise price	**£0.00**	£0.00
Expected volatility	**30.90%**	N/A*
Option life	**3 years**	3 years
Expected dividend yield	**N/A**	N/A
Risk free interest rate	**3.31%/3.73%**	N/A*

* For nil-cost awards not subject to a market based condition, volatility and risk free rate are not applicable.

† Post surrender of 1/6th of options as noted on pages 167 to 168.

The fair value at the measurement date of the LTIP granted on 21 September 2022 and modified on 11 April 2023 was £4.776 in respect of non-market based performance condition and £2.092 and £2.174 in respect of the market based TSR condition. The £2.092 fair value relates to options granted to the Executive Directors which have a holding period condition beyond the vesting date of the options.

In addition a £29,000 charge arose in the year on the partial surrender of the options.

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.

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 2 July 2023, Deferred Bonus Incentive Tranche 1 and 2 were absolute contractual entitlements to a small number of individuals and were granted on 21 September 2022.

The DBI has been valued using the Black-Scholes pricing model.

	2023 TRANCHE 1	2023 TRANCHE 2	2022 TRANCHE 1	2022 TRANCHE 2
Options granted during the year	**450,696**	**450,778**	347,870	347,945
Date of grant	**21 September 2022**	**21 September 2022**	21 September 2021	21 September 2021
Fair value at the measurement date	**£4.967**	**£4.967**	£7.146	£7.146
Share price	**£4.967**	**£4.967**	£7.146	£7.146
Exercise price	**£0.00**	**£0.00**	£0.00	£0.00
Expected volatility	**N/A***	**N/A***	N/A*	N/A*
Option life	**1 year**	**2 years**	1 year	2 years
Expected dividend yield	**N/A***	**N/A***	N/A	N/A
Risk free interest rate	**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 2 July 2023:

TYPE OF SCHEME	DATE OF GRANT	NUMBER OF OPTIONS 2023	NUMBER OF OPTIONS 2022	EXERCISE PRICE
Long Term Share Incentive 2019	11 September 2019	**68,888**	411,800	–
Long Term Share Incentive 2020	22 September 2020	**678,328**	712,870	–
Long Term Share Incentive 2021	21 September 2021	**441,454**	461,937	–
Long Term Share Incentive 2022	21 September 2022	**576,103**	–	–
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	**5,070**	5,136	–
Deferred Bonus Incentive 2016 – Tranche 2	12 September 2016	**9,948**	10,015	–
Deferred Bonus Incentive 2017 – Tranche 1	11 September 2017	**6,418**	7,142	–
Deferred Bonus Incentive 2017 – Tranche 2	11 September 2017	**6,555**	7,617	–
Deferred Bonus Incentive 2018 – Tranche 1	10 September 2018	**12,674**	16,563	–
Deferred Bonus Incentive 2018 – Tranche 2	10 September 2018	**41,060**	56,436	–
Deferred Bonus Incentive 2019 – Tranche 1	11 September 2019	**42,167**	59,466	–
Deferred Bonus Incentive 2019 – Tranche 2	11 September 2019	**66,106**	95,503	–
Deferred Bonus Incentive 2020 – Single Tranche	15 March 2021	**34,526**	58,094	–
Deferred Bonus Incentive 2021 – Tranche 1	21 September 2021	**73,904**	169,159	–
Deferred Bonus Incentive 2021 – Tranche 2	21 September 2021	**132,865**	330,159	–
Deferred Bonus Incentive 2022 – Tranche 1	21 September 2022	**183,898**	–	–
Deferred Bonus Incentive 2022 – Tranche 2	21 September 2022	**399,654**	–	–
Save As You Earn	1 January 2017	**281**	9,843	£3.20
Save As You Earn	1 January 2018	**22,620**	43,430	£4.90
Save As You Earn	1 January 2019	**24,604**	42,257	£4.62
Save As You Earn	1 January 2020	**116,036**	318,335	£4.94
Save As You Earn	1 January 2021	**909,562**	1,398,148	£3.78
Save As You Earn	1 January 2022	**246,325**	717,664	£5.24
Save As You Earn	1 January 2023	**2,582,336**	–	£3.14

The total share options outstanding at 2 July 2023 under the LTIP, Deferred Bonus Incentive Plan and the Save As You Earn schemes represent 2.0% of the issued share capital (2022: 1.4%).

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 2023	WEIGHTED AVERAGE EXERCISE PRICE 2023	NUMBER OF OPTIONS 2022	WEIGHTED AVERAGE EXERCISE PRICE 2022
Long Term Share Incentive scheme:				
Outstanding at the beginning of the year	**1,586,607**	**–**	1,396,914	–
Partial surrender of LTIP 2022	**(117,159)**	**–**	–	–
Lapsed during the year	**(396,147)**	**–**	(272,244)	–
Exercised during the year	**(10,075)**	**–**	–	–
Granted during the year	**701,547**	**–**	461,937	–
Outstanding at the end of the year	**1,764,773**	**–**	1,586,607	–
Exercisable at the end of the year	**4,708**	**–**	–	–
Deferred Bonus Incentive scheme:				
Outstanding at the beginning of the year	**873,533**	**–**	823,461	–
Lapsed during the year	**(71,115)**	**–**	(38,613)	–
Exercised during the year	**(666,394)**	**–**	(607,130)	–
Granted during the year	**901,474**	**–**	695,815	–
Outstanding at the end of the year	**1,037,498**	**–**	873,533	–
Exercisable at the end of the year	**542,685**	**–**	374,215	–
Save As You Earn scheme:				
Outstanding at the beginning of the year	**2,529,677**	**£4.37**	2,445,541	£4.09
Lapsed during the year	**(1,215,037)**	**£4.33**	(315,864)	£4.43
Exercised during the year	**(169,539)**	**£4.78**	(392,961)	£4.38
Granted during the year	**2,756,663**	**£3.14**	792,961	£5.24
Outstanding at the end of the year	**3,901,764**	**£3.49**	2,529,677	£4.37
Exercisable at the end of the year	**130,177**	**£4.92**	38,292	£4.37

The weighted average share price at the various dates of exercise of share options during the year was £4.89 (2022: £6.27).

The options outstanding at 2 July 2023 had a range of exercise prices of £nil to £5.24 (2022: £nil to £5.24) and a weighted average remaining contractual life of 4.6 years (2022: 5.0 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 £6m (2022: charge £4m).

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.

On 27 January 2023, the Trustees of the Redrow Staff Pension Scheme entered into a bulk annuity buy-in contract with Standard Life. This transaction is part of the Trustees' long term strategy to reduce the Scheme's exposure to risk with the Trustees agreeing to exchange the assets of the Scheme for an insurance policy which exactly matches the projected cashflows for all future pension benefits. No additional cash funding from the Company was required to fund this. Thus under the bulk annuity the Trustees will receive payments from Standard Life which they will use to pay pension benefits due to the members in the Scheme.

The buy-in reduces future pension and funding risk from a Company perspective. However, the Trustees making the strategic investment decision and entering into the bulk annuity buy-in contract does not impact the Company's obligations in relation to the Scheme. In particular, the Company remains primarily responsible for ensuring that employee benefits are funded for when they fall due. The insurance policies have been issued in the name of the Scheme and currently there is neither intention nor any decision to transfer the policies in the name of members of the Scheme. Therefore as the Company retains responsibility for all its obligations in relation to the Scheme, it continues to treat the Scheme as a defined benefit plan as permitted by IAS 19.

The total pension charge for the year was £46m (2022: charge of £11m). A charge of £34m related to the defined benefit section of the Scheme (2022: charge of £1m), with £nil being charged to the income statement (2022: charge of £nil) and a charge of £34m to the statement of comprehensive income (2022: charge of £1m). The charge arising from the defined contribution section was £12m (2022: £10m).

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. The triennial valuation as at 1 July 2023 is currently ongoing.

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. Following the decision taken by the Trustees to purchase a bulk annuity buy-in contract with Standard Life, this insurance policy now represents the majority of the assets held by the Scheme.

The latest formal actuarial valuation of the defined benefit section was carried out at 1 July 2020. This valuation has been updated to 2 July 2023 by a qualified actuary for the purposes of these financial statements.

The Group contributed £nil to the Scheme in the year ended 2 July 2023 (2022: £nil) and expects to contribute £nil to the Scheme in the year ending 30 June 2024.

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes continued

The major financial assumptions used in arriving at the IAS 19R valuation were:

	2023	2022
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%**	3.1%
Rate of increase of benefits in payment (lesser of 2.5% per annum and RPI)[2]	**2.0%**	2.0%
Discount rate	**5.1%**	3.8%
Inflation assumption – RPI	**3.3%**	3.3%
– CPI	**2.9%**	3.1%

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.

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_2022 1.50% Long Term Trend (Core) (2022: SAPS3 CMI_2021 1.50% Long Term Trend (Sk 7.5))

The life expectancies from age 65 implied by these tables for typical members are:

Pensioner currently aged 65:	Male 21.6 years (2022: Male 22.3 years)	Female 24.1 years (2022: Female 24.6 years)
Future pensioner currently aged 40:	Male 23.7 years (2022: Male 24.4 years)	Female 26.2 years (2022: Female 26.8 years)

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.

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					
	2023 £M QUOTED MARKET PRICE IN ACTIVE MARKET	2023 £M NO QUOTED MARKET PRICE IN ACTIVE MARKET	2023 £M TOTAL	2022 £M QUOTED MARKET PRICE IN ACTIVE MARKET	2022 £M NO QUOTED MARKET PRICE IN ACTIVE MARKET	2022 £M TOTAL
Equities	**–**	**–**	**–**	50	–	50
Debt instruments	**–**	**–**	**–**	56	–	56
Real estate	**–**	**–**	**–**	1	–	1
Investment funds	**–**	**–**	**–**	4	–	4
Other	**–**	**–**	**–**	7	–	7
Cash and cash equivalents	**6**	**–**	**6**	16	–	16
Insurance policies	**–**	**73**	**73**	–	2	2
Total market value of assets	**6**	**73**	**79**	134	2	136
Present value of obligations			**(74)**			(97)
Surplus in the Scheme			**5**			39

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.

7. EMPLOYEES CONTINUED

e. Retirement benefit schemes continued

The defined benefit obligation can be approximately attributed to the scheme members as follows:

	2023 %	2022 %
Deferred members	**59**	62
Pensioner members	**41**	38
	100	100

All benefits are vested at 2 July 2023 (unchanged from 3 July 2022).

The total amounts credited/(charged) against income in the year were as follows:

	GROUP AND COMPANY	
	2023 £M	2022 £M
Amounts included within the income statement:		
Administrative expenses	**(1)**	–
Net interest on defined benefit liability	**1**	–
	–	–
Amounts recognised in the statement of comprehensive income:		
Return on scheme assets excluding interest income	**(56)**	(40)
Actuarial movements arising from changes in demographic assumptions	**5**	–
Actuarial movements arising from changes in financial assumptions	**21**	40
Actuarial movements arising from experience adjustments	**(4)**	(1)
	(34)	(1)
	(34)	(1)

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 2023 £M	2022 £M
Balance sheet surplus		
At start of year	**39**	40
Amounts (charged) against statement of comprehensive income	**(34)**	(1)
Employer contributions paid	**–**	–
At end of year	**5**	39
Changes in the present value of the defined benefit obligation:		
At start of year	**97**	137
Interest expense	**3**	3
Benefit payments	**(4)**	(4)
Actuarial movements arising from changes in demographic assumptions	**(5)**	–
Actuarial movements arising from changes in financial assumptions	**(21)**	(40)
Actuarial movements arising from experience adjustments	**4**	1
At end of year	**74**	97
Changes in the fair value of the Scheme's assets:		
At start of year	**136**	177
Interest income	**4**	3
Return on scheme assets excluding interest income	**(56)**	(40)
Administrative expenses paid from plan assets	**(1)**	–
Benefit payments	**(4)**	(4)
At end of year	**79**	136

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 230). All figures are before allowing for deferred tax.

ITEM	APPROXIMATE AMOUNT 2023	APPROXIMATE AMOUNT 2022
Present value of defined benefit obligation (£m)		
Discount rate -25 basis points	**77.2**	101.1
Discount rate +25 basis points	**71.4**	92.4
Price inflation rate -25 basis points	**71.5**	92.6
Price inflation rate +25 basis points	**77.1**	100.9
Post-retirement mortality assumption – 1 year age adjustment	**76.0**	99.3
Weighted average duration of defined benefit obligation (in years)		
Discount rate -25 basis points	**16.0**	18.2
Discount rate +25 basis points	**15.0**	17.8

After completion of the buy-in transaction, the value of the bulk annuity insurance policy as an asset is set to be equal to the value of the IAS19 liabilities. Therefore, any change in assumptions that would increase or decrease the value of the defined benefit obligation would have a corresponding increase or decrease in the asset value resulting in an overall net asset position that would be unchanged. As such, the net asset balance is no longer sensitive to changes in the assumptions used.

8. INTANGIBLE ASSETS

The Group

	GOODWILL £M	SOFTWARE £M	TOTAL £M
Cost			
At 27 June 2021	1	2	3
Additions	–	1	1
Disposals	–	–	–
At 3 July 2022	1	3	4
Additions	–	–	–
Disposals	–	–	–
At 2 July 2023	**1**	**3**	**4**
Accumulated amortisation			
At 27 June 2021	1	2	3
Charge	–	–	–
Disposals	–	–	–
At 3 July 2022	1	2	3
Charge	–	–	–
Disposals	–	–	–
At 2 July 2023	**1**	**2**	**3**
Net book value			
At 2 July 2023	**–**	**1**	**1**
At 3 July 2022	–	1	1
At 27 June 2021	–	–	–

9. PROPERTY, PLANT AND EQUIPMENT

The Group

	FREEHOLD PROPERTY £M	PLANT AND MACHINERY £M	FIXTURES AND FITTINGS £M	TOTAL £M
Cost				
At 27 June 2021	24	3	11	38
Additions	–	–	3	3
Disposals	–	–	–	–
At 3 July 2022	24	3	14	41
Additions	3	–	1	4
Disposals	–	–	–	–
At 2 July 2023	**27**	**3**	**15**	**45**
Accumulated depreciation				
At 27 June 2021	7	3	9	19
Charge	–	–	2	2
Disposals	–	–	–	–
At 3 July 2022	7	3	11	21
Charge	1	–	1	2
Disposals	–	–	–	–
At 2 July 2023	**8**	**3**	**12**	**23**
Net book value				
At 2 July 2023	**19**	**–**	**3**	**22**
At 3 July 2022	17	–	3	20
At 27 June 2021	17	–	2	19

10. LEASE RIGHT OF USE ASSETS

The Group

	PROPERTY £M	PHOTOCOPIERS £M	VEHICLES £M	TOTAL £M
Cost				
At 27 June 2021	4	1	7	12
Additions	–	–	2	2
Disposals	–	–	–	–
At 3 July 2022	4	1	9	14
Additions	–	–	7	7
Disposals	–	–	–	–
At 2 July 2023	**4**	**1**	**16**	**21**
Accumulated depreciation				
At 27 June 2021	2	–	4	6
Charge	–	–	3	3
At 3 July 2022	2	–	7	9
Charge	–	–	2	2
At 2 July 2023	**2**	**–**	**9**	**11**
Net book value				
At 2 July 2023	**2**	**1**	**7**	**10**
At 3 July 2022	2	1	2	5
At 27 June 2021	2	1	3	6

10. LEASE RIGHT OF USE ASSETS CONTINUED

The Group continued

	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M
Lease liabilities		
Maturity analysis – contractual undiscounted cash flows		
Less than one year	**4**	2
One to five years	**7**	4
More than five years	**–**	–
Total undiscounted lease liabilities	**11**	6

On implementation of IFRS 16 leases, lease payment commitments are reported within trade and other payables.

	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M
Lease liabilities included in the statement of financial position		
Current	**4**	2
Non-current	**6**	4
	10	6

	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M
Amounts recognised in profit or loss		
Interest on lease liabilities	**–**	–

	AS AT 2 JULY 2023 £M	AS AT 3 JULY 2022 £M
Amounts recognised in the statement of cashflows		
Total cash outflow for leases	**3**	3

11. INVESTMENTS

a. Investments

	GROUP		COMPANY	
	2023 £M	2022 £M	2023 £M	2022 £M
Joint ventures	**–**	–	**–**	–
	–	–	**–**	–

b. Investments in subsidiary undertakings

	COMPANY £M
At 3 July 2022 and 2 July 2023	**–**

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 2 July 2023 is shown on page 238. 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.

Those subsidiaries marked with * are covered by a guarantee provided by Redrow plc and are consequently entitled to an exemption under s.479A of the Companies Act from the requirement relating to the audit of individual accounts. Under this guarantee, the Group will guarantee all outstanding liabilities of these entities. No liability is expected to arise under the guarantee.

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 27 June 2021	–	1	1
Charge to income	–	–	–
Charge to equity	–	–	–
At 3 July 2022	–	1	1
Charge to income	–	–	–
Charge to equity	–	–	–
At 2 July 2023	**–**	**1**	**1**

	EMPLOYEE BENEFITS £M	SHORT-TERM TEMPORARY DIFFERENCES £M	TOTAL £M
Deferred tax liabilities			
At 27 June 2021	(13)	(2)	(15)
Charge to income	–	–	–
Charge to equity	–	–	–
At 3 July 2022	(13)	(2)	(15)
Charge to income	–	–	–
Charge to equity	12	–	12
At 2 July 2023	**(1)**	**(2)**	**(3)**

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. In addition, the Government introduced a new Residential Property Developer tax of 4% on profit effective from 1 April 2022. The deferred tax asset and liability at 2 July 2023 has been calculated at 29% based on these rates (2022: 29%) with the exception of the deferred tax liability on employee benefits which has been calculated at 35% (2022: 35%). This reflects the results of the latest triennial valuation of the defined benefit section of The Redrow Staff Pension Scheme (see page 229) 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 £2m (2022: £10m).

13. TRADE AND OTHER RECEIVABLES

	GROUP 2023 £M	GROUP 2022 £M	COMPANY 2023 £M	COMPANY 2022 £M
Non-current assets				
Trade receivables (net)	–	–	–	–
Amounts due from subsidiary companies	–	–	860	266
	–	–	860	266
Current assets				
Trade receivables (net)	13	22	–	–
Contract assets	11	23	–	–
Amounts due from subsidiary companies	–	–	117	317
Other receivables	13	25	–	–
Prepayments	5	6	–	–
	42	76	117	317

Current trade receivables are stated after an allowance of £9m (2022: £7m) in respect of expected credit losses with £nil provision utilised (2022: £nil), £nil provision released (2022: £1m) and £2m provision created (2022: £nil). Expected credit losses are calculated based on lifetime expected credit losses at each reporting date. The risk has increased at the current balance sheet date due to the impact of interest rate and mortgage rate rises.

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 219). Of this amount £22m (2022: £100m) is expected to be recovered within 12 months of the balance sheet date. No allowance for expected credit losses is considered necessary in respect of amounts due from subsidiary companies as any such expected credit losses are considered to be immaterial.

14. INVENTORIES

	GROUP 2023 £M	GROUP 2022 £M	COMPANY 2023 £M	COMPANY 2022 £M
Land for development	1,684	1,710	–	–
Work in progress	1,017	962	–	–
Stock of show homes	69	68	–	–
	2,770	2,740	–	–

Inventories of £1,538m were expensed in the year (2022: £1,715m). Work in progress includes £1m (2022: £1m) in respect of part exchange properties. Land held for development in the sum of £215m is subject to a legal charge as security in respect of amounts due in respect of development land (2022: £300m).

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 £2m (2022: £1m). Land for development includes £68m (2022: £111m) of strategic land owned without a residential planning consent net of a net realisable value provision of £9m (2022: £14m). There is a £17m (2022: £8m) net realisable value provision against land with a residential planning consent.

14. INVENTORIES CONTINUED

The table below details the movement on the inventory net realisable value provision in the year.

	GROUP 2023 £M	GROUP 2022 £M	COMPANY 2023 £M	COMPANY 2022 £M
4 July 2022/28 June 2021	22	14	–	–
Created	13	8	–	–
Released	(8)	–	–	–
Utilised	(1)	–	–	–
As at 2 July 2023/3 July 2022	26	22	–	–

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 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.

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 2 July 2023, 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 2023 or 2022.

b. Maturity of bank loans and borrowings

There were no outstanding bank loans or bank borrowings as at 2 July 2023 or 3 July 2022.

The Company was fully compliant with its banking covenants as at 2 July 2023.

At the year end, the Group and Company had £350m (2022: £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.

15. FINANCIAL RISK MANAGEMENT CONTINUED

c. Amounts due in respect of development land continued

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
2 July 2023	**272**	**276**	**174**	**81**	**21**
3 July 2022	376	380	289	51	40

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)	468	468	468	–	–
Lease liabilities	10	11	4	4	3
2 July 2023	**478**	**479**	**472**	**4**	**3**
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

e. Credit risk

Credit risk arises from cash and cash equivalents, including call deposits with banks and financial institutions, trade receivables and contract assets. 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. 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	
	2023 £M	2022 £M	2023 £M	2022 £M
Held at banks with at least an A credit rating per Standard & Poor's	**235**	288	**238**	285
	235	288	**238**	285

15. FINANCIAL RISK MANAGEMENT CONTINUED

e. Credit risk 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 and contract assets, the amounts presented in the balance sheet are stated after adjusting for any expected credit losses which are calculated based on lifetime expected credit losses at each reporting date. In the majority of cases, the Group receives cash on legal completion for private sales (excluding PRS). The Group applies for and receives stage payments from registered providers for affordable homes and PRS providers and considers it has an insignificant risk of default given the standing and funding of these registered providers.

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 2 July 2023 and 3 July 2022 are as follows:

	2023 £M	2022 £M
Total borrowings	**–**	–
Less cash and cash equivalents	**(235)**	(288)
	(235)	(288)
Equity	**2,026**	1,950
Total capital	**1,791**	1,662
Operating profit before exceptional items	**399**	414
ROCE (Operating profit as above as a percentage of opening and closing total capital)	**23.11%**	24.54%
Gearing ratio	**N/A**	N/A

The Company has cash and cash equivalents of £238m (2022: £285m).

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 218.

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 carrying value of financial assets and liabilities of the Group and Company approximate to their fair value, thus no fair value hierarchy is disclosed.

The Group

	2023 LOANS AND RECEIVABLES FAIR VALUE £M	2023 LOANS AND RECEIVABLES CARRYING VALUE £M	2022 LOANS AND RECEIVABLES FAIR VALUE £M	2022 LOANS AND RECEIVABLES CARRYING VALUE £M
Assets per the balance sheet				
Trade receivables, contract assets and other receivables	**37**	**37**	70	70
Cash and cash equivalents	**235**	**235**	288	288
	272	**272**	358	358

	2023 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2023 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M	2022 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2022 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M
Liabilities per the balance sheet				
Bank loans and overdrafts	**–**	**–**	–	–
Trade payables and other payables including customer deposits	**468**	**468**	530	530
Land creditors	**272**	**272**	376	376
Lease liabilities	**10**	**10**	6	6
	750	**750**	912	912

Other financial liabilities are at amortised cost.

The Company

	2023 LOANS AND RECEIVABLES FAIR VALUE £M	2023 LOANS AND RECEIVABLES CARRYING VALUE £M	2022 LOANS AND RECEIVABLES FAIR VALUE £M	2022 LOANS AND RECEIVABLES CARRYING VALUE £M
Assets per the balance sheet				
Cash and cash equivalents	**238**	**238**	285	285
Amounts due from subsidiary companies (current and non-current)	**977**	**977**	583	583
	1,215	**1,215**	868	868

	2023 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2023 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M	2022 OTHER FINANCIAL LIABILITIES FAIR VALUE £M	2022 OTHER FINANCIAL LIABILITIES CARRYING VALUE £M
Liabilities per the balance sheet				
Bank loans and overdrafts	**–**	**–**	–	–
Amounts owed to subsidiary companies	**14**	**14**	14	14
	14	**14**	14	14

16. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2023 £M	2022 £M	2023 £M	2022 £M
Non-current liabilities				
Amounts due in respect of development land	**98**	87	**–**	–
Lease liabilities	**6**	4	**–**	–
	104	91	**–**	–
Current liabilities				
Trade payables	**400**	385	**–**	–
Amounts due in respect of development land	**174**	289	**–**	–
Private customer deposits	**36**	87	**–**	–
Social customer payments on account	**21**	48	**–**	–
Amounts owed to subsidiary companies	**–**	–	**14**	14
Lease liabilities	**4**	2	**–**	–
Other payables	**7**	5	**–**	–
Other taxation and social security	**4**	5	**–**	–
Accruals	**104**	93	**–**	–[†]
	750	914	**14**	14

Private customer deposits and social customer payments on account are accounted for as contract liabilities under IFRS15.

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.

17. PROVISIONS

The Group

	LEGACY FIRE SAFETY PROVISION £M	ONEROUS CONTRACTS £M	OTHER £M	TOTAL £M
At 3 July 2022	200	1	6	207
Provisions created during the year	32	–	–	32
Provisions released during the year	(32)	–	–	(32)
Provisions utilised during the year	(12)	–	–	(12)
At 2 July 2023	**188**	**1**	**6**	**195**

	2023 £M	2022 £M
Current provisions	**107**	97
Non-current Long term provisions	**88**	110
	195	207

17. PROVISIONS CONTINUED

Legacy fire safety provision

The Group holds a provision of £188m (2022: £200m) in respect of legacy fire safety remediation. As outlined in the 2022 Annual Report, in April 2022 the Group signed the Government's Building Safety Pledge in respect of funding of remediation of life critical fire safety issues on buildings over 11m in which the Group was involved in going back 30 years.

On 30 January 2023 Michael Gove announced the publishing of the self remediation terms (SRT) which follows on from the signing of the Building Safety Pledge last year. Redrow signed this SRT on 13 March 2023 and the Welsh version on 18 April 2023. This SRT widened developers' responsibilities regarding potential remediation work which may need to be undertaken notably to include communal internal areas and for all buildings over 11m to be risk assessed regardless of EWS1 (External Wall Fire Review) status.

The legacy fire safety provision reflects management's best estimates of the cost of works outstanding to complete the remediation of all identified buildings within scope to the standard outlined in the SRT including the reimbursement of funds to the Build Safety Fund (BSF) as appropriate. Prior year provisions represented Management's best estimate of the liability based on the information available at the time in relation to the obligations at the time. In estimating the cost of the works for calculating the provision at 2 July 2023, Management has used the latest BSF cost information shared with Redrow, taken into account the cost of contracts Redrow has placed and tenders received together with input from external cost consultants with respect to estimated external and internal remediation costs per plot. Management classified buildings as in scope according to a risk assessment across 6 risk categories used in reporting to DLUHC including their EWS1 status. c£68m of the provision is related to known BSF amounts awarded.

However, these estimates are inherently uncertain and may change over time as this is a highly complex area involving bespoke buildings for which assessments and investigations are at varying stages across the building population in scope depending on risk prioritisation and will therefore be ongoing for some time. Please see Note 1 for further information on key sources of estimation uncertainty.

It is expected that £107m of the provision will be utilised over the next 12 months and the remainder over the following four years although these timescales may change depending on the progress of the remediation work for the building population and timing of BSF reimbursement requests.

Provisions are discounted to net present value where the effect is material.

18. SHARE CAPITAL

	NUMBER OF ORDINARY SHARES
As at 3 July 2022 (ordinary shares of 10.5p each)	352,190,420
Purchased and cancelled in share buyback programme	(21,420,175)
As at July 2023 (ordinary shares of 10.5p)	**330,770,245**

As a consequence of the £100m share buyback programme announced on 14 July 2022 and completed in January 2023, the Group purchased and subsequently cancelled 21,420,175 ordinary shares. This reduced share capital by £2m, reduced Retained earnings by £100m and increased the capital redemption reserve by £2m. See note 19.

As at 2 July 2023 10m Redrow plc ordinary shares of 10.5p each are held in trust under the Redrow Long Term Incentive Plan (3 July 2022: 11m 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 27 June 2021	37	59	8	1,768
Total comprehensive income	–	–	–	196
Dividends paid	–	–	–	(100)
Net purchase of own shares to satisfy share options	–	–	–	(22)
Other LTIP/DB/SAYE credit	–	–	–	4
At 3 July 2022	37	59	8	1,846
Total comprehensive income	–	–	–	276
Dividends paid	–	–	–	(108)
Net purchase of own shares arising from share buyback programme	(2)	–	2	(100)
Satisfaction of share options from treasury shares	–	–	–	2
Other LTIP/DB/SAYE credit	–	–	–	6
At 2 July 2023	**35**	**59**	**10**	**1,922**

19. SHARE CAPITAL, SHARE PREMIUM ACCOUNT AND RESERVES CONTINUED

The Group continued

Other reserves

Other reserves consists of a £9m Capital redemption reserve (2022: £7m) and a £1m Consolidation reserve (2022: £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 27 June 2021	37	59	7	878
Total comprehensive income	–	–	–	(1)
Dividends paid	–	–	–	(100)
Other LTIP/DB/SAYE credit	–	–	–	4
At 3 July 2022	37	59	7	781
Total comprehensive income	–	–	–	524
Dividends paid	–	–	–	(108)
Net purchase of own shares arising from share buyback programme	(2)	–	2	(100)
Other LTIP/DB/SAYE credit	–	–	–	6
At 2 July 2023	**35**	**59**	**9**	**1,103**

Other reserves

Other reserves consists of a £9m Capital redemption reserve (2022: £7m) with the increase in the year reflecting the cancellation of shares purchased as part of the share buyback programme.

Undistributable reserves

Other reserves are not available for distribution.

20. MOVEMENT IN NET CASH

The Group

	AT 3 JULY 2022 £M	NON-CASH MOVEMENT £M	CASH FLOW £M	AT 2 JULY 2023 £M
Cash and cash equivalents	288	–	(53)	**235**
Lease Liabilities	(6)	(7)	3	**(10)**
Net cash	282	(7)	(50)	**225**

Non-cash movement comprises movements in respect of LTIP/SAYE together with relevant IAS19, IFRS7 and IFRS16 non cash movements.

The Company

	AT 3 JULY 2022 £M	NON-CASH MOVEMENT £M	CASH FLOW £M	AT 2 JULY 2023 £M
Cash and cash equivalents	285	–	(47)	**238**
Lease Liabilities	–	–	–	**–**
Net cash	285	–	(47)	**238**

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 (2022: £158m) 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 166 to 191 notably the 'Single Total Figure of Remuneration Table (Audited)' on page 182. 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 2 July 2023 was £977m (3 July 2022: £583m). The amount owed to subsidiary undertakings at 2 July 2023 was £14m (3 July 2022: £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 page 252).

Cash conversion percentage

	2023	2022
Cash inflow generated from operations per statement of cash flows	**£244m**	£318m
Divided by:		
Operating profit per consolidated income statement	**£399m**	£250m
Amortisation and depreciation per note 2b	**£4m**	£5m
	£403m	£255m
Cash conversion percentage	**61%**	125%

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

	2023 £M	2022 £M
Revenue per consolidated income statement	**2,127**	2,140
Revenue from the sale of land (see note 2a)	**(44)**	(21)
Revenue from the sale of new housing (see note 2a)	**2,083**	2,119
Revenue from London Build Out sites	**(45)**	(52)
Homes revenue from ongoing business	**2,038**	2,067

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.

	2023	2022
Owned land holdings at 2 July 2023/3 July 2022	**26,070**	29,600
Legal completions	**5,436**	5,715
Land holding years	**4.8**	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.

23. ALTERNATIVE PERFORMANCE MEASURES CONTINUED

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.

	2023	2022
Net assets at 2 July 2023/3 July 2022	**2,026**	1,950
Net assets at 3 July 2022/27 June 2021	**1,950**	1,872
Average net assets	**1,988**	1,911
Profit before taxation – pre-exceptional	**395**	410
Return on equity %	**19.9%**	21.5%

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.

FIVE YEAR SUMMARY

12 months ended June

	2019 £M	2020 £M	2021 £M	2022 £M	2023 £M
Revenue	2,112	1,339	1,939	2,140	**2,127**
Operating profit – pre-exceptional	411	148	321	414	**399**
Operating profit – pre-exceptional as a percentage of turnover	19.5%	11.1%	16.6%	19.3%	**18.8%**
Profit before tax – pre-exceptional	406	140	314	410	**395**
Net assets	1,585	1,626	1,872	1,950	**2,026**
Net cash/(debt)*	124	(126)	160	288	**235**
Gearing – net debt as a percentage of capital and reserves	N/A	7.7%	N/A	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%	9.2%	18.5%	24.5%	**23.1%**
Return on equity	26.5%	8.7%	18.0%	21.5%	**19.9%**
Number of legal completions	6,443	4,032	5,620	5,715	**5,436**
Earnings per ordinary share – pre-exceptional	92.3p	32.9p	73.7p	96.0p	**91.2p**
Dividends paid per ordinary share inc cash return	59.0p	–	6.0p	28.5p	**30.0p**
Net asset value per ordinary share	450.0p	461.7p	531.5p	553.7p	**612.5p**

* Excluding lease liabilities

Colindale Gardens, North London.

ESG SCORECARD

All of the FY23 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 veracity of the specific KPIs. This has been undertaken by SGS United Kingdom Ltd in accordance with their Sustainability Report Assurance protocols, including the Global Reporting Initiative (GRI) Principles for Report Quality. The full Assurance Statement can be found on our corporate website: https://www.redrowplc.co.uk/sustainability/esg-disclosures/

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	TARGET	READ MORE
HEALTH & SAFETY	Annual Injury Incidence Rate (AIIR)	Number of RIDDOR Accidents resulting in an injury divided by the average number of people employed[1] multiplied by 100,000.	No.	4 July 2022 to 2 July 2023	**365**	365	441*	10% reduction of incidences year on year[2]	Page 62
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 2021 to 30 September 2022 (results published annually for this period in following March)	**50.2**	59.3	50.1	Achieve a minimum NPS score of 54%	Page 46
	HBF survey 8 week recommend – customers that would recommend Redrow to a friend as a %	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 2021 to 30 September 2022 (results published annually for this period in following March)	**90.8**	94.5	92.6	Consistently deliver a 91%+ customer satisfaction rating; recommend to a friend (ongoing)	Page 47
	HBF 9 months post occupancy – customer that would recommend Redrow to a friend as %	This metric is the percentage of customers satisfaction rated on the HBC satisfaction survey completed by owner-occupiers 9 months after legal completion and 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)[3]	**81.10**	New for FY23	New for FY23	No target set	Page 47
	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	4 July 2022 to 2 July 2023	**4.49**	4.45	4.54	Excellent (4.3 or above)	Page 46

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 sub-contractors. As defined by the Health and Safety Executive.

2 In FY2023 AIIR has remained static at 365.

3 Survey sent to customer 9 months post completion. The figures shown are for homes sold within stated period in 2020/21.

* Figure not verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	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.[4]	No. out of 45	4 July 2022 to 2 July 2023	**39.5**	38.43	36.67	Achieve a minimum CCS score of 33/45 on all sites in FY23	Page 64
	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	4 July 2022 to 2 July 2023	**4.56**	4.44	4.36	Achieve a score of 4.5/6 in FY23	Page 65
	NHBC Construction Quality Review (CQR) Group average score	The average score stated as a % taken from all scored areas within a CQR report. This KPI demonstrates the average score as a percentage 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.	%	4 July 2022 to 2 July 2023	**87**	New for 2023	New for 2023	Achieve a score of 82% in FY23	Page 65
	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 RI is any contravention of the NHBC technical standards or building regulations recorded at any key build stage or frequency visit.[6]	No.	4 July 2022 to 2 July 2023	**0.19**	0.17	0.22	Achieve ≤0.15 reportable items per inspection	Page 46

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

[5] This covers NHBC 203 site inspection reports received from the NHBC in the reporting period. Excludes Greater London sites, two in the Northwest, two in Lancashire and one in South Midlands 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 Northwest, two in Lancashire and one in South Midlands as these are not registered with the NHBC.

Other information ESG hub / continued

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	TARGET	READ MORE
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 2023	**84**	83	82	Maintain at 80%+	Page 80
	Employee turnover rate	% of employees who leave the business in the year through voluntary attrition (resignation or retirement).	%	4 July 2022 to 2 July 2023	**15.23**	19.4	14.3	N/A	Page 80
	Number of internal promotions	Number of internal promotions during the financial year.	No.	4 July 2022 to 2 July 2023	**235**	261	211	N/A	Page 80
	% 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 June 2023	**15.9**	15	14.5	15% of all employees being trainees	Page 68
	Total number of training days delivered	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.	No. of days	4 July 2022 to 2 July 2023	**5,591[8]**	4,819	4,083	Invest in at least 3 training days per employee per year	Page 76
	AND	AND							
	Average number of training days per employee	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.			**2.52**	2.19	1.81		

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 80% of the total workforce.

8 Whilst we have seen an 16% increase in training days in FY2023 (5,591) from those reported in 2022 (4,819) this is still below our 2020 figure (5,925), 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.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	TARGET	READ MORE
DIVERSITY AND INCLUSION	% who identify as Ethnic minorities	% of self-reporting who identify as Ethnic minorities.[9]	%	Measurement taken as at 2 July 2023	**7.02**	6.64	5.14	N/A	Page 72
	% of apprentices who identify as Ethnic minorities	% of apprentices self-reporting who identify as Ethnic minorities.[10]	%	Measurement taken as at 2 July 2023	**10.55**	10.67	N/A – New KPI in FY2022	12.5% by 2025	Page 72
	% of female employees – Overall and by management category:		%	Measurement taken as at 2 July 2023				N/A	Page 160
	All employees	% of female employees overall.			**33.85**	34.17	34.06		
	Executive Management Team	% of female employees on Executive Management Team.			**33.33**	33.33	25		
	Main Board (includes non-executives)	% of female employees on Main Board.			**50**	33.33	28.57		
	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).			**22.22**	28.57	27.27		
	Senior Management	% of female employees within the Senior Management population.			**25.28**	25.41	N/A – New KPI in FY2022	28% by 2025	
	Female graduates recruited	% of employees who are apprentices, graduate trainees or following a training programme, academic or professional qualification.	%	Measurement taken as at 2 July 2023	**33.33**	28.57	N/A – New KPI in FY2022	40% by 2025	

9 This KPI and definition has changed from BAME to Ethnic minorities in FY 2022 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 93% (92% in FY 2022) of employees who have self-reported ethnicity information.

10 This is the second year we have reported 'apprentice ethnicity' information and can confirm it is based on 99.5% of our total apprentice population who self-reported this information.

Other information ESG hub / continued

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	TARGET	READ MORE
CARBON & ENERGY	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 2022 to 30 June 2023	**8,318**	9,822	16,099	To reduce our absolute Scope 1 and 2 GHG emissions by 42% by FY30, from our FY21 base year	Page 195
	Total GHG emissions per 100m² of build – Market Based	GHG emissions normalised per 100m² of build (Market Based).	Tonnes of CO_2e/ 100m²	1 July 2022 to 30 June 2023	**1.67**	1.75	3.11	N/A	Page 195
	Operational energy use	Total energy and fuel consumption used from sites and offices.	kWh	1 July 2022 to 30 June 2023	**44,003,874**	53,788,513	64,294,472	N/A	Page 195
	% of electricity procured from renewable sources	Percentage of electricity used in our operations that is sourced from renewable sources.	%	1 July 2022 to 30 June 2023	**87.96**	96.03	3.30	Purchase 100% REGO-backed renewable electricity for all operations (offices and construction sites) by the end of FY24	Page 52
	Group GHG emissions Scope 3	Total Market Based Scope 3 GHG emissions from our value chain.	Tonnes of CO_2e	1 July 2022 to 30 June 2023	**Verified FY23 data not yet available**	1,073,070	1,011,279	New for 2023 – no target set	Page 54
	Total scope 3 GHG emissions per 100m² of build	GHG emissions normalised per 100m² of build (Market Based).	Tonnes of CO_2e/ 100m²	1 July 2022 to 30 June 2023	**Verified FY23 data not yet available**	191.11 *	195.61 *	New for 2023 – no target set	Page 54

* Figure not verified by SGS.

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	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	4 July 2022 to 2 July 2023	**85**	85	N/A, new KPI in FY22	N/A	Page 42
	Average EPC rating	The average as built EPC rating [13] for legally completed units in the financial year.	A-G rating	4 July 2022 to 2 July 2023	**B**	B	N/A, new KPI in FY22	N/A	Page 42
	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	4 July 2022 to 2 July 2023	**15.63**	15.75	N/A, new KPI in FY22	N/A	Page 42
RESOURCE EFFICIENCY	Tonnes of construction waste per $100m^2$ build	Construction waste produced per $100m^2$ of build.	Tonnes of waste/ $100m^2$	1 July 2022 to 30 June 2023	**8.82**	7.91	8.11	Reduce construction waste intensity by 10% by the end of FY25 against 2021 baseline	Page 59
	% of construction waste diverted from landfill	The % of waste which is diverted from landfill. This includes refuse derived fuel (RDF) as well as recycling.	%	1 July 2022 to 30 June 2023	**98.29**	98.34	97.65	95%+ of construction waste diverted from landfill	Page 59
	Water use per $100m^2$ build	Cubic metres of water used in our sites and offices per $100m^2$ of build.	m^3 per $100m^2$ build	1 July 2022 to 30 June 2023	**29.93**	26.53	33.06	N/A	Page 59
	% of timber certified	% of timber responsibly sourced and credibly certified to FSC or PEFC.[15]	%	1 January 2022 to 31 December 2022	**99.92**	99.98	99.64	100% of timber responsibly procured	Page 61

[11] The SAP, EPC and DER ratings relate to 100% (5,236) as built legally completed units in FY2023. This figure excludes the legally completed units at the Royal Docks Partnership, where data was not available at the time of collection.

[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 FY2021, our timber was verified as part of the WWF network for responsible timber and includes legal timber. In FY2023, the verified figure covers only timber certified to FSC or PEFC.

Other information ESG hub / continued

Other information ESG hub / continued

KPI THEME	KPI DATA POINT	KPI DEFINITION	UNIT REPORTED	12 MONTH PERIOD THIS DATA RELATES TO (FOR FY23)	FY23	FY22	FY21	TARGET	READ MORE
SUPPLY CHAIN – PAYMENTS ON TIME [16]	Average time taken to pay invoices	The average time taken to pay supplier invoices and sub-contractor applications from the date of receipt .	days	4 July 2022 to 2 July 2023	**23.1**	23.1	23.5	N/A – Signed up to Prompt Payment Code and report data to HMRC 6 monthly	Page 82
	Invoices paid within 30 days	Percentage of invoices and applications paid during the reporting period within 30 days.	%	4 July 2022 to 2 July 2023	**83.30**	81.2	79.1	N/A – Signed up to Prompt Payment Code and report data to HMRC 6 monthly	Page 82
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.	%	4 July 2022 to 2 July 2023	**100**	96	100	Aim for 100% compliance	Page 82
	% 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.	%	4 July 2022 to 2 July 2023	**100**	100	100	Aim for 100% compliance	Page 82

[16] All 'Payments on time' KPIs cover 100% of Suppliers and Sub-contractors

OPERATIONAL FRAMEWORK FY24

PURPOSE	PILLAR	PROGRAMME	UN SDG	OBJECTIVE	BUSINESS DRIVER	TARGETS		
						2024	2025	2030
TO CREATE A BETTER WAY FOR PEOPLE TO LIVE	THRIVING COMMUNITIES	Nature for People	SDG15	Putting nature, people and wellbeing at the heart of our developments.	Enhancing nature is essential to the design of our developments and makes them more attractive communities in which to live.	• 100% of planning applications with at least 10% BNG		
		Better Places to Live	SDG11	Create beautiful, sustainable and inclusive places for wellbeing.	Delivering a better quality of life makes our places as attractive as possible for our customers.	• 100% post completion audit conducted on completed developments		
		Positive Social Impact	SDG11	Create positive outcomes and making a difference to the communities within which we develop.	Making a positive impact demonstrates the benefits that our developments deliver to local communities and improves relationships.	• Carry out a Social Value gap analysis to inform social value strategy development and a social value summary on a completed project by June 2024		
	BUILDING RESPONSIBLY	Safe by Design & Operating Responsibly	SDG8	Integrate health, safety and environment into everything we do.	We do not pursue this aim simply to comply with legislation; we do it because we know it significantly contributes to our overall business performance and protects our people. This responsibility extends to the communities we work in.	• 10% year on year reduction in Annual Injury Incidence Rate • 100% sites registered to the Considerate Constructors Scheme • Average CCS score at least 35/45		
		Putting Our Customers First		Consistently deliver high quality, efficient homes for our customers.	We want our customers to be delighted with every aspect of the homes and services we offer.	• Net Promoter score of 54% • Customer Satisfaction rating (recommend to a friend) 91% • Average Trustpilot Score 4.3 • 0.25 or less red reportable items per NHBC inspection • NHBC CQR Group Average Score of 86% or more		
		Resource Efficiency and Climate Change	SDG12 and SDG13	Transition to a low carbon and more efficient business and deliver zero-carbon ready homes.	Reducing our impact on the environment meets legal requirements, contributes to the wider need to achieve net zero carbon and maintains our standing with stakeholders.	• 95%+ waste recycled • 100% timber FSC or PEFC certified • 100% renewable energy used in offices and sites by end of 2024	• 10% reduction in waste per $100m^2$ construction build • 100% Electric car fleet	• 42% reduction in Scope 1 and 2 emissions • 11.1% reduction in Scope 3 emissions

Other information ESG hub / continued

PURPOSE	PILLAR	PROGRAMME	UN SDG	OBJECTIVE	BUSINESS DRIVER	TARGETS 2024	TARGETS 2025	TARGETS 2030
TO CREATE A BETTER WAY FOR PEOPLE TO LIVE	VALUING PEOPLE	Future Skills	SDG8	Inspire the next generation into the sector and ensuring our people have the opportunity to develop and grow with the business.	To deliver our future business challenges, we need to attract and retain the best people and provide continuous support and training.	• 15% of all employees being trainees • 3 training days per employee per year		
		Engaging Our People and Partners	SDG8	Empower and engage our people and partners to deliver on our purpose.	We rely on people both within and outside our business to deliver our business objectives. Valuing our people and partners is critical to ensuring our relationships flourish.	• Maintain 80% overall employee engagement (taken from annual survey report produced by Employee Feedback Ltd) • Top 70% of the Supply Chain (based on spend) to be using the Supply Chain Sustainability School by the end of 2024		
		Diversity, Equality and Inclusion	SDG5	Create a diverse and inclusive workplace that prioritises the wellbeing of our people.	Diversity in our workforce benefits our business through greater creativity, innovation, productivity, connection to customers, reduced staff turnover and ultimately, delivering our business purpose.		• 12.25% of apprentices self-reporting who identify as ethnic minorities • 28% of females employees with the Senior management population • 40% of females recruited into graduate roles during the financial year	

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 4 July 2022 – 2 July 2023 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 plots.	Our current land holdings comprised 26,070 as at 2 July 2023.	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.	5,436 homes legally completed (3,948 private homes).	IF-HB-000.B	See page 2.
Number of active selling communities.	An average of 117 sales outlets open in the year.	IF-HB-000.C	See page 85. 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.	5,557 (21%) of our current land holdings were on brownfield land. 1,437 (27%) home completions were on brownfield land.	IF-HB-160a.1	Brownfield land is the equivalent of redevelopment land i.e. previously developed land.
Number of (1) lots and (2) homes delivered in regions with High or Extremely High Baseline Water Stress.	We estimate 1,080 (20%) 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.	None in the reporting period.	IF-HB-160a.3	
Discussion of process to integrate environmental considerations into site selection, site design, and site development and construction.	Our Operational 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 20% – 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	IF-HB-160a.4	See pages 266, 28, 34 and 35.

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.	**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 developed in partnership with the Wildlife Trust in 2020 (https://www.redrowplc.co.uk/media/cykfjckt/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:** All business operations are covered by an Environmental Management System (EMS) ISO14001:2015 system. 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 conduct regular site visits to assess compliance with our environmental procedures. All our Site Managers complete weekly HS&E inspections which include environmental performance against our procedures.		See pages 28, 34, 35 and 44.

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.	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 39.5 out of 45. An increase for the fifth consecutive year. 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. Groundworks materials are managed at site level and across each division to maximise the reuse of materials on site. Waste materials such as hardcore are re-used where feasible.		See pages 58, 59 and 64.
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 FY23 for both employees and subcontractors. There were no fatalities.	IF-HB-320a.1	See page 252.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/ REFERENCES/ DEFINITIONS
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 EPC B. Average SAP rating of 85.	IF-HB-410a.1	See pages 44 and 262. 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 Collection 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 59. 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 30. The UK does not currently have an established third-party multi attribute green building standard for residential homes.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/ REFERENCES/ DEFINITIONS
DESIGN FOR RESOURCE EFFICIENCY CONTINUED			
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 risks 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. We have cross departmental working groups that are established to prepare for forthcoming regulation changes and to understand our customer requirements in greater detail. Examples in the year include the conclusion of research trials with customers that had 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. We have now moved to adopt this technology, and improved fabric efficiency (including improved insulation, more efficient doors and windows) as standard in our new houses from the start of 2023. During the year, we carried 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 has helped us refine our approach to the inclusion and use of new technology in our homes. 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. We also have demonstration build show homes that are finished to a key build stage to show our customers not only how our homes are built but importantly, what specification items are included which help to drive high levels of energy efficiency that aren't visible once homes are completed.	IF-HB-410a.4.	CDP Climate Score of C CDP Forests score of B Sustainability Redrow PLC (https://www.redrowplc.co.uk/sustainability/). See pages 42 to 61. See pages 102 to 113 for Redrow annual TCFD report

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/ REFERENCES/ DEFINITIONS
DESIGN FOR RESOURCE EFFICIENCY CONTINUED			
	Through our customer facing website we explain how our homes are water and energy efficient including the different types of energy efficiency approach we offer for customers and how they can save energy costs and reduce their carbon footprint. Our places are designed in line with our biodiversity strategy – Nature for People. We also provide a digital tool to customers that advises 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, improved 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.		
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: • 90% of our homes are within 500 metres of public transport • 34% of our developments were delivered with community infrastructure • We provided £305m towards community infrastructure and affordable housing • 1,221 acres of public open space • 349 trainees, apprentices and graduates • 1,495 subcontractors supported • 2,708 suppliers supported • 15.9% of employees who are apprentices, graduate trainees or following a training programme, academic or professional qualification	IF-HB-410b.1	See page 40 which illustrates some of the economic, social and environmental value we have created in FY23.

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/ REFERENCES/ DEFINITIONS
COMMUNITY IMPACTS OF NEW DEVELOPMENTS CONTINUED			
Number of (1) plots and (2) homes delivered on infill sites.	5,557 (21%) of our owned or controlled landbank plots were on brownfield land. 1,437 (27%) home completions were on brownfield land.	IF-HB-410b.2	In the UK Brownfield land would meet the definition of an infill site (see IF-HB-160a.1).
CLIMATE CHANGE ADAPTION			
Number of plots located in 100-year flood zones.	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. Flood risk authorities may require a Flood Risk Assessment as part of a planning application which demonstrates the proposed development is not impacted during a one in hundred year rainfall event with a significant further allowance for Climate Change, as well showing resilience during a one in thousand year flood event. It is also necessary to demonstrate the development will not negatively impact local communities in this respect by causing additional flooding elsewhere.	IF-HB-420a.1	

SASB METRIC/ CRITERIA	OUR APPROACH AND PERFORMANCE	CODE	NOTES/ REFERENCES/ DEFINITIONS
CLIMATE CHANGE ADAPTION CONTINUED			
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 fourth 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 102 to 113. In 2022 we achieved a CDP Climate Score of C and have a development plan in place to instigate improvements on this. We have had our near-term net zero targets validated by Science Based Targets Initiative (SBTi) and setting our Net Zero carbon target currently with submission to be made to the SBTi prior to the end of 2023.

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.

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