OUR GROUP AT A GLANCE

A LEADING HOMEBUILDER, DEVELOPING IN PARTNERSHIP

At Vistry, our purpose as a responsible developer is to work in Partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love.

Our mixed tenure Partnerships model delivers high quality affordable, private rented and private for sale new homes, uniquely aligning Vistry with the country's acute housing needs.

On our developments we pre-sell a minimum of 50% of our new homes to our partners including registered providers, local authorities and private rented sector providers.

Through our leading consumer brands, Bovis Homes, Linden Homes and Countryside Homes, we sell quality new homes to private buyers.

We invest in an owned, controlled and strategic landbank of high quality development opportunities that support the Group's future housing delivery.

We pride ourselves on building excellence, on driving forward future homes standards, and delivering the highest level of customer satisfaction.

Vistry Works, our three timber frame factories, are at the core of our operational and sustainability strategy.

Our Partnerships approach means we can build new homes faster, drive efficiency, and deliver a higher return on capital employed.

Vistry Group

Bovis Homes | Linden HOMES | COUNTRYSIDE Homes | Vistry Works

17k+ homes delivered in 2024

26 regional business units

Delivering 1 in every 6 new affordable homes

Working with 140+ partners

c. 4,600 direct employees

9 Skills Academies

350+ active developments

74K+ owned and controlled land plots

HBF Home Builders Federation ★★★★★ Customer Satisfaction 2025

5-star HBF Customer Satisfaction rating for sixth consecutive year

Bovis Homes

Linden HOMES

COUNTRYSIDE Homes

3 leading consumer brands

3 timber frame manufacturing factories

OUR ETHOS AND VALUES

Do the right thing

Doing the right thing is at the core of Vistry's ethos as we endeavour to do the right thing for our partners, our customers, our people and our shareholders across all aspects of our operations.

We live our shared values of **Integrity**, **Caring** and **Quality**, instilling them into all aspects of our day to day activities.

CHAIR'S STATEMENT

GREG FITZGERALD
Executive Chair and CEO

DEAR SHAREHOLDER,

2024 was a challenging year for Vistry Group. Cost forecasting issues arising in our South Division and a greater level of market uncertainty led to the Group's full year profits being significantly below our expectations at the start of the year.

The Group responded quickly to these challenges and implemented changes to the divisional structure at the year end. Importantly, the three Divisional Executive Chairs appointed, all have strong Partnerships backgrounds.

There have also been changes at the Executive Leadership level with the removal of the Chief Operating Officer role, resulting in reduced reporting lines and allowing me to have greater proximity to the business. As a result, Earl Sibley left the Group at the end of the year. We thank Earl for his significant contribution and commitment to Vistry over the past seven years.

Following both an independent review and an in-depth internal review process of the issues arising in the South Division, we have implemented new requirements around processes and controls across the Group.

Further details of these reviews are on pages 113 to 114.

BUILDING IN PARTNERSHIP

The Group remains confident in its Partnerships strategy and continues to see a huge opportunity for the development of mixed tenure housing across the UK.

The Group is targeting average revenue growth of 5% to 8% p.a. in the medium return and has the capacity within its existing infrastructure to deliver more than 20,000 units each year.

We are focused on a returns-based model, and are targeting a 40% return on capital employed and a 12%+ adjusted operating margin in the medium term.

Our highly valued partners are critical to the work we do, and on behalf of the Board, I would like to thank them for their support during 2024. We look forward to continuing to build on these relationships and develop new ones during 2025.

RESPONSIBLE DEVELOPER

Vistry is a responsible developer with a strong social purpose. Working in partnership, the Group is committed to delivering sustainable new homes and communities where people love to live.

The health and safety of our people is paramount and I am pleased to report that we have seen further improvements across our Safety, Health and Environmental performance levels in the year. Our Accident Incident Rate (AIR) sat well below the industry benchmark at the end of 2024 at 210, compared to the HSE industry average of 341.

In 2024, the Group generated £118m of local and social economic value, and as a leading provider of affordable homes, delivered one in six of the country's affordable homes. We completed more than 700 zero carbon ready (regulated energy) homes and have a clear plan to reduce our future carbon emissions across the Group.

Training and people development remain a key priority and in 2024, we opened four new Vistry Skills Academies and delivered 1,907 training weeks.

Biodiversity and minimising the negative impact of our operations on the local ecosystems are very important to us. We are continually introducing new initiatives, and as an example, every Vistry development must now have a bird-nesting brick or box installed for every new home built, as well as hedgehog highways as standard.

GOVERNANCE

I have held the combined role of Executive Chair and CEO since the 2024 Annual General Meeting held in May. The Board acknowledges the requirement of the Corporate Governance Code to keep these roles separate, and the decision to combine these roles was taken after much consideration and is believed to be in the best interests of the Group at this time.

In May 2024, Rob Woodward was appointed as a Non-Executive Director and Senior Independent Director of the Group. Rob has taken on enhanced responsibilities in this role, which the Chair would ordinarily carry out.

An independent Board Performance Review was conducted between July and October 2024.

Further details on this and other Board changes during the year are included in the Chair's governance letter to shareholders on pages 80 to 81.

CAPITAL ALLOCATION

The Board has reviewed its capital allocation policy and maintaining a strong balance sheet remains the top priority. With indebtedness higher than expected in 2024, the Group's priority in FY25 is cash generation and the reduction of net borrowings. The Group will continue to invest in new land and development opportunities during 2025 to replenish its Partnerships landbank in line with its growth forecasts.

The Group will complete the £55m ordinary distribution in respect of the H1 24 adjusted earnings and the £75m special distribution, both announced in September 2024, via share buyback. Given the poor financial performance in 2024 and the prioritising of balance sheet strength, the Group is not proposing any final ordinary distribution in respect of the 2024 adjusted earnings. Future ordinary distributions will be considered by the Board, and communicated to shareholders, in due course

Further details on capital allocation are on page 12.

SECTION 172(1) STATEMENT

The Board of Directors, both collectively and individually, confirm that during the year under review, it has acted to promote the long-term success of the Company for the benefit of its members as a whole and other stakeholders. The Board understands all of its duties under the Articles of Association and those codified in law namely section 171 to 177 Companies Act 2006 and, in particular, has due regard to the matters set out in section 172(1)(a) to (f) of the Companies Act 2006 (Section 172(1)). This Section 172(1) statement should be read in conjunction with pages 98 to 101 of the Governance report.

LOOKING FORWARD

As a Board, we are committed to Vistry consolidating its position as one of the country's leading homebuilders. The Group's strong capability and track record of delivering mixed tenure developments uniquely places us to work alongside the Government and our partners to help address the country's acute housing need. We are focused on ensuring the Group operates effectively and efficiently and delivers attractive returns to its shareholders.

GREG FITZGERALD
Executive Chair and CEO

25 March 2025

ZERO CARBON READY HOMES

Gwel Bassett, Tolgus, Cornwall consists of 185 zero-carbon ready (regulated energy) homes built to support Cornwall Council affordable homes provision.

They all have an EPC A rating and are built using timber frame and feature air source heat pumps with underfloor heating, central mechanical extract ventilation and solar PV panels. The development also includes well designed green public spaces, new planting, and cycleways to connect with neighbouring communities in a sustainable way.

WILTON GATE SKILLS ACADEMY

The Skills Academy in Salisbury opened in November 2024 and is affiliated with the Wilton Gate site in our Bristol region and operates in partnership with Building Heroes.

The academy delivers a comprehensive five-week training programme designed to equip learners with essential construction skills. The curriculum includes a Level 1 City & Guilds in Construction, a Level 1 Award in Health & Safety, and the CSCS Green Card. The academy can train up to 75 learners each year, and, as our third Building Heroes academy, highlights our ongoing commitment to supporting armed forces personnel in transitioning into successful careers within the construction industry.

CHIEF EXECUTIVE'S REVIEW

2024 OVERVIEW

Vistry's financial performance in 2024 was significantly below our expectations at the start of the year, with the Group reporting adjusted profit before tax of £263.5m (2023 restated: £407.3m). The Group's profitability in the year was significantly reduced by cost forecasting issues in its South Division, with the impact on 2024 adjusted profit before tax totalling £91.5m. The performance was also impacted by some delays to concluding agreements with our Partners and other commercial transactions at the end of the year.

There has been an extensive review process across the Group to fully understand the cost forecasting issues, with a clear set of immediate priorities and actions for the business. Organisational and leadership changes have also been implemented to best position the Group going forward.

I want to thank all our employees and partners for their hard work and commitment during what has been a challenging period.

In the year, the Group delivered a 7% increase in total units to 17,225 (2023: 16,118), confirming Vistry's position as the country's largest homebuilder by volume, and adjusted revenues increased by 7% to £4.3bn (2023: £4.0bn). The mix of total units was 73% Partner Funded and 27% Open Market, and the Group's sales rate averaged 1.07 (2023: 0.96) sales per site per week, up 11% on 2023.

As a responsible developer, we work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love. We are supportive of the Government's ambitions to address the country's acute housing crisis, and the Group's Partnerships model and mixed tenure delivery, positions us well to help deliver a significant step up in much needed new homes across the country, in particular affordable homes.

The Government's recent announcement of a £2 billion injection of new affordable homes grant funding is very positive, and alongside the £800m of top-up funding previously announced, will drive investment momentum across the affordable housing sector ahead of the launch of the 2026 Affordable Homes Programme. As a strategic partner to Homes England, Vistry will apply for an allocation of this top-up affordable housing grant.

The Government has made good progress in addressing the supply side initiatives to support a significant step up in the delivery of new homes across the country, including the restoration of mandatory housing targets, and changes to the planning and infrastructure regulatory framework. We are pleased to see the Government address the issue of skills shortages within the construction industry through the establishment of the Construction Skills Mission Board and allocation of a £600m funding package, targeted to provide training for 60,000 construction workers by 2029.

PARTNER FUNDED DEMAND

We saw a reasonable level of demand from our partners in 2024, signing more than 220 new agreements with over 70 partners including registered providers (RPs), local authorities (LAs) and private rented sector (PRS) providers.

Partner Funded units increased by 18% in 2024 to 12,633 (2023: 10,722), demonstrating the resilience of the Partner Funded market. Our Partner Funded ASP increased to £236k (2023: £222k), reflecting changes in mix.

We saw a step up in demand from PRS providers in the year with PRS sales representing 21% of total unit sales, up from 13% in 2023. S106 affordable housing represented 27% of total units in 2024 (2023: 28%) and additional affordable was 25% (2023: 26%) of total units.

The need to invest in the maintenance and remediation of existing housing stock continued to impact the demand for new housing from some traditional RPs, particularly in London in the year, and we worked closely with our partners to ensure Vistry remains their partner of choice for their new housing investment. For profit registered providers are less impacted by these issues and continued to be a growth subsector of this market.

Demand from affordable housing partners slowed somewhat in Q3 2024 ahead of the outcome of the Autumn Budget at the end of October. Whilst the additional £500m affordable housing grant announced with this budget, and the further £300m announced in February 2025 were positively received, ongoing uncertainty around the timing and quantum of future Government funding for affordable housing, led to subdued levels of partner demand in Q4 2024 and Q1 2025.

OPEN MARKET DEMAND

Open Market sales decreased by 15% to 4,592 (2023: 5,396) units in 2024, with our Open Market sales performance in the year below our expectations at the start of 2024.

The expected interest rate cuts during 2024 did not materialise, and the open market remained constrained reflecting ongoing mortgage affordability challenges, particularly for first time buyers. The Group's Open Market average sales price remained firm at £385k (2023: £390k), with our Open Market sales programme supported with incentives of up to c. 5% of the Open Market sales price.

FORECAST COST ISSUES WITHIN THE GROUP'S SOUTH DIVISION

On 8 October 2024, the Group reported it had become aware of the underestimation of the total full-life cost projections to complete several of its developments in its South Division. The South Division was one of the Group's six divisions and consisted of four regional business units. The issues were predominantly on developments which formed part of the Group's former Housebuilding business and where there was also a high concentration of former Housebuilding management.

Group management acted promptly and an extensive programme of independent and internal reviews was initiated to verify the nature and scope of the issues, confirm the impact, and determine any resultant actions required. Changes to the Division's management team were also implemented.

The independent review was carried out over four weeks by the forensics team of a large accounting firm and reported to the Chair of the Audit Committee. The scope of the review was primarily focused on the cost reporting process, culture and management in the South Division. It also included a wider review across the Group to ascertain if similar issues existed in other parts of the business.

In addition to the work undertaken by the independent reviews, additional internal investigations and review processes were conducted which included deep-dive reviews of all four regions in the South Division, mandated detailed Cost Value Reconciliations (CVRs), and balance sheet reviews for all other regions.

The reviews concluded that the significant issues were found to be confined to the South Division and were attributed to insufficient management capability, non-compliant commercial forecasting processes and poor divisional culture. The management team of the South Division and the four regional businesses were all from the Group's former Housebuilding business and the independent review highlighted pressure being felt from organisational change as a fundamental driver underlying the issues in the South Division. The independent review found little evidence of similar issues to those identified in the South Division in other divisions.

A total of 18 sites in the South Division required adjustments to their full-life costs of more than £1m, with five large, multi-phase sites accounting for 60% of the full-life costs movements. The understated costs in the CVRs were found to be from a wide range of cost types and symptomatic of general control issues, rather than any one particular cost type. The issues in the South Division resulted in a total of £165m of costs adjustments including a £91.5m impact to adjusted profit before tax in 2024 and a £53m impact in future years.

EXECUTIVE LEADERSHIP TEAM (ELT)

The Group operates through its Board of Directors with day-to-day management and operation delegated to the Chief Executive Officer (CEO) and the ELT. The CEO leads, and is a member of, the ELT.

1. GREG FITZGERALD
Executive Chair & Chief Executive Officer

2. TIM LAWLOR
Chief Financial Officer

3. CLARE BATES
Chief People Officer & General Counsel

4. MICHAEL STIRROP
Chief Commercial Officer

5. STEPHEN TEAGLE
CEO Partnerships & Regeneration

6. MIKE WOOLLISCROFT
Chief Strategy Officer

7. JAMES WARRINGTON
Executive Chair- North, South Midlands & East

8. ADAM DANIELS
Executive Chair- Yorkshire, North Midlands & West

ELT biographies are available at **www.vistrygroup.co.uk/about-us/leadership/executive-leadership-team.**


Strawberry Grange, Bridgwater

In addition, there were a number of small value adjustments from the detailed CVR and other reviews carried out across the other 22 regions, which in aggregate resulted in a reduction to the Group's adjusted profit before tax in 2024 of £8m.

The management team and Board considered the findings of all the review work performed and outlined actions to address the issues and enhance the control environment across the Group. Below is an update on each.

Leadership and structure – With a focus on reducing the length of reporting lines and ensuring closer proximity of the CEO to the business, the Chief Operating Officer role was removed from the organisational structure. In addition, the Group's divisional structure has been consolidated from six divisions into three divisions, each with an Executive Chair with extensive Partnerships experience reporting to the CEO. The four regional businesses in the former South Division have been separated across two of the three new divisions, with two regional businesses in each. Our priority is to establish strength and breadth of management excellence in each, and we are making progress.

Commercial assurance – Vistry has carried out a root and branch review of its commercial procedures and controls to ensure opportunities for further cost reporting inaccuracies does not exist. Some changes were implemented and became effective from January. Assurance is provided by regional, divisional and Group participation in monthly cost and value reviews for all live projects.

The Executive Leadership Team ("ELT") met with each regional board during January 2025 and set out expectations for standardisation and adherence to policy and procedure. The implementation of the changes to the Life of Site processes are being closely monitored, and internal audit will be reviewing compliance across the business during the year.

Training and support – Training of Vistry colleagues that contribute to the commercial management of projects has taken place and support is provided on a monthly basis through additional expertise attending each site cost and value review.

Culture and whistle-blowing – A new Vistry Culture Book was launched in the second half of the year, which presented and promoted behaviours to help all employees act in line with our purpose, ethos and values. Internal communications have been issued which reemphasised the importance of our ethos of 'Do the Right Thing' along with our 'Speak Up' service, enabling our people to report on any concerns confidentially. The ELT has worked with our leadership teams across the business to ensure we are creating psychologically safe working environments where employees can raise concerns that are dealt with constructively. More in depth culture and behaviour sessions are being rolled out across the business.

BUILD AND VISTRY WORKS

The Group operated from an average of 367 (2023: c. 350) build outlets during 2024 which included 203 (2023: 223) active sales outlets. Build outlets includes sites which are not currently selling to the Open Market either because Open Market sales are yet to commence or have already been completed, and sites which are 100% Partner Funded and therefore have no Open Market sales.

Overall, the Group saw good availability of build materials during 2024. The Group secures c.90% of its materials centrally through its highly experienced group commercial team, with supply contracts typically for 12 to 24 months. The Group managed to mitigate underlying build cost inflation in 2024 through its benefits of scale, visibility of revenues and efficiency gains, resulting in neutral build cost inflation for the Group in the year. We are starting to see some build cost pressure and whilst we will continue to mitigate this where possible, the Group is expecting low single digit build cost inflation in 2025.

Timber frame construction is at the core of Vistry's operational and sustainability strategy. Compared to traditional brick and block construction, timber frame enables a faster build time of approximately six weeks and is shown to reduce embodied carbon by c. 30% over a 60-year timeframe. The increased use of timber frame will also reduce the Group's dependency on labour over the medium term.

The Group's operations manufactured 2,900 timber frame units in 2024 (2023: 2,500) and floor joists for 2,650 units. The manufacture of roof trusses was added to the production line towards the end of the year. The Group expects to increase this output in 2025 to 4,000 to 5,000 timber frame units, floor joists for c. 5,000 units and roof trusses for c. 6,000 units.

We are increasing annual capacity from our existing three facilities to between 10,000 to 12,000 timber frame units, roof trusses for 10,000 units and floor joists for 6,000 units in 2026 and beyond.

With the new Vistry placemaking and plotting guidance in place to ensure the places we create remain characterful, attractive places people love, the Group has been working hard on standardising product and the new Vistry Collection of 60 standard house types. This product standardisation will drive manufacturing efficiencies.

SECURING HIGH QUALITY PARTNERSHIP OPPORTUNITIES

During 2024, the Group secured a strong pipeline of attractive new land and development opportunities totalling 16,508 (2023: 15,288) mixed tenure units across 62 sites. The Group is well positioned to secure land through both public procurement and the purchase of private land.

In the year, 35% of the land plots secured were from public land sources and 61% from the private market.

Strategic land is an important source of development opportunities and the Group's strategic land bank totalled 76,219 plots (31 December 2023: 70,780) as at 31 December 2024. With a more favourable planning environment, the Group expects to increase the pull through from its strategic landbank over the medium term.

The Government has continued to reform the planning system with updates to the National Planning Policy Framework (NPPF) in December 2024 and corresponding updates to the Planning Policy Guidance (PPG) at the same time and early this year. These changes are generally more permissive and positive towards development and reintroduce targets, with decisions more in favour of permitting sustainable development.

The Group is well positioned for land in 2025 with c. 95% of the land secured for targeted 2025 completions.

HIGH QUALITY HOUSING

Delivering high quality homes and excellent customer service is paramount and we expect the Group to be awarded a 5-star HBF Customer Satisfaction rating for the sixth consecutive year in 2025. The Group's HBF 8-week Customer Satisfaction score for 2024 was 94.5% (2023: 91.6%), with the 9-month score increasing to 83.6% (2023: 78.3%).

Vistry employees were awarded more than 70 quality awards during 2024, including 42 NHBC Pride in the Job awards, 13 Premier Guarantee awards and 8 LABC awards. The Group's Construction Quality Review score averaged 4.5 (2023: 4.5) in 2024, with the Average Reportable Items per inspection at 0.20 (2023: 0.21).

Monument View, Wellington

Timber Frame - The Pavillions, Kenilworth, Nottingham

OUR PEOPLE

Our people strategy is focused on attracting, retaining and developing the best people. We were pleased to see an increase in our Peakon employee engagement score in November to 8.2 (November 2023: 7.6 and June 2024: 8.1), 0.5 ahead of the Peakon benchmark. Voluntary turnover has remained low at 15.4% at the year-end (Dec 2023: 15.9%) and our stability index (employees with over one year service) has increased from 78.1% in December 2023 to 82.3% in December 2024.

For the third year running, we received our Top Employer certification through the Top Employer Institute, increasing our overall score by 3.1% to 94.6% (January 2023: 84.5% and January 2024: 91.5%), 9.6% ahead of the TEI benchmark. We also achieved fifth position in the top 50 Inspiring Workplaces of UK and Ireland (Global position: 64), with well-being and employee voice recognised as the strongest elements.

We continue to develop our people through our leadership development programmes and 132 employees completed a programme during 2024. This number includes 45 females completing our externally run Women in Leadership programme which consists of three sessions with an external coach and access to an internal mentor.

In November 2024, we were proud to retain our gold accreditation membership with the 5% Club. This recognises our significant contribution to the continued development of all our employees through Earn & Learn schemes such as apprenticeships, graduate schemes and sponsored student course placements.

In 2024, we welcomed 17 new RISE Trainees and 26 new graduates to our 2024/25 cohorts. The RISE trainees will follow a Level 4 higher apprenticeship before advancing to a degree apprenticeship, and the graduates will follow one of four career pathways: Construction, Commercial, Design & Technical, and Real Estate. In addition, we have supported over 200 learners through formal qualifications which include existing employees enhancing their skills though apprenticeships, professional qualifications and other educational sponsorship.

HEALTH AND SAFETY

In July 2023, we changed how we measure Safety, Health and Environmental (SHE) performance across our premises and sites. The objective was to improve the behavioural culture and drive continued improvement to reduce work-related injuries. The metrics used to score performance became more stringent and gave us better trend analysis. We are proud to report that improvements continue to manifest across our sites, and we are currently reporting performance levels that far exceedthe Group's targets.

Our Accident Incident Rate (AIR) demonstrates our commitment to continually improving standards across our sites and we do everything we can to mitigate or at least reduce work-related injury. In line with previous years, it still sat well below the industry benchmark at the end of 2024 at 210, compared to the HSE industry average (341).

Damage to buried utility services remains an industry challenge and we continue to work closely with our peers via the Home Builders Federation (HBF) to seek new technology and initiatives to reduce the risk of injury. Our service strike incident rate was 342 at the end of 2024 compared to 349 at the end of 2023, which showed a slight improvement. We remain committed to working with our people to adopt better and safer practices leading to a future reduction.

BUILDING SAFETY

The Group's building safety provision recognises the Group's commitment to playing its part in delivering a lasting industry solution to building safety and the Group's obligations under the Developer Remediation Contract signed by Vistry in March 2023.

Over the past six months, management has re-evaluated the appropriate level of building safety provision. As a result, the Group has increased its building safety provision by £117.1m in 2024, with a total provision of £324.4m as at 31 December 2024 (31 December 2023: £289.0m). We expect the net annual cash costs of Building Safety in 2025 to be c. £65m.

This increase reflects a rise in third party claims due to the implementation of regulatory changes, which has broadened the types of issues that are now considered a risk to occupant safety, as well as an increase in the historical time period for which the developer has a responsibility. The Group has identified an additional 41 buildings requiring remediation. In addition, there has been an increase in the costs of remediating buildings resulting from increased scope of work and some cost inflation. The Group continues to seek recoveries from third parties where possible and recovered £27.2m in 2024.

CMA INQUIRY

On 26 February 2024, the CMA launched an investigation into suspected breaches of competition law, relating to the exchange of competitively sensitive information by eight housebuilders, including Vistry. On 10 January 2025, the CMA announced that its investigation would be extended by five months to May 2025 to allow further investigation including additional evidence gathering and CMA analysis and review. The CMA has not reached a view as to whether there is sufficient evidence of an infringement or infringements of competition law for it to issue a statement of objections to any party under investigation. We continue to co-operate with the CMA in their investigation and evidence gathering process.

INDEBTEDNESS

The Group had a net debt position of £180.7m as at 31 December 2024 (31 December 2023: £88.8m). This compares to our expectation at the start of the year of a net cash position, the difference reflecting the reduced profit performance of the Group in the year and a build-up of working capital and stock. The Group's average daily net debt in 2024 was £698.1m (2023: £586.0m).

The Group had significant headroom against its borrowing covenants (Gearing, Tangible Net Worth and Interest Cover) in the year, and maintained a comfortable amount of headroom against its borrowing facilities, which total £1,130m.

Rivers Edge, Warrington

Watermark, Maidenhead, Vistry West London

Through our focus on cash generation, we are targeting a steady reduction in the Group's average net borrowings through 2025, a year-on-year reduction in the Group's net debt as at 31 December 2025 and a net cash position as at 31 December 2026.

PRIORITIES FOR 2025

The Group has a clear set of priorities for 2025 focused on ensuring Vistry is best positioned to drive the business forward in the medium term.

Cash generation – the Group had higher than expected working capital levels at the end of last year reflecting a slower Open Market sales rate in 2024 and a resulting build up in stock. The Group is targeting releasing excess stock and WIP of c. £200m in 2025 and work in progress controls linked to site stock positions have been introduced and are monitored weekly at an Executive level.

The housebuilding landbank release has been slower than anticipated reflecting more constrained market conditions than expected. Site by site strategies are being reviewed and options including bulk sales and discounting are under consideration to accelerate the roll-off and cash generation.

Embed leadership – a new divisional structure was introduced at the start of 2025, moving from six divisions to three. Each division is led by an Executive Chair with extensive Partnerships experience who sits on the Executive Leadership Team and reports directly to the CEO. This structure has reduced layers and shortened reporting lines, creating greater transparency and agility in decision making. There will be some savings resulting from headcount reduction across the business actioned in Q1 2025.

Standardise and enhance control environment – the Group updated its life of site process in H2 2024, ensuring standardisation across all regions. This has been followed up with a clear message of compliance to all regions which will continue to be closely monitored throughout the year.

In addition, incremental commercial expertise has been embedded into the process through the appointment of Commercial Directors at a Divisional level, and the appointment of Commercial Compliance Managers within the Group Commercial team.

A new Investment Committee has been launched which oversees the approval of land acquisitions and disposals, partner agreements, and other investment and commercial decisions.

CAPITAL ALLOCATION

The Board has reviewed its capital allocation policy and its view on capital allocation hierarchy remains unchanged. Maintaining a strong balance sheet remains is the top priority and improving cash generation and reducing the Group's net borrowings is the Group's focus for 2025.

Investing in our Partnerships business to deliver sustainable growth and maximise the significant market opportunity we see over the medium term is the most attractive use of capital and the business has and continues to invest in, high-quality development opportunities which replenish the Partnerships land bank in line with its growth forecasts.

In September 2024, the Group announced a total capital distribution of £130m comprising a £55m ordinary distribution in respect of the H1 2024 earnings and a £75m as a special distribution. The Group has completed £38m to date and expects to complete the remaining £92m via share buyback, to be concluded in H1 2026.

Reflecting the performance in 2024, the Group is not proposing any final ordinary distribution in respect of the 2024 adjusted earnings. Future distributions will be made in accordance with Group's capital allocation policy.

BOARD CHANGES

The Company announces that Helen Owers has informed the Board of her intention to resign her position as an independent Non-Executive Director. Helen will remain on the Board until the earlier of an appointment of a replacement independent Non-Executive director or by the end of 2025. A further announcement concerning the date of Helen's resignation will be made as soon as it is decided. This announcement is made pursuant to Listing Rule 6.4.6R.

CURRENT TRADING AND FY25 OUTLOOK

The Group's forward order book totals £4.4bn (14 March 2024: £4.6bn), with 65% (2024: 65%) of forecast 2025 units secured. The Group sales rate of 0.59 (2024: 0.81) sales per site per week for the year to date is down on prior year reflecting a low volume of Partner Funded transactions in the first quarter.

The Group's Partnership model is closely aligned to the Government's housing ambitions and we are working closely with our partners to ensure we are well positioned to deliver.

Following the Government's recent announcement of an additional £2bn of affordable housing funding to the existing affordable homes programme, we expect Partner Funded activity to step-up during the year, resulting in a greater H2 weighting of Partner Funded delivery for the Group in 2025. Overall, we are expecting our Partner Funded volumes in 2025 to be at a similar level to 2024, with strong momentum going into 2026.

In the Open Market, we have seen some uptick in our sales in the past four weeks and expect this to continue to improve. Whilst our sales outlets will continue to reduce as we roll-off former Housebuilding sites, we expect to maintain Open Market volumes at a similar level to 2024 in 2025.

We are seeing some upward pressure on build costs and whilst we will continue to try and mitigate this where possible, we expect to see low single digit build cost inflation in 2025

The Group continues to expect to make year-on-year progress in profit in 2025, with profits being more H2 weighted than in prior years. H1 margins will reflect a greater proportion of delivery from lower margin sites, and some impact on profit from actions being taken to accelerate cash generation. We expect H2 margin recovery to be driven by the commencement of new higher margin developments and the benefit of operating leverage from higher volumes in the second half.

The Group's focus on cash performance, including the management of work in progress and the reduction of the housebuilding landbank, is expected to result in a year-on-year reduction in the Group's net debt as at 31 December 2025.

STRATEGY AND MEDIUM-TERM OUTLOOK

The Group remains confident in its Partnerships strategy and committed to its capital light, high returns business model. There remains an acute need for affordable and mixed tenure housing across the country. Addressing this housing crisis sits at the heart of the Government's agenda, with new housing targets set last autumn aiming to more than double the supply of affordable homes nationwide and continue growth of the private rental sector.

With its capability and track record in Partnership housing and mixed tenure delivery, Vistry is uniquely positioned to play a key role in supporting the Government to deliver its plans.

Over the medium term, the Group expects to see a strong increase in demand for mixed tenure housing driven by both a step up in Partner investment supported by Government policy, and a recovery in the Open Market.

Whilst volumes in 2025 are expected to be similar to 2024, the Group is targeting average revenue growth of 5% to 8% p.a. over the medium term, driven by an increase in unit delivery. Vistry retains a national operational footprint and will continue to evolve operational capacity and capability to suit local demand and market conditions.

The Group is focused on a returns-based model and is targeting a 40% return on capital employed. The roll-off of the former Housebuilding landbank will be a key driver of the improvement in the Group ROCE. The Group is targeting an adjusted operating margin of 12%+ which reflects a blended site margin across its mixed tenure delivery. The Group's land acquisition hurdle rates at a 40% ROCE and 12% adjusted operating margin are aligned to these targets.

GREG FITZGERALD
Executive Chair and CEO

25 March 2025

MARKET ENVIRONMENT

We are a leading player in the UK housebuilding industry which is impacted by a number of economic, social and regulatory trends, as discussed below.

DEMAND CONTINUES TO OUTSTRIP SUPPLY

There is a chronic shortage of new homes in the UK - the undersupply is greatest for affordable housing.

- The new Government's target recognises this acute housing shortage and aims to deliver >1.5m new homes by the end of the parliament.
- This target is significantly higher than the current level of delivery which was 221k net additional dwellings in the 12 months to March 2024 (2023: 234,290)[1].
- The undersupply is greatest for affordable housing where it is estimated that 187k affordable homes are required each year[2] which compares to the 62k new affordable homes delivered in the 12 months to March 2024 (2023: 63,822)[3].
- The number of households on local authority housing registers (waiting lists) increased by 3% to 1.33m[4] as at 31 March 2024; the highest number since 2014.
- It is estimated there were c. 354k homeless people on a given night in 2024, which is one in 160 people in the UK[5]. This social and financial crisis needs to be addressed through increasing the supply of genuinely affordable housing, particularly for social rent.
- Due to the affordability challenges of people buying private homes and the lack of affordable housing, more people are looking to the private rented sector. This is driving a huge increase in the need for this sector, with a recent report[6] showing an increase of 800k to one million additional Private Rented Sector (PRS) households across the country by 2031.

Government targeting
>1.5m
new homes

Local Authority waiting lists increased by **3%** to
1.33m[4]
as at 31 March 2024

Estimated that
1 in 160
people in the UK are homeless

VISTRY'S RESPONSE

- Vistry is the only large home builder that builds mixed tenure developments and has the scale and capability to significantly increase output, especially affordable housing.
- Our Partnerships model is fully embedded across our business and we have unrivalled strategic relationships with our partners. This enables Vistry to provide a mixed tenure housing solution including affordable, PRS and private housing.
- As a strategic partner to Homes England, we have direct access to current and future affordable housing grant funding. We use this to work with local authorities and registered providers to deliver much needed affordable housing.
- We are working with our registered provider partners to establish long-term investment frameworks, increasing the supply of affordable housing we jointly deliver.
- Vistry is the largest builder of Single Family Housing for PRS in England. We will continue to engage with multi-family PRS providers, particularly in London and other urban centres, where mid to high-rise construction is appropriate and where demand for this product is strong.

Vistry's Partnerships model delivers **mixed tenure** housing

Vistry's strategic partnership with **Homes England** gives access to affordable housing grant funding

ECONOMIC ENVIRONMENT

The housing market is cyclical – interest rate cuts in 2025 are expected to stimulate demand.

- The UK residential property market's performance is linked to the strength of the UK economy and wider global macroeconomic conditions.
- The sharp increase in borrowing costs in the UK and the high inflationary environment over the past three years has impacted household incomes and savings, and as a result affordability and overall demand for private housing.
- Entering 2024, it was widely expected there would be multiple cuts in interest rates in the year. This did not materialise, with only two 0.25% rate cuts in H2 2024.
- Further interest rate cuts are expected in 2025 which is expected to improve mortgage affordability and stimulate demand for private housing.

Increased borrowing costs have impacted demand for housing

Interest rate cuts in 2025 are expected to stimulate demand

VISTRY'S RESPONSE

- Vistry's Partnerships model provides some resilience to the cyclical housing market.
- Our target of 65% of homes presold to our partners across the Group's portfolio of sites mitigates some of the sales risk inherent within the macroeconomic environment. The revenue on these pre-sold units is secured at the start of the project and is typically paid monthly as the build progress takes place.
- The remaining 35% of homes p.a. is delivered through Open Market sales to private individuals. This revenue, which has higher associated profit margins, is more susceptible to economic risk.

Vistry's Partnerships model provides some **resilience to market cyclicality**

POLITICAL ENVIRONMENT

The Government's ambition is to build 1.5m new homes over the course of this parliament.

- The Government's new housing targets put the country's housing shortage crisis in the spotlight.
- Recent changes to the National Planning Policy Framework provides the industry with a more favourable regulatory environment to harness in 2025 and beyond.
- The Autumn Budget included £500m of additional funding provided for the Affordable Homes Programme and confirmed a long-term rent settlement for housing providers. A further £350m of top-up funding was announced in February 2025.
- The Planning and Infrastructure Bill, introduced to Parliament in March 2025, provides more opportunities to simplify the planning system.

The housing crisis is at the forefront of the Government's agenda

Planning reforms being made should stimulate housing supply

VISTRY'S RESPONSE

- Vistry's Partnerships model is closely aligned to the Government's ambition to solve the housing crisis.
- Since the General Election, we have held several high-profile stakeholder meetings with ministers and officials in the Treasury, Ministry for Housing, Communities and Local Government, and No.10.
- We are looking for the Government to commit meaningful investment in the new funding programme for affordable homes in 2025 to accelerate the supply of housing, provide certainty to the supply chain and support economic growth.

Vistry's operating model is closely aligned with the **Government's ambitions**

THE PLANNING SYSTEM

The Government has placed great importance on the delivery of new homes through unlocking the planning system.

- Before commencing development work, Vistry must obtain planning permission and discharge conditions. Securing timely planning permission on an economically viable basis is key to our value creation process.
- Planning delays are common, reflecting continued capacity issues within local planning authorities and continued political uncertainty.
- The Government has placed great importance on unlocking the planning system and an update to the National Planning Policy Framework (NPPF) was published in December 2024.
- The Government has committed to increasing planning fees, which helps to ensure local planning authorities are adequately resourced, as well as provide funding for more planning officers.

Unlocking the planning system is critical

The planning system is complex and **planning delays are common**

VISTRY'S RESPONSE

- Vistry has a leading capability in securing land and planning and brownfield redevelopment and regeneration.
- We have healthy consented and strategic land banks and only purchase new land that meets our specific land buying criteria.
- We welcome the amendments to the NPPF and look forward to working with councils to deliver more homes.
- We continue to engage with the HBF and other organisations, including the Land, Planning and Development Federation, The Housing Forum and Royal Town Planning Institute, to try to speed up the planning process.
- Moreover, we are working pro-actively with the Future Homes Hub to ensure that the industry is ready to adapt to change.
- We are well placed to support the Government's aspiration to maximise brownfield development.
- We promote our wider sustainability strategy recognising that the range of benefits that development can bring to a community is important in securing local support for proposals.

Vistry has a **leading capability** in securing land and planning

We will **work with councils** to deliver more homes

1 GOV.UK, Accredited official statistics: Housing supply: net additional dwellings, England: 2023-24 and 2022-23.

2 Bramley, G: Housing supply requirements across Great Britain for low-income households and homeless people. Research for Crisis and the National Housing Federation, Main Technical Report, Heriot-Watt University (2019).

3 GOV.UK, Accredited official statistics: Affordable housing supply in England: 2023-24 and 2022-23.

4 GOV.UK, Accredited official statistics: Social housing lettings in England, tenants: April 2023 to March 2024.

5 Shelter: Homelessness in England in 2024.

6 Savills Research: The Future of Built to Rent Houses, January 2024.

MATERIAL AND LABOUR COSTS

The market continues to see some underlying inflationary pressure on input costs.

- There remains inflationary pressure on input costs, albeit at lower levels than seen in the preceding couple of years.
- Despite constrained levels of output across the industry reflecting lower levels of demand, in particular for private homes, we continue to see skills shortages. We expect this to become a larger issue and potentially a constraint on industry growth, as industry output increases in the future.

Skills shortages need to be addressed

VISTRY'S RESPONSE

- We work closely and proactively with our supply chain partners to best manage our supply chain needs.
- Our suppliers are key stakeholders in our business and through our highly experienced centralised procurement function, we proactively work with them to best manage our supply chain needs. As a Group, more than 90% of our build materials are procured centrally.
- Our Partnerships model allows us to offer greater security and continuity of work to our supply chain partners, resulting in a competitive advantage to the Group.
- To manage the fixed revenue nature of our Partnership agreements, we include a sensible level of cost contingency and/or fixed price allowances in our agreements.
- Through our skills academies, Vistry is investing in training and developing skilled construction workers. The Group currently has nine Skills Academies located at developments across the country.

We work **closely and proactively** with our **supply chain partners**

Vistry's Skills Academies provide essential training

FAST CHANGING REGULATORY ENVIRONMENT AND FUTURE HOMES STANDARD

Increasing regulatory requirements including Future Homes and buildings standards.

- The Future Homes Standard requires new homes to achieve c. 80% lower CO_2 emissions than the Part L 2013 baseline.
- Regulatory issues are impacting land availability, including challenges created by nutrient neutrality and the interpretation of the Habitat Regulations.
- Biodiversity net gain is mandated by the Environment Act 2021 and is now a requirement in all planning applications.

Future Homes Standard requires **80% lower CO_2 emissions**

VISTRY'S RESPONSE

- Vistry works with its partners to be at the forefront of regulatory change and innovation.
- Sustainability is core to our purpose and we have a clear roadmap to deliver zero carbon ready homes.
- We have responded to the Government's consultation for the Future Homes Standard and are applying the knowledge and experience gained from live schemes which are already delivering an 80% CO_2 reduction compared to current standards, to help us achieve our stretching carbon reduction targets, and prepare for regulatory change.
- We continue to test new technologies to help deliver zero carbon ready homes at scale, and share our learning to the wider industry through the Future Homes Hub.
- Biodiversity net gain requirements have been introduced into our life of site process to ensure compliance with the new regulations.

Vistry has a clear roadmap to delivering **zero carbon ready homes**

BUSINESS MODEL AND STRATEGY

Our purpose is to work in partnership to deliver sustainable homes, communities and social value, leaving a lasting legacy of places people love.

OUR CAPABILITY AND RESOURCES

- Highly skilled and diverse people
- Place making and regeneration skills
- Strong track record of delivery
- Experienced leadership team
- Long-standing trusted partner relationships
- Scaleable operating structure
- Competitive advantage in the land market
- Timber frame manufacturing capability
- Multiple leading brands

CREATE VALUE

We leverage our unique blend of capability and resources to maximise the opportunity to generate sustainable value for all of our stakeholders

OUR STAKEHOLDERS

- PEOPLE
- PARTNERS
- CUSTOMERS
- COMMUNITIES
- SUPPLY CHAIN
- REGULATORS
- INVESTORS

Please see details of our Stakeholders and how we engage with them on pages 98 to 101.

HOW OUR PARTNERSHIP BUSINESS WORKS

Our Partnerships approach underpins how we operate. We work with more than 140 partners including registered providers, local authorities, and private rented sector providers, with all our developments providing a mix of housing tenures.

PARTNER FUNDED HOMES

On each Partnership development, we pre-sell a minimum of 50% of the homes to one or several of our partners; our Partner Funded units. On average, across our portfolio of more than 350 developments, we are targeting c. 65% of the units to be Partner Funded sales.

Our Partner Funded homes consist of a range of tenures, including S106 affordable housing, additional affordable housing, which may include tenures such as shared ownership and discounted homes, and PRS units. The average sales price of our Partner Funded homes was £236k in 2024.

OPEN MARKET HOMES

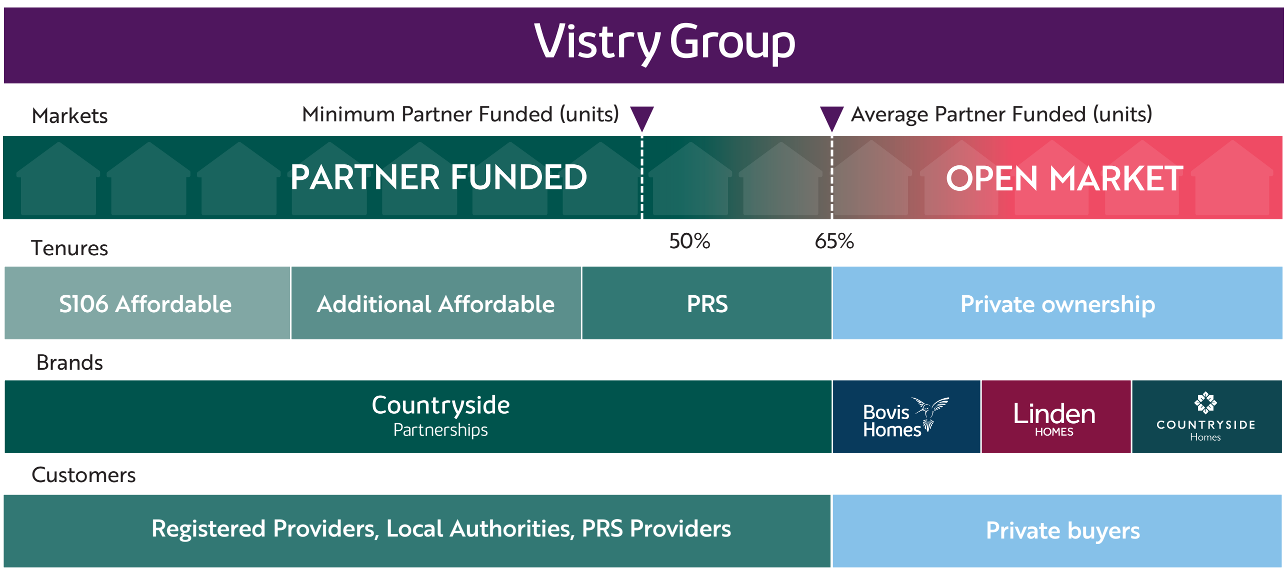
We also sell homes to individuals for private ownerships; our Open Market sales, which had an average sales price of £385k in 2024. We target c. 35% of the units across our portfolio of developments to be Open Market sales.

Our model differs from traditional housebuilding where the developer sells c. 75% of the homes to the Open Market, with c. 25% of homes affordable, as required by planning consent and typically sold to a Registered Provider.

Our Partner Funded sales provide certainty of revenue and demand timely delivery. This allows us to build at pace and drive build efficiency, resulting in a lower cost of production.

Our Partnerships model is not constrained by an Open Market sales rate and as a result can deliver c. 150% of the output of the traditional housebuilding model.

Our partners will typically purchase the land plots associated with their units as we enter into a partner agreement and will fund the construction of these units as the work progresses on site. This drives a more capital light business and a higher return on capital.



OUR STRATEGIC PRIORITIES

TALENTED PEOPLE

Our highly skilled and diverse workforce is one of our most critical resources and differentiators. We will continue to create an inclusive environment where all our people can thrive, develop and excel. This will enable us to attract, develop and retain the best people.

BUILDING SUSTAINABLY

Creating sustainable homes, vibrant communities, and delivering lasting social value is at the core of our operations, and we will continue to succeed by placing people and communities at the heart of our decision-making processes. We will ensure we meet all Future Homes Standards and remain at the forefront of innovation and housing solutions.

WORKING IN PARTNERSHIP

To maximise the significant growth opportunity within the partnerships market, our business will be closely aligned with the needs of our existing and future partners to position us as the partner of choice. Consistent delivery across multiple tenures with flexibility in procurement routes, will enable us to expand the number of partners that we work with and deepen those relationships.

LAND PROCUREMENT

Our Partnerships model enables us to operate with a shorter land bank than traditional housebuilders and we are targeting a reduction in our land bank length. The Group will need to secure a significant amount of land to meet its growth ambitions and will utilise the competitive advantage that our model brings including a lower margin hurdle, strong relationships with public land owners, and our track record of delivery.

INCREASING OUTPUT

Increasing the number of new homes we deliver will drive our revenue growth and returns. Our Partner Funded sales provide strong forward visibility, allowing us to maximise our build rate through standardisation of product and processes, centralised procurement and greater use of timber frame manufacturing. These will enable us to step up our output whilst maintaining quality of build and high standards of health and safety.

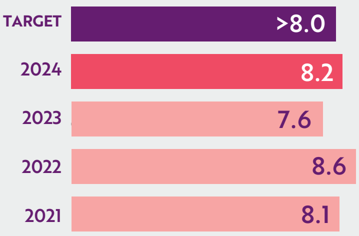
CAPITAL EFFICIENCY

Our model is returns based and achieving an industry leading ROCE is a key priority. Our Partner Funded sales, which make up c. 65% of our total unit sales, are significantly more capital efficient than Open Market sales. Our partners typically acquire their share of the land at the beginning of the project and fund the build in stages as work progresses. Maintaining a shorter land bank with a greater proportion of controlled land will also drive return on capital.

KEY PERFORMANCE INDICATORS

NON-FINANCIAL KPIs

EMPLOYEE ENGAGEMENT SCORE

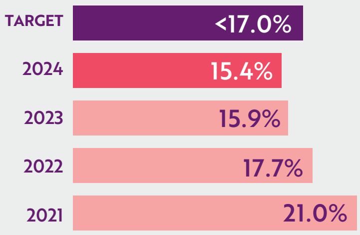


WHY WE MEASURE IT

Our strategy is to attract, develop and retain the best people. Changes in this metric provide us with valuable feedback from our people on the areas in which we are doing well and the areas where we can improve.

LINK TO STRATEGY

VOLUNTARY TURNOVER

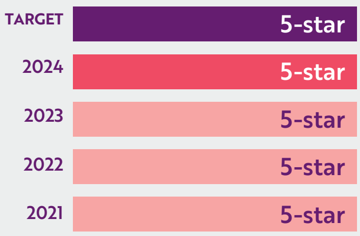


WHY WE MEASURE IT

Our strategy is to attract, develop and retain the best people. Some turnover is expected and healthy, but a sustained increase above target would indicate that action may be required to improve retention.

LINK TO STRATEGY

HBF 8-WEEK

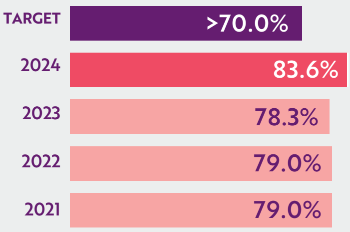


WHY WE MEASURE IT

This metric is a measure of customer satisfaction 8 weeks after buying a home and is important to give confidence to future customers of the quality of our homes and customer service.

LINK TO STRATEGY

HBF 9-MONTH

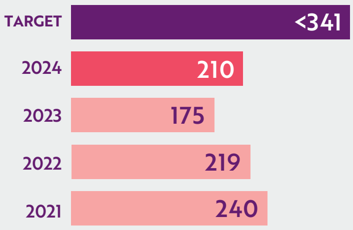


WHY WE MEASURE IT

This metric is a measure of customer satisfaction 9 months after buying a home and is important to give confidence to future customers of the quality of our homes and customer service.

LINK TO STRATEGY

AIR

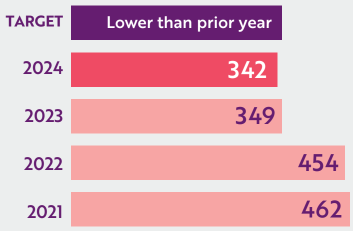


WHY WE MEASURE IT

The safety of people on our sites is critical and we strive to maintain excellent standards. This metric records the number of reportable accidents per 100,000 workers on site.

LINK TO STRATEGY

SSIR



WHY WE MEASURE IT

The safety of people on our sites is critical and we strive to maintain excellent standards. This metric records the number of service strike incidents per 100,000 workers on site.

LINK TO STRATEGY

These KPIs should be read in conjunction with pages 34 to 37 where we provide further information relating to the calculations for KPIs.

NON-FINANCIAL KPIs

NEW HOME COMPLETIONS

TARGET	Growth on prior year
2024	17,225
2023	16,118
2022	11,951
2021	11,080

WHY WE MEASURE IT

To achieve our strategy for growth and to be the leading provider of affordable homes in the UK, we are seeking to increase the total number of homes and the number of affordable homes that we deliver each year.

LINK TO STRATEGY

NHBC REPORTABLE ITEMS

TARGET	<0.26
2024	0.20
2023	0.21
2022	0.23
2021	0.22

WHY WE MEASURE IT

To achieve our strategy, we must deliver homes at pace whilst maintaining quality. This is important to maintain our reputation, minimise customer care issues and control our cost of production.

LINK TO STRATEGY

NHBC CQR

TARGET	>4.0
2024	4.5
2023	4.5
2022	4.5
2021	4.5

WHY WE MEASURE IT

To achieve our strategy, we must deliver homes at pace whilst maintaining quality. This is important to maintain our reputation, minimise customer care issues and control our cost of production.

LINK TO STRATEGY

LAND & DEVELOPMENT OPPORTUNITIES SECURED

TARGET	Growth in line with unit delivery
2024	16,508
2023	15,288
2022	16,315
2021	11,798

WHY WE MEASURE IT

To achieve sustained growth, we need to secure sufficient new land and other development opportunities each year to replace what is utilised in the same period through new home completions.

LINK TO STRATEGY

GHG EMISSIONS (SCOPE 1 AND 2) tCO_2e

TARGET	14,023
2024	24,498
2023	25,253
2022	24,178
2021	19,401

WHY WE MEASURE IT

To achieve our purpose of delivering sustainable homes and communities, we are targeting to be a net zero organisation by 2040.

LINK TO STRATEGY

NON-HAZARDOUS CONSTRUCTION WASTE DIVERTED FROM LANDFILL

TARGET	>99%
2024	98%
2023	97%
2022	98%
2021	98%

WHY WE MEASURE IT

To achieve our purpose of delivering sustainable homes and communities, we must challenge ourselves to continually reduce the environmental impact of the materials we use in our operations.

LINK TO STRATEGY

STRATEGIC PRIORITIES:

WORKING IN PARTNERSHIP

INCREASING OUTPUT

LAND PROCUREMENT

TALENTED PEOPLE

CAPITAL EFFICIENCY

BUILDING SUSTAINABLY

See the Strategic Priorities on page 20

FINANCIAL KPIs

ADJUSTED REVENUE GROWTH

TARGET	5-8%
2024	7%
2023	30%
2022	14%
2021	32%

WHY WE MEASURE IT

We are targeting year-on-year growth in revenue, driven by increased delivery of new homes.

ADJUSTED OPERATING MARGIN

TARGET	12%
2024	8.3%
2023[1]	11.8%
2022	14.5%
2021	13.7%

WHY WE MEASURE IT

We are targeting to increase our operating margin to 12.0% in the medium term.

ADJUSTED EPS

TARGET	Growth on prior year
2024	55.9p
2023[1]	85.8p
2022	137.5p
2021	125.5p

WHY WE MEASURE IT

We are targeting a year-on-year increase in the returns generated for shareholders.

ROCE

TARGET	40%
2024	14.6%
2023[1]	20.9%
2022	25.0%
2021	25.5%

WHY WE MEASURE IT

We are targeting to increase ROCE to 40% in the medium term.

FORWARD ORDER BOOK

TARGET	Growth on prior year
2024	£4.4bn
2023	£4.5bn
2022	£4.0bn
2021	£3.0bn

WHY WE MEASURE IT

We are targeting to increase the forward order book year-on-year to support growth and visibility of future revenue.

These KPIs should be read in conjunction with pages 34 to 37 where we provide further information relating to the calculations for KPIs.

[1] *The 2023 comparative figures have been restated to correct the error that arose as a result of the cost forecasting issues in the South Division. Further details are included on pages 174 to 175.*

FINANCIAL REVIEW

TIM LAWLOR
Chief Financial Officer

GROUP PERFORMANCE

The result for the year was disappointing. The Group delivered growth in revenue and completions, however, market conditions continued to be challenging, particularly for Open Market sales, and the cost forecasting issues that were identified in our South Division in the last quarter of the year significantly impacted adjusted and reported profit before tax.

Group management reacted quickly to thoroughly investigate the underlying causes of the cost forecasting issues, to ensure they were isolated to the South Division and to make all necessary changes and improvements to remediate them. The investigations concluded that the issues could be attributed to insufficient management capability and poor culture in the South Division, and non-compliance with the Group's established commercial forecasting processes.

In response, the Group has changed its divisional structures and removed the COO role to reduce the length of reporting lines between the CEO and our regional businesses. The Group also introduced additional controls to ensure mandated processes were correctly followed for the year-end and in future. Further details on the investigations and consideration of the accounting treatment of the changes in estimates and errors are on pages 174 to 175.

The 2023 full-year results have been restated, reducing adjusted and reported profit before tax by £11.8m and opening reserves by £6.2m. The results for the 2024 half-year will be restated when the Group announces its results for the 2025 half-year. This will reduce adjusted and reported profit before tax in the 2024 half year by c. £65m.

The increase in the cost of building safety remediation impacted reported profit before tax. The Group experienced a rise in the number of claims during the second half of the year as well as higher costs on existing buildings, primarily driven by scope increases.

GROUP PERFORMANCE

£m	2024	2023 restated [2]	Change
Adjusted basis [1]			
Completions	17,225	16,118	+7%
Revenue	4,329.2	4,042.1	+7%
Operating profit	358.2	476.1	-25%
Operating margin	8.3%	11.8%	-3.5ppts
Net financing expense	(94.7)	(68.8)	-38%
Profit before tax	263.5	407.3	-35%
Profit after tax	188.9	296.9	-36%
Basic earnings per share (pence per share)	55.9p	85.8p	-35%
Net debt	(180.7)	(88.8)	-103%
Average capital employed	2,461.8	2,275.1	+8%
Return on capital employed (%)	14.6%	20.9%	-6.3ppts
Reported basis			
Revenue	3,779.3	3,564.2	+6%
Operating profit	167.0	300.0	-44%
Profit before tax	104.9	293.0	-64%
Basic earnings per share (pence per share)	22.0p	62.1p	-65%

1 Figures are shown on an adjusted basis. See Alternative Performance Measures section on pages 34 to 37 for further details.

2 The results for 2023 have been restated to correct the prior year error that arose due to the cost forecasting issue in the South Division. See note 1 on page 174 for further details.

REVENUE AND COMPLETIONS

On an adjusted basis, total revenue increased by 7% to £4,329.2m (2023: £4,042.1m), with a particularly strong increase in Partner Funded revenue of 24%. We saw good levels of demand from the Partner Funded market and secured more than 220 new partner deals with over 70 partners. The number of Partner Funded completions increased by 18% to 12,633 (2023: 10,722), driven by PRS and Additional Affordable homes. The average selling price of Partner Funded homes increased by 6% to £236k (2023: £222k), primarily due to PRS completions including a greater proportion of larger, higher value homes than in the prior year.

Open Market revenue reduced by 16%, with a reduction in the number of completions of 15% to 4,592 (2023: 5,396) due to subdued demand throughout the year, primarily reflecting mortgage affordability and a much lower opening forward order book of £298m (2023: £610m). The Group operated from fewer sales outlets, with the average number down 9% to 203 (2023: 223). Discounts offered to investors purchasing multiple completed homes and changes in the geographic mix resulted in a slight decrease of 1% in the average selling price to £385k (2023: £390k). Sales incentives remained at up to 5% of the Open Market sales price.

On a reported basis, total revenue increased by 6% to £3,779.3m (2023: £3,564.2m). The total number of completed homes delivered also increased by 7% to 17,225 (2023: 16,118), with the overall average selling price broadly consistent with the prior year at £275k (2023: £276k). The disparity between the strong growth in the Partner Funded market and the subdued demand for Open Market homes resulted in an increase in the proportion of total completions which were Partner Funded to 73% (2023: 67%). We expect this percentage to trend back towards our target of 65% in future years when activity levels for Open Market homes begin to improve.

	2024				2023
£m unless otherwise stated	Partner Funded	Open Market	Other revenue	Total	Total
Adjusted revenue	2,636.2	1,488.2	204.8	4,329.2	4,042.1
Add: Government grant income	39.9	22.2	-	62.1	40.4
Remove: other non-housing revenue	-	-	(204.8)	(204.8)	(137.6)
Total sales price	**2,676.1**	**1,510.4**	**-**	**4,186.5**	**3,944.9**
Total units (at 100%)	12,633	4,592	n/a	17,225	16,118
Less: joint venture eliminations	(1,311)	(669)	n/a	(1,980)	(1,836)
Units for calculation of the Average Selling Price	**11,322**	**3,923**	**n/a**	**15,245**	**14,282**
Average Selling Price	£236k	£385k	n/a	£275k	£276k
Proportion of total units by type	73%	27%	n/a	100%	100%

OPERATING MARGIN

The Group managed to mitigate underlying build cost inflation in 2024 through its benefits of scale, visibility of revenues and efficiency gains, resulting in neutral build cost inflation for the Group in the year. We are starting to see some build cost pressure and whilst we will continue to mitigate this where possible, the Group is expecting single digit build cost inflation in 2025. The average number of build outlets increased over the course of the year to 367 (2023: c. 350).

The cost forecasting issues in the South Division related to increases in the total full-life cost projections for a relatively small number of sites, including some large and complex, multi-phase schemes. There were a range of factors that led to these increases including, procurement losses where tender returns for certain packages came in higher than anticipated, operational changes on sites, additional costs due to unexpected ground conditions and asbestos contamination on specific sites, subcontractor failures and design changes for certain aspects of schemes. The cost increases were due to site-specific factors and were not indicative of a more general inflationary trend. In some instances, the cost increases led to the need to impair inventories, resulting in the full future loss on those schemes being recognised in the current year.

Administrative expenses, excluding exceptional items, reduced by 19% to £196.1m (2023: £241.5m). Headcount was lower throughout 2024 following the simplification of the Group's operating structures that completed in late 2023. Bonus and share-based payment costs were reduced due to profit targets not being achieved in 2024.

The Group's adjusted operating profit for the year was down 25% to £358.2m (2023: £476.1m), with the adjusted operating margin down 3.5ppts to 8.3% (2023: 11.8%). The Group's adjusted operating margin has reduced as the Group continued to transition the higher margin, capital intensive landbank from the Group's former Housebuilding business to the lower margin, capital light Partnerships model. This reduction is consistent with our expectations at the time of outlining our strategy. In the year the Group delivered an above-target proportion of Partner Funded completions, 73% compared to our target of 65%, due to market conditions. The cost forecasting issues in the South Division accounted for a further 2.1ppts deterioration in 2024 and will have an ongoing, but reducing, drag on margin in 2025 and 2026 as the impacted sites are completed and traded out.

Reported operating profit reduced by 44% to £167.0m (2023: £300.0m). The decrease was greater than for adjusted operating profit as a result of the increase in exceptional items in 2024, of which £99.9m (2023: £46.2m) was within operating profit.

BUILDING SAFETY

£m	2024	2023
Building safety provision:		
Additions	(117.1)	(11.7)
Releases	20.9	18.6
Discount unwind	(8.0)	(19.4)
Building safety provision recognised in joint venture	(20.9)	-
Building safety recoveries	27.2	11.7
Building safety related impairment	(16.8)	(18.5)
Total building safety expense	**(114.7)**	**(19.3)**

The cost of building safety rose to £114.7m (2023: £19.3m) as the Group increased its provision for remediation and recognised a further impairment of inventories.

The Group's building safety provision at the beginning of the year was £289.0m. This increased by £117.1m, reflecting an increase of 41 buildings following the completion of assessment of claims which were received subsequent to the implementation of a number of regulatory changes. The regulatory changes have broadened the types of issues which are deemed to cause a risk to occupant safety, as well as increasing the historical period for which the developer is responsible. In addition, the Group has experienced some increase in tender prices and an expansion in the scope of works on some buildings where additional issues were found during planned repairs.

During the year, one of the Group's joint ventures agreed to take responsibility for completing remedial works on 10 buildings that it developed and recognised a provision for the cost of these works. Accordingly, the Group released £20.9m that it had previously recognised for its share of those works. There was no net profit impact in the year, however the joint venture now holds the provision and it is no longer included in the Group's provision.

The Group utilised £68.8m of the provision during the year, continuing to make good progress with the remediation works. Work completed on 28 buildings during the year, with work ongoing for a further 43 buildings. At year end, we were engaged in the pre-start phase of the remediation process with 197 buildings, excluding the 10 buildings which will be remediated by one of the Group's joint ventures. The Group continued to manage remediation work through its specialist in-house team.

After discount unwind of £8.0m, the closing building safety provision as at 31 December 2024 was £324.4m.

£m	2024
Opening	**289.0**
Additions	117.1
Utilised in year	(68.8)
Released as obligation transferred to joint venture	(20.9)
Discount unwind	**8.0**
Closing	**324.4**

At 31 December, the number of buildings where work was ongoing or yet to commence on site increased to 240 (2023: 237).

The Group has continued to seek to recover costs from third parties where possible and was successful in recovering £27.2m during the year, which was recognised as an exceptional credit within cost of sales. Future recoveries will only be recognised when they are secured.

In the prior year, the Group recognised an impairment of inventories of £18.5m due to viability challenges on schemes which are now required to incorporate second staircases in high-rise buildings, leading to increased costs and a loss of saleable floorspace.

During 2024, the Group continued to assess the impact of this regulatory change on those schemes through redesign, which identified that the costs would be greater than previously expected. This led to an additional impairment of £16.8m.

EXCEPTIONAL ITEMS

Exceptional items increased to £128.8m (2023: £65.6m) comprising building safety of £114.7m (£19.3m), as described above, and restructuring, integration and other costs of £14.1m (2023: £46.3m). Restructuring, integration and other costs were lower than in the prior year and included changing the Group's divisional structures in response to the issues in the South Division.

NET FINANCE EXPENSE

Adjusted net finance expense increased 38% to £94.7m (2023: £68.8m). Within this, net bank interest payable increased 33% to £57.6m due to average borrowings rising by 19% year-on-year combined with an increase in the average interest rate that the Group incurs on borrowings of 0.5ppts to 7.0% (2023: 6.5%) due to the rise in the average SONIA rate.

Land creditors due after more than one year are discounted on initial recognition using the market rate at that time, with this discount subsequently unwound up to the date the creditor is settled. There is, therefore, a time lag before market interest rate changes feed through into net financing expenses. The unwind grew in 2024 due to rising discount rates over the last two years.

£m	2024	2023	Change
Net bank interest payable	(57.6)	(43.4)	-33%
Unwind of discount on land creditors	(21.7)	(11.5)	-89%
Interest on finance leases	(5.4)	(5.5)	+2%
Net interest on defined benefit pension schemes	1.6	1.7	-6%
Net joint venture interest payable	(11.6)	(10.1)	-15%
Adjusted net finance expense	**(94.7)**	**(68.8)**	**-38%**

PROFIT BEFORE TAX

Adjusted profit before tax was down 35% to £263.5m (2023: £407.3m) and reported profit before tax was down 64% to £104.9m (2023: £293.0m).

TAX

The adjusted tax charge was £74.6m (2023: £110.4m), an effective tax rate of 28.3% (2023: 27.1%).

The reported tax charge was £30.4m (2023: £78.0m), an effective tax rate of 29.0% (2023: 26.6%). The reported rate was broadly equal to corporation tax of 25% and Residential Property Developer Tax (RPDT) of 4%. The reported rate also includes a reduction for some additional qualifying expenditure in respect of land remediation relief, and a reduction for profits not in scope for RPDT, which both reduced the rate, offset by prior period adjustments.

The difference between the adjusted and reported effective rates is largely due to the presentation of a joint venture tax credit. Under IFRS, the share of joint venture profits or losses after tax are included in profit before tax. In the Group's adjusted measures, the Group's share of joint venture tax is included within the adjusted tax charge.

EARNINGS PER SHARE

Adjusted profit for the year reduced by 36% to £188.9m (2023: £296.9m), with adjusted earnings per share down by 35% to 55.9p (2023: 85.8p). The reduction in reported earnings per share of 65% to 22.0p (2023: 62.1p) was greater due to the impact of exceptional items.

CAPITAL EMPLOYED AND ROCE

£m	2024	2023 restated [2]	Change
Work in progress (including part exchange properties)	1,133.3	1,198.5	-5%
Land	1,875.0	1,881.7	-
Land creditors	(739.9)	(662.2)	-12%
Net increase in inventories	**2,268.4**	**2,418.0**	**-6%**
Investment in joint ventures	614.0	562.7	+9%
Other assets	874.0	738.5	+18%
Other liabilities	(1,243.5)	(1,308.6)	+5%
Capital employed	**2,512.9**	**2,410.6**	**+4%**
Building safety provision	(324.4)	(289.0)	-12%
Retirement benefit asset	31.7	34.2	-7%
Tangible net assets	**2,220.2**	**2,155.8**	**+3%**
Goodwill	827.6	827.6	-
Intangible assets	368.8	409.3	-10%
Net debt	(180.7)	(88.8)	-103%
Net assets	**3,235.9**	**3,303.9**	**-2%**

£m	2024	2023 restated [2]	Change
Opening capital employed	2,410.6	2,139.5	+13%
Closing capital employed	2,512.9	2,410.6	+4%
Average capital employed	**2,461.8**	**2,275.1**	**+8%**

Closing capital employed increased by 4% to £2,512.9m (2023: £2,410.6m), with a slightly larger increase in the average capital employed of 8% to £2,461.8m (2023: £2,275.1m).

The largest component of the Group's capital employed is its net investment in inventories. There were several factors contributing to a reduction in the closing balance.

Firstly, the Group recorded impairment write-offs of £61.2m, including those due to the cost forecasting issues in the South Division and the exceptional building safety impairment of £16.8m.

Secondly, the Group established a new joint venture with the development arm of Clarion, Latimer, to develop 1,200 homes on part of our site at Sherford, near Plymouth. The creation of this joint venture led to a transfer of £73.6m of work in progress from the Group's balance sheet.

Finally, land creditors increased by 12% to £739.9m (2023: £662.2m), in line with the Group's strategy to buy sites on deferred terms where acceptable conditions are available. Excluding all of these factors, the underlying position showed a build-up of work in progress of £156.0m due to the slower-than-anticipated Open Market sales rate. Reducing this is a focus for the Group moving into 2025.

The increase in capital employed was driven by Partner Funded receivables, which are included within other assets in the table above, and ongoing investment into joint ventures. Partner Funded receivables include trade receivables, retentions and contract assets (accrued revenue). These increased due to Partner Funded activity levels being higher in 2024 as the shift to a fully Partnerships model took effect, particularly in the last quarter of the year. In addition, the Group completed on a large Partner Funded contract in December 2023, which included a catch-up valuation on work completed to date which was cash settled at the point of completing the contract. At the end of 2024, Partner Funded receivables reflect a more normal working capital cycle for these types of contracts.

During 2024, the Group advanced more loans to joint ventures than were repaid during the year, a net increase of £75.2m, to fund investment into land and work in progress within joint ventures. This included the new joint venture at Sherford.

ROCE reduced by 6.3ppts to 14.6%, mainly due to the lower adjusted profit for the year.

BUILDING SAFETY PROVISION

The Group's building safety provision increased to £324.4m (2023: £289.0m) as described earlier in this review.

NET DEBT AND CASH FLOW

The Group's opening net debt of £88.8m was £207.0m adverse to the previous year's opening net cash of £118.2m. After an outflow of £91.9m, which was substantially smaller than the outflow in the prior year of £207.0m, closing net debt was £180.7m (2023: £88.8m). The average month-end net debt was higher at £534.2m (2023: £459.4m), with an average daily net debt of £698.1m (2023: £586.0m).

Whilst adjusted profit before tax was down 35% on the prior year, cash conversion improved due to a substantially lower working capital outflow of £91.5m (2023: outflow of £406.9m). In 2024, there was a cash benefit of £84.4m as spend on new land was lower than the land utilised and there was an increase in land creditors. The main contributors to the working capital outflow were the increase in Partner Funded receivables, described earlier in this review, which led to an outflow of £84.8m, as well as a reduction in payables of £55.9m due to lower amounts of cash being received from customers in advance of work being completed.

The Group continued to invest in its joint ventures, predominantly to fund land and work in progress across a growing number of active joint ventures.

The net exceptional cash flows related to building safety increased to £36.8m in the year (2023: £33.3m) comprising a gross spend of £58.8m (2023: £45.0m) less recoveries of £22.0m (2023: £11.7m). The cash flows differ from the profit or loss statement due to working capital movements. After recoveries, net cash spend on building safety is expected to increase to c. £65m in 2025.

Income tax paid of £11.3m was lower than in the prior year, with the quarterly instalment payments reflecting the lower taxable profits, and was broadly in line with the current tax element of the total tax expense.

The net inflow before shareholder distributions was £80.7m (2023: net outflow of £91.3m). Shareholder distributions totalling £172.6m were set in anticipation of profit for the year being higher than was achieved. This related to the 15.3m shares purchased under the Group's share buyback programmes. In 2023, the shareholder distributions comprised £110.4m of dividends and £5.3m of shares repurchased under the first buyback programme, which was launched in December 2023.

The total available facilities as at 31 December 2024 were £1,080.0m (2023: £1,015.7m), of which £1,005.0m (2023: £1,015.7m) were committed. Against these facilities, the Group had drawn £500.0m (2023: £506.7m) at the year end. During the year, the Group agreed an additional facility of £75.0m with one of the Group's existing lender pool, which is uncommitted and must be repaid at each quarter end. In addition, subsequent to 31 December 2024, the Group has secured an additional £50m facility with another lender from the Group's existing lender pool. These uncommitted facilities are on-demand facilities with flexible borrowing tenors to support the Group's short-term, in-month, borrowing requirements.

£m	2024	2023 restated [2]	Change
Opening net debt	(88.8)	118.2	n/a
Adjusted profit before tax	263.5	407.3	-35%
Working capital movements:			
Land	6.7	(60.0)	n/a
WIP	(35.2)	(226.1)	+84%
Land creditors	77.7	(5.2)	n/a
Receivables	(84.8)	(67.7)	-25%
Payables	(55.9)	(47.9)	-17%
Working capital outflow	**(91.5)**	**(406.9)**	**+78%**
Net investment in joint ventures	(28.9)	(60.4)	+52%
Exceptional building safety spend (net of recoveries)	(36.8)	(33.3)	-11%
Restructuring, integration and other costs	(14.3)	(56.1)	+75%
Taxation	(11.3)	(37.7)	+70%
Cash inflow/(outflow) before shareholder distributions	80.7	(91.3)	n/a
Shareholder distributions	(172.6)	(115.7)	-49%
Net cash outflow	**(91.9)**	**(207.0)**	**+56%**
Closing net debt	**(180.7)**	**(88.8)**	**-103%**

	Facility				
£m	Available	Maturity	Margin	2024	2023
Revolving credit facility	(500.0)	2026	SONIA + 1.6-2.5 ppts	-	-
Term loan	(400.0)	2026	SONIA + 1.9-3.1 ppts	(400.0)	(400.0)
USPP loan [1]	(100.0)	2027	4.03 ppts	(103.7)	(104.6)
Prepaid facility fee	n/a	n/a	n/a	2.7	4.2
Development loan [2]	-	2029	ECRR + 1.2-2.2 ppts	-	(6.7)
Money market facility	(75.0)	n/a	SONIA plus margin		
Overdraft facility	(5.0)	2025	BoE Base + 1.5 ppts	-	-
Total borrowings	**(1,080.0)**			**(501.0)**	**(507.1)**
Cash				320.3	418.3
Net debt				**(180.7)**	**(88.8)**

[1] *The carrying value of the USPP loan includes the fair value of future interest payments of £3.7m (2023: £4.6m) as the loan was acquired through a historical acquisition. The drawings of £100.0m (2023: £100.0m) are equal to the total available facility.*

[2] *The Homes England development loan is no longer included in the consolidated Group accounts as the borrower, Linden Homes (Sherford) LLP, is no longer a subsidiary undertaking.*

SHAREHOLDER DISTRIBUTIONS AND CAPITAL ALLOCATION POLICY

The Group has not changed its capital allocation policy during the year. An interim ordinary distribution in the form of a share buyback of up to £55m was announced in September 2024 alongside a special buyback of up to £75m. The Group has completed £38m to date and expects to complete the remaining £92m in the half year 2026.

Reflecting the disappointing performance in 2024, the Group is not proposing any final ordinary distribution in respect of the 2024 adjusted earnings. Future distributions will be made in accordance with Group's capital allocation policy.

FORWARD ORDER BOOK

The forward order book as at 31 December was broadly stable at £4.4bn (2023: £4.5bn). The reduction in the Open Market element was driven by the lower Open Market sales rate in the year's final three months.

£m	2024	2023
Open Market	285	298
Partner Funded	4,156	4,168
Total	**4,441**	**4,466**

LAND BANK

The land bank represents 4.4 years of supply (2023: 4.9 years). The Group's Partner Funded business model supports a shorter land bank than traditional housebuilding due to the faster pace of delivery on pre-sold sites and the lower proportion of Open Market homes. Over the medium term, we expect the length of the land bank to reduce to less than 4.0 years of supply.

The Group added 14,432 plots to the land bank across 46 sites in the year, including 701 plots across three sites previously in the strategic land bank. The proportion of the total plots that were controlled rather than owned at the end of the year increased to 31% (2023: 27%). Over the medium term, we expect around one-third of the land bank to come from controlled rather than owned sites, as controlled sites require only minimal upfront capital investment.

Number of plots	2024	2023
Owned (excluding joint ventures)	34,233	39,955
Owned - joint ventures (100%)	17,048	15,752
Total owned	51,281	55,707
Controlled (excluding joint ventures)	12,230	10,459
Controlled - joint ventures (100%)	10,509	10,268
Total controlled	22,739	20,727
Total	**74,020**	**76,434**

STRATEGIC LAND

Strategic land refers to land which does not yet have planning consent and which the Group is or will progress through planning and promotional processes before development. Once we obtain planning consent, the land becomes consented. Strategic land remains an essential supply source, and the number of plots increased by 8% during the year.

As at 31 December 2024	Total sites	Total plots
0 – 150 plots	55	4,322
150 – 300 plots	53	10,930
300 – 500 plots	31	10,745
500 – 1,000 plots	21	13,425
1,000+ plots	22	36,797
Total	**182**	**76,219**
Planning agreed	17	5,855
Planning application	19	8,778
Ongoing application	146	61,586
Total	**182**	**76,219**
At 31 December 2023	185	70,780
Change	-2%	+8%

TIM LAWLOR
Chief Financial Officer

25 March 2025


Monument View, Wellington


Fernleigh Park, Long Marston

PROVIDING CLARITY TO THE USERS OF THE ANNUAL REPORT AND ACCOUNTS

ALTERNATIVE PERFORMANCE MEASURES

In addition to the IFRS (reported) measures disclosed throughout the Annual Report and Accounts, the Group uses certain non-IFRS alternative performance (adjusted) measures to assess its operational performance. Adjusted measures are presented in order to better reflect the contribution of the joint venture investments to the Group's performance and to enable the reader to identify a more consistent basis for comparing performance between financial years. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by management.

ALTERNATIVE PERFORMANCE MEASURE	DEFINITION
Adjusted revenue	Statutory revenue plus the Group's proportional share of joint ventures' revenue.
Adjusted operating profit	Statutory operating profit excluding exceptional items and amortisation of acquired intangible assets plus the Group's proportional share of joint ventures' operating profit.
Adjusted operating margin	Adjusted operating profit divided by adjusted revenue.
Adjusted net finance expense	Statutory net finance expense excluding exceptional items plus the Group's proportional share of joint ventures' net finance expense.
Adjusted profit before tax	Statutory profit before tax excluding exceptional items, amortisation of acquired intangible assets and the Group's proportional share of joint ventures' tax.
Adjusted income tax expense	Statutory income tax expense excluding the tax effect of exceptional items and amortisation of acquired intangible assets, tax on joint ventures included in profit before tax and the adjustment of one-off tax items.
Adjusted effective tax rate (ETR)	Adjusted ETR represents the underlying tax rate for the Group before the impact of one-off tax items, and is defined as the statutory headline rate adjusted for Group's liability to Residential Property Developer Tax (RPDT).
Adjusted basic earnings per share (EPS)	Adjusted profit before tax less adjusted income tax expense, divided by the weighted average number of ordinary shares for the year.
Net debt	Cash and cash equivalents less total borrowings (excluding lease liabilities).
Capital employed	Statutory net assets less goodwill, intangible assets, net debt, retirement benefit asset and the building safety provision.
Tangible net asset value (TNAV)	Statutory net assets less goodwill, intangible assets and net debt.
Return on capital employed (ROCE)	Adjusted operating profit divided by average capital employed.

Reconciliation of adjusted measures to reported measures (where appropriate):

PROFIT OR LOSS ACCOUNT

	2024						
	Revenue £m	Operating profit £m	Net finance expense £m	Share of profit from joint ventures £m	Profit before tax £m	Tax £m	Profit for the year £m
Reported measures	**3,779.3**	**167.0**	**(65.4)**	**3.3**	**104.9**	**(30.4)**	**74.5**
Adjusting items:							
Exceptional items [1]	-	99.9	8.0	20.9	128.8	(37.3)	91.5
Share of joint ventures [2]	549.9	51.8	(37.3)	(24.2)	(9.7)	9.7	-
Amortisation of acquired intangible assets [3]	-	39.5	-	-	39.5	(11.4)	28.1
Other tax items [4]	-	-	-	-	-	(5.2)	(5.2)
Total adjusting items	549.9	191.2	(29.3)	(3.3)	158.6	(44.2)	114.4
Adjusted measures	**4,329.2**	**358.2**	**(94.7)**	**-**	**263.5**	**(74.6)**	**188.9**

	2023 restated[1]						
	Revenue £m	Operating profit £m	Net finance expense £m	Share of profit from joint ventures £m	Profit before tax £m	Tax £m	Profit for the year £m
Reported measures	**3,564.2**	**300.0**	**(63.0)**	**56.0**	**293.0**	**(78.0)**	**215.0**
Adjusting items:							
Exceptional items[2]	-	46.2	19.4	-	65.6	(18.0)	47.6
Share of joint ventures[3]	477.9	83.6	(25.2)	(56.0)	2.4	(2.4)	-
Amortisation of acquired intangible assets[4]	-	46.3	-	-	46.3	(10.9)	35.4
Other tax items[5]	-	-	-	-	-	(1.1)	(1.1)
Total adjusting items	477.9	176.1	(5.8)	(56.0)	114.3	(32.4)	81.9
Adjusted measures	**4,042.1**	**476.1**	**(68.8)**	**-**	**407.3**	**(110.4)**	**296.9**

EPS

	2024	2023 restated[1]
Adjusted earnings (£m)	188.9	296.9
Weighted average number of ordinary shares (m)	338.1	346.0
Adjusted basic earnings per share (pence)	**55.9**	**85.8**

TNAV AND CAPITAL EMPLOYED

TNAV measures the intrinsic value of the tangible assets held by the Group. Capital employed is a key input for determining ROCE and represents the capital used to generate adjusted operating profit.

	2024 £m	2023 restated[1] £m
Net assets	3,235.9	3,303.9
Less:		
Goodwill	(827.6)	(827.6)
Intangible assets	(368.8)	(409.3)
Net debt	180.7	88.8
Tangible net assets	**2,220.2**	**2,155.8**
Retirement benefit asset	(31.7)	(34.2)
Building safety provision	324.4	289.0
Capital employed	**2,512.9**	**2,410.6**
Opening capital employed	2,410.6	2,139.5
Closing capital employed	2,512.9	2,410.6
Average capital employed	**2,461.8**	**2,275.1**

ROCE

ROCE measures the efficiency of capital use by the Group.

	2024	2023 restated[1]
Adjusted operating profit (£m)	358.2	476.1
Average capital employed (£m)	2,461.8	2,275.1
ROCE (%)	**14.6**	**20.9**

[1] *The 2023 comparatives have been restated as described in note 1 to the financial statements.*

[2] *Exceptional costs are those which the Directors consider to be material by size and irregular in nature. The adjusted measures exclude these items in order to more clearly show the underlying business performance of the Group.*

[3] *The Group undertakes a significant portion of its activities through joint ventures with its partners. In accordance with IFRS, the Group's statement of profit or loss and other comprehensive income includes its share of the post-tax results of joint ventures within a single line item. The Directors believe that showing the Group's share of revenue, operating profit and net financing expenses from joint ventures within the respective adjusted measures better reflects the full scale of the Group's operations and performance.*

[4] *The amortisation charge relates to intangible assets which arose on the acquisitions of Linden Homes and Galliford Try Partnerships from Galliford Try PLC and of Countryside Partnerships PLC. The charge is non-cash and was set at the time of the acquisition. The Directors consider that this needs to be excluded in the adjusted measure to show the underlying business performance of the Group more clearly.*

[5] *The Directors consider that one-off tax items need to be excluded such that the adjusted income tax expense represents the underlying tax charge for the Group.*

FORWARD ORDER BOOK

The Group's forward order book comprises the unexecuted element on contracts that have been secured including those which are reported within its joint ventures. The Directors believe that showing the Group's share of joint venture orders better reflects the full scale of the Group's pipeline. Additionally, reservations made on Open Market sales have been included given they are a commitment made by a customer against a specific plot.

	2024 £m	2023 £m
Transaction price allocated to unsatisfied performance obligations on contracts	3,711.6	3,722.9
Adjusting items:		
Share of forward orders included within the Group's joint ventures	551.2	558.2
Open Market reservations	178.0	185.0
Forward order book (adjusted measure)	**4,440.8**	**4,466.1**

OTHER KEY DEFINITIONS AND TERMS

The following table includes definitions of key terms used throughout the Annual Report and Accounts which haven't been defined elsewhere.

TERMS	DEFINITION
New home completions	The number of homes sold in the financial year, including joint venture completions. For Open Market homes, this is the number of legal completions during the year. For Partner Funded homes, this represents the equivalent number of units sold, based on the proportion of work completed under a contract during the year.
Land bank	The total number of plots expected to be deliverable on land owned or controlled by the Group (including in joint ventures) which have planning consent.
Land development opportunities	The total number of plots expected to be deliverable on land owned or controlled by the Group (including in joint ventures) or through other contractual arrangements which have planning consent.
Strategic land	The total number of plots expected to be deliverable on land owned or controlled by the Group (including in joint ventures) without planning consent.
Forward order book	The Group's share of future revenue that will be derived from signed contracts, letters of intent or open market sales reservations including the Group's share of joint ventures' forward order book.
HBF score	The Home Builders Federation (HBF) undertakes customer satisfaction surveys. Survey forms are sent to customers at both 8 weeks and 9 months after they complete the purchase of their new home. The score measures the percentage of respondents answering 'yes' to the key question "Would you recommend your builder to a friend?". To achieve a 5-star rating, an average score of 90% or more is required on the 8-week surveys.
NHBC Reportable Items (RIs)	The average number of all RIs received within the period across all inspections carried out on sites registered with the National House Building Council (NHBC). An RI is any contravention of the NHBC technical standards or building regulations recorded at any key build stage or frequency visit.
NHBC Construction Quality Review (CQR)	An independent, site-based review undertaken by NHBC of the quality of construction. The CQR score is the average score received within the period across all reviews carried out on sites registered with the NHBC.

TERMS	DEFINITION
Employee engagement score	The Vistry Group employee survey, run by Workday Peakon Employee Voice, covers a number of different topics, including various drivers, all of which contribute towards the overall sense of engagement amongst our teams. Surveys are run twice per year, with employees scoring their responses on a scale of 0-10.
Voluntary turnover	The number of employees who resigned from the organisation as a percentage of the average total number of employees in the year.
Accident Incident Rate (AIR)	The number of reportable accidents per 100,000 workers on site.
Service Strike Incident Rate (SSIR)	The number of service strikes per 100,000 workers on site.
Scope 1 Greenhouse Gas (GHG) Emissions	Scope 1 emissions are direct emissions from owned or controlled sources. These include natural gas, biomass, company cars, leased vans and fuel utilised for operations. They are measured in tCO2e.
Scope 2 Greenhouse Gas (GHG) Emissions	Scope 2 emissions are indirect emissions from the generation of purchased electricity used in our offices, sites and plots before they are handed over as well as electricity from Electric Vehicles. They are measured in tCO2e.
Scope 3 Greenhouse Gas (GHG) Emissions	Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in our supply chain. They are measured in tCO2e.
Net Zero	Net Zero is when any remaining GHG emissions are neutralised through carbon removals. For Vistry, this requires a minimum absolute Scope 1 and 2 GHG emissions reduction of 90% and scope 3 GHG emissions reduction of 97% per m2 by 2040 from a 2022 base year. Carbon offsets will be used as a last resort to offset residual emissions. If used, these offsets will meet the following criteria: Verified Carbon Standard (VCS), Gold Standard Verified Emissions Reduction (GS VER), Voluntary Offset Standard (VOS), Climate Community and Biodiversity Standards (CCB) or will meet the requirements of the Quality Assurance Standard for Carbon Offsets.
Non-hazardous construction waste diverted from landfill	The percentage of waste removed from sites without using incinerators or landfill.
Affordable home completions	Affordable homes include social rent, affordable rent, intermediate rent, right to shared ownership, right to buy, rent to buy, shared ownership, first home/discounted market sale.

SUSTAINABILITY REPORT

Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value leaving a lasting legacy of places people love.

Our approach to this Sustainability Report

1 SUSTAINABILITY HIGHLIGHTS FROM 2024

2 OUR APPROACH TO SUSTAINABILITY

3 MATERIAL ISSUES & PROGRESS IN 2024

4 OUR PEOPLE 'PUTTING PEOPLE AT THE HEART OF WHAT WE DO'

5 SUSTAINABILITY IN ACTION

SUSTAINABILITY PILLARS: CLIMATE & RESOURCES | BUILDING COMMUNITIES | OUR PEOPLE

1 SUSTAINABILITY HIGHLIGHTS FROM 2024

In 2023, we reset our sustainability strategy to focus on material issues that were identified through a double materiality assessment. The material issues are shown in the box below.

MATERIAL ISSUES		
BUILDING COMMUNITIES	CLIMATE & RESOURCES	OUR PEOPLE
• Social value & community impact • Affordable homes • Biodiversity • Placemaking	• Energy & Greenhouse Gas (GHG) • Waste & resource efficiency • Sustainable & low carbon homes	• Equality, Diversity & Inclusion • Health, Safety & Wellbeing • Talent Attraction Development & retention

The table below presents a selection of key sustainability highlights achieved throughout the year. Each highlight is accompanied by a brief explanation, providing context on its significance and impact. These achievements reflect our ongoing commitment to sustainability and our progress toward long-term sustainability goals.

HIGHLIGHT	WHAT THIS MEANS
£115m social and local economic value generated	The social, economic, and environmental value created by Vistry during 2024.
4,371 additional affordable homes	We are increasing the supply of affordable housing across the country.
678 individual learners passing through our skills academies	Addressing skills shortages and reducing unemployment through targeted support in employment, skills development, and job opportunities.
Over 1,200 visitors to the Vistry Innovation Centre	A unique, sector-leading facility incorporating cutting-edge technologies that will be used to help meet the Company's Net Zero ambitions as well as the delivery of the Future Homes Standard.
>700 Zero Carbon ready homes (in operation) completed in FY24	Delivering these homes at scale is informing our standard house type designs, to help meet the future homes standard.
Embedded our carbon action plan and increased use of HVO fuel and the use of battery generators	Reduced absolute Scope 1 and 2 GHG emissions by 3%.
Developed monthly regional, divisional and Group sustainability scorecards	Allows progress to be monitored at all levels.
Launched a waste action plan	Clear instructions for how regional teams can reduce waste on site.
Octopus Energy deal on Zero Bills	'Zero Bills' initiative will provide homes equipped with cutting-edge green technology, such as heat pumps, solar panels and batteries, that guarantees no energy costs for 10 years. We will roll this out on several developments.
Hydrogen telehandler trial on site in the Midlands	Working with our supply chain to help test innovative technology to meet Net Zero targets.
Launched an internal design guide in collaboration with the Bat Conservation Trust	Emphasises best practice principles that foster collaborative working and maximise benefits for wildlife and people.
Completed an annual review of our double materiality assessment	Ensures our approach is focused on the most important sustainability issues.
Included sustainability and social value into our new 'life of site' process	To give guidance to regional teams and ensure a consistent approach.
Published our first stand-alone sustainability report	Provides more detail on our approach and progress during the year.
Facilitated training workshops with the Supply Chain Sustainability School and developed a Vistry focused Introduction to Sustainability training module.	To help upskill our people and our supply chain.

2 OUR APPROACH TO SUSTAINABILITY

PURPOSE AND STRATEGY

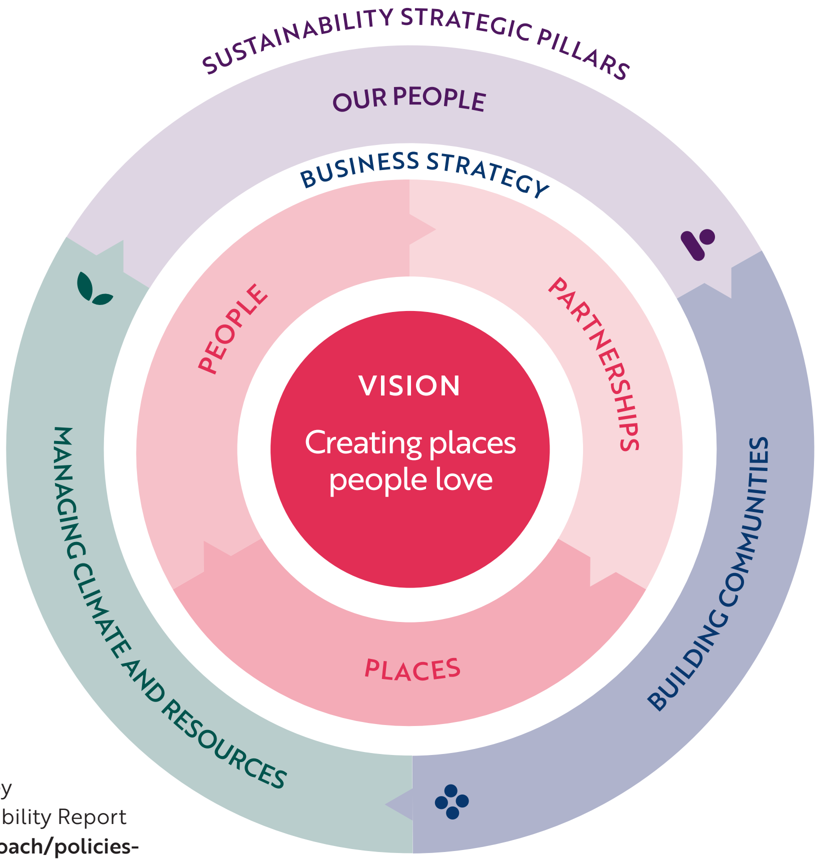
Our purpose as a responsible developer is to work in partnership to deliver sustainable homes, communities and social value.

Sustainability is an integral part of how Vistry operates. As the largest developer of affordable homes, building one in six across the country in 2024, delivering social value is a core part of our offer.

As a responsible developer, we want our strategic partnerships to create sustainable homes, vibrant communities, and lasting social value.

Our sustainability strategy is deeply integrated into our core partnerships-led strategy. This integration underscores its critical importance to our long-term goals and the needs of all our stakeholders.

How our sustainability pillars work



Read more about the targets for each key sustainability issue in our online Sustainability Report **www.vistrygroup.co.uk/sustainable-approach/policies-and-publications**.

SUSTAINABILITY OVERSIGHT AND ULTIMATE DECISION MAKING

BOARD AND COMMITTEES
OVERSIGHT AND MONITORING

EXECUTIVE LEADERSHIP TEAM
DECISION MAKING

SUSTAINABILITY COMMITTEE
DELIVERY

BUSINESS IMPROVEMENT GROUP

REGIONAL BOARDS

REGIONAL SUSTAINABILITY LEADS

SUSTAINABILITY STRATEGY

Our sustainability strategy lays strong foundations for delivering on our commitments through our three core priority areas: Climate & Resources, Building Communities and Our People. A description of each key sustainability issue is included in the table below.

CREATING PLACES PEOPLE LOVE		
MANAGING CLIMATE & RESOURCES		
ENERGY & GHG EMISSIONS	**WASTE & RESOURCE EFFICIENCY**	**SUSTAINABLE & LOW CARBON HOUSING**
Working to be a Net Zero organisation by 2040 and improving operational processes.	Manage and reduce waste in line with the waste hierarchy and embracing circular economy principles. Reducing the environmental impact of the materials we use in our operations.	Designing and delivering house types that minimise Greenhouse Gas (GHG) emissions, running costs and the environmental impact. The use of modern methods of construction (MMC).

BUILDING COMMUNITIES			
SOCIAL VALUE & COMMUNITY IMPACT	**AFFORDABLE HOMES**	**BIODIVERSITY**	**PLACEMAKING**
By placing people and communities at the heart of our decision-making process, we build sustainable communities that last and flourish.		To ensure that everyone's needs remain central, we follow the Vistry 'Building Communities' approach on every project; from master-planning and design, through to building and aftercare, working closely with communities and stakeholders throughout the development journey.	

OUR PEOPLE		
DIVERSITY, EQUITY & INCLUSION	**HEALTH, SAFETY & WELLBEING**	**TALENT ATTRACTION, DEVELOPMENT & RETENTION**
Ensuring we continue to create an inclusive environment where our people can thrive, develop and excel in what they do.	Prioritising the health and safety of our employees and subcontractors in everything we do.	Attract, develop and retain the best people; making Vistry a great place to work.

GOVERNANCE

Effective governance is critical to the success of our sustainability strategy. The Board has responsibility for sustainability, and delivery of the sustainability strategy is delegated to the Sustainability Committee.

Supporting our Sustainability strategy are our supporting policy documents, covering health and safety, the environment, ethics and conduct, equal opportunities and whistleblowing. All are reviewed and communicated annually and are available on our website.

Sustainability Committee

The objective of the Sustainability Committee is to make recommendations to the Executive Leadership Team relating to the effective implementation of our sustainability strategy and our performance against targets.

The Sustainability Committee meets at least three times per year and addresses issues including:

- Social value and community impact.
- Biodiversity, energy and Greenhouse Gas emissions.
- Modern slavery, next generation sustainability benchmark membership, sustainable and low carbon homes.

By making sustainability a business as usual priority, we have embedded sustainability decision-making into our life of site process. This includes a sustainability action plan ensuring that accountability is assigned through each stage of a project lifecycle; such as commitments made in bids or specific partner requirements.

Board environmental and sustainability skills

Overall responsibility for sustainability rests with the Board. Using an interactive questionnaire, we assessed the Board's environmental and sustainability knowledge and we are confident that the Board is sufficiently competent in these areas.

Areas of Board focus during 2024 have included modern slavery, innovation and carbon reduction.

Materiality and how it informs our approach to sustainability

Our sustainability strategy is focused on the issues that are most relevant to the Group and its key stakeholders. These issues were highlighted following a double materiality assessment carried out during the prior year and updated during 2024 as part of an internal review.

The review was aligned to the Corporate Sustainability Reporting Directive (CSRD) and International Financial Reporting Standards (IFRS) best practice standards. We completed risk analysis against existing and newly announced legislation and planning policy and used this to rank issues based on the severity of risks and scale of opportunity. We have reviewed competitor approaches to ESG and identified opportunities to differentiate Vistry's strategy to prioritise issues. A workshop was held in 2024 with various internal stakeholders to inform materiality ranking.

We found that social value, placemaking, sustainable and low carbon homes and biodiversity have moved up the scale of materiality. Social value has been rated within the top 10 of highly material issues. In response to this, we have introduced social value action planning into our life of site process to help embed it into every project. We have also developed the ability to report social value at a project level. We will now be able to share the social value return on investment with our partners.

For more information on our Double Materiality Assessment see our Sustainability Report:: **www.vistrygroup.co.uk/sustainable-approach/policies-and-publications.**

Risks and opportunities

We recognise that strategic risks and opportunities arise from sustainability issues and sustainability is included as a principal risk.

We are preparing to disclose sustainability risks and opportunity in more detail in future reports, in line with expected forthcoming reporting guidelines.

More information, including how we mitigate sustainability risks and opportunities can be read on page 72.

ETHICAL AND RESPONSIBLE BUSINESS

Modern Slavery

We recognise that modern slavery can occur in the construction industry. We operate an Anti-Slavery and Human Trafficking Policy, which outlines our zero-tolerance approach to modern slavery and human trafficking and supports our efforts to combat modern slavery.

Our people are required to complete a dedicated modern slavery awareness training, which provides guidance on understanding modern slavery in the construction industry, how to spot the signs of modern slavery together with contact details for relevant agencies and details of our Speak Up hotline.

Our Speak Up hotline, is operated by an independent third party, Ethics Point, and can be used by employees to report suspected wrong-doing.

Vistry has an external partnership with Supply Chain Sustainability School and is a member of the Modern Slavery Engagement Programme, which aims to increase awareness and provide guidance and training to our supply chain. We have also pledged our commitment to the Gangmasters and Labour Abuse Authority Construction Protocol.

SUPPLY CHAIN SUSTAINABILITY SCHOOL PARTNER

Our supply chain onboarding process ensures that our suppliers and subcontractors confirm compliance with the Modern Slavery Act, provide details of their own modern slavery policies and are aware of our modern slavery commitments and expectations.

WHAT'S NEXT? 2025

In FY25 we will review our strategy to ensure it reflects the changes in material issues.

WHAT'S NEXT? 2025

In FY25 we will establish a committee to focus solely on modern slavery.

Ethical Code of Conduct

Our Ethical Code of Conduct Policy (Code) was updated in January 2025 and outlines our commitment to high ethical and moral standards and the responsibility framework we have embedded to deliver our standards and appropriate behaviours. The responsibility framework is delivered through this Code and the supporting policies which set out the Company's approach to anti-bribery and corruption, anti-fraud, anti-money laundering, equal opportunities and whistleblowing.

Supply Chain Engagement

We recognise that everyone plays a part in making the sustainability strategy successful. We collaborate with our supply chain to improve sustainability performance and support these stakeholders, ensuring they have the knowledge and skills to contribute to a sustainable industry. Our primary way to achieve this, is through the Supply Chain Sustainability School. In partnership with the school, we have facilitated workshops for our supply chain to introduce the school and promote value.

ASSURANCE AND REPORTING

Assurance of sustainability data

The Group engaged DNV Business Assurance Services UK Limited (DNV) to undertake independent limited assurance of our 2024 sustainability data. The assurance engagement was conducted in line with the International Standard on Assurance Engagements 3000. DNV's full Assurance Statement and supplemental information and the full list of our reporting criteria, together with definitions and methodologies can be found in the Basis of Reporting section of our online Sustainability Report.

www.vistrygroup.co.uk/sustainable-approach/policies-and-publications.

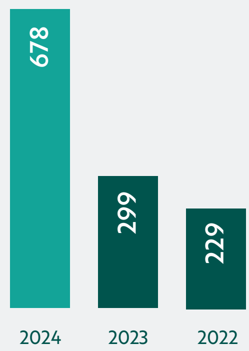
The following table outlines the metrics within scope of limited assurance:

METRIC
Total Scope 1 GHG emissions (natural gas, biomass, company cars, leased vans, and fuel utilised for operations) (tCO2e).
Total Scope 2 GHG emissions (purchased electricity) location based (tCO2e).
Scope 1 and 2 (location-based) GHG emissions intensity (tCO2e per 100m2 of legally completed build area).
Energy (Scope 1 and 2) (MWh).
Scope 3 GHG emissions - Category 3 fuel and energy related activities (tCO2e).
Scope 3 GHG emissions - Category 6 business travel and private vehicles (tCO2e).
Scope 3 GHG emissions - Category 11 use of sold products - Regulated (tCO2e).
Number of individual learners who passed through skills academies.
Total non-hazardous construction waste produced in tonnes.
% of non-hazardous construction waste diverted from landfill.
Non-hazardous construction waste intensity (tonnes per 100m2 of legally completed build area).

Forthcoming regulations and reporting requirements

We are actively preparing for forthcoming anticipated changes in reporting, such as IFRS S1 and S2 and the Taskforce for Nature-Related Financial Reporting.

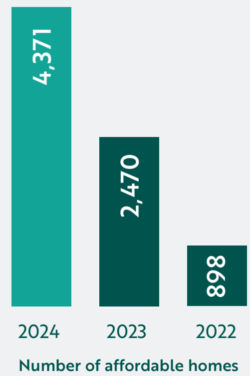
The table below outlines progress against our three sustainability pillars. Each pillar covers key sustainability issues, relevant UNSDGs (see key opposite) targets, key performance indicators, and a summary of progress over the year. Where applicable, links to further reading are provided.

MATERIAL ISSUE & LINK TO SDGs	DEFINITION	TARGET	SUSTAINABILITY KPI
PILLAR: BUILDING COMMUNITIES **SOCIAL VALUE & COMMUNITY IMPACT**	The overall value people place on changes in their lives, not just in terms of money. It includes creating local jobs, improving the local environment and biodiversity, and promoting community health and wellbeing. We use the National Themes, Outcomes and Measures (TOMs) Framework for Measuring Social Value, developed by the National Social Value Taskforce.	• >300 learners passing through skills academy in 2025. • Deliver £120,000 worth of Local Social Economic Value (LSEV) per £1m of build and infrastructure costs each year from 2025.	We have introduced a social value plan into our life of site process. This means every project has the tools to develop a project specific social value plan and enables us to collaborate with partners to develop social impact strategies that are bespoke to the places and communities with which we work.  Number of individual learners
PILLAR: BUILDING COMMUNITIES **PLACEMAKING**	Creating spaces that people feel connected to and enjoy being in. When we develop our homes, we also think about ways to nurture and revitalise communities. We do this by working with partners, who share our goal of designing desirable, well-connected environments that strengthen community ties and lifestyles.	Implement the 'Building for a Healthy Life' approach on every new project from 2024.	From 2025, we will report the proportion of developments completed in the past year which are designed to meet Building for a Healthy Life criteria.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS REPORTING

The United Nations Sustainable Development Goals (SDGs) have been developed to support global change and sustainable growth. Whilst Vistry Group's operations are in the United Kingdom only, we recognise that our value chain has global reach. Our sustainability strategy is therefore aligned with the United Nation's sustainability agenda via the SDGs framework. We have reviewed the 17 goals and have highlighted those goals which most closely align to our sustainability priorities as shown in the table below.

KPI *continued*	PROGRESS IN 2024
We have focused on refining how we capture, measure, and communicate social value. All active projects are now aligned under a single data platform, allowing us to provide clearer insights to our partners while meeting the rising expectations for social value contributions. Every new development can now produce a social value impact report, meaning we can quantify social value across all of our new developments.	This year we have generated a total of £118m LSEV. This has been broken down against our four social value pillars, as shown on page 55. During 2024, 678 individual learners passed through our skills academies.
	Building for a Healthy Life (BfHL) is a design tool, which comprises 12 considerations to assess design quality. It is England's most widely known and used design tool, and ultimately seeks to create places that are better for people and nature. It is referred to in policy and is industry-accepted and seen as a practicable way to assess design quality. It reflects the Government's increased emphasis on design. We have committed to using BfHL for all new developments, to guide the inception of a scheme and set expectations. To enable this, we have included BfHL in our life of site process, to ensure it is considered as early as possible in the design process. Our life of site process launched in 2024, and therefore, it will take some time for all completed developments to have implemented the BfHL criteria. We look forward to reporting the complete roll-out across all new developments in future years. We have delayed developing an approach to post-occupancy evaluation and have scheduled its roll-out for 2025 to align it with the launch of the new Vistry collection.

MATERIAL ISSUE & LINK TO SDGs	DEFINITION	TARGET	SUSTAINABILITY KPI
PILLAR: BUILDING COMMUNITIES **BIODIVERSITY** 15 LIFE ON LAND	Creating biodiversity net gain and minimising the negative impact of our operations on local ecosystems and biodiversity.	A bird-nesting brick or box installed for every new home built, as well as hedgehog highways, as standard on every new development taken through planning from 1 September 2024.	From FY25, we will report the total number of on-site nature enhancements against our new target.
PILLAR: BUILDING COMMUNITIES **AFFORDABLE HOMES** 3 GOOD HEALTH AND WELL-BEING; 10 REDUCED INEQUALITIES; 11 SUSTAINABLE CITIES AND COMMUNITIES; 17 PARTNERSHIPS FOR THE GOALS	Affordable homes include social rent, affordable rent, intermediate rent, right to shared ownership, right to buy, rent to buy, share ownership, first home/ discounted market sale. We aim to deliver an increase in additional affordable homes beyond policy (S106) compliance.	Achieve a year-on-year increase in additional affordable homes built beyond policy requirements.	
PILLAR: CLIMATE & RESOURCES **WASTE & RESOURCES** 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Improving operational processes to manage and reduce waste in line with the waste hierarchy and embracing circular economy principles. Reducing the environmental impact of the materials we use in our operations.	• Achieve waste intensity of <6.5t/100m2 of construction waste by 2025 and <1.9t/100m2 by 2030. • From 2025, divert more than 98% of non-hazardous construction waste from landfill.	See tables below

NON-HAZARDOUS CONSTRUCTION WASTE (TONNES PER 100M2)

2024	2023	2022
7.02	6.34	N/A

% NON-HAZARDOUS CONSTRUCTION WASTE DIVERTED FROM LANDFILL

2024	2023	2022
98	97	98

NON-HAZARDOUS CONSTRUCTION WASTE (TONNES PER PLOT)

2024	2023	2022
6.2	5.5	7.5

KPI *continued*	PROGRESS IN 2024
	The Homes for Nature commitment will see a bird-nesting brick or box installed for every new home built, as well as hedgehog highways, as standard on every new development taken through planning from 1 September 2024. Along with 28 homebuilders (who build more than 100,000 homes a year), we have signed up for this voluntary commitment, which represents a major step towards providing a minimum of 300,000 nesting bricks and boxes to support swift populations and many more bird species across the country. During the year, we introduced biodiversity net gain requirements into our life of site process, to ensure compliance with regulations. We have also continued our partnership with the Bat Conservation Trust (BCT) by developing a new integrated bat box and a design guide for our internal teams. The guide emphasises best practice principles that foster collaborative working and maximise benefits for wildlife and people.
	The total number of additional affordable homes in 2024 was 4,371 (2023: 2,470), achieving a year-on-year increase in affordable homes built beyond policy requirements, in line with our target.
	We established a working group with representatives from a variety of disciplines to develop a waste action plan to help drive consistency in waste management approaches across our regions. Our selected waste management companies have supported us in automating data reporting to improve the efficiency and robustness of data collection. We believe this is the primary reason for our reported non-hazardous construction waste intensity increasing to 7.02 tonnes per 100m2 from 6.34 tonnes per 100m2 (total non-hazardous construction waste for FY24 was 106,398 tonnes). We have worked with Community Wood Recycling to increase the reuse of timber waste, during FY24 by: • Rescuing 1774 tonnes from the waste stream; • Reusing 901 tonnes of wood; and • Creating 21 jobs and training 31 people through our use of Community Wood Recycling.

MATERIAL ISSUE & LINK TO SDGs	DEFINITION	TARGET	SUSTAINABILITY KPI

PILLAR: CLIMATE & RESOURCES

ENERGY & GHG EMISSIONS

Definition: Working to be a Net Zero organisation by 2040 and improving operational processes.

Target: The following targets are approved by the Science Based Targets initiative (SBTi):

- 42% reduction in absolute Scope 1 and 2 GHG emissions by 2030 from a 2022 base year.
- 51.6% reduction in Scope 3 GHG emissions per m2 of completed housing by 2030 from a 2022 base year.
- Commitment to achieve Net Zero by 2040.

Sustainability KPI:

	YEAR		
	2024	2023*	2022*
SCOPE 1 tCO2e	18,484	21,211	20,272
SCOPE 2 tCO2e location based	6,013	4,042	3,906
SCOPE 1 & 2 tCO2e	24,498	25,252	24,178
SCOPE 1 & 2 tCO2e (location based) GHG emissions intensity (per 100m2 floor area)	1.64	1.81	1.62
ENERGY USE MWH	**138,917**	**118,231**	**123,577**

** Restated following improvements in company car mileage data. We calculate our GHG emissions following the Greenhouse Gas Protocol.*

PILLAR: CLIMATE & RESOURCES

SUSTAINABLE & LOW CARBON HOUSING

Definition: Designing and delivering house types that minimise GHG emissions, running costs and the environmental impact of our homes.

The use of MMC.

Target:

- Achieve reduction in tCO2e in new homes planned from 2025, in line with the Future Homes Standard.
- Achieve <96L of water per person per day in new homes by 2030.
- Complete at least one post-occupancy evaluation project each year from 2024.
- Develop capacity to deliver c. 8,000 timber frame homes per year in our factories.

Sustainability KPI:

Use of sold products - Regulated (tCO2e)

PROGRESS IN 2024

SCOPE 1 AND 2 GHG EMISSIONS:

Absolute Scope 1 and 2 (location based) GHG emissions have decreased by 3% compared to FY23. This is 1% above our 2022 baseline. Whilst Scope 1 GHG emissions have reduced, there has been an increase in Scope 2 GHG emissions, largely due to increased plot completions as well as stock being held by Vistry for a longer period of time before handover to partners and customers.

During the year, we launched monthly regional sustainability scorecards, highlighting performance against our carbon action plan, and regional sustainability leads are tasked with driving data and performance improvements at a regional level.

The following actions have helped to reduce Scope 1 GHG emissions:

- 2% reduction in telehandler idling; meaning less fuel wasted when telehandlers are not being productive.
- 95% of telehandlers have stage five engines.
- 41% of fuel use was HVO fuel, reducing GHG emissions by over 5,000 tCO2e.
- 65% increase in the use of battery support units on generators, reducing diesel use and saving 50 tCO2e
- Participated in a JCB hydrogen telehandler trial at our site in Kenilworth (see page 57 for details).

SCOPE 3 GHG EMISSIONS:

We have seen a reduction in Scope 3 GHG emissions intensity, largely due to reductions in regulated energy from our homes.

SCOPE 3 GHG EMISSIONS (tCO2e)	2024	2023	2022
Category 1 Purchased goods and services	13,079	10,238	10,784
Category 2 Capital goods	563,180	524,920	561,593
Category 3 Fuel and energy related activities	7,260	5,993*	6,308*
Category 4 Upstream T&D	84,097	78,384	83,860
Category 5 Waste generated in operations	5,632	1,546	3,435
Category 6 Business travel	2,641*	2,157*	1,352*
Category 7 Employee commuting	2,662	2,502	2,414
Category 11 Use of sold products (Regulated)	1,099,431	1,195,930	1,274,543
Category 11 Use of sold products (Un-regulated)	341,447	325,361	371,789
Category 11 Use of sold products (Refigerant)	3,014		
Category 12 End of Life	62,527	58,279	62,351
Total	**2,184,971**	**2,205,310***	**2,378,430***
Intensity (tCO2e/100m2 of completed floor area)	**146**	**158**	**159**

**Restated following improvements in company car mileage and waste data.*
10 out of 15 categories from the GHG Protocol have been included.
Other categories are not material.

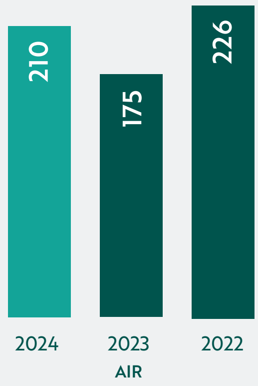
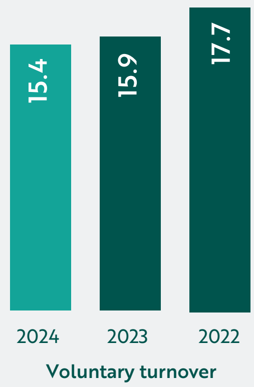
- Average SAP score 86 (2023: 84).
- Average EPC rating B.
- >700 zero carbon ready homes completed during the year.

We continue to deliver zero carbon ready homes at scale, with >700 completed during the year. The learning from these developments has helped to inform our new standard house types in anticipation of the forthcoming Future Homes Standard.

We continue to share our learning with the wider industry through the Future Homes Hub. Our zero carbon ready homes roadmap is included in our sustainability report, available on our website.

During the year, we agreed to deliver 'Zero Bill Homes' with Octopus energy. We aim to start delivery on at least two sites during 2025. Our standard designs for timber frame specifications mean our factory production can exceed a capacity of c. 8000 factory built timber frame homes per year.

MATERIAL ISSUE & LINK TO SDGs	DEFINITION	TARGET
PILLAR: OUR PEOPLE **HEALTH, SAFETY & WELLBEING**	Ensuring no harm comes to employees, subcontractors, suppliers or others as a result of completing business operations. Design interventions and operations that enhance the mental and physical health of our customers, employees and subcontractors. Building standards that minimise fire risk and improve safety for our customers.	• To keep our Accident Incident Rate (AIR) below the industry benchmark. • We aim to consistently go above and beyond to reduce risk in our operations to make what is one of the most dangerous working environments, safer for all.
PILLAR: OUR PEOPLE **TALENT ATTRACTION, DEVELOPMENT & RETENTION**	Attracting, developing and retaining talent by engaging employees (eg. training and career progression). Providing fair and competitive remuneration and benefits.	• To be an employer of choice and attract the best talent. • To provide careers and tailored career development plans to retain and grow our talent. • Retain gold accreditation membership with 5% Club recognising our commitment to future talent.
PILLAR: OUR PEOPLE **EQUALITY, DIVERSITY & INCLUSION**	Promoting an inclusive and fair workplace attracting a diverse range of employees in terms of age, gender, ethnicity, religion, disability, sexual orientation, education, social economic background and national origin, empowering all individuals to achieve their potential.	1. **Communication:** Providing open and transparent communication. 2. **Engagement & Action:** Making everyone feel part of our 'One Vistry' approach. 3. **Practices & Policies:** Treating everyone fairly and consistently. 4. **Access:** Creating a workplace where we all feel welcome and able to achieve. 5. **Education:** Building understanding and changing attitudes and behaviours. Through the publication and introduction of our Diversity and Inclusion Strategy, we have made significant progress in understanding our ED&I make up.

SUSTAINABILITY KPI	PROGRESS IN 2024
	AIR of 210 (against construction industry benchmark of 341). 3,718 internal SHE site inspections completed.
	• Awarded certification as a 'Top Employer' with the Top Employers Institute for third year running. • Retained gold accreditation membership with the '5% Club' recognising our significant contribution to the continued development of all our employees. • Launch of the Vistry Culture Book, which highlights how to use our behaviours to act in line with our core values of Integrity, Caring, and Quality. This culture project is central to our ethos, 'Do the right thing', encouraging teams to embed these behaviours into their daily actions and interactions.
	• Our November 2024 employee engagement survey rated the Diversity & Inclusion at Vistry Group at 8.7 (0.7 above industry benchmark). • Launch of Women in Leadership programme.

WHAT WE DO

Creating culture through our purpose, strategic aims, people strategy and our values, means that every member of the Vistry team is helping to create an inclusive environment at work, where everyone wants to make a difference; for Vistry, our customers, partners and each other.

As of 31 December 2024, the Group directly employed 4,586 people (2023: 4,523). This year, the total employee turnover rate decreased to 19.99% (2023: 30.5%) and our voluntary turnover decreased to 15.4% (2023: 15.9%).

This is reflected in our stability index which has decreased to 82.3% (2023: 89%).

Our stability index measures the percentage of employees who have been with Vistry for more than 12 months ad reflects workforce stability and employee retention.

We saw an increase in our employee engagement scores during the year. Our latest engagement score in November 2024, which is measured via our Peakon surveys, was 8.2 (2023: 7.6).

AN EMPLOYER OF CHOICE

For the third year running, we achieved certification as a 'Top Employer' with the Top Employers Institute.

In the Inspiring Workplaces Awards, we celebrated the following achievements:

- Securing a spot in the prestigious Global Top 100 Inspiring Workplaces list.
- Ranking 5th in the Top 50 UK & Ireland Inspiring Workplaces list.
- Achieving an impressive 2nd place in the Large Companies category.

A key people initiative in 2024, was the launch of our new behaviours, aligned with our core values of Integrity, Caring, and Quality. This culture project is central to our ethos, 'Do the Right Thing', encouraging teams to embed these behaviours into their daily actions and interactions.

In response to feedback, we have made enhancements to our development processes to support personal growth and career progression. In 2024, this included the introduction of more targeted development activities designed to help employees transition smoothly into new roles, particularly for those preparing for promotion.

PEOPLE DEVELOPMENT

We have provided opportunities for our people to develop and progress within the business throughout 2024. We are committed to responsibly providing careers and tailored career development plans to help us retain and grow our talent.

There is a range of learning solutions, including virtual classrooms and webinars, in-person workshops, and bespoke team building sessions, all delivered by an in-house development team.

'Vistry Learn' is our Learning Management System (LMS) which provides all colleagues with access to comprehensive, engaging, learning solutions, tailored to their individual needs. The system can be accessed when working at home, in the office or on site. During 2024:

- >48,000 e-learning courses were completed (including mandatory training); and
- 4,808 people had completed e-learning modules online.

LEADING BETTER TOGETHER

Our leadership programmes help to support people identified from our succession planning process to reach their full potential.

We have continued to ensure that our senior and future leaders are fully equipped with the expertise and skills needed to thrive in their roles. Two cohorts totalling 30 senior leaders from across the business, attended our bespoke Cranfield School of Management programme during 2024. Formal feedback from attendees continues to be extremely positive.

The Foundation for Leaders programme is aimed at those new to people management, equipping them with the tools needed to be effective and impactful leaders. The Building Leaders programme provides existing leaders with extended leadership skills, giving them the skills and confidence to continue to thrive at Vistry. During the year, 57 people, over four separate cohorts have participated in our two internal leadership programmes, designed and delivered by our People Development Partners. Again, formal feedback from attendees has been positive with 100% of delegates confirming that the programme had been very beneficial.

APPRENTICESHIPS AND TRAINEE PROGRAMMES

We continue to focus on supporting our early careers and emerging talent cohorts and encouraging the upskilling of existing employees. In 2024, we remained committed to supporting the professional development of our people at Vistry. This year, we funded 324 professional memberships for employees. Across the expanded Group, we currently have more than 265 apprentices, trainees, and graduates, as well as employees enhancing their skills through apprenticeships and educational sponsorship.

We have retained our gold accreditation membership with the 5% Club. This recognises our significant contribution to the continued development of all our employees through earn & learn schemes such as apprenticeships, graduate schemes and sponsored students course placements.

DIVERSITY AND INCLUSION (D&I)

During the year, we published our Diversity and Inclusion strategy, the focus of which covers five key areas:

1. **COMMUNICATION:** Providing open and transparent communication.
2. **ENGAGEMENT & ATTRACTION:** Making everyone feel part of our 'One Vistry' approach and valued as an individual.
3. **PRACTICES & POLICIES:** Treating everyone fairly and consistently.
4. **ACCESS:** Creating a workplace where all feel welcome and able to achieve.
5. **EDUCATION:** Building understanding, changing attitudes and behaviours.

We recognise the importance of continuing to build our inclusive culture and recognise the value that all forms of diversity bring. We build homes and communities for people from diverse backgrounds, and we must reflect this internally. By doing so, we will continue 'Making Vistry' a place to attract and retain a diverse workforce.

Our November 2024 employee engagement survey rated the diversity and inclusion at Vistry Group at 8.7, which is 0.7 above the industry benchmark and an improvement of 0.5 in the last 12 months. Our promoter score has increased from 54% to 66% compared to 2023.

The following are some key activities and developments from 2024:

- 117 female promotions including ten Director roles and one Managing Director role.
- Launch of the 'Develop-Her' initiative, which included four in-person development days specifically for women in the business, with over 160 women taking part in the programme.
- Re-launching our mentoring programme with particular focus on encouraging senior women to become mentors.
- Launch of our Women in Leadership Programme, supporting two cohorts of 30 women.
- We continue to monitor specific diversity and inclusion questions in our bi-annual engagement survey.

At Vistry, we continue to build on our inclusive culture, where all forms of diversity are recognised for the value they bring in Making Vistry. Our four Diversity & Inclusion employee Networks – Women's Network, Pride Network, Race, Ethnicity and Cultural Heritage (REACH) Network and Accessibility Allies Network – have continued to grow and expand their reach across the wider Group.

see our Group gender diversity table on page 54.

GENDER PAY GAP

We are pleased that the measures we have been focused on over the last 12 months has resulted in our mean gender pay gap for 2024 decreasing to 16.3% (2023: 18.9%) and the median gender pay gap has decreased to 19.9% (2023: 27.5%).

We remain focused on our plans to support the closure of these gaps, including improving the gender diversity in senior roles.

DISABILITY

It is Vistry Group policy to give full and fair consideration to the employment needs of disabled persons (and persons who become disabled whilst employed by the Group) to ensure their requirements are adequately covered and to comply with any current legislation which safeguards disabled persons. This includes:

- The full and fair consideration of applications for employment;
- The provision of training whilst employed; and
- Ongoing opportunities for career development and promotion.

Our approach is supported by our Bullying and Harassment policy which prohibits bullying, harassment or victimisation. Vistry Group is a Disability Confident Committed employer, which is a Government-run scheme for employers to demonstrate their commitment to recruiting, retaining and developing disabled persons. As part of this, we are dedicated to carrying out the five Disability Confident commitments, which focus on inclusivity for existing or prospective employees with a disability.

Enhancing our e-learning, diversity training is an important step in creating an inclusive culture by helping employees to become aware of unconscious bias and other barriers to diversity and inclusion.

In 2024, we launched mandatory induction training for our managers. This includes a recruitment skills training course focusing on eliminating unconscious bias and discrimination from our recruitment practice. Our Best Practice Employee Relations training provides key skills and tools to help our managers ensure we are an inclusive employer.

GROUP GENDER DIVERSITY

ROLE	FEMALE #	MALE #	TOTAL #	FEMALE %	MALE %
Non-Executive Directors [1]	4	3	7	57%	43%
Executive Leadership Team (ELT) [2]	1	6	7	14%	86%
Senior management [3]	14	25	39	36%	64%
Other employees	1,515	3,019	4,534	33%	67%
TOTAL	**1,534**	**3,053**	**4,587**	**33%**	**67%**

[1] Non-Executive Directors, CEO and CFO make up the Board.
[2] The ELT is the first layer of management below the Board and for the purpose of this table, includes the CEO and CFO.
[3] Senior management is comprised of senior managers who report directly to members of the ELT.
The data within this table is correct as at 31 December 2024.

MENTAL HEALTH AND WELLBEING

At Vistry Group, we are dedicated to supporting our employees' mental health and wellbeing. Our approach is built around the four pillars of our Wellbeing Strategy: Mental; Physical; Financial; and Social Wellbeing.

Our internal intranet hosts a dedicated wellbeing section, offering employees a wealth of advice, guidance, and signposting to resources aligned with our four wellbeing pillars. To ensure employees have access to comprehensive support, our intranet also provides information about our Employee Assistance Programme (EAP).

Our regional business units have welcomed the Lighthouse Charity to their sites as part of their #MakeItVisible campaign. This initiative aims to ensure welfare and wellbeing support is visible on every construction site, helping to break down barriers and increase awareness of the support pathways available.

We have a network of over 130 trained volunteer mental health first aiders, providing vital support to colleagues in need.

We have further expanded our support offerings through a partnership with Fertility Matters at Work (FMAW). This collaboration is guiding us toward achieving a fertility-friendly accreditation and has led to the creation of our Fertility Friends Network. This network provides tailored support for employees navigating fertility challenges, seamlessly integrating with our broader mental health and wellbeing strategy for a truly holistic approach to employee care.

Our SHE (Safety, Health & Environment) team recently took part in 'Stop. Make a Change', the only nationwide campaign of its kind in UK construction, in which companies temporarily cease work for a short period to participate in sessions aimed at improving the health, safety and wellbeing of everyone working in the sector.

Through these comprehensive initiatives, Vistry Group continues to champion a workplace culture where health and wellbeing is prioritised, stigma is reduced, and employees are empowered to thrive.

SAFETY, HEALTH & ENVIRONMENTAL (SHE)

During 2024, we carried out 3,718 internal SHE site inspections (2023: 3,928). The Group compliance target is 76% and we achieved 86%. We remain committed to keeping our people safe and continually drive improvement through training, information and new technology. During the year, we delivered 109 internal SHE related training courses and workshops. We have installed artificial intelligence cameras to our fleet of telehandlers. The cameras identify the presence of human form within the exclusion zone parameters, alerting the driver immediately and reducing the risk of a pedestrian accident. In 2025, we are enhancing our current drug & alcohol policy to include random testing for all of our workforce and mandatory testing for all Plant Operators.

ACCIDENT INCIDENT RATE (AIR)

Whilst it is difficult to mitigate risk completely, we believe injuries are avoidable. We work tirelessly to maintain excellent standards across our sites, making them safer for our workforce. These standards help us to maintain an AIR below the construction industry benchmark.

Vistry started the year with an AIR of 179, which was already significantly below the Health and Safety Executive (HSE) construction industry benchmark of 341 and we finished the year on 210.

Utility strikes (also known as service strikes) continue to be an industry concern and remain a focal point for Vistry. Our Service Strike Incident Rate (SSIR) at the end of 2024 decreased to 342 compared to the previous year (2023: 349).

Health and safety performance across a rolling 12 month period at the end of December 2024:

	2024	2023
AIR	**210**	175
SSIR	**342**	349

AIR and SSIR calculations in this table are based on number of reportable accidents divided by average number of people on site x 100,000.

PILLAR: BUILDING COMMUNITIES

LOCAL SOCIAL ECONOMIC VALUE (LSEV):

SOCIAL VALUE:
Beyond economic factors, this encompasses the broader societal benefits or costs of a project.

LOCAL ECONOMIC VALUE:
This focuses on the direct economic contributions to a local area, such as job creation and local spending.

LOCAL SOCIAL ECONOMIC VALUE:
This combines both local economic value and social value, considering the overall impact on a community.

THEME	DESCRIPTION	LSEV
EMPLOYMENT SKILLS & OPPORTUNITIES		
	Contribute to local economic growth, improving employment prospects for local people.	£114,664,932
COMMUNITY ENGAGEMENT		
	Invest in diverse and inclusive community networks, leveraging our skills and expertise.	£978,707
HEALTH & WELLBEING		
	Have a positive impact on the mental and physical health of communities and employees, reducing health inequalities.	£267,009
ENVIRONMENTAL WELLBEING		
	Build a resilient community that unlocks growth in the green economy, regenerates ecosystems and enables people to interact with the natural world.	£2,521,701

TRANSFORMING LIVES: THE BUILDING HEROES SKILLS ACADEMIES

As part of our Skills Academy model, we are proud to collaborate with Building Heroes to deliver impactful training programs tailored to the armed forces community.

This partnership underscores our commitment to supporting military personnel as they transition to civilian life. Through this initiative, we aim to create opportunities, build confidence, and pave pathways for meaningful careers.

Our partnership has resulted in the establishment of three Building Heroes Skills Academies, where we have supported over 260 learners to date. These academies offer a Level 1 City & Guilds Diploma in Construction Skills, equipping participants with a wide array of construction trades.

The skills and qualifications acquired through the program have empowered learners to explore new career pathways.

Notably throughout 2024:

100 Learners have transitioned into employment.

27 learners have entered the construction industry, leveraging their newly acquired skills to build successful careers.

£3.97m of social value has been generated across the three academies, reinforcing the impact beyond just employment and skills.

This initiative exemplifies our dedication to fostering professional growth and facilitating meaningful career transitions for veterans and armed forces personnel.

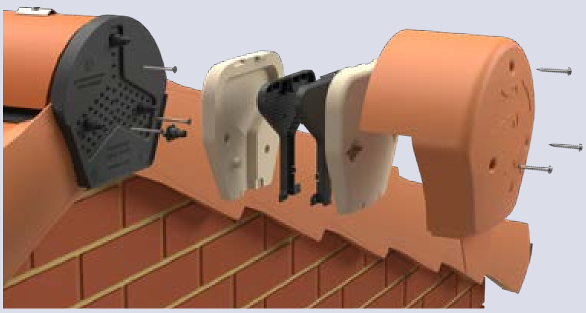
100	27	£3.97m
learners have transitioned into employment	learners have entered the construction industry	of social value generated

SUPPORTING NATURE THROUGH ON-SITE MEASURES: BAT RIDGE

Bats are known for being an indicator species. For example, a reduction or increase in the population of important species correlates with biodiversity levels.

Vistry Group, and the Bat Conservation Trust (BCT), will be using a bat box, known as a 'ridge roost' to undertake a monitoring programme over the next year to observe the patterns and habits of bats within the area of a new development site. Detailed hedgerow and natural habitat features can be considered and enhanced to improve the urban environment as a combined ecological approach to biodiversity net gain for all inhabitants.

Testing of the product was paramount to the BCT due to the appropriateness of a polymer-based roost with the inherent thermal and abrasion properties. Development of the product took due consideration of the thermal stability of the roost habitat through testing at Reading University and Manthorpe, resulting in sandwiching the inner habitat in insulation to smooth the extremes of temperature fluctuations.



Priority was taken to enhance the texture of the habitat through climbing grooves and a rougher surface to the recycled polymer for increased manoeuvrability for the bats within the roost. Several prototypes were made to test the shape and surface using real bats to tailor the design.

The bat ridge is pre-fabricated and has a distinctive shape. it is unobtrusive and subtle so the visual impact is limited. It provides roost locations for small bats, such as the Common Pipistrelles; the most abundant bat in the country.

RECORD BREAKER! £686,072 raised for charity

We broke our charity fundraising record. We wanted to raise £300,000 for the Soldiers', Sailors' & Airmen's Families Association (SSAFA), but more than doubled our target! The armed forces charity provides welfare, health and support services for the UK military's serving personnel, veterans and their families. Our people held various events throughout the year and took on challenges to raise a staggering £686,072.

ssafa

Lifelong support for our Forces and their families

PILLAR: CLIMATE AND RESOURCES

SPEEDY HIRE BATTERY SUPPORT UNITS

We work with our supply chain to test and roll-out sustainability initiatives. Speedy Hire is a key partner to help us decarbonise our operations by 2040.

We use a wide range of their sustainable products as part of our standard site set-up, including Speedy Hire's battery storage solutions, which help us to reduce the use of diesel in power generation. The solution works by using generators during peak demand, with battery storage taking over during off-peak hours, while the intelligent management system continuously optimises energy distribution to essential systems.

Together, we have promoted the benefits of battery storage units on our generators, and during the second half of the year, we saved 50 tonnes of carbon and avoided the use of around 160,000 litres of fuel.

50
tonnes of carbon saved

160,000
litres of fuel use avoided

WATER READY ROADMAP

We fully support the Future Homes Hub's 'Water Ready' roadmap published in 2024 and our new 'Vistry Collection' house types are designed to achieve a water consumption target of under 100 litres of water per person, per day via a fittings approach that balances good user experience with efficiency. We continue to work with our supply chain to improve and meet stringent water targets.

VISTRY INNOVATION CENTRE

More than 1,200 visitors have been through the doors of the Vistry Innovation Centre (VIC).

The VIC is a unique, sector-leading facility incorporating cutting-edge technologies that will be used to help meet the Company's Net Zero ambitions as well as delivering the Future Homes Standard.

Our innovation network tests products to evaluate their place in future specifications. These products could improve energy efficiency, enhance smart homes, address skills shortages, reduce GHG emissions and improve resilience to climate change whilst also improving speed of the build.

HYDROGEN TELEHANDLER

Vistry teamed up with JCB for one of the first on-site evaluations of its hydrogen-powered Loadall telescopic handler which was trialled on a project in Kenilworth.

The hydrogen Loadall was put through its paces performing essential tasks, such as loading bricks onto scaffolding, lifting roof trusses, and handling roof tiles. The machine has been designed to be a direct replacement for a diesel model, delivering the same performance and productivity, while offering a zero-emission solution.

Net Zero is incredibly important to us at Vistry. There is significant impact from diesel on building sites, so it's important to have some solutions to help reduce emissions from plant, equipment and generators. Using hydrogen to power machines means zero emissions from the tailpipe. We can bring hydrogen to site to refuel the telehandler and keep it running throughout the day and keep pace with the site. When we start on site there often isn't any electricity so recharging batteries can be really challenging.

PILLAR: OUR PEOPLE

BESPOKE PROGRAMMES AND OFFERINGS

In 2024, we introduced a Women in Leadership programme. and supported 45 women through it.

In addition to learning, building confidence and adopting growth mindset, participants were assigned a life coach. Many have also taken the opportunity to join the Vistry Mentoring Programme.

The Vistry Mentoring programme itself was re-launched at the start of 2024 and to date, has seen 41 new mentors trained in total, with 82 new mentees also having formally completed their training.

With support from the Women's Network, 160 women took part in our 'Develop-Her' initiative, which included four in-person development days in four locations across the country: Birmingham, London, Manchester and Bristol. Topics included conscious leadership, building confidence and transactional analysis with internal networking and external inspirational speakers.

We have launched a new development programme for colleagues with a military connection or those managing veterans or reservists. The three-day veteran engagement course, delivered by experienced ex-military facilitators, focuses on developing personal and professional skills, including wellbeing, teamwork, resilience, and leadership. The programme aims to support career progression, skill development, and networking opportunities for military-linked colleagues, whilst highlighting Vistry's commitment to the armed forces community. The programme has generated positive feedback with 100% of attendees stating that they felt closer to other veterans. The Armed Forces Networking Event at Vistry provided workshops focused on growth, celebration, and development, bringing together employees with connections to the armed forces. The event included a personal resilience workshop, a session by SSAFA on fundraising for 2024, and a collaborative discussion on creating an ex-armed forces trainee program to foster an inclusive environment.

VISTRY PLUS SKILLS ACADEMY

Vistry is dedicated to addressing skills shortages and reducing unemployment through targeted support in employment, skills development, and job opportunities.

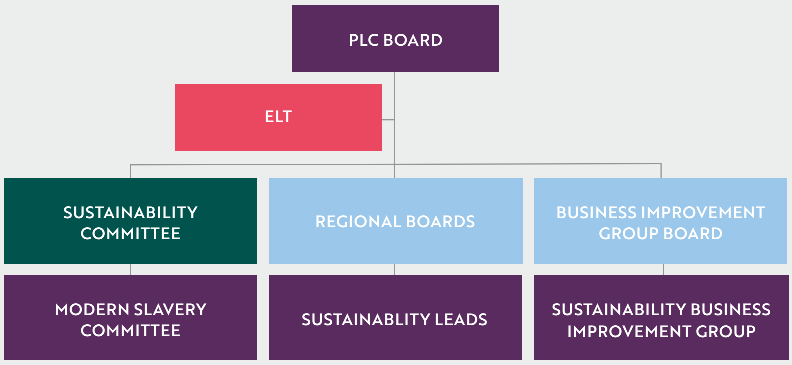
Since launching our Vistry Plus Skills Academies (VPSA) in 2017, we have delivered pre-employment training nationwide, successfully preparing over 678 individuals for roles within Vistry and our supply chain.

This initiative includes specialised training at our three Building Heroes Skills Academies, which focus on supporting armed forces veterans as they transition into civilian employment. Our Vistry Plus Skills Academy continues to empower individuals through targeted training and development programs. In 2024, we achieved the following milestones:

Trained **678** individuals in construction-related skills	Delivered **9,083** of training days	Supported **149** veterans through Building Heroes Academies
4 new academies launched	**9** academies were up and running with **3** dedicated to supporting veterans	**2** award finalists and **1** award winner for our partnership with Building Heroes

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

TCFD RECOMMENDATION	OUR DISCLOSURE	
Describe the Board's oversight of climate related risks and opportunities.	The Board has overall responsibility for the oversight of sustainability and climate change. Helen Owers, Non-Executive Director, is a member of the Sustainability Committee. The Board receives quarterly updates on sustainability and climate change performance against KPI's. The Sustainability Committee supports the Board in the governance of sustainability and climate change and, in FY24 was chaired by the Chief Operating Officer. The role of Committee Chair has now transferred to the Chief Commercial Officer. The objective of the Committee is to make recommendations to the ELT relating to the effective implementation of the sustainability strategy and performance against targets. The Committee met three times during FY24 and membership includes a Non-Executive Director. The Audit and Risk Committee considers sustainability and climate change as a principal risk, and the Remuneration Committee includes performance against climate change KPI's as part of Executive remuneration. The Board completed a self-assessment of environmental and sustainability competency. It was determined the sustainability experience of the Board is sufficient. It was determined there were no immediate training needs, however this will be reviewed on an ongoing basis through annual self-assessment.	Flow charts illustrating climate change governance are shown on pages 40 and 59. Our Board skills matrix is on page 104.
Describe management's role in assessing and managing climate related risks and opportunities.	During FY24, the Chief Operating Officer had Executive responsibility for sustainability and climate change. This responsibility has now transferred to the Chief Commercial Officer for FY25. The Group Commercial Director has day-to-day management responsibility. Executive remuneration is linked to performance against Scope 1 and 2 climate change targets and a revolving credit facility. Regional Managing Directors are responsible for ensuring their regions meet sustainability and climate change targets. Each region has an appointed Sustainability Lead to help drive progress at a regional level. To support this, monthly scorecards were issued showing performance against climate change targets at regional, divisional and Group level. During FY25, the scorecards will become part of regional Board packs. A Sustainability Business Improvement Group was formed during FY24 to determine how to embed sustainability and climate change requirements into the life of site process. Everyone in the Group has access to a sustainability and climate change training modules on our Learning Management System and regular Group-wide communications help to keep them up to date.	More information on the climate change link to remuneration can be found on page 128.



TCFD RECOMMENDATION	OUR DISCLOSURE	
Describe the climate related risks and opportunities identified over the short, medium, and long term.	The impacts of climate change on the Group may result in both physical and transitional risks and opportunities. Physical risks stem from changes in the natural environment, such as heat stress or windstorms. In contrast, transition risks (which can also bring opportunities) emerge because of the shift towards a low-carbon economy. These transition risks can be further classified into policy and legal, technology, market, and reputational risks. An updated climate change risk and opportunities assessment was completed in FY24. This was completed to build on the work previously undertaken. The assessment considered three different time horizons: Short term (2025-2026); Medium term (2027-2030); and Long term (2031-2050). The individual risks and opportunities set out below are not determined to be material, as defined by our Enterprise Risk Model (ERM). However, the cumulative impact of these and the wider climate and sustainability-related risk is sufficiently material for inclusion as a Group principal risk.	See Principal Risks on page 72.

TRANSITION RISK AND OPPORTUNITY

OUR APPROACH

A structured approach was adopted to identify and evaluate risk exposures derived from transition risk, that relied upon scenario analysis and follows guidance issued by the UK Government around climate-related Financial Disclosure, as well as original guidance from the TCFD.

Climate change risks and opportunities are also shown in the table on pages 64 to 65.

The two scenarios used for the analysis align with projections to keep global warming below +1.5°C ('Low Emission Scenario') and +2-3°C above pre-industrial temperatures by the end of the century ('Intermediate Emission Scenario').
A high emission scenario was not considered for transition risk as in such a scenario little or no transtion response would be expected.

Transition risk exposure was assessed on a short-term time horizon of 2025-2026 and a medium-term time horizon of 2027-2030 with impacts assessed as an annualised amount. Transition risks were not assessed in the long term, due to difficulty in building assumptions around the direction of policy out to 2050 or beyond.

Potential transition risks were identified using our previous disclosures and desktop research. The transition risks were assessed against impact, likelihood and time horizon criteria, each aligned to our ERM scales. Eight interviews were held, with internal subject matter experts. The interviews aimed to assess the level of risk and opportunity exposure to a collection of 13 transition risk drivers under four categories: Policy & Legal, Technology, Market and Reputation.

SUMMARY OF FINDINGS

In the short term (2026), risk exposure is driven mostly by technology risks, where costs to transition to lower-emission technology and the risk of a shortage of skills to install/maintain new technology are the main drivers. A particular concern is the ability of the UK national grid to deliver sufficient electricity capacity to power new lower carbon homes, incurring direct costs and project delays.

There are low-moderate, short-term market opportunities in differentiating and harnessing the increased focus of partners on low carbon innovation. In addtion, there are opportunities to obtain preferential cost of debt rates as lenders introduce sustainability criteria as part debt financing.

In the medium term (2030), technology and market risks persist. These include the risk to supply of inputs and raw materials, driven by supply chain issues for new low-carbon technology and/or materials. Market opportunity, meanwhile, is expected to dry up as the market adjusts and catches up with demand. In contrast, wider reputational risks/opportunities are expected to emerge in the medium term.

Policy and legal risks are limited in the short term, whilst they emerge as low under a 1.5°C scenario by 2030. Exposure is the same or lower under a 2-3°C scenario, except for the risk of a lack of consistency in local planning requirements. This risk is anticipated to be higher due to the slower development of national requirements.

TCFD RECOMMENDATION	OUR DISCLOSURE

PHYSICAL RISKS AND OPPORTUNITIES

OUR APPROACH

The methodology used to assess both chronic and acute physical climate risks is outlined below.

EXPOSURE ANALYSIS

This assessment uses an asset-by-asset exposure analysis for various climate hazards across three scenarios. It covers our development pipeline, factories, and timber supply chain. Assets in hazard-prone areas are considered exposed, with severity defining the exposure level. The financial exposure equals the full asset value in high-intensity hazard zones.

CLIMATE DATA

Data sources include insurance industry databases, climate models, and IPCC research.

Climate scenarios are based on IPCC AR5's RCPs, mapped to AR6's SSPs, informing risk identification.

Climate risks are assessed using:

- Independent consultant tools
- MunichRe hazard databases
- Environment Agency data
- UKCP18, CCRA, and IPCC research.

VALUE AT RISK

Financial impact (asset value at risk) has been assessed in conjunction with our ERM scales of impact and likelihood. Acute and chronic perils have been analysed separately, with acute perils (flooding and windstorm) assessed using probabilistic climate modelling, and chronic perils (heat and drought stress) considered via transmission channels of impact.

ACUTE PERILS

For acute perils, average annual losses have been calculated to estimate the gross yearly financial impact of climate risks. Similarly, bad, severe and extreme year events (events with 2% - 0.1% annual probability) have been calculated to provide a view of adverse scenarios. These events incur a higher financial impact but have a much lower likelihood of occurrence – considered 'Rare' or 'Unlikely' according to our ERM scales.

CHRONIC PERILS

Due to the nature of Vistry's operations and the limitation in available data, the impacts of heat and drought risk have been evaluated qualitatively following the three main areas of pre-development, construction, and completion.

SUMMARY OF FINDINGS

We found that overall, physical risk exposure under all three scenarios up to 2030, was generally very low to low, with the exception of windstorms, which is moderate across pipeline developments and the timber supply chain. These risks are mitigated by our operational procedures and diversity of timber suppliers.

Up to 2050, under all scenarios, the climate models show the risk of windstorms does not increase. However, under a high emissions scenario, the impact of flooding increased to moderate. We mitigate this risk through our land appraisals. The risk from drought also increases to moderate in 2050, which could lead to increased water efficiency requirements in homes. We mitigate this risk through our water efficiency target within our sustainability strategy. Projections for the high scenario show that climate change will increase subsidence susceptibility in 2050. Our existing development processes would mitigate this risk.

2024 HIGHLIGHTS
STRATEGIC REPORT
GOVERNANCE REPORT
FINANCIAL STATEMENTS
OTHER INFORMATION

TCFD RECOMMENDATION	OUR DISCLOSURE

STRATEGY

Describe the resilience of the strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	**SCENARIO ANALYSIS** We stress-tested the resilience of our strategy in three scenarios, as shown below. During FY24, for the first time, this included an additional focus on our timber supply chain. We concluded that our strategy is resilient under the three scenarios, partly due to the mitigations already in place.

HIGH EMISSIONS SCENARIO > 4°C

- Emissions follow the IPCC SSP5-RCP8.5 scenario, which is associated with >+4°C temperature rise from pre-industrial times by the end of the century.
- Low transition risk in the short and long term as the world fails to transition to a low carbon economy.
- Physical risks become increasingly frequent and severe in the long term.

INTERMEDIATE EMISSIONS SCENARIO 2-3°C

- Emissions follow the IPCC SSP2-RCP4.5 scenario, which is associated with 2-3°C temperature rise from pre-industrial times by the end of the century.
- Moderate transition risk in the short and long term as the world fails to transition to a low carbon economy.
- Physical risks become increasingly frequent and severe in the long term but less so than in the high Greenhouse Gas emission scenario.

LOW EMISSIONS SCENARIO ~1.5°C

- Emissions follow the IPCC SSP1-RCP1.9/2.6 scenario, which is associated with ~1.5°C temperature rise from pre-industrial times by the end of the century.
- Scenario assumes stringent carbon taxation, stricter building codes and public and private investment in low emission technologies.
- High transition risk in the short term associated with aggressive mitigation actions to reduce emissions.
- As a result of the transition, physical risks are less severe and somewhat similar to the current climate.

Describe the impact of climate-related risks and opportunities on the businesses, strategy, and financial planning.	**DECARBONISATION PLAN** In 2021, we launched our Net Zero homes roadmap to support a swift transition to a decarbonised economy and society by 2030. The roadmap demonstrates how we will meet our climate targets and has been developed into a transition plan, which can be read on our website. A key part of our preparations for the future, include testing innovative products in our Vistry Innovation Centre (VIC). **PARTNERSHIPS WORK** We're delivering zero carbon ready homes at scale with our partners, with >700 homes completed during FY24. This is providing us with learning opportunities to ensure we are prepared for forthcoming regulations and enables us to accurately forecast and account for increased costs. **LAND ACQUISITION AND DEVELOPMENTS** Our sustainability approach ensures we evaluate the long-term climate change adaptation and mitigation risks of the land we acquire. This includes the forecasting of transition risks, such as increased building costs associated with high expected energy efficiency levels and lower embodied carbon, through timber frame construction, and physical risks such as flood risk.

TCFD RECOMMENDATION	OUR DISCLOSURE	
	FINANCIAL PLANNING We have designed and are delivering new house types to meet forthcoming regulations, incurring costs that are expensed and pricing into our site cost valuation reports (CVRs) the future costs of implementing new technologies. The cost of meeting these regulations is also being factored into our land acquisition appraisals, our impairment testing for goodwill and our viability assessments. While incurring costs to meet the new regulations will impact site-wide margins and our gross margin, our ability to manage and reduce such costs will give us a competitive edge when purchasing land that requires plots to be built to the new standards. Physical risks and their potential financial impact are not determined to impact profitability under current forecasts. These will be regularly reviewed and the current cost assessment, which takes account of input from independent experts, will be refined as confidence in the future increases. Given the level of impact, there is no provisioning for their cost in our financial statements, but we do use these insights to stress test our current supply chain and potential new methods of construction, as well as using them to re-affirm our commitment to our carbon reduction targets.	
Describe the processes for identifying and assessing climate-related risks.	**RISK MANAGEMENT** The Board oversees risk management and determines the Group's overall risk profile and appetite for risk, including sustainability and climate change risk, in achieving its strategy. Our principal risks are identified and managed through a bottom-up and top-down approach that covers the entirety of the Group. This approach to risk management ensures we capture risk quickly to identify anything material impacting the potential success of our programmes, factories, major and special projects across our regional businesses and wider operations. To do this we use common systems and practices with a clear methodology and rules for escalation. The Risk Oversight Committee supports the Board in the management of risk and reports to the Board on its assessment of the effectiveness of the Group's risk management and internal control processes during the year. The day-to day management of risk is delegated to our regional and divisional teams, with the Risk Oversight Committee providing independent assessment and consolidation for the co-ordination of the Group's risk management efforts.	
Describe the processes for managing climate-related risks.	As part of its annual strategic review, the Board considers the Group's five-year financial plan, the core assumptions underpinning this plan and how the current economic, regulatory and sustainability environment may impact this plan. The climate change impacts in relation to the plan are those related to pricing the cost of climate change.	
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.	Climate risks were identified through a series of one-to-one interviews held with senior management, facilitated by external consultants. Risks were then assessed using the Group enterprise risk model and used to inform the quantification of climate change as a principal risk.	
Disclose the metrics used to assess climate related risks and opportunities in line with strategy and risk management process.	**METRICS AND TARGETS** These are explained in detail in our online Sustainability Report on our website and in our forthcoming Transition Plan.	See page 48 for Scope 1,2 and 3 targets.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Our Scope 1, 2 and 3 GHG emissions and historical data is set out on page 48.	Our basis of reporting can be read on our website.

CLIMATE CHANGE RISK AND OPPORTUNITIES:

NO RISK · VERY LOW · LOW · MODERATE · HIGH · UNQUANTIFIED

RISK	DESCRIPTION	RISK RATING (AFTER MITIGATIONS) 2026		2030		LINK TO METRICS AND TARGETS, OR MORE INFORMATION
		1.5°C	2.3°C	1.5°C	2-3°C	
PRICING OF GHG EMISSIONS	Captures the risk from the introduction of policy-imposed carbon pricing. As proxy, the risk assumes a carbon tax is levied relating to Vistry's total annual Scope 1 and 2 carbon emissions across its managed assets.	No risk	No risk	Low	No risk	This is based on GHG emissions as shown on page 48.
INCREASING CLIMATE-RELATED REGULATORY REQUIREMENTS	Refers to the increased cost of complying with more onerous climate-related regulations and minimum standards.	Low	Low	Low	Low	Our Transition Plan will be published in 2025.
BUILDING CODE REGULATIONS	Refers to the cost of complying with current and emerging minimum building regulations.	No risk	No risk	Low	No risk	See page 62 for more detail.
CLIMATE RISK LITIGATION	Covers the risk of litigation claims being brought against Vistry for issues such as overstating environmental benefits of activities (greenwashing) and/or failing to comply with stated emissions reduction targets.	No risk	No risk	Very low	Very low	Our Transition Plan will be published in 2025.
LOCAL PLANNING APPROVAL REQUIREMENTS	Local planning authorities often have bespoke requirements on sustainability/ climate mitigation driven by the differing political sentiment. This leads to a lack of consistency between local requirements, introducing heightened risk of Vistry being denied planning approval.	No risk	Low	No risk	No risk	
COSTS TO TRANSITION TO LOWER EMISSION TECHNOLOGY	This risk was assessed in the context of costs to introduce lower emission technology and comply with national regulation regarding specifications for Vistry's homes, as well as electricity supply risk, driven by increased electrification to deliver lower carbon homes.	Moderate	Moderate	No risk	Moderate	See Financial Planning on page 63.
SHORTAGE OF SKILLS TO DELIVER LOWER EMISSION TECHNOLOGY	Vistry faces the risk of both green skills shortages as well as a green skills gaps, which could incur both a loss of revenue due to the inability to deliver against demand, as well as potential costs to rectify incorrectly installed technology.	Low	Moderate	Moderate	Moderate	See Vistry Plus Skills Academy on page 58.
SHIFT IN PARTNER VALUES	Reflects changes in the expectations and priorities of Vistry's partners in line with their own ESG and sustainability objectives and shifting market and/ or political sentiment. This is assessed from the perspective of opportunity.	Moderate	Moderate	No risk	No risk	This is considered in Principal Risks on page 72

RISK OPPORTUNITY

RISK	DESCRIPTION	RISK RATING (AFTER MITIGATIONS) 2026 1.5°C	2026 2.3°C	2030 1.5°C	2030 2-3°C	LINK TO METRICS AND TARGETS, OR MORE INFORMATION
COST OF CAPITAL	Refers to the impact of changing sentiment from investors around sustainability on the cost of capital. Cost of equity is difficult to predict and so the cost of debt has been used as a proxy for risk exposure.	🟢	🟢	🟡	⚪	
COST OF CAPITAL (OPPORTUNITY)		🟡	🟡	⚪	⚪	
EMISSIONS OFFSET	Assumes demand for carbon offsets will increase costs to offset emissions and increase reputational risks.	🟡	⚪	🟡	⚪	Our Transition Plan will be published in 2025.
COST AND SUPPLY OF INPUTS & RAW MATERIALS	Reflects potential increases in cost of materials as a result of transition e.g. carbon pricing impact on supply chain. Also considers the risk to supply of inputs and raw materials, noting the move to 'greener alternatives' and newer technology.	🟠	🟡	🟠	🟠	See summary of findings on page 60.
INVESTMENT RISK	It is assumed under both scenarios there will be increased scrutiny around businesses' mitigation of (and vulnerability to) climate change. Vistry's reputation on climate change will likely increasingly influence the perceptions and actions of investors (4a), and employees (4b), posing risks and/or opportunities.	⚪	⚪	🟣	🟣	Our Transition Plan will be published in 2025.
EMPLOYEE RISK		⚪	⚪	🟠	🟠	
EMPLOYEE OPPORTUNITY		⚪	⚪	🟠	🟠	

RISK	RISK RATING (AFTER MITIGATIONS) 2026 CURRENT CLIMATE	2030 1.5°C	2030 2-3°C	2030 4°C	2050 1.5°C	2050 2-3°C	2050 4°C	LINK TO METRICS AND TARGETS, OR MORE INFORMATION
HEAT STRESS	🟢	🟢	🟢	🟢	🟢	🟢	🟢	See physical risks and opportunities on page 61.
FIRE	🟢	🟢	🟢	🟢	🟢	🟢	🟢	
DROUGHT	🟢	🟢	🟢	🟢	🟢	🟢	🟠	
FLOODING	🟢	🟢	🟢	🟢	🟢	🟢	🟠	
WINDSTORM	🟠	🟠	🟠	🟠	🟠	🟠	🟠	
SUBSIDENCE	🟢	🟢	🟢	🟢	🟢	🟢	🟠	

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

The information below details our approach in relation to key non-financial and sustainability matters, including environmental and climate related matters required pursuant to Section 414CA and 414CB of the Companies Act 2006. The table provides information on the disclosures required to be incorporated within this statement and such information is incorporated by cross reference.

REPORTING REQUIREMENTS	RELEVANT POLICIES WHICH GUIDE OUR APPROACH	WHERE TO FIND MORE INFORMATION	PRINCIPAL RISKS
EMPLOYEES	**Diversity & Inclusion policy:** We are committed to build and maintain an inclusive culture and diverse workforce, which we believe to be essential to the long-term success of the business. **Health, safety and welfare policy:** We strive to effectively manage the health, safety and welfare of our employees, workplaces and others affected by our operations. **Ethical code of conduct policy:** We are committed to high ethical and moral standards and have created a responsibility framework to deliver our standards and appropriate behaviours. **Employee privacy policy*:** Our approach to protecting the privacy of all our stakeholders including how we use, collect and store personal data.	91 Purpose, values and culture 98 Stakeholder engagement 122 Remuneration report 52 Our people 52 Health & Safety	2 5 11
COMMUNITY AND SOCIAL	**Climate change policy:** Our approach to mitigating climate change risks associated with the homes and communities we build, whilst at the same time reducing the greenhouse gas emissions associated with our operations. **Environment policy:** Our approach to managing our environmental performance to optimise the impact of our business processes on the natural environment and the community at large. **Vulnerable customer policy:** Our approach to ensure that we consider any reasonable steps that may be taken to ensure that all customers are treated fairly and deliver a positive outcome for the customer. **Sustainability policy:** We recognise that our operations and supply chain impact the environment and we are committed to minimising this through our systems, which aim to prevent pollution, enhance biodiversity, reduce waste and promote efficient use of energy, water and resources.	18 Our strategy and business model 91 Purpose, values and culture 59 TCFD 55 Social impact 98 Stakeholder engagement	6 8 9 11
HUMAN RIGHTS	**Anti-slavery & human trafficking policy:** We are committed to acting ethically and with integrity in all our business dealings and relationships to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. **Diversity & Inclusion policy** **Employee privacy policy***	91 Purpose values and culture 42 Modern slavery	5 11
ANTI-CORRUPTION & ANTI-BRIBERY	**Anti-bribery and corruption policy:** Our approach to the prevention of bribery and corruption from taking place and the reporting of any such events and their rigorous investigation. **Anti-fraud policy:** Our procedures in place reduce the likelihood of fraud and we are committed to the prevention, detection, investigation and reporting or any fraud. **Anti-money laundering policy:** We have procedures in place designed to prevent money laundering from taking place and are committed to the prevention, detection and reporting of any such events. **Speak up policy:** We operate processes to encourage employees to speak up about suspected wrongdoing.	42 Ethics	5
ENVIRONMENTAL, CLIMATE & SUSTAINABILITY DISCLOSURES	**Environment policy** **Sustainability policy** **Climate change policy**	38 Sustainability report 59 TCFD (including requirement s414CB(2A). 43 GHG emissions 48 Net Zero targets	6 9 11
NON-FINANCIAL KPIS		21 Quality scores 22 Number of new homes completed 21 Employee satisfaction 21 HBF scores 21 Health and safety 22 GHG emissions 22 Non-hazardous waste	
BUSINESS MODEL		18	

Policy statements for each of the policies (except where noted by exception) are published externally and may be found at **www.vistrygroup.co.uk/sustainableapproach/policies-and-publications.**

*Not published externally. The full policy is available to all employees on the Vistry Group intranet site


Greenwich Millennium Village, Eastern Counties

Collingtree Park, Northampton

RISK MANAGEMENT

As the UK's leading mixed tenure partnership housing provider, we are proud to be delivering some of the biggest and most complicated housing projects. Working with our highly valued partners, we face a range of risks and uncertainties that could impact the vital role we have in addressing the country's need for affordable housing. Therefore, our culture and day-to-day management of risk is integral to everything we do.

OVERALL ASSESSMENT

The issues identified in the second half of 2024 have highlighted that, although our enterprise risk management process is robust, we cannot provide absolute assurance and some risks are more sensitive to a rapidly changing market, programme delivery and operational oversight. It is now known that some of the controls within the South Division were found not to be operating effectively, and therefore increased emphasis has been placed upon the monitoring and early detection of associated risks, with new processes and controls subsequently implemented.

The Board is therefore satisfied and has approved the robust assessment of the Group's principal and emerging risks. Risk profiles are within tolerance, and there is sufficient monitoring and mitigation to overcome the reported risks and issues identified during the year. Due to the changing internal and external environment, continued reassessment will take place to ensure processes, controls and management attention adapt in line with these risks as they evolve.

RISK GOVERNANCE AND RESPONSIBILITY

On behalf of the Board, the Audit Committee provides oversight of both our risk management framework and internal controls monitoring.

This includes final assessment of our principal, emerging and watch list risks and the level to which further review and attention is required to ensure the process supports and protects our Group strategy and Partnerships focused operating model.

The ELT is accountable for identifying, evaluating and managing principal risks, supported by the Risk Oversight Committee (the RO Committee). The RO Committee is made up of representatives from all parts of the Group and on a rotational basis, Non-Executive Director are invited to participate so there is appropriate transparency and challenge during the meeting and assessment process.

Oversight of our specific operational programme-based risks is delegated to each of our regional businesses and is the responsibility of the respective management team, supported by our divisional leadership team. There are clear reporting and escalation requirements so that material operational risks are flagged and themes can be evaluated quickly by our Group team.

Similarly, manufacturing risks from within Vistry Works are managed by the three Vistry Works factory Managing Directors with similar reporting and escalation requirements to that of regional businesses.

VISTRY GROUP

BOARD/AUDIT COMMITTEE

- Provides challenge and assessment of principal and emerging risks
- Determine prioritisation of risk, resource allocation and subsequent mitigation
- Ensure appropriate risk culture is embedded throughout the organisation
- The Board reviews the effectiveness of internal controls within the risk management framework

ELT

- Reviews and responds to operational risks
- Approves mitigation strategies and allocates resources to address emerging issues
- Acts as the escalation point for new emerging issues and material risks

RISK OVERSIGHT COMMITTEE

- Supports the ELT by validating and challenging the impact and likelihood of principal risks
- Ensures appropriate risk culture is embedded throughout the organisation

BUSINESS OPERATIONS

DIVISIONAL LEADERSHIP TEAM

- Provide regional assessment & critical challenge over operational risk
- Responsible for decision making and Group escalation when tolerance levels exceed regional materiality limits

REGIONAL MDS & REGIONAL BOARDS

- Sets local objectives, manages the allocation of local resources to deliver operational targets
- Oversight and management of individual and collective project risks

MAJOR PROJECTS, STRATEGIC LAND, VISTRY WORKS & JOINT VENTURES

- Sets national objectives, manages the allocation of national resource to deliver operational targets
- Oversight and management of individual and collective project risks

ASSURANCE PROVIDERS

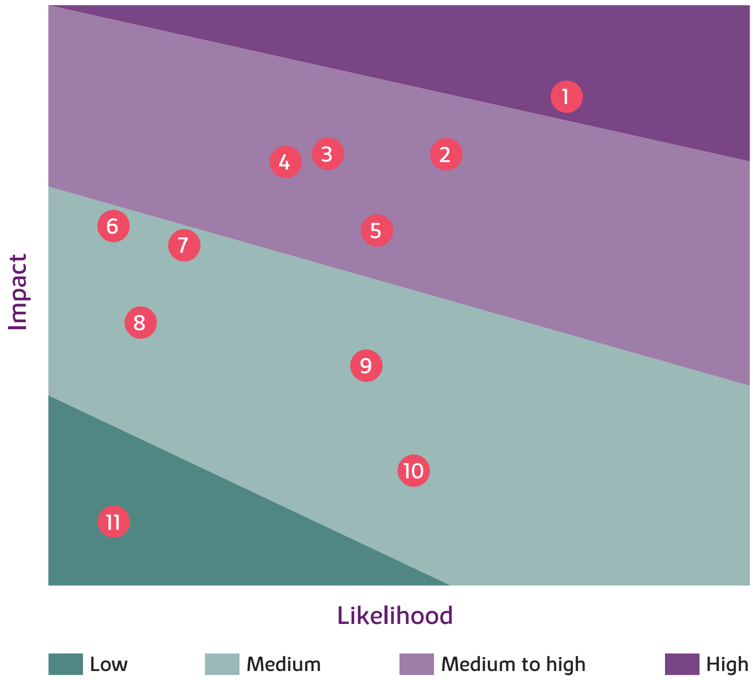
GROUP FUNCTIONS/ GROUP COMMITTEES

Define, review and reassess controls for the Group and regions to ensure risks are mitigated.

INTERNAL AUDIT AND RISK

Supports the Audit Committee in reviewing the risk and control framework and management of operational and principal risks.

HEAT MAP



	Principal risk	Type
1	Project delivery and contractual exposure	F
2	Economic and sales environment	F
3	Supply chain	O
4	Land and planning	O, F
5	People and talent	F, R,O, ESG
6	ESG	ESG
7	Liquidity and funding	F
8	Customer service	R, O
9	Legislation and building safety	F, R, O, ESG
10	Technology resilience and future change	F,R,O
11	Safety, health and environment	SHE

Risk type: financial (F), reputational (R), operational (O), safety, health and environment (SHE) and ESG (ESG)

MANAGING OUR RISKS

Our principal risks are identified and managed through a bottom-up and top-down approach that covers the entirety of the Group.

This approach to risk management ensures we capture risk quickly to identify anything material impacting the potential success of our programmes, factories, major and special projects across our regional businesses and wider operations. To do this we use common systems and practices with a clear methodology and rules for escalation, supported by our executive and divisional chairs who maintain regional engagement and scrutinise operational performance. The Group continues to ensure that the reporting of risk is aligned to our culture of 'Speak Up', ensuring there is an additional safeguard for our people to report concerns, should our systems fail in capturing present known threats. Throughout the year, there is regular communication setting out how our people and stakeholders can report risk, supported by both the ELT and the Audit Committee.

RISK APPETITE

The Board is ultimately responsible for aligning the risk appetite of the Group with our strategic objectives, taking into account the emerging and Principal Risks. Risk appetites for each principal risk were assessed during the year by both the RO Committee and the board, ensuring appropriate levels of mitigation and focus for each risk area.

RISK CONTEXT

Establishing the context and having a clear understanding of the environment in which we operate is critical. The impact of each principal risk on the Group is considered across a number of different categories including financial, reputational, operational, safety, health and environment and ESG. Each principal risk is then allocated a risk appetite rating which reflects the amount of risk the Group is prepared to accept to achieve its strategic objectives.

This approach helps us better understand how we should treat the risk most effectively and to provide the right level of oversight and assurance.

Executive risk owners are then accountable for confirming adequate controls are operating, and that strategies are in place to bring the risk within acceptable tolerance levels.

We assess the movement of risks through the Risk Oversight (RO) Committee, and the Internal Audit & Risk team support this process and undertake in-depth reviews through the internal audit plan in response to any movements or concerns.

During the year, the RO Committee continued to assess all of our principal risks and to review new threats that may now need to be considered, alongside how our risk appetite for each risk may have changed.

This review considered not just whether the risk would have more or less of an impact upon our Group, but also whether there were any immediate threats as part of the partnership model that required urgent attention. As part of this process, the change risk, which was a separate principal risk in the previous year, has been consolidated within People and Talent. The partnership strategy, common platforms and processes are now more consistent and largely implemented, with the focus now on ensuring our people adopt and embed these new ways of working.

Overall, the Committee were satisfied there is sufficient understanding of the risks and the profile of threats associated with the strategy, alongside what needed to be reflected within our risk management processes in relation to the issues within the second half of 2024.

OUR PRINCIPAL RISKS

The following lists, in order of priority, the principal risks that could impact the Group's performance and strategy, together with an overview of the steps we are taking to manage and mitigate such risks.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
1. PROJECT DELIVERY AND CONTRACTUAL EXPOSURE Failure to achieve our build construction and build-cost targets leading to either a reduced margin, contractual penalties, or disputes with our partners. Failure to continue or restart operations due to a major unexpected incident or event out of our control, such as a natural disaster, global pandemic or UK epidemic, or disruption to national infrastructure. **Risk owner:** Executive Chair / CEO Partnerships & Regeneration	**INCREASED** • The cost increases identified in the South division during 2024 heightened the requirement to scrutinise cost forecasting and control through the life of site of our programmes. • Group restructuring has led to changes amongst the ELT and divisional teams, therefore some heightened risk during a period of familiarisation of new operational remits. • The continued transition to a Partnerships model creates greater reliance on fixed revenue, therefore cost forecasting control over the life of our programmes is of increased importance. • During 2024 a number of agreements with partners took longer to conclude and fell outside of the expected financial reporting period. **EMERGING FACTORS:** • The increased cost associated to employer's National Insurance amongst our supply chain could lead to cost inflation or insolvency risk.	• Two new Executive Chair roles form part of the ELT and better connect operations to the leadership team. • Increased resource within both our division and central teams to scrutinise life of site cost forecasting as a direct response to the findings of the independent review. See Audit Committee Report page 113. • Monthly build and cost forecasting processes presented through the ELT as part of the oversight of regional performance. • Our commercial and finance IT systems embed a standardised set of Group processes to ensure conformity across our build programme. • Closely monitor build performance and delivery against plan including regular on site visits from the ELT. • Robust land viability process and a strategic land function that enables tailor made opportunities to be realised to maximise the partner-led mixed tenure approach. • A disaster recovery and business continuity event was held with our corporate insurers and members of our ELT to help prepare and for unforeseen events.
2. ECONOMIC AND SALES ENVIRONMENT A failure to anticipate and respond to any UK economic decline brought about by uncertainty, loss of consumer confidence, higher interest rates and increasing unemployment, leading to decreased affordability, reduced demand for housing and falling house prices. **Risk owner:** Executive Chair / CEO Partnerships & Regeneration	**UNCHANGED** • Whilst our partners continue to invest in affordable housing, we are mindful of any restriction to available capital or reluctance to invest until market certainty returns, as well as rising costs to remediate and de-carbonise existing social housing restricting available capital. • The thresholds for stamp duty change from 1 April 2025 leading to some caution in the private housing market, although mortgage costs are lower than in previous years leading to an expectation of modest house price growth. **EMERGING FACTORS:** • Changes to stamp duty could lead to market demand as potential buyers rush to invest before changes comes into effect. • The UK Government's 1.5m homes pledge creates both opportunity and challenges with increased pressure on suppliers and materials, but also the likely removal of restrictions and planning constraints to support speed of build.	• Leading capability as the UK's major Partnerships business provides significant resilience to the cyclical nature of the housing market. This is underpinned by a high and sustained level of demand for affordable housing, supported by strong brands and relationships with the largest affordable housing providers. • Our greater proportion of Partner Funded sales locks in an increased fixed sales revenue that is not impacted by short-term fluctuations of market prices. • Whilst there is a reduced reliance on private sales, there is ongoing monitoring of lead housing market indicators, notably prospects, sales rates and price achieved, and a review at each monthly ELT meeting. • Monthly forecasting processes control investment and commitment of costs, and careful management of work in progress capital investment to mitigate against short-term economic change.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
3. SUPPLY CHAIN A failure to adequately respond to shortages or increased costs of materials and skilled labour, or the failure of a key supplier in the current economic environment, may lead to increased costs and delays in construction services. **Risk owner:** Chief Commercial Officer	**UNCHANGED** • Our partnerships strategy provides a greater certainty for future work for our supply chain partners compared with other housebuilders, providing greater certainty for Vistry and our suppliers over the immediate-term. • We recognise there remains pressure on availability of raw materials, with unplanned delays that continue to hinder our completion rates and build profile. • Our people are placed under significant pressure, particularly at key periods during the year, whilst trying to manage customer expectations in the event of unforeseen build delays. **EMERGING FACTORS:** • A rising level of supplier insolvencies and further geo-political events could lead to unforeseen supply chain blockages and delays. • The UK Government's 1.5m homes pledge may lead to supply chain shortages across the industry.	• Increased and regular supply chain engagement at both a regional and Group level to better understand live issues impacting supply. • Development of long-term supplier and subcontractor partnerships based upon increased scale and targets have been fixed in advance, usually for a period of 12-months. • Centralised sourcing of the majority of the Group's requirements from within the UK, including subcontractor materials, ensuring reduced import risks, economies of scale and improved relationships with key trades and suppliers. • Regular assessment of supplier pricing adjustments to cost to complete forecasts help highlight and manage risks. Consideration is also given as to the level of cost increases that can be reflected within future sales prices or negotiated into land purchase prices.
4. LAND AND PLANNING Lack of development opportunities due to difficulties in sourcing land or obtaining planning approval. In addition, churn of Government policy changes that distract Councils from delivering local plans and planning permissions. A failure to bring through a sufficient pipeline of strategic and consented land could also affect future growth. **Risk owner:** Executive Chair / Chief Strategy Officer	**UNCHANGED** • The Group is channelling investment into a Partnerships land bank to deliver growth in line with its strategy and medium-term targets, therefore the profile of this risk has continued to evolve as we increase the nature of capital light land requirements and the further conversion of land assets from the previous Housebuilding division. • Our model enables us to operate with a shorter land bank (target of <4 years) than traditional housebuilders. To maximise flexibility and capital efficiency, an increasing proportion of the land bank will be controlled through exchanged land or development agreements rather than owned by the Group. **EMERGING FACTORS:** • The UK Government's 1.5m homes pledge will likely prioritise both the build rate of new homes and the proportion of affordable homes, whilst supporting the removal of planning restrictions, particularly within the green belt. How quickly these reforms will be realised will impact the risk profile. • Legislative changes by the new Government including the Planning and Infrastructure Bill and English Devolution Bill as well as updates to National Planning Policy adds risk in terms of additional costs and processes for all developers, whilst also ensuring affordability and affordable homes are maximised within any development.	• Robust land appraisal and assessment process prior to formal Vistry involvement. • Robust viability process and a strategic land function that enables tailor made opportunities to be realised to maximise the partner-led mixed tenure approach. • Monitoring of new Government legislation and policy changes to inform land assessments and purchase terms. • Close working relationship with partners, housing associations and public bodies to ensure we remain the developer of choice for large regeneration and social housing opportunities. • Flexible operating model enabling a mix of pipeline opportunities including Partner Funded, mixed tenure or joint venture. • Ambition is to deliver 25% of our land bank through our strategic land team, helping the company identify sites with better inherent value and scale, which is better suited to our partnership model.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
5. PEOPLE AND TALENT An inability to attract, develop or retain good people. In addition, a failure to understand and respond to new skills required to meet our unique Partnerships strategy, or to meet the requirements of the changing pace of technology and customer expectations. **Risk owner:** Chief People Officer & General Counsel	**INCREASED** • Despite the operational issues experienced during the second half of the year, our most recent engagement questionnaire highlighted above industry standard engagement, with an increase in our engagement score to 8.2 (8.1 in June 2024). • Ongoing head count reduction and organisational change will impact our people and whilst this is being carefully governed, there remains a risk of unsettled or disengaged employees. • As part of the response to the issues from the South Division, we operate a much simplified leadership hierarchy. This is enabling faster decision-making and removing blockers for our people. **EMERGING FACTORS:** • UK construction workloads on the rise whilst labour, finance and material shortages continue to create frustration for people who may consider leaving the industry. In addition, opportunities for construction workers to move overseas are becoming more common, particularly in countries with relatively low tax and high wages.	• Monitoring employee satisfaction through the Group Peakon survey. See pages 98 to 99. • Prioritised engagement and communication across key employee issues including diversity & inclusion, sustainability and mental health and wellbeing. • Measurement of key indicators, including churn, diversity and stability index, and regular reporting to the ELT and Board to ensure we are trending positively and responding to employee impacting issues. • In person ELT road shows across the UK to explain the strategy, trading updates and the future of our Group, allowing all employees to ask any question through an anonymous system for full transparency. • Vistry Group is accredited as a Real Living Wage employer and our response to the cost of living crisis and recent salary reviews prioritised the lower paid.
6. ESG A failure to actively demonstrate to our partners and stakeholders the already significant ESG contribution the Group is making to society. This would include a failure to achieve our pathway to Net Zero carbon targets, a failure to promote the contribution we are making to the UK housing crisis, and a failure the meet the levels of interest and reporting requirements from Government, Investors, customers and clients. **Risk owner:** Chief Commercial Officer	**UNCHANGED** • Our strategy embeds the Group as the leading provider of affordable mixed tenure homes, meaning we are at the forefront of addressing the UK housing crisis. This increases the importance of meeting our targets, as well as communicating this purpose to all stakeholder groups. • As a Partnerships business, maintaining our ESG credentials have become more critical in securing funding for projects supported by social housing providers, local authorities, and investors. **EMERGING FACTORS:** • The Government's 1.5m homes target may increase the pressure on our supply-chain to deliver both the volumes of homes, but also the availability of efficient smart or ESG compatible components, hampering our performance towards stated targets.	• A Sustainability Committee oversees the business' response to all matters of ESG and climate response. This includes participation of a Non-Executive Director, members of the ELT, alongside a cross-functional representation from across the business. • Delivery of a refreshed sustainability strategy, informed by a materiality assessment and stakeholder engagement, approved by the Sustainability Committee, including target setting and performance metrics. Progress against targets are regularly reported to the ELT and Board. • Signatory to the Business Ambition for 1.5°C and have approved science-based targets. • Ongoing assessment against the road map to deliver zero carbon ready homes and delivery of a carbon action plan to reduce Scope 1 and Scope 2 emissions. • Disclosures consistent with the TCFD recommendations. See pages 59 to 66. • Testing innovative products to help inform future house type designs in the Vistry Innovation Centre with a dedicated technical innovation team following a robust new product introduction process.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
7. LIQUIDITY AND FUNDING A failure to generate enough liquidity to manage short-term and long-term funding or investment requirements. A failure to manage liquidity requirements impacts preparedness for potential changes in economic environment and ability to take advantage of appropriate land buying or investment opportunities to help deliver improved financial performance. **Risk owner:** Chief Financial Officer	**INCREASED** • Interest rates have only reduced marginally over the last 12 months and, whilst the cost of borrowing is relatively high, the Group continues to generate sufficient reserves to meet covenants and working capital requirements. The benefits of our capital light Partnerships model will lead to an improvement in our cash position and therefore supports a continued reduction in net debt, although this will be tempered in the short term by the challenging market conditions for Open Market sales and deferred partnership led transactions. • Closing year end net debt was higher than expected at £180.7m due to the deterioration in trading performance through Q4 2024, which has increased both the net interest costs, and a reduction in our available funding position. • The monthly working capital cycle has become more exaggerated than in previous years, with larger in-month swings than in previous years due to the timing of payments and receipts. **EMERGING FACTORS:** • Uncertainty regarding the likelihood of future interest rate cuts making it more difficult for the group to raise finance, or our partners to fund land buying opportunities.	• Vistry operates a centralised treasury function which is responsible for managing liquidity, interest and cash forecasting processes. Rigorous procedures are in place to assess both cash and work in progress, with continual monitoring by the ELT. • As set out as part of our scenario testing, we have opportunities to reduce our building programming and subsequent work in progress requirements, defer land purchases or reduce overheads to respond to any reduction in available liquidity. • The Board reviews the Group's capital allocation policy on a regular basis. • As the Group's current finance facilities mature in H2 2026 and H1 2027, a refinancing exercise will be undertaken in early 2025. Relationships with lenders remains positive, with active dialogues in relation to refinancing already underway.
8. CUSTOMER SERVICE A failure to deliver product quality and service standards that meet our customers' expectations (both private customers and large-scale partners) or fall short of the standards expected from supervisory bodies. **Risk owner:** CEO Partnerships & Regeneration	**UNCHANGED** • Quality standards remain at the heart of our business, and we are proud that the Group continues to hold 5-star accredited builder status. There remains a risk that supply chain or build programming issues could impact our ability to undertake remedial work and/or slow the move in process. • Compliance with the New Homes Quality Code (NHQC) was obtained during 2024, increasing the number of customer check-points and required disclosure, with some associated risk should the Group fail to comply. **EMERGING FACTORS:** • Increase volumes of shared ownership and bulk transactions will change the way the Group services customers and the communication channels and subsequent obligations, which will require careful management.	• All homes built are subject to external provider building control inspections. • Regular quality inspections undertaken by build employees, sales employees, and regional directors. • CRM system that puts customers in control when raising issues and communicating with customer care teams. • Standardised customer journey that operates across the Group together with mechanisms and controls that report key metrics and will comply with the NHCQ.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
9. LEGISLATION AND BUILDING SAFETY An inability to fulfil regulatory planning, building, environmental and technical requirements for new homes and communities. In addition, the threat of new unquantified liabilities from past developments becoming material. **Risk owner:** Chief Strategy Officer / Chief People Officer & General Counsel	**INCREASED** • We are a signatory of the Remediation Developer Contract with the UK Government and therefore are committed to supporting leaseholders by funding or remediating fire safety work in buildings over 11 metres tall where we were the original developer. The Group also continues to receive claims from building owners where we acted as contractor and build safety defects have been identified. As investigations continue, there have been updates to the scope of works leading to an increase in our provision by £117.1m. • Interpretation of recent Habitat Regulations is resulting in planning delays associated with nutrient neutrality, water neutrality and recreational pressure on protected sites, and further continued work is required to mitigate against future delays. **EMERGING FACTORS:** • The final report from the Grenfell inquiry was published during the year and contains 58 recommendations of relevance. The Government may consider introducing stronger regulation in UK construction, including fire safety and evacuation proposals and a deadline for commencing and completing fire safety works. These changes could increase costs or lead to further increase to our current provision for remediation works.	• Group Head of Design and Technical oversees home build standards ensuring a standardised approach to our homes where appropriate. • The Group has reviewed all buildings over 11 metres tall where it was the developer to understand the fire safety risk and potential liability. A provision has been made for the expected costs of any remedial works that may be required. Ongoing assessment continues based on the latest Government position and legislative changes, which has led to an increase in our provision. • A central planning and policy team supports the entirety of our Group providing support in interpreting planning and Government policy legislation and coordinating responses to forthcoming change. • We have a proactive approach to environment and habitat and measure performance indications in relation to diversity, environment and new gain requirements. In addition, we have existing and newly formed relationships with wildlife organisations and conservation trusts.

RISK & LINK TO STRATEGY	RISK MOVEMENT	MITIGATION
10. TECHNOLOGY RESILIENCE AND FUTURE CHANGE An inability to protect our IT estate, systems and infrastructure and people from hostile or fraudulent attacks. An inability to adapt to the pace of technological change by failing to embrace new intelligence or capability, or adapt our systems and processes to fully deliver expected improvements across our Group. **Risk owner:** Chief Financial Officer	**UNCHANGED** • The pace of change in relation to new technologies, and in particular Artificial Intelligence (AI) presents both opportunities and threats for the Group. Should we fail to safeguard the Group from malicious use of AI, or adapt our systems, processes and policies to leverage and support effective use of AI, we could fail to achieve expected benefits. • The Group uses common platforms and the level of standardisation is increasing as we align systems and processes to execute the exclusive partnership strategy. Our reliance on a smaller number of Group-wide IT systems could impact operations should any of these systems fail, become obsolete or be subject to a cyber attack. **EMERGING FACTORS:** • Further unanticipated geo-political events could lead to new external cyber threats aimed at a national level or towards individual entities.	• Regular training, communicated and simulated phishing attacks to ensure our people remain vigilant to cyber related risk. • An IT Governance Committee exists to monitor technology and behaviour and to ensure sufficient investment and continued progress in the identification and resolution of threats. • Cyber insurance policy in place and a close working relationship with our corporate insurer who provides simulated scenario events to ensure we have sufficient disaster recovery processes.
11. SAFETY, HEALTH AND ENVIRONMENT A loss of trust in the Group's ability to build communities safely and in an environmentally responsible way. Preventable accidents that harm people, communities, or the environment. **Risk owner:** Chief Commercial Officer	**UNCHANGED** • Our unified Group-wide SHE system continues to support a single set of processes across the Group.	• Review and consider health and safety issues at every meeting of the Board, ELT, and Operational Leadership Team meetings. • Dedicated SHE Director and team, supported by independent third party providers undertaking site and office visits and regular audits. • Best practice shared across the Group. ISO 45001, ISO 14001 and ISO 9001 Management Systems in place.

VIABILITY AND GOING CONCERN STATEMENTS

The Board has assessed the prospects of the Group and its longer-term viability, taking account of its current position and principal risks.

The assessment has been made using a period of five years commencing on 1 January 2025. The average life cycle of our developments falls within this time period and this aligns with the timeframe focused on for the Group's strategic financial plan, which is updated annually and reviewed by the Board. The early years of the financial plan are prepared in detail based on the development of our existing land bank and expected market, economic and regulatory conditions. There is inherently more uncertainty in the later years of the plan as it incorporates a higher level of assumed housing completions from owned land currently without planning, or land not currently owned by the Group.

The assessment took account of the Group's current position and the potential financial and reputational impact of the principal risks on the Group's ability to deliver its financial plan. Whilst all the principal risks identified and described on pages 70 to 75 could have an impact on the Group's performance, sensitivity testing to consider the impact of a number of plausible downside scenarios on the Group's funding headroom (including financial covenants within committed bank facilities) has only been undertaken on those specific risks with the greatest potential to impact the Group's financial position. These are detailed in the table opposite.

The base case model assumes revenue growth of between 5% and 8% per annum with operating margin moving towards our targeted level. Operating cash flows are driven by the timing of construction and land spend and receipts from programmed completions on schemes. The forecast assumes that surplus capital is returned to shareholders in line with the Group's stated capital allocation policy.

At 2024 year end the Group had £1,005m in committed borrowing facilities with well-spread maturities out to 2027, including a £500m revolving credit facility expiring on 16 December 2026, £400m of term borrowings maturing on 30 September 2026 and a £100m US private placement facility expiring on 16 February 2027.

In addition to the committed facilities, the Group has secured two uncommitted borrowing lines with members of its existing lender pool, providing a further £125m of borrowing capacity. A £75m money market line was secured during 2024, with an additional £50m facility secured subsequent to 31 December 2024. These facilities are on-demand facilities with more flexible borrowing terms to support the Group's short-term, in-month, borrowing requirements.

The Group regards its current banking arrangements as adequate for its needs in term of flexibility and liquidity and expects to commence the process to re-finance the facilities which expire in 2026 later this year. During recent re-financings of the Group, appetite from lenders has been shown to be strong and the Group retains good relationships with its existing lenders despite the challenges in the last quarter of 2024. There is no known reason why any re-financing may not be possible if required. As at 31 December 2024, the Group had £500.0m drawn under its facilities. See note 20 of the financial statements for further information.

The Board considered the following key considerations in its assessment:

- The Group's strong market position and multiple brands that offer differing propositions across all housing tenures;
- The lower risk profile of the Partnerships model which will provide more resilient and less cyclic revenues;
- The Group's strong balance sheet, good cash generation capabilities and funding headroom;
- Maintaining financial discipline including a clear capital allocation policy that prioritises investment in operating businesses and sustainable shareholder distributions;
- A high quality land bank with in excess of 74,000 plots to safeguard future growth commitments; and
- The assumption that, if one of the downside scenarios were to arise, the Group would adjust its strategy accordingly to preserve cash. This would include, inter alia, suspending the purchase of land, changing the build profile of existing developments and reviewing the Group's capital allocation strategy including shareholder distribution levels.

The Group's viability and going concerns assessments have been carried out without consideration for the uncommitted facilities, however they provide further protection against the downside scenarios modelled.

SCENARIO TESTING

The financial plan has been tested using the following scenarios to determine whether the Group could continue in operation over the five-year assessment period to December 2029:

SCENARIO	PRINCIPAL RISK MAPPING	
Reduction of 15% in the volume of Open Market homes built and sold from 1 May 2025 and throughout the review period	• Economic and sales environment • Land and planning • Customer service	(Risk 2) (Risk 4) (Risk 8)
Reduction of 3% in average sales price of Open Market and unsecured Partner Funded homes from 1 May 2025 and throughout the review period	• Economic and sales environment • Land and planning • Customer service	(Risk 2) (Risk 4) (Risk 8)
Increase of 5% in build costs from 1 September 2025 and throughout the review period	• Economic and sales environment • Supply chain • Project delivery and contractual exposure • Legislation and building safety	(Risk 2) (Risk 3) (Risk 1) (Risk 9)
Severe downside case	• All of the above	

Our assessment included modelling the impact of the individual scenarios and a severe downside case where all of these scenarios arise together. Even if this occurs, there is still a reasonable expectation that the Group will be able to continue in operation and meet its liabilities provided that mitigating actions are taken. The Board considered a range of potential mitigating actions that may be available. These primarily include overhead reductions, a reduction in uncommitted land investment and a reduction in the level of shareholder distributions. These are considered achievable and have been borne out in practice in previous years when needed.

VIABILITY STATEMENT

Based on the results of this analysis, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, meet its liabilities as they fall due, maintain sufficient available cash across the five-year assessment period to 31 December 2029 and stay within any required banking covenants to ensure the continued availability of committed borrowing facilities. For the purposes of testing viability, it is assumed that equivalent facilities are available past existing maturity dates and throughout the period included in the review.

GOING CONCERN

The Board considered it appropriate to prepare the financial statements on the going concern basis, as explained in the basis of preparation paragraph in note 1.4 of the financial statements. In forming this view, the Board reviewed a cash flow forecast using a number of scenarios, including a likely base case and a severe but plausible downside scenario. In the severe but plausible downside scenario the same assumptions were made around volumes, sales pricing and build costs as were modelled for the viability assessment. In each of these scenarios, the forecasts indicated that there was sufficient headroom and liquidity for the business to continue based on the facilities available to the Group. In each of these scenarios, the Group is also forecasted to be in compliance with the required covenants on the aforementioned borrowing facilities.

The Strategic report outlined on pages 2 to 77 was approved by the Board and have been signed on its behalf by the Chief Financial Officer.

On behalf of the Board

TIM LAWLOR
Chief Financial Officer

25 March 2025

Vistry Works Quality Check


Technical team - Vistry Eastern Counties