



MATERIALITY ASSESSMENT REPORT

NOVEMBER 2022

A BETTER WAY TO LIVE

Introduction

We recognise that to remain successful in the long term Redrow must understand and account for the impact we have on society and the environment and the risks and opportunities that Environmental, Social and Governance (ESG) issues may have on our business.

A sustainability materiality assessment is a formal process through which we identify, assess and prioritise ESG topics. By understanding and capturing ESG risks and opportunities, we can mitigate & manage future risks, spot emerging issues, and evolve our current sustainability strategy.

It ensures we listen to the views of the stakeholders affected by our activities and understand what sustainability issues matter to them. At Redrow, we plan to undertake a formal materiality assessment every 2-3 years. This allows an adequate timeframe for topics to evolve and provides us with a sufficient period over which to implement actions based on the results identified. In the interim period, emerging risks and opportunities are monitored through our robust governance structure (Appendix A / [Governance | Redrow PLC](#)). Our sustainability materiality assessment is the foundation of developing and testing the strength our sustainability strategy, so we remain focussed on issues which have the greatest impact.

This report summarises the approach and findings from the formal sustainability materiality assessment which we conducted in 2022. The insights gained have helped us refine our priorities which in turn will inform our strategy, key performance indicators, targets, and communications.

Our Approach

We partnered with an independent third-party consultant to support us with the assessment. We used a double materiality process to identify the impact of the issues from two perspectives:

Financial Materiality

Examine the impact of sustainability issues on the financial value of Redrow

Impact Materiality

Examine the impact that our activities have on the environment, people, and the economy

Our 3-step process was structured around the following elements:

- Identification of ESG Issues.
- Gathering stakeholder insights
- Identifying most material ESG issues

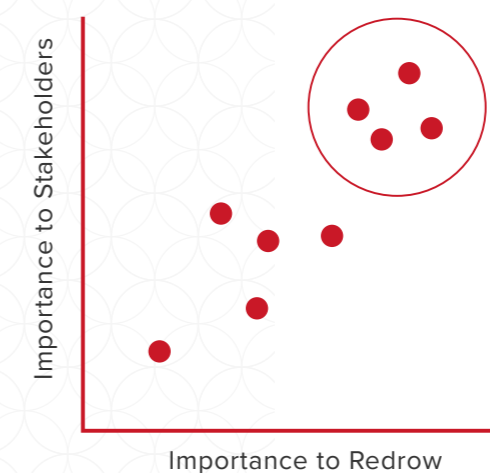
Review of industry trends and identification of ESG issues



Engagement with internal and external stakeholders



Stakeholder feedback, analysis and prioritisation of material issues



Review and prioritisation by main board

Identification of ESG Issues

Identifying ESG issues pertinent to Redrow is the foundation of the materiality assessment. Through a deep dive desk top research an initial list of ESG issues was defined. The issues were derived from several sources which included:

- Our existing identified ESG risks
- Sustainability standards and reporting frameworks i.e., GRI, SASB, TCFD, UN SDGs
- Industry benchmarks like NextGeneration
- Global ESG trends and pertinent sector trends plus current and future sector regulation
- Peer Reviews
- Stakeholder Interviews / Engagement on ESG

Further detail on our continuous stakeholder engagement can be found here: [Our Stakeholder Engagement strategy \(Redrow PLC Annual Report & Accounts 2022 page 140 – 151\)](#)

From this research we identified 17 ESG issues impacting Redrow and its stakeholders. We categorised each issue into a relevant ESG heading as follows:

Environmental	Social	Governance
Biodiversity	Company Culture	Compliance and Ethics
Carbon and Climate Change	Diversity and Inclusion	Employee Package
Environmental Homes – Product design and lifecycle management	Homes for all	Governance on ESG
Build quality	Skills and Training	Health and Safety
Resource efficiency and waste	Placemaking	Sustainable Procurement
Pollution Prevention		
Water		

See Appendix B on page 10 for a description of each of the material issues listed above.

Gathering Stakeholder Insights

Engaging stakeholders in identifying priorities is an essential part of a sustainability materiality assessment. We focussed on engaging with our stakeholders in a constructive and informed manner. Working with our consultant we mapped the most relevant stakeholder groups to Redrow to ensure a diverse and fair representation across the areas we operate. From this exercise we identified 10 relevant stakeholder groups which included:

- Investors
- Employees
- Board
- Suppliers
- Landowners
- Local Communities
- NGOs
- Local planning authorities
- Customers
- Policy Makers

We undertook a blend of in-depth qualitative interviews together with online surveys to gather perspectives on the 17 ESG issues identified. Stakeholders were asked to rank the significance of each issue to Redrow and additionally provided some qualitative feedback on why they had ranked the issue as high /medium /low impact. For the purposes of this analysis all stakeholders were weighted the same. For future materiality assessments we will consider evolving this.

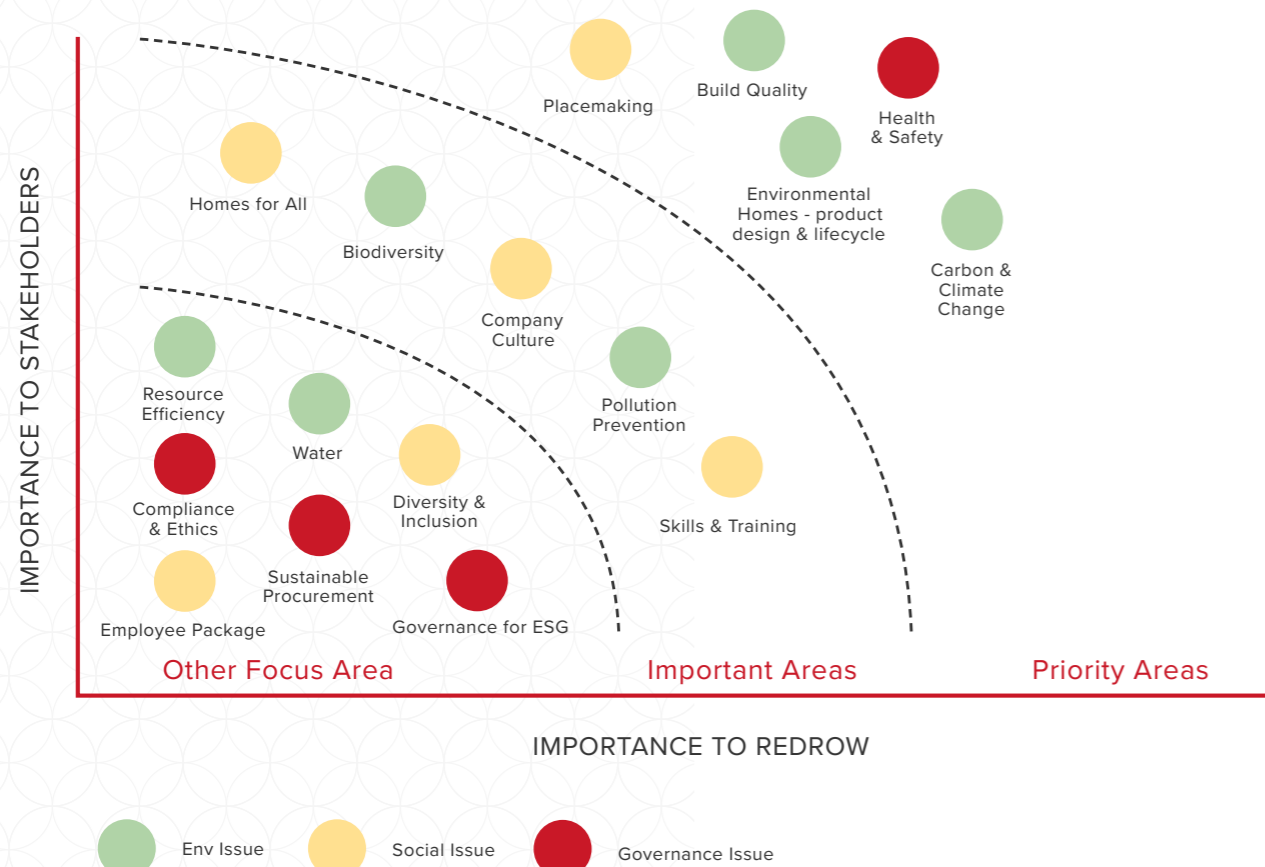
Both the interviews and the survey confirmed that sustainability continues to increase in importance, and that ESG factors are increasingly pertinent to all stakeholder groups.

Identifying the most material issues

Our sustainability materiality matrix is generated using all inputs gathered through the materiality assessment.

Based on the results of the assessment we aim to address those issues which are deemed as most material to our business. However, we recognise that issues are increasingly interconnected and can often impact each other. As we evolve and develop our existing sustainability approach, we want to ensure we develop ambitious goals which will enable us to deliver our purpose 'a better way to live' through our pillars of valuing people, building responsibly, and creating thriving communities.

The assessment results are plotted below on a materiality matrix, with their position relative to stakeholder interest and potential business impact.



Reflections & Next Steps

In addition to the formal materiality process, we have reviewed the qualitative feedback we received. We identified some key themes shared from the perspectives and opinions of our stakeholder groups.

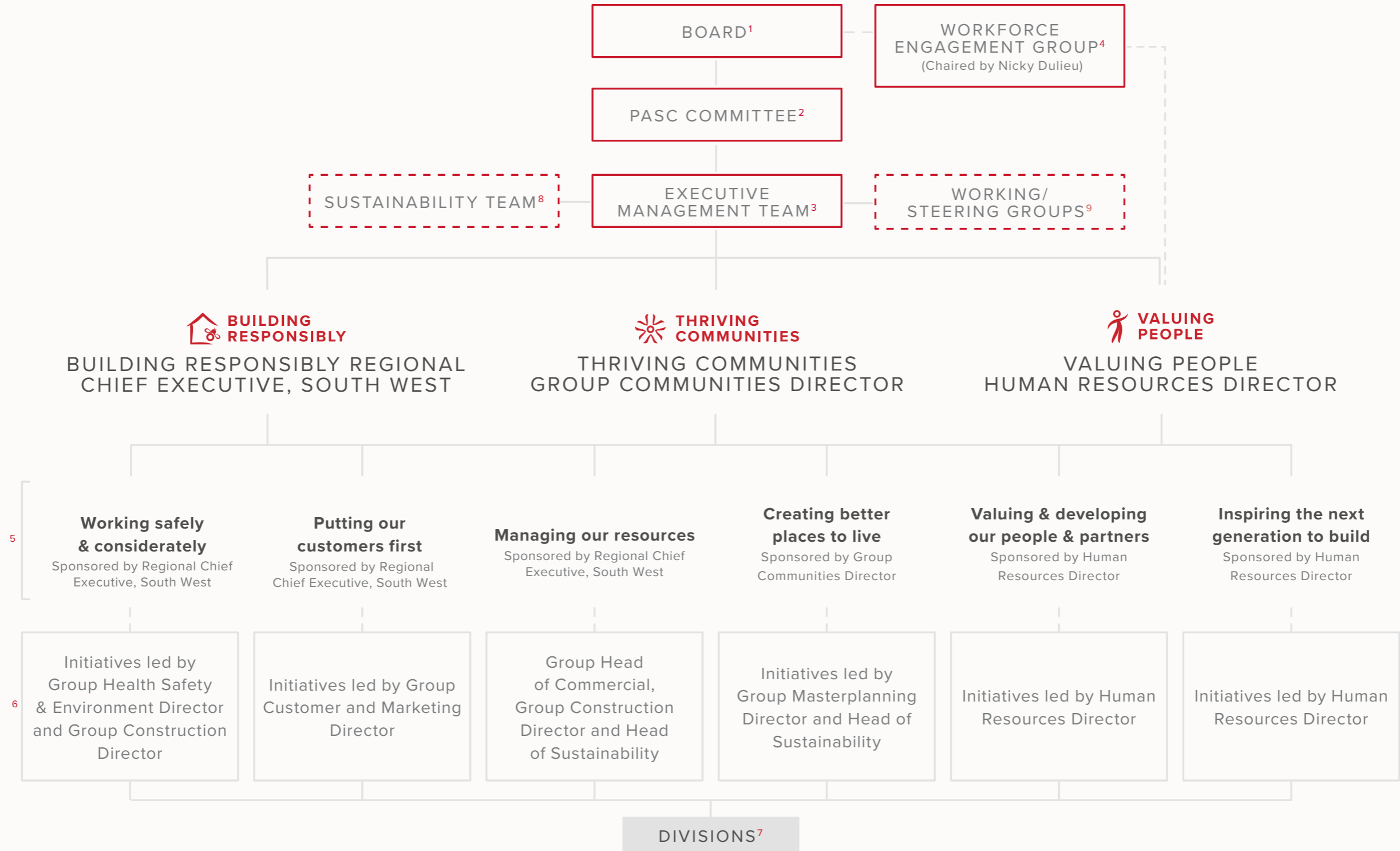
- Health and safety, and wellbeing remains a key priority
- Climate Action has increased in priority and remains aligned with stakeholder expectations. The Net Zero agenda remains strong with investors.
- Our commitment to biodiversity remains steadfast through our Nature for People programme
- Increasing focus by stakeholders on the environmental performance of the homes we build to ensure we future proof the business for changes in climate and customer requirements
- Co-creating solutions with our supply chain, customers and wider partners will be key to addressing the sustainability challenges we face.
- Consistent emphasis with both internal and external stakeholders on workforce issues especially diversity & inclusion.
- Good governance on ESG ensures trust and transparency for investors & wider stakeholders

The outputs of this materiality assessment and the qualitative feedback have provided the impetus for the evolution of our existing sustainability framework.

At the heart of what we do is our purpose to create better ways to live. This informs everything we do. Activating our purpose is our 3 pillars – Valuing People, Building Responsibly and Thriving Communities. The materiality review has demonstrated that our pillars remain relevant to our stakeholders and to our business objectives. Through this process we have recognised the need to update the priorities in our strategy to ensure they reflect the current material issues identified by our stakeholders.

Over the coming months as we evolve our thinking, we will collaborate with the business and our partners to share the feedback from this process and update our priorities, KPIs, targets and communications to reflect our stakeholders interests. We will also continue to strengthen the integration of ESG-related risks into our corporate strategy and continue to disclose our ESG performance through our annual report and PLC website.

Appendix A – Governance Structure



1. Ultimate responsibility for sustainability and ESG matters. Oversight of the sustainable business strategy framework.
2. Delegated authority from the Board to monitor the execution of the sustainability strategy, as approved by the Board, and to make recommendations from time to time to the Board.

3. The Board sponsor for Sustainability, being the Group Chief Executive, also sits on the EMT and is accountable to PASC and the Board for ensuring that the structure is governed effectively. Delegated authority from the Board to ensure that the sustainability strategy and ESG are integrated within the Business.
4. Meet twice per year. Nicky Dulieu, as the Designated NED for Workforce Engagement, chairs these meetings and reports to the Board on key outcomes.

5. Sponsors are responsible for overseeing the delivery of strategic aims and initiatives within each area of focus.
6. Initiative leads are responsible for the delivery of initiatives of targets and embed related procedures within the business.

7. Divisions must comply with procedures and to assist in delivering initiatives and targets efficiently and effectively. Managing Directors are accountable to ensure that any outcomes from the strategy and initiatives are embedded within the business and followed.
8. The Sustainability team administers the structure and supports Board Sponsor and EMT to deliver it. Provides strategic advice, target setting and reporting; long-term risk and policy management.

9. Working/Steering Groups are set up based on the needs and focus of the business. These groups are comprised of subject matter experts from within the business. There is a nominated lead sponsor for each group who shall report to the EMT as appropriate. The groups meet as often as necessary and exist until the particular project has completed or the business need has been met.

Appendix B – Definitions of Material Issues

Biodiversity	Biodiversity describes the variety of all life, including plants and animals, in an area.
Build Quality	The quality of workmanship in the building of a new home to maintain high levels of customer satisfaction and reputation.
Carbon and Climate Change	Taking climate action to manage and reduce our own GHG emissions, as well as designing and building low carbon homes. Recognising the risks and opportunities climate change presents to Redrow, wider industry and society
Company Culture	Our shared values, principles and priorities that characterise Redrow
Compliance & Ethics	Adhering to codes, regulations and policies and ensuring we conduct business in line with our principles and values.
Diversity & Inclusion	Building an equal, inclusive, and diverse business for people of all backgrounds, where everyone feels valued and respected.
Employee Package	Providing fair and competitive remuneration, learning and development opportunities and benefits to attract and retain employees
Environmental Homes – Product Design	Designing homes which prioritise sustainability, using less energy, water and natural resources, create less waste and are healthier for people.
Governance for ESG	Ensuring robust management of ESG issues, and that the Board has the right skills to effectively manage the ESG Strategy
Health & Safety	Ensuring we create a safe and healthy workplace that promotes the wellbeing of our employees, supply chain, visitors and anyone affected by Redrow's operations.
Homes for All	Ensuring Redrow's communities are balanced, affordable and accessible to the local community.
Pollution Prevention	Controlling the release of substances to water, land or air which could have a harmful effect on the environment or the health and wellbeing of people

Placemaking	A multi-faceted approach to the planning, design and management of spaces that create places that people want to live, work or explore whilst promoting people's health, happiness, and well-being.
Resource Efficiency and Waste	Using the earth's resources in a sustainable way whilst minimising our impact on the environment from waste.
Skills and Training	Supporting employees to learn the skills required for their current and future jobs, and progress to the best of their ability at Redrow.
Sustainable Procurement	Sustainable procurement means making purchasing decisions which meet Redrow's needs whilst benefitting society and minimising the impact on the environment.
Water	Ensuring water efficiency across our operations from design, construction to operation to support socio-economic and environmental benefits



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