



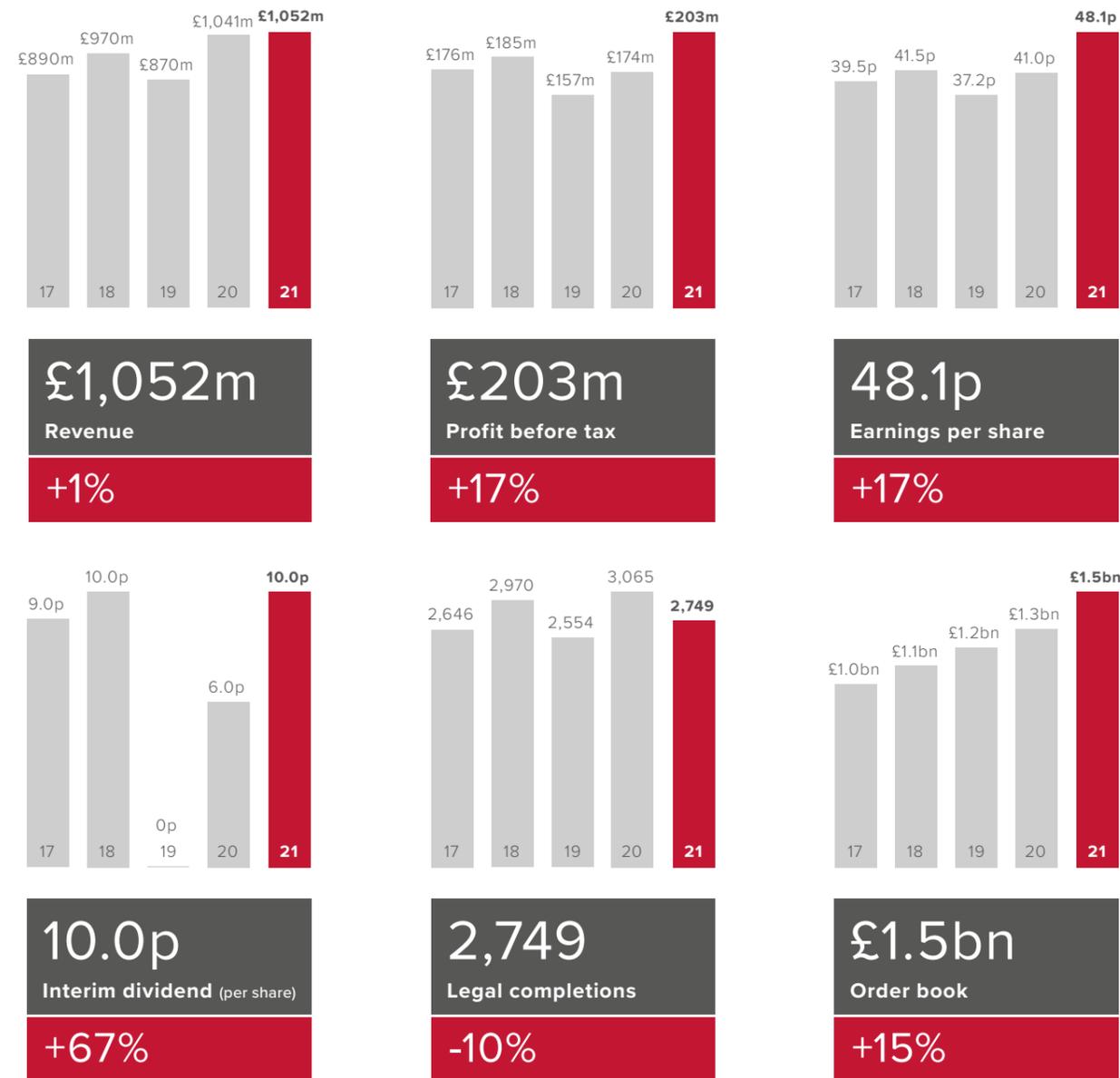
HALF-YEARLY REPORT
2022



A BETTER WAY...



REDROW HALF-YEARLY REPORT 2022 RESULTS SUMMARY



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Find more information at: redrowplc.co.uk

AWARD HIGHLIGHTS



GROUP CHIEF EXECUTIVE'S STATEMENT

“Profit before tax is up 17% to £203m (2021: £174m). This was achieved with an operating margin of 19.5% for the first six months and we expect to deliver a similar margin for the full year. This means the Group will have returned to a normalised margin a full twelve months ahead of our previous guidance.”



MATTHEW PRATT
Group Chief Executive

OVERVIEW

In the first half of the financial year, we have demonstrated the continued success of Redrow's strategy, with a product range, which perfectly meets customers' needs. It is clear the 'race for space' is a long-term trend, directly supporting our larger, quality homes and differentiated market position.

By continuing to evolve, rather than revolutionise, our highly successful Arts & Crafts style Heritage Collection, we have capitalised on strong demand; improved sales margins and continued to invest for growth. The value of our first half reservations was £884m, an increase of 6% on the same period last year (2021: £836m), and our total order book increased to £1.5bn (2021: £1.3bn).

Profit before tax is up 17% to £203m (2021: £174m). This was achieved with an operating margin of 19.5% for the first six months and we expect to deliver a similar margin for the full year. This means the Group will have returned to a

normalised margin a full twelve months ahead of our previous guidance.

As a result of this strong performance the Board has declared an interim dividend of 10p, up 67% on the prior year (2021: 6p) as we return to a 33:67 payout ratio. The interim dividend will be paid on 8 April 2022 to shareholders on the register at the close of business on 25 February 2022.

We continued to purchase land in line with our growth strategy, adding 3,316 plots to our current land holdings with a GDV of c£1.2bn (2021: 2,284 plots and £800m GDV) and 2,945 to our strategic land bank (2021: 3,754).

Our guidance for active outlets in 2024 has reduced from 137 to 134, mainly due to planning delays.

It is clear the planning system is now at its lowest point for a number of years. Local Authority planning teams are experiencing resourcing issues, with a number of in-house planning officers choosing to leave and join the private sector. This is compounding the ongoing issues caused by a bureaucratic and unacceptably slow system.

While we can manage these issues, it is a particularly challenging barrier for small and medium sized housebuilders to overcome. It is in everyone's interests to see a vibrant small and medium-sized enterprise (SME) market - building on the construction skills pool and supporting a healthy subcontractor base. All these dynamics, when working in harmony, create a positive economic multiplier effect, which benefits local economies across the country. Therefore, we would repeat our call for Government to address these crucial planning problems.

The scale down of our London business is progressing to plan. We have disposed of all the sites we decided not to build out and by the end of the next financial year, our only London development will be at Colindale.

I am very pleased to welcome Oliver Tant to the Board as an Independent Non-Executive Director and Audit



Committee Chair Designate. Oliver brings strong financial and audit experience as well as broader commercial and operational expertise.

FINANCIAL OVERVIEW

Group revenue increased to £1,052m (2021: £1,041m), a new record for the first half of the year, as we capitalised on the strong demand for the superior quality of our homes and developments. The Average Private Selling Price of our homes rose by 8% to £419,000. This reflects geographical mix; house price inflation and a large increase in customers personalising their homes with extras.

Total completions in the first half were lower than the same period last year at 2,749 (2021: 3,065). Completions of private homes were 140 lower at 2,290 homes. This was due to a reduction in apartment completions due to the transition out of London, and outlet constraints in some areas of the country due to very high demand and planning delays. Affordable completions were down 176 homes at 459. This was a timing difference with significantly higher affordable completions planned in the second half.

We increased our operating profit by 15% to £205m from £178m in the first half last year, and in doing so restored our operating margin to the 2019 level of 19.5%. Build costs continue to rise and we expect cost inflation of c6% for the full financial year. We are working closely with our partners to mitigate supply and cost issues. Despite ongoing build cost inflation, the house price increases embedded in our order book mean we expect to deliver a similar operating margin for the full year.

With interest expense at £2m, our Profit before Tax was £203m, up 17% on last year. Our Earnings per Share is up 17% to 48.1 pence.

We have more than doubled our Return on Capital Employed to 21.5% and are on target to return to 25% over the medium term.

We ended the first half with net cash of £242m (June 2021: £238m) and our average monthly net cash for the first half was higher at £257m (H1 2021: £66m).

THE REDROW DIFFERENCE

Recent Bank of England research of housing transactions during the pandemic found that just under half of the recent price increase could be attributed to the 'race for space' as people seek and value larger spaces outside city centres. (BOE: 13th December 2021: 'How much of the recent house price growth can be explained by the 'race for space?').

Customers desire our premium quality, larger detached homes more than ever before. They provide modern and flexible interior spaces, accommodating the blending of family and work life. At the same time, our Arts & Crafts style exteriors give homeowners the sense of well-being and comfort they want.

Our homes particularly appeal to second movers and rightsizers – who would usually look to the second hand market – and are well insulated from affordability issues.

Our highly successful 'My Redrow' online service enables customers to personalise their homes online. We have added Garden Rooms and fitted studies to our extensive range of options, which are more popular than ever before.

Our developments, designed with our 8 Redrow placemaking principles, are a key part of the Redrow difference. With the trend for more people working from home expected to continue, the concept of the 'walkable community' will become more desirable. We have responded to this in the design of our communities by delivering local mini destinations in the form of ponds, nature areas, walking and running routes, outdoor gyms, community orchards and allotments.

Customers are willing to move longer distances to secure their dream Redrow home and location. The interactive screens in our new Customer Experience Suites now give our Sales Consultants access to every one of our sites across England & Wales and our investment in digital technology allows us to be much more flexible in meeting customer requirements and helps us achieve a deeper engagement with them.

MEETING THE ESG CHALLENGE

We have made significant progress in the area of Environmental, Social and Governance (ESG). We have set out our intention to achieve net zero carbon by 2050 and are working towards our new developments achieving a minimum 10% biodiversity net gain.

In September 2021, we set an ambitious target to achieve net zero across the whole business and supply chain by 2050:

- We have signed up to the Science Based Targets initiative's (SBTi) highest business ambition of pursuing efforts to limit global warming to 1.5°C.
- We will set interim, science-based targets across scopes 1, 2, and 3 in 2022.
- Redrow has joined the UNFCCC Race to Zero, becoming one of 3,067 companies globally committing to setting more ambitious climate targets.
- The Carbon Trust have been appointed to help Redrow model its targets and develop its approach to meeting this strategy.

With new Building Regulations due in June 2022, we are actively preparing our building specification to ensure the roofs, walls, floors, windows and doors for all our new homes will meet the new Fabric Energy Efficiency Standards. We are currently trialling a range of new technologies to help us meet our aims, including air source heat pumps and our gas-free, low-carbon home in Yorkshire.

As part of our Building Responsibly strategic pillar, the Group continues to maintain its high level of customer

satisfaction with a score of 93.7% in the latest NHBC's 8-week quarterly customer recommend score (2021: 92.9%). It is also pleasing to note that every one of our divisions are currently achieving a Five Star customer recommend score, which is a minimum of 90% satisfaction.

We welcome the introduction of the New Homes Ombudsman Scheme and see it is an opportunity to further highlight the quality of our product and services. We intend to register for the Scheme at the earliest opportunity. This will enable us to begin a process of preparation and transition to the new arrangements for future completions, all in conjunction with the New Homes Quality Board.

Since the launch last year of our ambitious Redrow 2025 vision – which was preceded by the biggest colleague consultation in the company's history – we have made significant progress. This includes the creation of a new 'agile office' concept to support truly flexible working, the groundwork for the launch of our new volunteering policy and an enhanced focus on health and well-being. I would like to thank all our colleagues and partners for their hard work and support, playing a key role in the Group's strong performance.

FIRE SAFETY IMPROVEMENT WORKS

The Rt. Hon Michael Gove MP (Secretary of State for Levelling Up, Housing & Communities and Minister for

Intergovernmental Relations) recently announced his intention to secure more funding from developers to remediate the unsafe cladding on apartments by widening the scope of buildings concerned from those over 18 metres to those over 11 metres high.

As we are predominantly a builder of family detached houses, we have only developed a relatively small number of high rise apartment schemes. However, as a consequence of the widening in scope of buildings concerned and more detailed cost estimates for the work required, we have increased our fire safety provision by £10m to £36m. This provision is for the estimated remediation of buildings for which we are the Principal Contractor. The level of this provision will be reassessed as work progresses, Government legislation or regulation changes as a result of the above announcement or if the Group makes any further commitments with respect to this matter.

We do believe the whole industry should play its part in tackling the cladding issue but in a fair and proportionate way. Alongside the Home Builders Federation, we will continue to try and work with Government to find answers to these issues, whilst trying to help meet this country's chronic housing shortage.

CURRENT TRADING & OUTLOOK

We have made a strong start to the second half, with the value of private reservations per outlet per week for the 5 weeks to 6 February averaging £417,000 in total and £367,000 excluding a bulk deal in London (2021: £301,000). As stated in our 2021 Annual Report, and as expected, outlet numbers are lower at 112 (2021: 117) but we expect them to increase over time as new land comes on stream to satisfy continued strong demand for our products. We have appointed the leadership team for our new Southern division, which will open this summer and is currently acquiring its first sites.

I am confident the business will deliver further progress in the second half, combining a strong financial performance alongside our commitment to sustainable and responsible operating practices. Redrow will also continue to innovate to ensure we meet the needs of customers and our other stakeholders.

MATTHEW PRATT
Group Chief Executive

9 February 2022



A BETTER WAY...

Our 'Better Way to Live' brand purpose permeates everything that we do as a business.

The homes and places Redrow creates are better by design; we are committed to creating better experiences for our customers and our colleagues; and our robust approach to sustainability, both within our own business and across our supply chain, reflects our desire to support and protect a better planet.

Throughout the first half of our financial year Redrow's focus has been very much on doing things 'better', as well as delivering long term shareholder value – from pioneering trials to reduce the carbon footprint of our homes and providing our customers with more options to live a more sustainable life; to strengthening the relationships with our supply chain and inspiring our

colleagues to play a supporting role in the communities where they live and work.

At all times, our 'better way' continues to be under-pinned by our three strategic commitments of Thriving Communities, Building Responsibly and Valuing People.



Image: Woodford Garden Village, Cheshire

BETTER BY DESIGN – OUR HOMES

Redrow's spacious, predominantly detached new homes lend themselves perfectly to the post-pandemic world.



NHBC said recently that detached houses are at their most popular since 2002 and an independent survey conducted by YouGov for Redrow reflected this, with 78% of people aspiring to live in a detached home. Those spending a greater amount of time at home, whether to work, socialise or relax, desire somewhere that's quiet, more spacious and offers greater privacy.

A sense of space is intrinsic to Redrow's homes and not just in the room sizes and layouts – we have the highest ceilings amongst our peers in the industry, along with taller doors, skirtings and architraves. We also provide the private outdoor space people want, including garages and off-road parking, plus ultrafast broadband as standard for working from home.

At a time when people may be feeling more vulnerable in their everyday lives and really need their home to be a sanctuary, our Arts & Crafts style Heritage Collection properties present a 'familiarity' that gives homeowners the sense of security, comfort and wellbeing they crave.

Inside there's the all-important opportunity to personalise via My Redrow with a wide variety of standard choices,

optional extras and upgrades, giving customers the home they want from day one instead of spending time, money, effort and energy doing up a second-hand property.

Our Lifestyle range – homes built with fewer, but larger and more luxurious bedrooms and each one en-suite – is particularly relevant at a time when pressures around housing availability have highlighted the impracticality of empty nesters 'rattling round' in houses that are too big. Our Lifestyle homes have been designed around them and their requirements; importantly they still offer plenty of space for entertaining and en-suite bedrooms that are perfect for guests.

As beautiful as they are, it's vitally important that our homes give customers the opportunity to live more sustainable lives. We already offer a variety of options for people to add PV solar panels, electric vehicle charging points and other eco-friendly features to their home, while our established 'fabric first' approach produces homes which are already well insulated and energy efficient. However, with new Building Regulations due in June 2022, we are actively preparing our building specification to ensure the roofs, walls, floors windows and doors for all

Image: Penlands Grange, Haywards Heath, West Sussex

A BETTER WAY... CONTINUED

our new homes will meet the new Fabric Energy Efficiency Standards.

This last six months we have implemented a range of significant trials designed to strengthen our performance in this essential area and ensure our homes are ready for the forthcoming changes related to fuel, power and ventilation; and to meet the Government's Future Homes Standard.

We believe that air source heat pumps will play an important role in delivering low-carbon heat in our future homes. We are collaborating with several major heat pump manufacturers to assess the practical and design implications of incorporating them into our homes and to understand the impact for future customers.

We are trialling the latest heat pump technology in a home at Great Milton Park in South Wales in partnership with Mitsubishi Electric. We will be monitoring the system for 12 months using specialist software. Additional trial plots are currently being designed in collaboration with other suppliers and these homes are due to be ready to be moved into in early 2022.

We have also finished building our gas-free, low-carbon smart home at Langley Grange, in West Yorkshire and the customers are due to move in imminently. The home utilises innovative technology, which is designed to turn any house into a sustainable, energy efficient home by using artificial intelligence and renewable energy. The system includes complete home automation, gas-free heating (including infrared heating panels and intelligent hot water cylinder), solar PV and battery storage solutions. The technology learns and works around occupants, observing how they live, which rooms they spend the most time in and how they use heating and lighting.

During the trial, the home will be paired with a 'control' house next door that has been built with a traditional gas boiler so we can observe a host of performance KPIs between the two homes. Data will be collected through smart meters, as well as advanced sensors which have been sensitively integrated into the light switches of both homes. We will conduct regular interviews with the customers to collect qualitative data and feedback so we can understand what it is like to live in the smart home. The 12-month monitoring phase will run from February 2022.



Image: Heat pump technology in the Oxford house type, Great Milton Park, Newport

BETTER BY DESIGN – OUR PLACES

Already known for our strong sense of placemaking, under the umbrella of our Redrow 8 principles, we are refreshing how we can deliver sustainable and healthy communities addressing the current challenges of the climate emergency, Covid-19 and biodiversity loss.

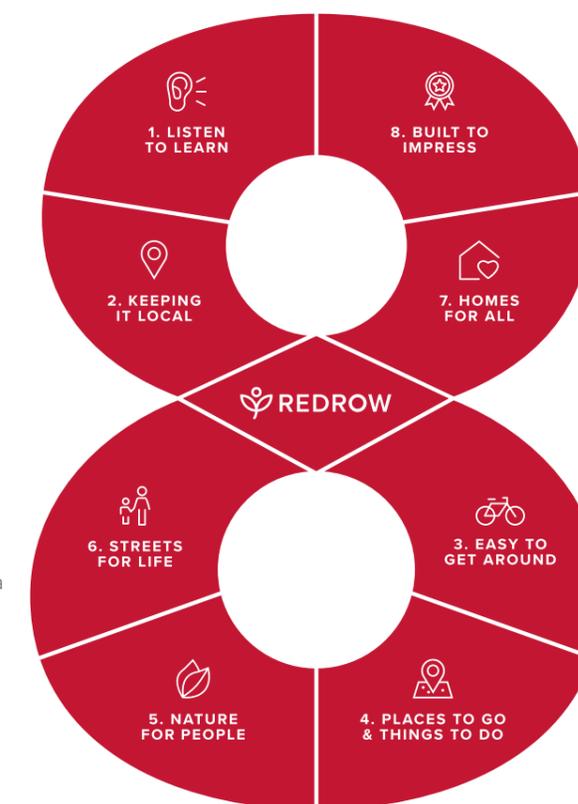
We've begun scoping a 'Learning from Lifestyles' project which will seek to understand in detail what residents on our established communities feel about the place they live and what more we might do to create a sense of community. We will also focus on how we can work more effectively with existing communities in delivering the types of places that they would like to see by developing community collaboration techniques, as well as exploring the use of digital consultation techniques to capture the views of the 'silent majority'.

Sustainable places: Our 'Redrow 8' commitments provide a framework for the delivery of beautiful, landscape-led communities where customers have the choice to lead more eco-conscious lifestyles; as well as the sustainable options we offer customers spacious homes and wherever possible we provide excellent walking and cycling connections to local destinations, and we provide tree-lined streets and great local green spaces which encourage walking and cycling.

Healthy Places: These same eight principles also provide a framework for the creation of healthy places to live. Attractive tree-lined streets, biodiversity-rich spaces and ponds encourage all residents to exercise and spend time outside, which is good for both physical and mental health.

With the trend for more people working from home expected to continue, the concept of the 'walkable community' has become more desirable. We have responded in how we design our places by delivering local mini destinations in the form of ponds, nature areas, walking and running routes, outdoor gyms, community orchards and allotments. Our commitment to this was recognised with a Silver award for Best Public Realm at Caddington, Bedfordshire at the 2021 What House? Awards. Judges described it as: "Public realm as it should be, showcasing a commitment to environmental enhancement, but enhancing the value of the new homes and the wider community too."

Nature rich places: Our Nature for People Strategy provides a framework for the delivery of biodiversity net



gain as well as creating great places for people and wildlife to thrive. Our new Landscape Manual provides comprehensive guidance to our teams on the delivery of tree-lined streets, attractive front gardens as well as beautiful, nature-rich ponds and open spaces.

We have also been reviewing our approach to landscaping and will be designing our developments with more natural landscaping and planting designs. Part of this process will involve the creation of more meadow areas, which support a wide variety of wildlife and play a part in helping us

A BETTER WAY... CONTINUED



achieve that biodiversity net gain. We have two trial projects underway from which we hope to learn more about local community expectations and opinions with respect to meadows, aesthetics and amenity. These projects will also help us develop our communication

strategy with our communities so there is a deeper understanding of what to expect from meadow areas year-round, how they are managed and the benefits they bring.

BY BETTER QUALITY AND A SAFER SUPPLY CHAIN

Ensuring our homes truly represent ‘A Better Way to Live’ requires quality input from the start and at every stage of the build process, supported by technical innovation and buy-in from our supply chain.

Technology such as our Red SMI bespoke site manager inspection app, inter-linked with our Red Inspection Portal and Subcontractor Portal, continues to innovate our inspection process and is a significant driving force behind the quality of our homes. The nine mandatory construction inspections allow our teams to address any defects before each property is checked by our independent warranty providers and local authority building control, with the ultimate aim of handing over a totally defect-free home to our customers.

Further supporting this aim and fostering accountability, our divisional construction teams have now taken ownership of closing down items from the Customer Service Manager inspections, the customer’s home preview and the three-week courtesy check. This enables the teams to proactively monitor defects that are outstanding and action them swiftly.

From July 2021, all sites will now have two construction quality reviews carried out by NHBC each year. This ensures a more consistent overview of the quality on each site throughout the year and, combined with new robust scoring targets, we will have clearer oversight of the quality on our sites.

Our commitment to the Considerate Constructors Scheme (CCS) continues and we remain in partnership with them as they refine their scheme. Our hard work is now paying off as scores are coming in above target and sites are achieving awards of compliance and excellence.

In September, we released details of a new design for our site offices and compounds, with a modular approach that features areas for collaborative working and continual personal development. Now being trialled on a live site, this new design meets many of the CCS environmental criteria and is a thoughtful, inclusive and suitable place of work for our employees and supply chain. The improved working areas, welfare, storage and materials areas are all conducive to ensuring the overall quality of our finished product and the well-being of everyone on site.

Our ‘Buildability and Waste Workshops’ have already proved a great forum for looking at how we can build our homes better, faster, more cost effectively, whilst



producing less waste and being more sustainable throughout the process. For example, we have introduced subtle changes which mean we can successfully reduce the amount of off-cuts in timber and plasterboard, whilst still maintaining the integrity of our homes and continuing to be the market leader in areas such as floor to ceiling heights. We have launched a Waste & Resource Efficiency Policy and work continues to manage the number of waste contractors we use to ensure better cost control, consistency in service and improved data to measure efficiencies and reductions.

A further key area of focus is Modern Methods of Construction with particular considerations for which elements of our homes could be manufactured off-site and how this would affect our carbon footprint, cost and speed of build. We have introduced a new range of contemporary house types to complement our existing portfolio, which has been designed with off-site manufacture as one of the key drivers.

Health, Safety & Environmental (HS&E) standards and our overall HS&E strategy continue to be promoted throughout the business to increase their visibility and highlight their importance, with a key focus on checking competencies of all of our contractors prior to them starting work on site.

A BETTER WAY... CONTINUED

Our continued focus has seen a marked reduction in the number of both serious injuries and/or serious environmental incidents that have occurred in the first half of this operating year compared with the same period last year. We constantly monitor and follow guidance on Covid-19 working requirements in England and Wales to keep our customers, employees and supply chain safe.

We continue to collaborate and support industry and sector wide campaigns such as the 'Stop. Make a Change' health and well-being campaign, supported by the Construction Leadership Council (CLC) and the House Builders Federation (HBF). Having run the campaign for the specified two weeks in October, we expanded it as our own internal HS&E focus for our Q2 period of October to December.



Image: Redrow colleagues on site

BY BETTER PEOPLE AND TALENT DEVELOPMENT

Delivering better homes, better places and a better customer experience is only possible through the quality of our people and the strength of our talent development programme.

Since the launch last year of our ambitious Redrow 2025 vision – which was preceded by the biggest team consultation in our history – we have made significant progress to deliver on some of those promises; from the creation of a new 'agile office' concept to support truly flexible working, to all the groundwork for the launch of our new volunteering policy, at the same time ensuring a continuous focus on the health and well-being of all colleagues.

Out in the field, our new compound office design will provide capacity for on-site employees to do eLearning and join webinars. There is also greater opportunity for those who normally work in a divisional office to operate seamlessly from site for at least some of their working week.

There are more open plan and communal spaces for team working and collaboration, fewer director and management offices, and the inclusion of mini pod spaces for employees who need private areas for video conference calls. Everything from the materials to the colours has been chosen to support employee health and well-being, with

different tones and textures in different areas to inspire concentration, confidence, creativity or calm.

We've developed a new agile office concept which boasts a higher specification and the flexibility to allow us to work effectively and efficiently in a smaller floorspace. It has been developed initially for our new Southern division covering Surrey and Sussex, which will become fully operational later this year.

We launched our new volunteering programme on 1 January 2022, which 'gifts' every employee two volunteering days each calendar year that can be used for an individual or group volunteering project. For year one we've called it the '1,000 Days Campaign' and are hoping to have at least 1,000 volunteering days booked and used by the end of December 2022.

Our divisions are encouraged to organise their own volunteering projects, supporting a mix of community projects (eg. community gardening, litter picking) and educational projects (eg. helping a disadvantaged school with a building project or skills mentoring.) Individuals will



Image: New office concept at the Southern division

A BETTER WAY... CONTINUED



be able to use their volunteering days to support the divisional project or for an activity of their own choosing.

The health and well-being programme that was expanded during the pandemic, as we helped our employees adapt to home working, furlough and/or periods of isolation, has continued to evolve to support a pattern of more flexible working. Our monthly newsletters and fortnightly webinars have kept colleagues informed, involved and inspired.

Webinars over the last six months have covered a wide range of inclusive topics – including dealing with baby loss, bullying and cyber bullying of children, and prevention of breast and testicular cancer – and been delivered by a variety of partner organisations, including charities and professional service providers.

Sessions which proved to be particularly popular have included an NSPCC-delivered webinar on supporting children's mental health; a session hosted by the Andy's Man Club charity, which runs talking groups for men who have been or are going 'through a storm'; and a Carers UK webinar explaining the support they can offer our employees who also have a caring role. Since the latter, we've had a number of employees come forward to talk about their personal experience of being a carer and ways in which we can support them.

Our pension providers, Legal and General, have run information-based pension webinars aimed at our youngest team members, including apprentices, trainees and graduates, as well as pre-retirement advice sessions for those closer to the end of their working lives.

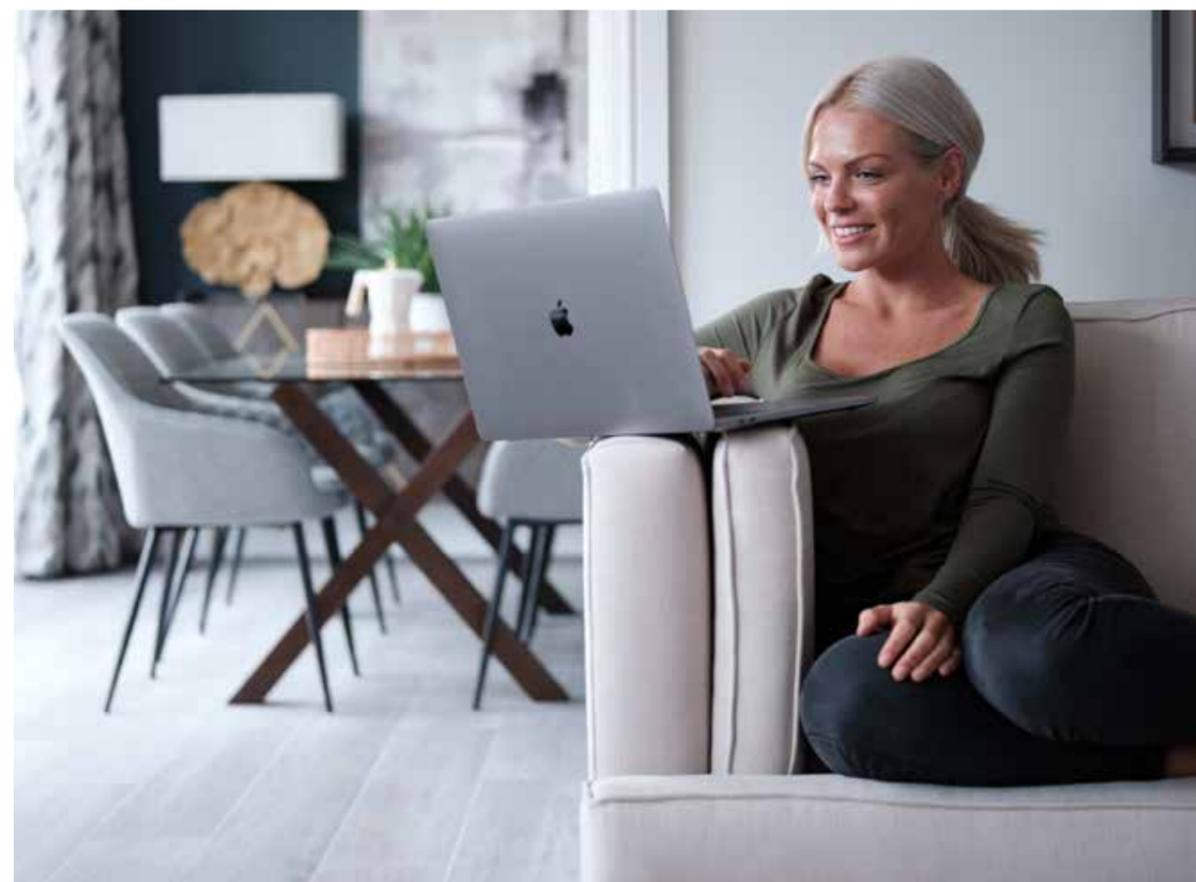
Redrow's commitment to inspiring the next generation to build has earned industry recognition, winning the 'Best Recruitment or Training Initiative' title at the 2021 Housebuilder Awards. This award recognised the impact of our inclusive training programmes for post-graduates, as well as our own sponsored degree programme which is open to A-Level school leavers.

Since making the successful Housebuilder Awards submission we've recruited a further 14 rotational graduates to our revamped Future Leaders programme, who will be mentored by our divisional managing directors. All 14 will undertake six-month rotation in three out of four business areas of their interest, choosing from Construction, Land, Technical and Commercial. The vast majority of recruits have studied a construction related subject.

We've also taken on an additional ten department specific graduates to a variety of roles, including Group IT, Group Customer & Marketing, Group Construction, Land and Technical.

BY BETTER CUSTOMER EXPERIENCE

Over 90% of customers continue to tell us via the NHBC survey* that they would recommend us to a friend or family member, supported by our Excellent rating on Trustpilot.



Never resting we remain strongly focused on continuous improvement so that we always hand over homes with zero defects and we are undertaking research to see how we can make our customer service even better.

Working with The Institute of Customer Service, we have surveyed** 6,500 private customers still in their warranty period, achieving a response rate of just over 20%. These responses provide a benchmark against the UK Customer Satisfaction Index, which will be reviewed annually as we look to improve the service we offer once our customers move into their new homes. In particular, we have been

focused on improving complaint handling and making the process easier for customers when contacting us.

Our website now gives customers clear and transparent information about our complaint handling policy, which has been simplified to reduce the number of stages. It is supported by an animated film and a downloadable PDF step-by-step guide, which both explain the help available.

Our new Group Resolution team works alongside our divisional customer service teams to monitor customer complaints across the business and provide valuable

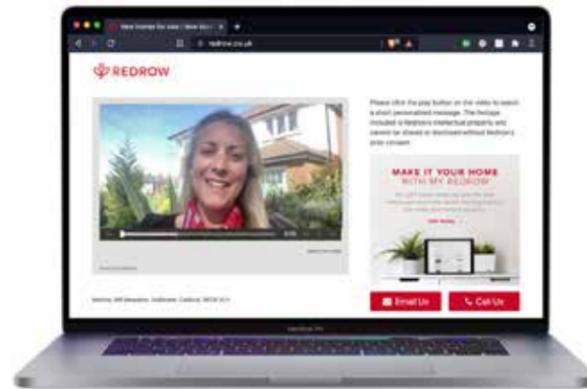
A BETTER WAY... CONTINUED

insight into areas that could be improved and trends that affect our customers. We can then work collaboratively with other functions and departments within Redrow to spot opportunities to be better and, ultimately, ensure we 'get it right first time'. This team also actively manages our online customer service and works alongside empowered colleagues – our 'Reputation Army' – in Group Communications and at divisional level, to communicate with customers on our social channels and enable a swift reply to any issues raised.

The introduction of the New Homes Ombudsman is a positive for our industry and we have actively engaged with the New Homes Quality Board throughout consultation on the new consumer code which is due early 2022. We have volunteered to trial the new systems so we can ensure we are ready for the new ways of working.

Our unique Redrow systems, including mobile apps for Build, Sales and Customer Service, are continually being updated to achieve the high standards we demand in our drive to achieve zero defect homes; and our new Homeowner Support module within My Redrow was deemed Best Customer Satisfaction Initiative at the 2021 Housebuilder Awards.

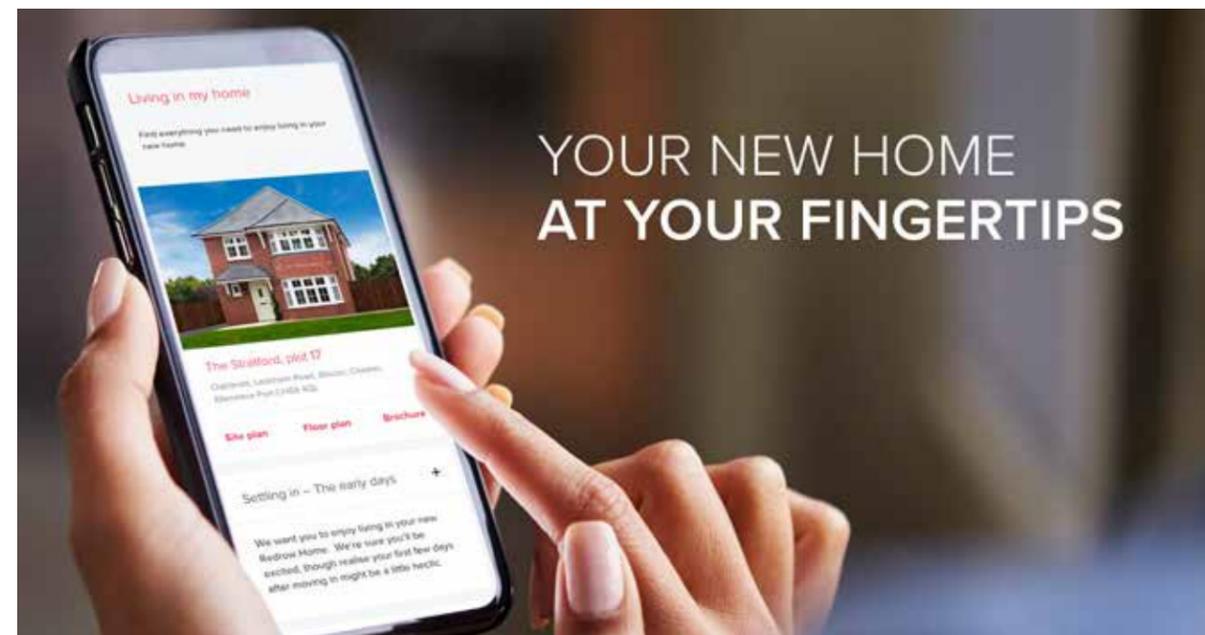
Extending the value of My Redrow beyond completion and supporting customers after they have moved into their new home, this bespoke system serves as a self-help tool; offering informative video content and guides for customers to manage their new home. It also allows them to log any defects they may find. Over 90% of customers now use this platform to report an issue to us and the



self-help element has contributed to a reduction in the number of items reported.

Following a successful trial, customer communication videos are now being delivered across the whole business. These are carried out by all customer-facing colleagues in our Sales, Build and Customer Services teams and customers love them. From putting a name to a face before a meeting or showcasing a house that is for sale, to the all-important 'Hard Hat' tour during the construction period, feedback has been overwhelmingly positive. Almost 1,500 videos were initially sent and there were more than 2,000 viewings in a six-week period.

* National new home customer satisfaction survey published March 2021
 ** Redrow benchmarked with July 2021 UKCSI results



Images: Homeowner support is available across all platforms

BETTER BY SUSTAINABILITY AND MEETING THE CLIMATE CHALLENGE

The social and environmental impact of our business has never been more important. From setting out our ambition to achieve Net Zero Carbon by 2050 and working towards all our new developments achieving a minimum 10% biodiversity net gain, to improving our resource efficiency and driving further improvements in our ESG performance, these areas are pivotal to Redrow's better future.

In September 2021 we set an ambitious target to achieve Net Zero Carbon across the whole business and supply chain by 2050. In pursuit of this:

- We have signed up to the Science Based Targets initiative's (SBTi) highest business ambition of pursuing efforts to limit global warming to 1.5°C
- We are setting interim, science-based targets across scopes 1, 2, and 3 in 2022
- The work to complete this is well underway through collaboration with colleagues across the business and with our supply chain

- Redrow has joined the UNFCCC Race to Zero, becoming one of over 3,000 companies globally committing to setting more ambitious climate targets
- The Carbon Trust have been appointed to help Redrow model its targets and develop its approach to meeting this strategy

Playing a key role in this wider challenge and preparing us for the Future Homes Standard, will be the important trials discussed that are already underway; our gas-free, low-carbon home in West Yorkshire and the electric air source heat pump installation in South Wales.



Images: Heat pumps in situ at Great Milton Park, Newport

A BETTER WAY... CONTINUED

In the NextGeneration annual sustainability benchmarking (The 2021 Next Generation Benchmark) of the UK's top 25 housebuilders, Redrow was awarded Silver, ranked fourth overall. Assessors commended our high level of transparency, showing us positively in terms of environmental disclosure.



Other awards have included a Bronze accolade at the Global Good Awards for our 'Reduce the Rubble' campaign, with judges recognising it as "an important project to drive better performance, and evidence of education through the research itself."



The 15 commitments made in our Nature for People biodiversity strategy provide a firm basis for this and we have developed a new 'biodiversity net gain ready-reckoner' to enable our teams to assess risks and opportunities for nature at the earliest possible stages of land purchase. Factoring biodiversity into purchase decisions and early layout reviews is essential in securing the best outcomes for nature.

During the half year we have strengthened our supply chain policy with further prohibitions and inclusions on environmental risk, resource efficiency, climate change and carbon. We have also reviewed and strengthened the terms of reference of our Placemaking and Sustainability Committee and are focusing on improving the quality of data for how we measure the energy efficiency and carbon performance of our homes.

Our focus on Building Responsibly and Valuing People, whilst delivering Thriving Communities, is what underpins the Redrow difference. At the same time, we continue to innovate and improve to ensure that our high-quality homes and places continue to create a Better Way to Live for our customers and communities.

Redrow welcomes the passing of the Environment Act into law, requiring a mandatory biodiversity net gain of 10% for all new developments, along with the introduction of Local Nature Recovery Strategies (LNRS). This gives us a clear method by which we will be able to measure, improve, monitor and report-on biodiversity for our new developments.



Image: The 'Reduce the Rubble' waste project, Ebbsfleet

GOVERNANCE

RESPONSIBILITY STATEMENT

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with the UK adopted International Accounting Standard 34, Interim Financial Reporting; and
- the interim management report includes a fair review of the information required by:
 - a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
 - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

THE DIRECTORS OF REDROW PLC AS AT THE DATE OF THIS STATEMENT ARE:

Richard Akers
 Matthew Pratt
 Barbara Richmond
 Nicholas Hewson
 Nicky Dulieu
 Oliver Tant

By order of the Board

Graham Cope
 Company Secretary

9 February 2022

Redrow plc
 Redrow House
 St David's Park
 Flintshire
 CH5 3RX

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

	Note	Unaudited 27 weeks ended 2 January 2022 £m	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
Revenue		1,052	1,041	1,939
Cost of sales		(797)	(819)	(1,525)
Gross profit		255	222	414
Administrative expenses		(50)	(44)	(93)
Operating profit		205	178	321
Financial income		–	–	1
Financial costs		(2)	(4)	(8)
Net financing costs		(2)	(4)	(7)
Profit before tax		203	174	314
Income tax expense	2	(39)	(33)	(60)
Profit for the period		164	141	254
Earnings per share – basic	4	48.1p	41.0p	73.7p
– diluted	4	48.0p	41.0p	73.6p

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

	Note	Unaudited 27 weeks ended 2 January 2022 £m	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
Profit for the period		164	141	254
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations	5	10	2	16
Deferred tax on remeasurements taken directly to equity		(3)	–	(9)
Other comprehensive income for the period net of tax		7	2	7
Total comprehensive income for the period		171	143	261

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	Note	Unaudited As at 2 January 2022 £m	Unaudited As at 27 December 2020 £m	Audited As at 27 June 2021 £m
Assets				
Intangible assets		–	2	–
Property, plant and equipment		19	19	19
Lease right of use assets		5	6	6
Deferred tax assets		1	1	1
Retirement benefit surplus	5	50	24	40
Total non-current assets		75	52	66
Inventories	6	2,644	2,454	2,513
Trade and other receivables		48	64	100
Current corporation tax		–	–	1
Cash and cash equivalents	8	242	242	160
Total current assets		2,934	2,760	2,774
Total assets		3,009	2,812	2,840
Equity				
Retained earnings at 28 June 2021/29 June 2020		1,768	1,522	1,522
Profit for the period		164	141	254
Other comprehensive income for the period		7	2	7
Dividends paid		(65)	–	(21)
Movement in LTIP/SAYE		(25)	2	6
Retained earnings		1,849	1,667	1,768
Share capital	10	37	37	37
Share premium account		59	59	59
Other reserves		8	8	8
Total equity		1,953	1,771	1,872
Liabilities				
Bank loans	8	–	4	–
Trade and other payables	7	141	144	152
Deferred tax liabilities		18	5	15
Long-term provisions		43	8	34
Total non-current liabilities		202	161	201
Trade and other payables	7	853	879	767
Current income tax liabilities		1	1	–
Total current liabilities		854	880	767
Total liabilities		1,056	1,041	968
Total equity and liabilities		3,009	2,812	2,840

Redrow plc Registered no. 2877315

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY

	Share capital £m	Share premium account £m	Other reserves £m	Retained earnings £m	Total £m
At 29 June 2020	37	59	8	1,522	1,626
Total comprehensive income for the period	–	–	–	143	143
Dividends paid	–	–	–	–	–
Movement in LTIP/SAYE	–	–	–	2	2
At 27 December 2020 (Unaudited)	37	59	8	1,667	1,771
At 29 June 2020	37	59	8	1,522	1,626
Total comprehensive income for the period	–	–	–	261	261
Dividends paid	–	–	–	(21)	(21)
Movement in LTIP/SAYE	–	–	–	6	6
At 27 June 2021 (Audited)	37	59	8	1,768	1,872
At 28 June 2021	37	59	8	1,768	1,872
Total comprehensive income for the period	–	–	–	171	171
Dividends paid	–	–	–	(65)	(65)
Movement in LTIP/SAYE	–	–	–	(25)	(25)
At 2 January 2022 (Unaudited)	37	59	8	1,849	1,953

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF
CASH FLOWS

	Unaudited 27 weeks ended 2 January 2022 £m	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
	Note		
Cash flows from operating activities			
Profit for the year	164	141	254
Depreciation and amortisation	3	2	7
Financial income	–	–	(1)
Financial costs	2	4	8
Income tax expense	39	33	60
Adjustment for non-cash items	–	6	4
Decrease/(increase) in trade and other receivables	52	(26)	(62)
(Increase)/decrease in inventories	(131)	131	72
Increase/(decrease) in trade and other payables	75	98	(6)
Increase in provisions	9	–	26
Cash inflow generated from operations	213	389	362
Interest paid	–	(1)	(4)
Tax paid	(37)	(25)	(54)
Net cash inflow from operating activities	176	363	304
Cash flows from investing activities			
Acquisition of software, property, plant and equipment	(1)	(2)	(2)
Receipts from joint ventures	–	4	9
Net cash (outflow)/inflow from investing activities	(1)	2	7
Cash flows from financing activities			
Repayment of bank borrowings	–	(166)	(170)
Payment of lease liabilities	(1)	(1)	(3)
Purchase of own shares	(27)	–	(1)
Dividends paid	(65)	–	(21)
	3		
Net cash (outflow) from financing activities	(93)	(167)	(195)
Increase in net cash and cash equivalents	82	198	116
Net cash and cash equivalents at the beginning of the period	160	44	44
Net cash and cash equivalents at the end of the period	8	242	160

FINANCIAL STATEMENTS

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION

1. ACCOUNTING POLICIES

Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK adopted international accounting standards, with future changes being subject to endorsement by the UK Endorsement Board. Redrow plc transitioned to UK adopted international accounting standards in its consolidated financial statements on 28 June 2021. There was no impact or changes in accounting policies from the transition.

The condensed consolidated half-yearly financial information for the 27 weeks ended 2 January 2022 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34 interim Financial Reporting, as adopted by the United Kingdom. The Directors consider this to be appropriate for the reasons outlined below.

The condensed consolidated financial statements are unaudited. A copy of the audited statutory accounts for year ended 27 June 2021 has been delivered to the Registrar of Companies.

The annual financial statements of the group for the 53 weeks to 3 July 2022 will be prepared in accordance with applicable International Financial Reporting Standards (IFRSs) and UK adopted international accounting standards in conformity with the requirements of the Companies Act 2006. As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 27 June 2021 which were prepared in accordance with applicable IFRSs.

Going concern

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the reasons outlined below.

The Group renewed its available banking facilities in March 2021. As a result, the Group has a £350m Revolving Credit Facility (RCF) (2020: £350m) provided by an established syndicate of six banks being Barclays Bank PLC, Lloyds Bank Plc, The Royal Bank of Scotland Group Plc, Santander, HSBC and Svenska. This expires in September 2025 (2020: December 2022) and is a committed unsecured facility. No change to the RCF covenants was made as a result of the renewal. As at 9 February 2022, £350m of this facility was undrawn. It is likely that the RCF will be renewed prior to its expiry in September 2025.

In addition the Group is in a net cash position at 2 January 2022 and 9 February 2022 and also has £3m of unsecured, uncommitted facilities.

The Directors have prepared forecasts including cashflow forecasts for a period of at least 12 months from the date of signing of these financial statements (the going concern assessment period). These forecasts indicate that the Group will have sufficient funds to meet its liabilities as they fall due, taking into account the following severe but plausible downside assumptions:

- A 10% price reduction on all unexchanged private and social legal completions for the going concern assessment period compared to the base case Board approved budgeted prices;
- A 15% volume reduction for the going concern assessment period compared to the base case Board approved budgeted volumes; and
- A 6% build cost increase on budgeted costs in FY2022 and an 8% increase on budgeted costs in FY2023.

These downside assumptions reflect the further potential impact of Covid-19 being increased economic uncertainty, further Government lockdown restrictions and legislation and increasing rates of unemployment and the impact on consumer confidence levels.

Allowing for the above downside scenario, the model shows the Group has adequate levels of liquidity from its committed facilities and complies with all its banking covenants throughout the forecast period. The Directors therefore consider that the Group will have sufficient funds to continue to meet its liabilities as they fall due for the forecast period and have therefore adopted the going concern basis of accounting in preparing these financial statements.

Redrow plc is a public listed company, listed on the London Stock Exchange and domiciled in the UK.

The half-yearly condensed consolidated report should be read in conjunction with the annual consolidated financial statements for the 52 weeks ended 27 June 2021, which have been prepared in accordance with IFRSs as adopted by the European Union.

This half-yearly financial information does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006. This condensed half-yearly financial information has been reviewed, not audited. The comparative figures for the financial period ended 27 June 2021 are not the Group's statutory accounts for that financial year. Audited statutory accounts for the 52 weeks ended 27 June 2021 were approved by the Board of Directors on 14 September 2021 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 (2) or (3) of the Companies Act 2006.

The principal accounting policies adopted in the preparation of this condensed half-yearly financial information are included in the annual consolidated financial statements for the 52 weeks ended 27 June 2021. The accounting policies are consistent with those followed in the preparation of the financial statements to the 52 weeks ended 27 June 2021 where there was a change in accounting in respect of Inventories. Inventories were previously stated net of cash on account (payments on account from social and private rented sector customers). These payments are now disclosed in Trade and other payables and the 2020 comparatives have been restated.

The preparation of condensed half-yearly financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may subsequently differ from these estimates. In preparing this condensed half-yearly financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the 52 weeks ended 27 June 2021.

The main operation of the Group is focused on housebuilding. As it operates entirely within the United Kingdom, the Group has only one reportable business and geographic segment. After considering the requirements of IFRS 15 to present disaggregated revenue, the Group does not believe there is any disaggregation criteria applicable to its one reportable business and geographic segment. There is no material difference between any assets or liabilities held at cost and their fair value.

Principal risks and uncertainties

As with any business, Redrow plc faces a number of risks and uncertainties in the course of its day to day operations.

The principal risks and uncertainties facing the Group are outlined within our half-yearly report 2022 (note 16). We have reviewed the risks pertinent to our business in the 27 weeks to 2 January 2022 and which we believe to be relevant for the remaining 26 weeks to 3 July 2022. The only material change from those outlined in our Annual Report 2021 is that we have separately identified climate change as a risk category whereas it was previously included within the sustainability category. Risks surrounding 'Key Supplier or Subcontractor Failure' and 'Planning and Regulatory Environment' have increased.

2. INCOME TAXES

Income tax charge is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year (19% (2021: 19%)) based on substantively enacted rates. However, if as expected the Residential Property Developers Tax (RPDT) is substantively enacted at 4% to commence from 1 April 2022, the tax rate including RPDT for the full financial year will increase to 20%. Deferred taxation balances have been valued at 25% (2020: 19%) being the corporation tax rate from 1 April 2023 substantively enacted on 24 May 2021 with the exception of the deferred tax liability on employee benefits which has been calculated at 35% (2020: 19%).

3. DIVIDENDS

A dividend of £65m was paid in the 27 weeks ended 2 January 2022 (26 weeks to 27 December 2020: £nil).

4. EARNINGS PER SHARE

The basic earnings per share calculation for the 27 weeks ended 2 January 2022 is based on the weighted number of shares in issue during the period of 341m (26 weeks ended 27 December 2020: 344m) excluding those held in trust under the Redrow Long Term Incentive Plan, 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.

FINANCIAL STATEMENTS

NOTES TO THE HALF-YEARLY
FINANCIAL INFORMATION CONTINUED

4. EARNINGS PER SHARE (CONTINUED)

27 weeks ended 2 January 2022 (Unaudited)

	Earnings £m	Number of shares millions	Per share pence
Basic earnings per share	164	341	48.1
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	164	342	48.0

26 weeks ended 27 December 2020 (Unaudited)

	Earnings £m	Number of shares millions	Per share pence
Basic earnings per share	141	344	41.0
Effect of share options and SAYE	–	–	–
Diluted earnings per share	141	344	41.0

52 weeks ended 27 June 2021 (Audited)

	Earnings £m	Number of shares millions	Per share pence
Basic earnings per share	254	344	73.7
Effect of share options and SAYE	–	1	(0.1)
Diluted earnings per share	254	345	73.6

5. PENSIONS

The amounts recognised in respect of the defined benefit section of the Group's Pension Scheme are as follows:

	Unaudited 27 weeks ended 2 January 2022 £m	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
Amounts included within the consolidated income statement			
Period operating costs			
Scheme administration expenses	–	–	–
Net interest on defined benefit liability	–	–	–
	–	–	–
Amounts recognised in the consolidated statement of comprehensive income			
Return on scheme assets excluding interest income	15	5	3
Actuarial movements arising from change in financial assumptions	(5)	(3)	1
Actuarial movements arising from change in demographic assumptions	–	–	(4)
Actuarial movements arising from experience adjustments	–	–	16
	10	2	16
Amounts recognised in the consolidated balance sheet			
Present value of the defined benefit obligation	(141)	(155)	(137)
Fair value of the Scheme's assets	191	179	177
Surplus in the consolidated balance sheet	50	24	40

6. INVENTORIES

	Unaudited As at 2 January 2022 £m	Unaudited As at 27 December 2020 £m	Audited As at 27 June 2021 £m
Land for development	1,607	1,502	1,526
Work in progress	963	878	910
Stock of showhomes	74	74	77
	2,644	2,454	2,513

7. LAND CREDITORS (INCLUDED IN TRADE AND OTHER PAYABLES)

	Unaudited As at 2 January 2022 £m	Unaudited As at 27 December 2020 £m	Audited As at 27 June 2021 £m
Due within one year	200	195	144
Due in more than one year	138	140	150
	338	335	294

8. ANALYSIS OF NET CASH/(DEBT)

	Unaudited As at 2 January 2022 £m	Unaudited As at 27 December 2020 £m	Audited As at 27 June 2021 £m
Cash and cash equivalents	242	242	160
Bank loans	–	(4)	–
	242	238	160

Net cash excludes land creditors and lease liabilities arising under IFRS 16.

9. BANK FACILITIES

At 2 January 2022, the Group had total unsecured bank borrowing facilities of £353m (27 December 2020: £366m), representing £350m committed facilities and £3m uncommitted facilities.

The Group's syndicated loan facility matures on 30 September 2025.

10. ISSUED SHARE CAPITAL

Allotted, called up and fully paid

	£m
At 27 December 2020, 27 June 2021 and 2 January 2022 352,190,420 ordinary shares of 10.5p each	37
At 27 June 2021 and 2 January 2022	352,190,420

11. 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 consider the possibility of a cash outflow in settlement to be remote.

FINANCIAL STATEMENTS

NOTES TO THE HALF-YEARLY
FINANCIAL INFORMATION CONTINUED

12. RELATED PARTIES

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:

	Unaudited 27 weeks ended 2 January 2022 £m	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
Short-term employee benefits	2	2	5
Share-based payment charges	1	1	2
	3	3	7

13. ALTERNATIVE PERFORMANCE MEASURES

Redrow uses return on capital employed (ROCE) as one of its financial measures. The Directors consider this to be an important indicator of whether the Group is achieving appropriate returns on its invested capital. As this is not defined or specified by IFRSs, a definition and calculation is provided below:

Capital employed is defined as total equity plus net debt or minus net cash.

ROCE – at half year end, this is calculated as operating profit for the 53 weeks to 2 January 2022 and 52 weeks to 27 December 2020 before exceptional items as a percentage of the average of current year 2 January 2022 and prior year 27 December 2020 capital employed.

	27 weeks ended 2 January 2022 £m		26 weeks ended 27 December 2020 £m
Operating Profit			
27 weeks to 2 January 2022	205	26 weeks to 27 December 2020	178
52 weeks to 27 June 2021	321	52 weeks to 28 June 2020	148
26 weeks to 27 December 2020	(178)	26 weeks to 29 December 2019	(159)
53 weeks to 2 January 2022	348	52 weeks to 27 December 2020	167
Capital Employed			
Total equity 2 January 2022	1,953	Total equity 27 December 2020	1,771
Net cash 2 January 2022	(242)	Net cash 27 December 2020	(238)
Capital employed 2 January 2022	1,711	Capital employed 27 December 2020	1,533
Total equity 27 December 2020	1,771	Total equity 29 December 2019	1,642
Net cash 27 December 2020	(238)	Net debt 29 December 2019	(14)
Capital employed 27 December 2020	1,533	Capital employed 29 December 2019	1,628
Average capital employed	1,622	Average capital employed	1,581
ROCE %	21.5%	ROCE %	10.6%

14. GENERAL INFORMATION

Redrow plc is a public limited company incorporated and domiciled in England and Wales and has its primary listing on the London Stock Exchange.

The registered office address is Redrow House, St David's Park, Flintshire, CH5 3RX.

Financial Calendar

Interim dividend record date	25 February 2022
Interim dividend payment date	8 April 2022
Announcement of results for the 53 weeks to 3 July 2022	14 September 2022
Final dividend record date	23 September 2022
Circulation of Annual Report	7 October 2022
Annual General Meeting	11 November 2022
Final dividend payment date	16 November 2022

15. SHAREHOLDER ENQUIRIES

The Registrar of Redrow plc is Computershare Investor Services PLC. Shareholder enquiries should be addressed to the Registrar at the following address:

Registrars Department
The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Shareholder helpline: 0370 707 1257

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION CONTINUED

16. RISK AND RISK MANAGEMENT

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <p>THRIVING COMMUNITIES</p>	<p>Housing Market</p> <p>The UK housing market conditions have a direct impact on our business performance.</p> <p>Increased Government regulation.</p>	<p>Group Chief Executive</p>	<p>Ongoing and regular monitoring of Government policy consultations and developments and lobbying as appropriate.</p> <p>Close monitoring of Government guidance.</p> <p>Market conditions and trends are being closely monitored allowing management to identify and respond to any sudden changes or movements.</p> <p>Weekly review of sales at Group, divisional and site level with monitoring of pricing trends and customer demographics.</p> <p>Ensuring strong relationships with lenders and valuers to ensure they recognise our premium product.</p> <p>Delegated Crisis Committee established with Executive Board meetings a minimum of twice weekly in times of crisis.</p>	<ul style="list-style-type: none"> • Leading market indicators re volumes and values • Weekly sales statistics
 <p>BUILDING RESPONSIBLY</p>  <p>VALUING PEOPLE</p>	<p>Key Supplier or Subcontractor Failure</p> <p>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.</p>	<p>Group Head of Commercial</p>	<p>Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact.</p> <p>Monitoring of subcontract supply chain to maintain appropriate number for each trade to identify potential shortage in skilled trades in the near future.</p> <p>Subcontractor utilisation on sites monitored to align workload and capacity.</p> <p>Materials forecast issued to suppliers and reviewed regularly.</p> <p>Collaborate with Supply Chain Partners in development of supply continuity strategies.</p> <p>Group Monthly Product Development meetings to identify and monitor changes in the regulatory environment.</p> <p>Tracking of construction cost movements.</p>	<ul style="list-style-type: none"> • Material and trade shortages • Material and trade price increases • Advance payment applications
 <p>THRIVING COMMUNITIES</p>  <p>VALUING PEOPLE</p>	<p>Customer Service</p> <p>Failure of our customer service could lead to relative under performance of our business.</p>	<p>Group Customer & Marketing Director</p>	<p>Customer and Quality Director.</p> <p>My Redrow website to support our customers purchasing their new home. Increased use of digital and virtual communication tools.</p> <p>Online systems provide a full audit trail of the sales process.</p> <p>Full training on New Homes Ombudsman requirements.</p> <p>Attention to customer feedback supported by a process at nine months post occupation to address root cause of customer fatigue and dissatisfaction.</p> <p>Regular review of our marketing and communications policy at both Group and divisional level.</p>	<ul style="list-style-type: none"> • Customer satisfaction metrics • NHBC Construction Quality Review scores and Reportable Items

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION CONTINUED

16. RISK AND RISK MANAGEMENT CONTINUED

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <p>THRIVING COMMUNITIES</p>  <p>BUILDING RESPONSIBLY</p>  <p>VALUING PEOPLE</p>	<p>Health and Safety/Environment</p> <p>Non-compliance with Health & Safety standards and Environmental regulations could put our people and the environment at risk.</p> <p>Increased levels of scrutiny of the housebuilding industry heightens the risk environment as does ensuring safe Covid-19 working practices are adhered to.</p>	<p>Group Health and Safety and Environmental Director</p>	<p>Dedicated in-house team operating across the Group to ensure compliance of appropriate Health and Safety standards supported by external professional expertise.</p> <p>H,S&E Assurance Audits.</p> <p>Monthly Divisional H,S&E Leadership meetings.</p> <p>Group and Regional H,S&E Leadership meetings.</p> <p>Internal and external training provided to all employees.</p> <p>Divisional Construction (Design and Management) Regulation (CDM) inspections carried out to assess our compliance with our client duties under CDM.</p> <p>Health and Safety discussion at both Group and divisional level board meetings supported by performance information.</p> <p>CDM competency accreditation requirement as a minimum for contractor selection process.</p> <p>Regular monitoring and reporting on environmental performance.</p>	<ul style="list-style-type: none"> • Accident incident rate • H,S&E Assurance Audits outcomes • 'Near Miss' statistics
 <p>THRIVING COMMUNITIES</p>  <p>BUILDING RESPONSIBLY</p>	<p>Sustainability</p> <p>Risks associated with failure to embed sustainable development principles.</p>	<p>Group Communities Director</p>	<p>Preparation and planning underway for Future Homes standard.</p> <p>Preparation for future Environmental Bill through implementation of our Nature for People Strategy.</p> <p>Close monitoring of Government guidance.</p> <p>Regular benchmarking against peers.</p> <p>ESG scorecard.</p> <p>Training for divisional teams.</p>	<ul style="list-style-type: none"> • Group GHG emissions scope 1 & 2 • % of timber certified • Average SAP rating • Tonnes of construction waste per 100m² build • % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION CONTINUED

16. RISK AND RISK MANAGEMENT CONTINUED

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <p>THRIVING COMMUNITIES</p>  <p>BUILDING RESPONSIBLY</p>  <p>VALUING PEOPLE</p>	<p>Planning and Regulatory Environment</p> <p>The inability to adapt to changes within the planning and regulatory environment could adversely impact on our ability to comply with regulatory requirements.</p>	<p>Group Communications Director, Group Human Resources Director, Group Company Secretary and Managing Director (Harrow Estates)</p>	<p>Lobby and communicate with local authorities to facilitate early collaboration to shape developments including where a National Model Design Code (NMDC) is required.</p> <p>Close management and monitoring of planning expiry dates and CIL.</p> <p>Well prepared planning submissions addressing local concern and deploying good design.</p> <p>Careful monitoring of the regulatory environment and regular communication of proposed changes across the Group through the Executive Management Team.</p> <p>Proactive approach to managing data protection with multi-functional team meeting regularly.</p> <p>Effective engagement with local authorities to understand the extent of their policies relating to climate change.</p>	<ul style="list-style-type: none"> • Government consultations • Planning approval statistics • Proposed Government legislation
 <p>BUILDING RESPONSIBLY</p>	<p>Cyber Security</p> <p>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.</p>	<p>Chief Information Officer</p>	<p>Cyber Awareness campaigns.</p> <p>Communication of IT policy and procedures to all employees.</p> <p>Regular systems back up and storage of data offsite.</p> <p>Internal IT security specialists.</p> <p>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.</p> <p>Compulsory GDPR and IT security online training to all employees within our business.</p> <p>The systems have proved resilient to increased home working.</p> <p>Cyber Insurance.</p>	<ul style="list-style-type: none"> • Level of instances reported in the media • Penetration test results
 <p>THRIVING COMMUNITIES</p>  <p>BUILDING RESPONSIBLY</p>	<p>Land Procurement</p> <p>The ability to purchase land suitable for our products and the timing of future land purchases are fundamental to the Group's future performance.</p>	<p>Group Chief Executive</p>	<p>Proactive monitoring of the market conditions to implement a clear defined strategy at both Group and divisional level.</p> <p>Experienced and knowledgeable personnel in our land, planning and technical teams.</p> <p>Appropriate investment in strategic land programme supported by specialist Group team.</p> <p>Effective use of our Land Bank Management system to support the land acquisition process.</p> <p>Close monitoring of progress of relevant Local Plans.</p> <p>Peer review by Legal Directors and use of third party legal resources for larger site acquisitions to reduce risk.</p> <p>Monitoring of emerging legislation to inform land assessments and purchase terms.</p>	<ul style="list-style-type: none"> • Forward land pull through • Owned land holding years • Land offer statistics

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION CONTINUED

16. RISK AND RISK MANAGEMENT CONTINUED

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <p>BUILDING RESPONSIBLY</p>	<p>Fraud/Uninsured Loss</p> <p>A significant fraud or uninsured loss could damage the financial performance of our business.</p>	<p>Group Finance Director</p>	<p>Systems, policies and procedures in place which are designed to segregate duties and minimise any opportunity for fraud.</p> <p>Regular Business Process Reviews undertaken to ensure compliance with procedure and policies followed by formal action plans.</p> <p>Timely management reporting.</p> <p>Insurance strategy driven by business risks including Cyber Insurance.</p> <p>Fraud awareness training.</p>	<ul style="list-style-type: none"> • Business Process Review outcomes • Insurance Review outcomes
 <p>THRIVING COMMUNITIES</p>	<p>Climate Change</p> <p>Risks associated with the potential physical effects of climate change.</p>	<p>Group Communities Director</p>	<p>Risks and opportunities assessment aligned with TCFD framework.</p> <p>Ensure appropriate consideration is given to product design to mitigate impacts.</p> <p>Identify new products, processes and services aimed at improved energy performance and reducing Green House Gas emissions.</p> <p>Undertake climate-related scenario analysis.</p> <p>Commitment made to the Business Ambition for 1.5°C and to reach science-based net zero carbon emissions no later than 2050.</p>	<ul style="list-style-type: none"> • Group GHG emissions Scope 1 & 2 • Average SAP rating
 <p>BUILDING RESPONSIBLY</p>	<p>Availability of Mortgage Finance</p> <p>Availability of mortgage finance is a key factor in the current environment.</p> <p>This risk has decreased slightly in the year due to a reduction in the uncertainty around the impact of Help To Buy changes.</p>	<p>Group Finance Director</p>	<p>Proactively engage with the Government, Lenders and Insurers to support the housing market.</p> <p>Expert New Build Mortgage Specialists provide updates on and monitoring of regulatory change.</p>	<ul style="list-style-type: none"> • Loan to value metrics • Number of mortgage products readily available

NOTES TO THE HALF-YEARLY FINANCIAL INFORMATION CONTINUED

16. RISK AND RISK MANAGEMENT CONTINUED

STRATEGIC OBJECTIVE	RISK	RISK OWNERS	KEY CONTROLS AND MITIGATING STRATEGIES	EXAMPLE KEY RISK INDICATORS
 <p>VALUING PEOPLE</p>	<p>Attracting and Retaining Staff</p> <p>The loss of key staff and/or our failure to attract high quality employees will inhibit our ability to achieve our business objectives.</p>	<p>Group Human Resources Director</p>	<p>In-house training offering blended learning to all employees.</p> <p>Suite of development programmes for identified talent from first line manager to Director.</p> <p>Move to agile working practices embracing use of remote working.</p> <p>Graduate training, Undergraduate placements and Apprentice training programmes to aid succession planning.</p> <p>Bespoke housebuilding degree course in conjunction with Liverpool John Moores University and Coleg Cambria.</p> <p>Remuneration strategy in order to attract and retain talent within the business is reviewed regularly and benchmarked.</p> <p>Engagement Team and continued refinement of internal communications platform in addition to annual employee survey to create framework for strong, two-way communication.</p> <p>Flexible Working Policy.</p>	<ul style="list-style-type: none"> Employee turnover levels Employee engagement score
 <p>BUILDING RESPONSIBLY</p>	<p>Liquidity and Funding</p> <p>The Group requires appropriate facilities for its short-term liquidity and long-term funding.</p>	<p>Group Finance Director</p>	<p>Medium term committed banking facilities sufficient for a major market breakdown.</p> <p>Regular communication with our investors and relationship banks, including visits to developments as appropriate.</p> <p>Regular review of our banking covenants appropriateness and design and capital structure.</p> <p>Ensuring our future cash flow is sustainable through detailed budgeting process and reviews and scenario modelling.</p> <p>Strong forecasting and budgeting process.</p> <p>Monitor requirements for future bonds in emerging planning agreements.</p>	<ul style="list-style-type: none"> Cash conversion Forecast undrawn committed facilities
 <p>THRIVING COMMUNITIES</p>  <p>BUILDING RESPONSIBLY</p>	<p>Appropriateness of Product</p> <p>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.</p>	<p>Group Design and Technical Director</p>	<p>Regular review and product updates in response to the demand in the market and assessment of our customer needs.</p> <p>Design focused on high quality build and flexibility to planning changes.</p> <p>Regular site visits and implementation of product changes to respond to demands.</p> <p>Focus on award winning Heritage Collection.</p> <p>Regular design and technical seminars.</p> <p>Monitor Government emerging legislation.</p>	<ul style="list-style-type: none"> Customer satisfaction metrics Focus Group feedback Emerging planning regulation

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