

## Consolidated Income Statement

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

## Consolidated Statement of Comprehensive Income

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

## Consolidated Balance Sheet

		Unaudited As at 2 January 2022 £m	Unaudited As at 27 December 2020 £m	Audited As at 27 June 2021 £m
	Note			
<b>Assets</b>				
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
<b>Total non-current assets</b>		<b>75</b>	<b>52</b>	<b>66</b>
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
<b>Total current assets</b>		<b>2,934</b>	<b>2,760</b>	<b>2,774</b>
<b>Total assets</b>		<b>3,009</b>	<b>2,812</b>	<b>2,840</b>
<b>Equity</b>				
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
<b>Total equity</b>		<b>1,953</b>	<b>1,771</b>	<b>1,872</b>
<b>Liabilities</b>				
Bank loans	8	-	4	-
Trade and other payables	7	141	144	152
Deferred tax liabilities		18	5	15
Long-term provisions		43	8	34
<b>Total non-current liabilities</b>		<b>202</b>	<b>161</b>	<b>201</b>
Trade and other payables	7	853	879	767
Current income tax liabilities		1	1	-
<b>Total current liabilities</b>		<b>854</b>	<b>880</b>	<b>767</b>
<b>Total liabilities</b>		<b>1,056</b>	<b>1,041</b>	<b>968</b>
<b>Total equity and liabilities</b>		<b>3,009</b>	<b>2,812</b>	<b>2,840</b>

## 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
<b>At 27 December 2020 (Unaudited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,667</b>	<b>1,771</b>
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
<b>At 27 June 2021 (Audited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,768</b>	<b>1,872</b>
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)
<b>At 2 January 2022 (Unaudited)</b>	<b>37</b>	<b>59</b>	<b>8</b>	<b>1,849</b>	<b>1,953</b>

## Consolidated Statement of Cash Flows

		Unaudited 27 weeks ended 2 January 2022	Unaudited 26 weeks ended 27 December 2020	Audited 52 weeks ended 27 June 2021
	Note	£m	£m	£m
<b>Cash flows from operating activities</b>				
Operating profit		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
<b>Cash inflow generated from operations</b>		<b>213</b>	<b>389</b>	<b>362</b>
Interest paid		-	(1)	(4)
Tax paid		(37)	(25)	(54)
<b>Net cash inflow from operating activities</b>		<b>176</b>	<b>363</b>	<b>304</b>
<b>Cash flows from investing activities</b>				
Acquisition of software, property, plant and equipment		(1)	(2)	(2)
Receipts from joint ventures		-	4	9
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(1)</b>	<b>2</b>	<b>7</b>
<b>Cash flows from financing activities</b>				
Issue of bank borrowings		-	-	-
Repayment of bank borrowings		-	(166)	(170)
Payment of lease liabilities		(1)	(1)	(3)
Purchase of own shares		(27)	-	(1)
Dividends paid	3	(65)	-	(21)
<b>Net cash (outflow) from financing activities</b>		<b>(93)</b>	<b>(167)</b>	<b>(195)</b>
<b>Increase in net cash and cash equivalents</b>		<b>82</b>	<b>198</b>	<b>116</b>
Net cash and cash equivalents at the beginning of the period		160	44	44
<b>Net cash and cash equivalents at the end of the period</b>	8	<b>242</b>	<b>242</b>	<b>160</b>

## NOTES (Unaudited)

### 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 Tax expense**

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 on 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 to 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.

##### 27 weeks ended 2 January 2022 (Unaudited)

	Earnings £m	No. of shares millions	Per share Pence
Basic earnings per share	164	341	48.1
Effect of share options and SAYE	-	1	(0.1)
<b>Diluted earnings per share</b>	<b>164</b>	<b>342</b>	<b>48.0</b>

##### 26 weeks ended 27 December 2020 (Unaudited)

	Earnings £m	No. of shares millions	Per share Pence
Basic earnings per share	141	344	41.0
Effect of share options and SAYE	-	-	-
<b>Diluted earnings per share</b>	<b>141</b>	<b>344</b>	<b>41.0</b>

##### 52 weeks ended 27 June 2021 (Audited)

	Earnings £m	No. of shares millions	Per share pence
Basic earnings per share	254	344	73.7
Effect of share options and SAYE	-	1	(0.1)
<b>Diluted earnings per share</b>	<b>254</b>	<b>345</b>	<b>73.6</b>

#### 5. Pensions

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

	<b>Unaudited 27 weeks ended 2 January 2022 £m</b>	Unaudited 26 weeks ended 27 December 2020 £m	Audited 52 weeks ended 27 June 2021 £m
<b>Amounts included within the consolidated income statement period operating costs</b>			
Scheme administration expenses	-	-	-
Net interest on defined benefit liability	-	-	-
<b>Amounts recognised in the consolidated income statement of comprehensive income</b>			
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
	<b>10</b>	<b>2</b>	<b>16</b>
<b>Amounts recognised in the consolidated balance sheet</b>			
Present value of the defined benefit obligation	(141)	(155)	(37)
Fair value of the Scheme's assets	191	179	177
<b>Surplus in the consolidated balance sheet</b>	<b>50</b>	<b>24</b>	<b>40</b>

## 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
	<b>2,644</b>	<b>2,454</b>	<b>2,513</b>

## 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
	<b>338</b>	<b>335</b>	<b>294</b>

## 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)	-
	<b>242</b>	<b>238</b>	<b>160</b>

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

Number of ordinary  
shares of 10.5p each

As 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.

## 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:

	<b>Unaudited 27 weeks ended 2 January 2022 £m</b>	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
	<b>3</b>	<b>3</b>	<b>7</b>

## 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.

	<b>27 weeks ended 2 January 2022 £m</b>		26 weeks ended 27 December 2020 £m
<b>Operating Profit</b>			
27 weeks to 2 January 22	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)
<b>53 weeks to 2 January 2022</b>	<b>348</b>	52 weeks to 27 December 2020	167
<b>Capital Employed</b>			
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)
<b>Capital employed 2 January 2022</b>	<b>1,711</b>	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)
<b>Capital employed 27 December 2020</b>	<b>1,533</b>	Capital employed 29 December 2019	1,628
<b>Average capital employed</b>	<b>1,622</b>	Average capital employed	1,581
<b>ROCE %</b>	<b>21.5%</b>	ROCE %	10.6%

## 14. General information

Redrow plc is a public limited company incorporated and domiciled in the UK 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 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

## 16. Risks and Risk Management

Risk	Risk Owners	Key Controls and Mitigating Strategies	Example Key Risk Indicators
<p><b>Housing Market</b> The UK housing market conditions have a direct impact on our business performance.</p> <p>Increased Government regulation.</p>	Group Chief Executive	<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"> <li>Leading market indicators re volumes and values</li> <li>Weekly sales statistics</li> </ul>
<p><b>Key Supplier or Subcontractor Failure</b></p>	Group Head of Commercial	Use of reputable supply chain partners with relevant experience and proven track record and maintain regular contact.	<ul style="list-style-type: none"> <li>Material and trade shortages</li> <li>Material and trade price</li> </ul>

<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>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>	<p>increases</p> <ul style="list-style-type: none"> <li>• Advance payment applications</li> </ul>
<p><b>Customer Service</b> Failure of our customer service could lead to relative under performance of our business.</p>	<p>Group Customer and Marketing Director</p>	<p>Customer and Quality Director.</p> <p>My Redrow website to support our customers purchasing their new home.</p> <p>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"> <li>• Customer satisfaction metrics</li> <li>• NHBC Construction Quality Review scores and Reportable Items</li> </ul>
<p><b>Health and Safety/ Environment</b> Non-compliance with Health &amp; 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&amp;E Assurance Audits.</p> <p>Monthly Divisional H,S&amp;E Leadership meetings.</p> <p>Group and Regional H,S&amp;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</p>	<ul style="list-style-type: none"> <li>• Accident incident rate</li> <li>• H,S&amp;E Assurance Audits outcomes</li> <li>• ‘Near Miss’ statistics</li> </ul>

		<p>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>	
<p><b>Sustainability</b> Risks associated with climate change and 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"> <li>• Group GHG emissions scope 1 &amp; 2</li> <li>• % of timber certified</li> <li>• Average SAP rating</li> <li>• Tonnes of construction waste per 100m2 build</li> <li>• % of materials suppliers and manufacturers who have actively confirmed compliance with the Modern Slavery legislation and Redrow Code of Conduct</li> </ul>
<p><b>Planning and Regulatory Environment</b> 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"> <li>• Government consultations</li> <li>• Planning approval statistics</li> <li>• Proposed Government legislation</li> </ul>
<p><b>Cyber Security</b> 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>	<ul style="list-style-type: none"> <li>• Level of instances reported in the media</li> <li>• Penetration test results</li> </ul>

		<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>	
<p><b>Land Procurement</b> 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>	Group Chief Executive	<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"> <li>• Forward land pull through</li> <li>• Owned land holding years</li> <li>• Land offer statistics</li> </ul>
<p><b>Fraud/Uninsured Loss</b> A significant fraud or uninsured loss could damage the financial performance of our business.</p>	Group Finance Director	<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"> <li>• Business Process Review outcomes</li> <li>• Insurance Review outcomes</li> </ul>
<p><b>Climate Change</b> Risks associated with the potential physical effects of climate change.</p>	Group Communities Director	<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 1,5c and to reach</p>	<ul style="list-style-type: none"> <li>• Group GHG emissions Scope 1 &amp; 2</li> <li>• Average SAP rating</li> </ul>

		sciencebased net zero carbon emissions no later than 2050.	
<p><b>Availability of Mortgage Finance</b> 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>	Group Finance Director	<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"> <li>• Loan to value metrics</li> <li>• Number of mortgage products readily available</li> </ul>
<p><b>Attracting and Retaining Staff</b> The loss of key staff and/ or our failure to attract high quality employees will inhibit our ability to achieve our business objectives.</p>	Group Human Resources Director	<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"> <li>• Employee turnover levels</li> <li>• Employee engagement score</li> </ul>
<p><b>Liquidity and Funding</b> The Group requires appropriate facilities for its short-term liquidity and long-term funding.</p>	Group Finance Director	<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>	<ul style="list-style-type: none"> <li>• Cash conversion</li> <li>• Forecast undrawn committed facilities</li> </ul>

		<p>Strong forecasting and budgeting process.</p> <p>Monitor requirements for future bonds in emerging planning agreements.</p>	
<p><b>Appropriateness of Product</b></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"> <li>• Customer satisfaction metrics</li> <li>• Focus Group feedback</li> <li>• Emerging planning regulation</li> </ul>

## 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 Interim Financial Reporting Accounting Standard 34, 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 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