



Taylor
Wimpey | plc

Building sustainable relationships

Sustainability Report 2018

Contents

This report explains our progress on the most important social, environmental and ethical issues for our business and our stakeholders.

Introduction

- 2 Our approach
- 3 Taylor Wimpey at a glance
- 4 Our year in numbers
- 5 External trends
- 6 Chief Executive's letter
- 8 Our business model
- 9 Our strategy
- 11 Our stakeholders
- 13 Our material issues
- 15 The UN Sustainable Development Goals
- 16 Our sustainability framework

Navigating this report

The icon below helps to signpost where you can find more information.

-  Read more
-  Link to our material issues
-  Link to our business model
-  Link to our stakeholders



 Our Annual Report and Accounts 2018 and online Sustainability Report can be viewed at www.taylorwimpey.co.uk/corporate



17-21

Building sustainable homes and communities

22-25

Land, planning and engagement

26-29

Delivering great quality and customer service

30-32

Operating safely

33-38

Cutting our environmental footprint

39-41

Responsible sourcing

42-48

Investing in people and skills

49-51

Partnering with charities

52-55

Governance and management

56-71

Performance summary

Our approach

What sustainability means to us

We build homes and communities across the UK, with a small operation in Spain.

We aim to enrich the lives of our customers and communities today and to build a proud and sustainable legacy for the future. We do this by designing and building our developments in the right way, so that they become thriving, inclusive and sustainable communities for generations to come.

By integrating sustainability into the way we work, we create a stronger business and more value for our stakeholders including customers, communities, our people, investors and suppliers.

A sustainable business for our customers

The home our customers buy from us is likely to be the most important purchase they ever make. It's where they will spend most of their time, and where important memories are made. We therefore have an important role to play in our customers' lives and are aware of the huge responsibility this brings.

It is crucial we give our customers the right buying and after sales experience and we believe this will ultimately make us a higher quality, more sustainable business. We strive to work in the best interests of our customers and our ultimate goal is to become a genuinely customer-centric homebuilder.

The way we design and build our homes and developments can have a significant influence on our customers' future happiness and wellbeing. We focus on delivering quality, energy-efficient homes in well designed and connected communities with access to great facilities, green spaces and nature. Affordability is a major challenge and we are exploring new ways to help more people own their own home.

A sustainable business for our partners

We directly employ over 5,000 people, with many more on our sites and in our supply chain. We aim to treat everyone we work with fairly and to become the employer of choice in our sector.

Health and safety has always been a non-negotiable top priority for Taylor Wimpey. We continue to work with our stakeholders to improve both our own health and safety performance and that of our partners.

Reducing our environmental impact is important today and for future generations. We design our homes to be resource efficient, and work with our suppliers and contractors to source sustainable materials and to minimise the impact of our construction sites.

Integrated reporting

This report summarises our approach to sustainability and our performance in 2018. Sustainability performance information is also included in our Annual Report and Accounts and on our website.



i Our Annual Report and Accounts 2018 and online Sustainability Report can be viewed at www.taylorwimpey.co.uk/corporate

Taylor Wimpey at a glance

Who we are

Taylor Wimpey plc is a customer-focused residential developer building and delivering homes and communities across the UK and Spain.

We are one of the UK's largest residential developers and are focused on delivering high-quality homes for our customers.

Our vision, mission and values

Our vision

Working together to build your dreams

Our mission

Enriching the lives of customers and communities by putting them at the heart of our decisions

What we do

We do much more than build homes – we add social, economic and environmental value to the wider communities in which we operate.

We are first and foremost a local business and an important contributor to local communities.

BM Read more about our business model on page 8.

Our values

- Be respectful, fair and deliver together
- Use our knowledge and expertise for positive benefit
- Continuously improve and innovate
- Build a proud and sustainable legacy

Where we operate

North Division

6,431

Homes completed

10 offices

Central and South West Division

5,259

Homes completed

8 offices

London and South East Division

3,132

Homes completed

6 offices

Spain

342

Homes completed

3 offices

- Head office
- Regional offices
- London market

How we performed in 2018

23%

of homes were designated affordable

£455m

contributed to local communities through planning obligations



228

Annual Injury Incidence Rate (per 100,000 employees and contractors)

4.3

average number of safety training days completed by our site staff



Customer satisfaction

90%

8-week score 'Would you recommend?'

76%

9-month score 'Would you recommend?'



38.7%

cut in our CO₂ emissions intensity since 2013

96%

of construction waste recycled

44%

women on our plc Board

175

recruited onto our graduate, management trainee, and site management trainee programmes



58%

Completions were from strategically sourced land

52%

of completions were within 500m of public transport

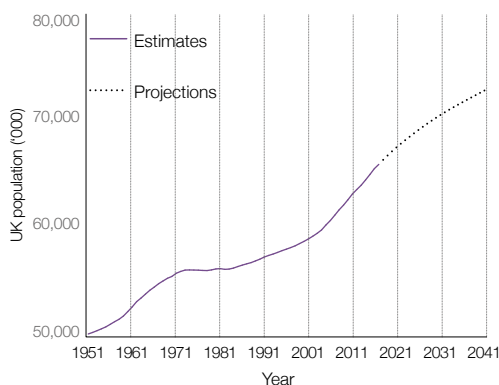


External trends

Understanding our operating context

Long term demographic, socio-economic, technological and environmental trends will affect our business and supply chain and influence how our customers live in their homes. We review these trends to understand the risks and opportunities and to prepare for their impact.

UK population projected growth to 2041



Source: Office for National Statistics

Demographic changes

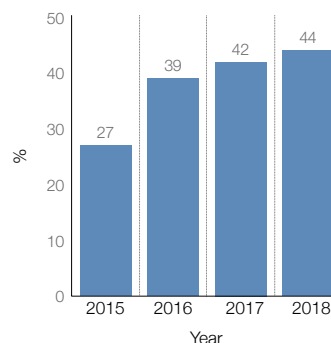
The UK population is growing and ageing. The overall number of households is rising, more people live alone and young people are living at home for longer. This means more demand for housing which can in turn affect the type and design of housing needed. Our research, for example, shows that customers increasingly value homes that can be adapted to suit changes in their family.

Our response

We are investing in research and innovation to meet the changing needs of our customers. We're also looking at new models to help increase access to housing.

MI See pages 18 to 20.

Housebuilders identifying skills shortages as a constraint on UK building growth (%)



Source: Federation of Master Builders, September 2018 survey

Skills shortage

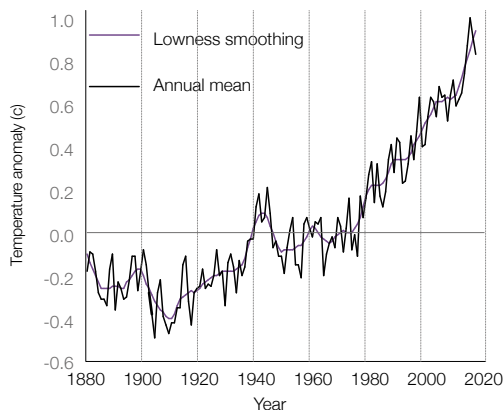
There is a skills shortage in our industry with more people leaving than joining. This could be further exacerbated by Brexit and an ageing population. The Chartered Institute of Building has estimated the UK construction sector will need 157,000 new recruits by 2021 to keep up with demand.

Our response

We are investing in apprenticeships and trainee positions to help bring more young people into our industry. Our focus on diversity will help to increase our potential talent pool.

MI See pages 43 to 46.

Surface air temperature change 1880-2019 (Global mean estimates)



Source: NASA

Climate change and resource scarcity

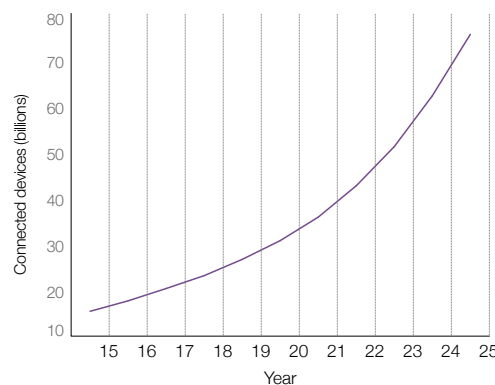
Climate change has implications for where and how we design our homes. We are likely to see more flooding, increased risk of overheating in homes and even water scarcity. Economic growth, population growth and climate change will mean more pressure on natural resources and this could increase costs and disrupt supply chains.

Our response

We are cutting our own carbon emissions and working with suppliers to improve resource efficiency. We have procedures in place to mitigate flood risk, factoring in climate change projections.

MI See pages 33 to 38.

Internet of things – number of connected devices worldwide 2015-2025 (bn)



Source: Statista 2019
Includes projections for 2020-2025

Technological advancements

Technological change will continue to have a major impact on the way we work. The development of robotics, 3D printing and artificial intelligence, for example, may impact how homes are built, while smart technology and the internet of things will influence how we run our homes, cities and transport systems.

Our response

We are exploring these trends through our research and innovation projects, including off-site construction techniques. We are also using technology to help us improve build quality and customer service.

MI See pages 20 and 28.



Chief Executive's letter

Delivering for **customers and communities**

2018 has seen us redefine our business strategy. We have set a new strategic direction focused on our customers' needs and their aspirations for their homes and communities.

Our new strategy, announced at our Capital Markets Day in May 2018, maps out our priorities and principles for at least the next ten years. It aims to position Taylor Wimpey as a genuinely customer-centric homebuilder.

Over the coming years, by enhancing every step of our customers' buying and after service experience, building homes which are right first time and right for our customers' income and lifestyle, we can create real additional value for customers, and the rest of our stakeholders. In this way we can grow our business, providing more homes to more people, whilst continuing to manage the cycle cautiously and without compromising on quality. Our commitment to sustainability will play an important role in helping us to achieve our goals.

We are pleased with how our business is adapting to our customer-centric strategy. As this report shows, we have made good progress this year and have plans in place to go much further.

Creating great homes and communities for more people

In the UK, demand for homes still outstrips supply, and affordability remains a major challenge for many people. As one of the UK's largest homebuilders,

we believe that we have a shared responsibility to create more choices for those wanting to access housing. We increased the overall number of homes completed in the UK to 14,933 in 2018, including joint ventures, up by 3% in comparison to last year. First time buyers accounted for 34% of total sales.

We made a significant contribution to increasing the UK's stock of affordable housing with around 23% of completions designated affordable. We will be exploring new approaches and business models that can help to further improve accessibility and affordability. In 2018, we began this process with the pilot of our first rent to buy scheme, Springboard.

Our customers tell us how important it is to feel part of a thriving community. We are investing in placemaking and design, to ensure all our developments become communities that are socially, economically and environmentally sustainable. Our first internal placemaking competition this year celebrated the good practice that already exists and inspired us to go further. We continued to make a major investment in infrastructure and facilities through our planning obligations, worth £455 million in 2018.

Chief Executive's letter continued

Improving service and quality

We have made a significant step change in our business over the last four years and our customers tell us that the improvements we have already made to our customer service approach are working. Over 90% of customers would recommend Taylor Wimpey to a friend (2017: 89%).

We want to be proud of every home we build and to always meet high quality standards. We continued to improve our processes and training this year and are pleased our NHBC Construction Quality Review Score increased to 3.93 over the year (2017: 3.74) and we aim to reach an average score of 4 out of 6 by 2020 for each regional business.

Investing in skills and research

To achieve our goal to build more homes, we must overcome the skills shortage facing our industry. We are expanding and improving our apprenticeship, graduate and trainee programmes, providing opportunities for more young people to join our business. Entry level positions now account for 13% of our total workforce – a stronger pipeline for the future. We also began our first direct labour pilot, to expand the number of tradespeople we hire directly, and continued our focus on training and diversity – which will help to widen our talent pool.

We are prioritising research and development, seeking out new processes and products that can improve efficiency and sustainability, enable us to benefit from modern methods of construction and also improve quality and the final product for our customers. The build of our Project 2020 prototype homes this year, following our design competition with the Royal Institute of British Architects, has been particularly useful in providing us with new insights.

Safety first

As we develop our business, we will not lose sight of the essentials. Safety on site is always our non-negotiable number one priority and continues to be the first item discussed at every Board meeting. Our Annual Injury Incidence Rate was 228 in 2018. This remains well below industry average but it is an increase on the previous year and we are committed to reducing it.

We know that many people are affected by mental health issues and that rates can be higher than average in the construction sector. We want to be a workplace where people feel supported and can get help when they need it. We launched our first Health and Wellbeing campaign and training this year to start this conversation.

We were deeply saddened by the tragic death of a subcontractor on our Stoneley Park site in Crewe in 2018 following a serious accident.

“For communities to thrive and prosper in the long term, we need a healthy environment.”

Pete Redfern – Chief Executive

We are assisting the Health and Safety Executive with the accident investigation and await its findings. We have offered support to everyone working on site encouraging them to access counselling via our confidential and free employee assistance scheme.

Contributing to a healthy environment

For communities to thrive and prosper in the long term, we need a healthy environment. Climate change is one of the most pressing global issues and one that will affect all of us. We want to play our part in tackling climate change, working within our business and with our suppliers. We have an ambitious reduction target for our direct emissions and are undertaking further work to help us identify where we can reduce emissions from our supply chain and the homes we build for customers too.

We aim to use resources efficiently but have found it challenging to make progress on reducing waste in the last five years. We are committed to tackling this and have now launched our new waste vision and appointed a network of Sustainability Champions in our regional businesses to help us drive progress.

This is an exciting time for the business, with many changes underway and more planned for 2019. I look forward to updating you next year on the progress we have made for our customers, communities, people, investors and partners.



Pete Redfern
Chief Executive

Partnership, disclosure and reporting

We aim to be open about how we work and to partner with others on sustainability issues.

We want to contribute to progress on the UN Sustainable Development Goals and have included an index in this report to show how we can have an impact. See page 15.

We support the work of the Task Force on Climate-related Financial Disclosures, which aims to improve reporting on climate change risks. We have extended our reporting this year to better align with its recommendations.

We were pleased to receive a Gold rating for the first time this year from the Next Generation benchmark, which compares the sustainability performance and reporting of housebuilders across a wide range of social, economic and environmental indicators.



MEMBER OF
Dow Jones
Sustainability Indices



FTSE4Good



www.taylorwimpey.co.uk/corporate

Our business model

Creating value at every stage

Our vision

Working together to build your dreams

Our mission

Enriching the lives of customers and communities by putting them at the heart of our decisions

Our values

Be respectful, fair and deliver together

Use our knowledge and expertise for positive benefit

Continuously improve and innovate

Build a proud and sustainable legacy

What we do

Delivering customer service

We remain focused on, and are committed to, delivering an excellent customer service to all of our customers at every stage of their journey

People

We aim to be the employer of choice in the housebuilding industry

Selecting land

We believe that the quality of our landbank is one of the key strengths for Taylor Wimpey

Managing the planning and community engagement process

We aim to be the industry leader in managing the planning and community engagement process

Getting the homebuilding basics right

Getting the basics right means effective processes are consistently applied across our regional businesses

Optimising value

We look to optimise the value of each site not only during the initial acquisition process, but throughout the planning and development stages so that the original value is not only protected but enhanced

How this enables us to be a customer-centric homebuilder

By enhancing every step of our customers' buying and after service experience, building homes which are right first time and right for our customer's income and lifestyle, we can create real additional value for customers, and the rest of our stakeholders. We aim to deliver an excellent customer experience from start to finish.

Whilst the majority of our customers would recommend us to their friends, we acknowledge that we do not always get it right for our customers and sometimes fall short of our high standards. Where this is the case, we work with customers to put issues right and learn from our mistakes.

Our people are the backbone of our customer-centric approach and we are investing in our people and their development to ensure they have the right skills and to help underpin our future growth.

We may be a national homebuilder, but for customers, it is their interactions with the local site and sales team and regional office that matter. This is where their impression of Taylor Wimpey is formed and where we strive to prove to them that they made the right choice by choosing a Taylor Wimpey home.

We are focused on growing talent from within and are committed to the learning and development of our people. We will continue to invest in our early talent programmes, including graduates and trainees. We are increasing our directly employed staff on site. This is key to creating the next generation of leaders, with the same focus on customer values.

Land is our key raw ingredient and its selection is important to both our offering for customers and the return we achieve for our shareholders. The landbank remains an important driver of value as it enables us to build and sell the right product, create the right community and deliver the right service to our customers.

Location is key when buying a home and we have focused our landbuying in quality locations where customers want to live. We believe this will be a key determinant through all market conditions.

We aim to be the industry leader in all aspects of the planning process and to obtain the right planning consents that enable us to respond to a changing market, reflect the desires of our customer base and deliver the quality homes we want to build, whilst meeting our financial objectives.

We believe that local communities should have a say in development. This enables us to achieve the right planning permissions and ensure our developments are valued by their local communities. Our customer research shows that one of the highest priorities for people after moving in is to quickly feel part of a thriving community.

We work with selected subcontractors and build using carefully sourced materials to ensure the homes that we sell are of a high quality and are built safely, efficiently, cost effectively and with minimal impact on the environment.

There is nothing more important to us than providing a safe place in which our employees and subcontractors can work. We are also committed to high standards of environmental management.

The building process is carefully managed by our site-based and regional production teams to ensure quality, minimise disruption to residents in the surrounding areas, and to protect and enhance the value of each site.

Creating value for stakeholders

Our customers

Our communities

Our employees

Our investors

Our suppliers

Local governments

Central governments

NGOs/Society

S Read more on pages 11 and 17 to 55

Introduction

Building sustainable homes and communities

Land planning and engagement

Delivering quality and service

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Becoming a **customer-centric** homebuilder

Our ultimate aim is to become a genuinely customer-centric homebuilder by shifting our focus to our customers' needs and their aspirations for their homes and communities.

Together with our response to the changes in the land and planning environment, our customer-centric strategy will offer further scope for differentiation and enable us to become the customer's first choice of homebuilder in all market conditions. This will make us a more efficient and resilient homebuilder throughout the cycle and ultimately enhance our brand and returns and help us to achieve our sustainability goals by:

1. Industry leading sales and service to customers through the cycle, providing increased resilience in weaker market conditions and a route to high-quality and sustainable growth
2. Optimising our strong landbank to deliver enhanced returns, by adopting a factory approach, to build more efficiently where there is market demand
3. Continuing to improve the operational business model to drive efficiency and reduce costs

Our strategy focuses on five key pillars:

- Customers and communities at the heart of our strategy
- Build quality: getting it right first time
- Optimising our strong landbank
- Becoming the employer of choice
- Best in class efficient engine room

i More information on each of our strategic goals can be found within our Annual Report and Accounts 2018, which can be viewed online at www.taylorwimpey.co.uk/corporate



Our strategy continued

What does it mean to be a customer-centric homebuilder?



“We have to commit to putting customers and their communities at the heart of our strategy, identifying their needs and delivering on our promises time and time again.”

Each of the decisions we take, from the location of the land we buy, to the house types we choose and the location and timing of community facilities, has a significant impact on our customers' lives and their lifestyles. Understanding what our customers need has been a key priority for everyone at Taylor Wimpey. During 2017 and 2018 we conducted a wide ranging customer research project to help set our priorities.

Customers and communities at the heart of our strategy

Our customers have a very strong desire to become part of a community and to do so quickly after they move in. This makes placemaking – the way we design our developments, a key focus for the business. We've launched a programme of training, workshops, events and design competitions to engage our people and build their placemaking skills. We will also be exploring how we can play a more active role in facilitating community networks between new residents, their new community and their neighbours.

There remains an overriding need for more homes in the UK. As one of the UK's largest homebuilders, we believe that we have a shared responsibility to create more choices for those wanting to access housing. We already build many affordable homes. Now we are starting to explore new business models that may help us to provide a wider range of high-quality homes for more people. Our first pilot rent to buy scheme, Springboard, is one example.

A focus on quality

Our customers rightly expect high-quality homes that are professionally built and free from defects. Investment in quality upfront benefits all stakeholders as getting it right first time saves significant time, cost and energy in putting things right. It is more sustainable too, enabling greater durability, less waste and fewer resources used for repairs and maintenance. We are focused on ensuring that a right first time approach is adopted consistently through all stages of build.

Strong landbank

Over the last seven years, the land and planning environment has undergone a structural change, with more good-quality land available through the planning system and an increase in opportunities, including a reduced level of competition, in certain parts of the market, such as large scale sites.

We are looking to work our landbank harder. This will include taking a more strategic approach to how we build on site – improving build rates to enable us to deliver more homes without compromising on quality.

Investing in our people

Our people are the backbone of our customer-centric approach and we are investing in their development to ensure they have the right skills. This includes developing our training, increasing the number of apprentices and trainees we employ, and hiring more trades people directly. We aspire to be the employer of choice in our sector, offering a unique and valued employee experience by investing in our people, giving them more challenge, more ownership and more flexibility, where it counts.

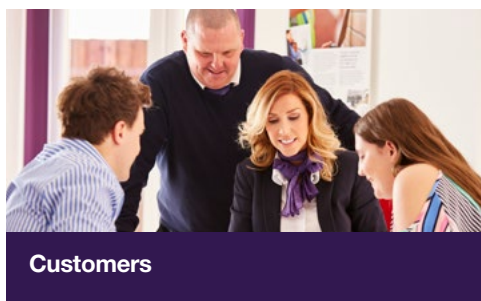
Best in class

We believe that having an efficient engine room, to protect and enhance value through the business is vitally important. We are prioritising research and development, seeking out new processes and products that can improve efficiency and sustainability, and also improve quality and the final product for our customers.

Our stakeholders

Engaging with key stakeholders

We work with many different stakeholders as we run our business, and value their insights and perspectives. We strive to be open and honest about how we work and to listen and respond to our stakeholders' views. Our main stakeholders are:



Customers

How we engage

We engage directly with customers at our developments and monitor their views through focus groups, satisfaction surveys and post-occupancy research.

What we're hearing

Customers prioritise product quality and expect us to deliver a defect-free home. They also prioritise feeling part of a community and want to do so quickly after moving in. Affordability of housing remains a major concern for many people.

Actions for 2019

With our new strategy we are working to become a genuinely customer-centric business. This includes focusing on customer service, ensuring we build things right first time, strengthening our placemaking and design capabilities, and exploring new approaches to increase affordability.

i Read more on page 27



Communities

How we engage

We engage with local communities at every site, from planning and throughout construction, including through meetings, exhibitions, workshops, newsletters, information boards, social media and our website.

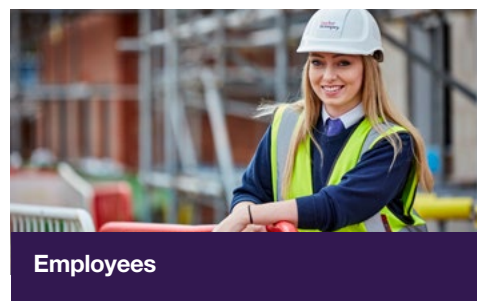
What we're hearing

Community priorities include: early delivery of infrastructure and facilities at new developments; managing local impacts during the construction process such as noise and dust; and provision of public and open spaces to help create a sense of place and support communities to adopt healthy lifestyles.

Actions for 2019

We will be relaunching our Community Engagement Toolkit. This has been updated with further guidance to help our teams engage with a wide range of stakeholders, develop schemes which respond to local needs, and keep communities updated on progress.

i Read more on page 24



Employees

How we engage

We engage with our employees and seek their views through a range of formal and informal channels, including meetings, appraisals, regular employee surveys, and our national and regional employee forums. We ran a series of employee focus groups to inform the development of our new strategy.

What we're hearing

Our latest survey in 2017 showed that 93% of our people would recommend Taylor Wimpey as a good place to work to friends and family. Areas identified for improvement included performance review and development process, access to tools, technology and resources, and cross departmental working.

Actions for 2019

Our priorities in 2019 will include increasing flexible working opportunities for our people, ensuring that everyone has a high-quality personal development plan, and improving our induction processes to ensure the best possible joining experience.

i Read more on page 47



Investors

How we engage

We engage with investors on sustainability issues through meetings, our reporting and by participating in benchmarks and disclosure initiatives.

What we're hearing

We responded to investor questions in 2018 on topics including climate change, the UN Sustainable Development Goals and sustainable urban drainage.

Actions for 2019

We will continue to disclose our performance to investors through initiatives including CDP, Dow Jones Sustainability Index and FTSE4Good. We aim to increase our disclosure on climate risks in line with the Task Force on Climate-related Financial Disclosures.

i Read more on page 54

Our stakeholders continued



Suppliers

How we engage

We engage with our suppliers on a wide range of sustainability initiatives through meetings, workshops and our membership of the Supply Chain Sustainability School.

What we're hearing

Our suppliers have used the Supply Chain Sustainability School to access information and resources relating to waste, water, climate change mitigation and adaptation, use of recycled materials, supplier diversity, community and other sustainability topics.

Actions for 2019

We will be doing further work with suppliers to reduce our environmental footprint from carbon and waste, to implement our modern slavery policy, to strengthen our processes for responsible timber sourcing and to improve efficiency. We will continue to work closely on issues relating to health and safety on our sites.

i Read more on pages 40 and 41



Local governments

How we engage

We engage with local authorities, parish councils and councillors, and organisations such as the Greater London Authority during the planning and construction of sites, as well as participating in the development of Local Plans, Neighbourhood Plans and Spatial Development Strategies.

What we're hearing

Local governments prioritise schemes which reflect local priorities and feature high-quality design and placemaking. Efficient delivery and build quality are also key objectives.

Actions for 2019

We aim to increase engagement with local government at the start of the development process to help us deliver high quality schemes that meet local needs. We will further increase our focus on community engagement and research, placemaking and the early delivery of new community infrastructure. We aim to work with local governments to increase transparency and accountability around the delivery of planned community infrastructure.

i Read more on pages 24 and 25



Central Government

How we engage

We interact with the Ministry of Housing, Communities & Local Government, Homes England, the Department for the Environment, Food & Rural Affairs, the Scottish and Welsh Governments, and other institutions to understand their priorities and share our views. We engage directly and through trade associations such as the Home Builders Federation.

What we're hearing

The National Planning Policy Framework was updated in 2018, setting out the latest Government priorities, including a greater focus on quality design and placemaking from an early stage in the development process. Efficiency and fast delivery are also priorities.

Actions for 2019

We will continue to share our views with Government through public consultations on issues relating to planning and housebuilding. We will further increase our focus on placemaking and explore ways to increase efficiency including the use of off-site construction techniques.

i Read more on pages 24 and 25



NGOs / Society

How we engage

We engage with NGOs (non-governmental organisations) and expert organisations to help us create sustainable communities across the UK. We participate in the Horizons Group of the Supply Chain Sustainability School to learn from construction experts and share insights on developments in sustainable construction. We support many charities through our donations, fundraising and partnerships.

What we're hearing

During 2018 we gained valuable insights in areas such as urban design, ecology and innovation from these interactions.

Actions for 2019

We will continue these interactions during 2019. We will also be sponsoring a Masters student to conduct research and gather new insights on climate change resilience in the housebuilding supply chain. Our Director of Design will be a Board member for the Building with Nature Standard, a new benchmark for the design and maintenance of green infrastructure.

i Read more on pages 18, 38 and 40

Our materiality assessment

We focus on the sustainability issues that matter most, both for our business and for our stakeholders.

We carried out a formal materiality assessment during 2016 which reviewed and ranked a wide range of issues. It took account of how important each issue is to our business strategy; which issues could represent a significant risk or opportunity for the business; how important each issue is to our key stakeholders; and whether our operations could have a significant negative or positive impact on an issue. Details of the methodology are included on our website.

The results of the materiality assessment are highlighted on our materiality matrix (see page 14). The issues are grouped into nine themes; sustainable homes and communities; land, planning and community engagement; customer service; health, safety and wellbeing; environment; responsible sourcing; people and skills; charitable giving; and governance and management.

The issues of most importance to both the business and our external stakeholders are shown in the top right corner of the matrix.

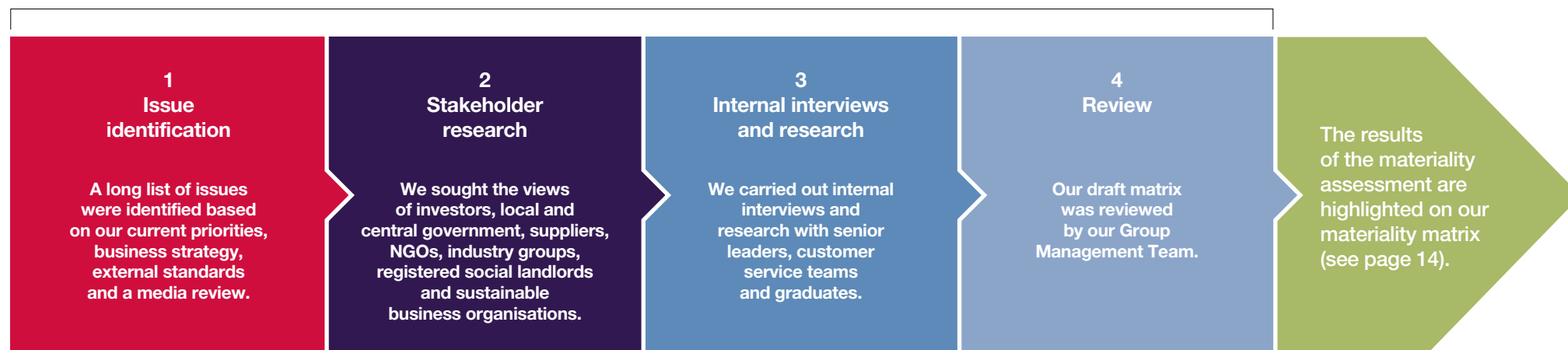
The assessment showed that issues relating to the sustainability of our homes and developments – such as placemaking, community

infrastructure, affordability and efficiency of our homes – are among the key issues for our business.

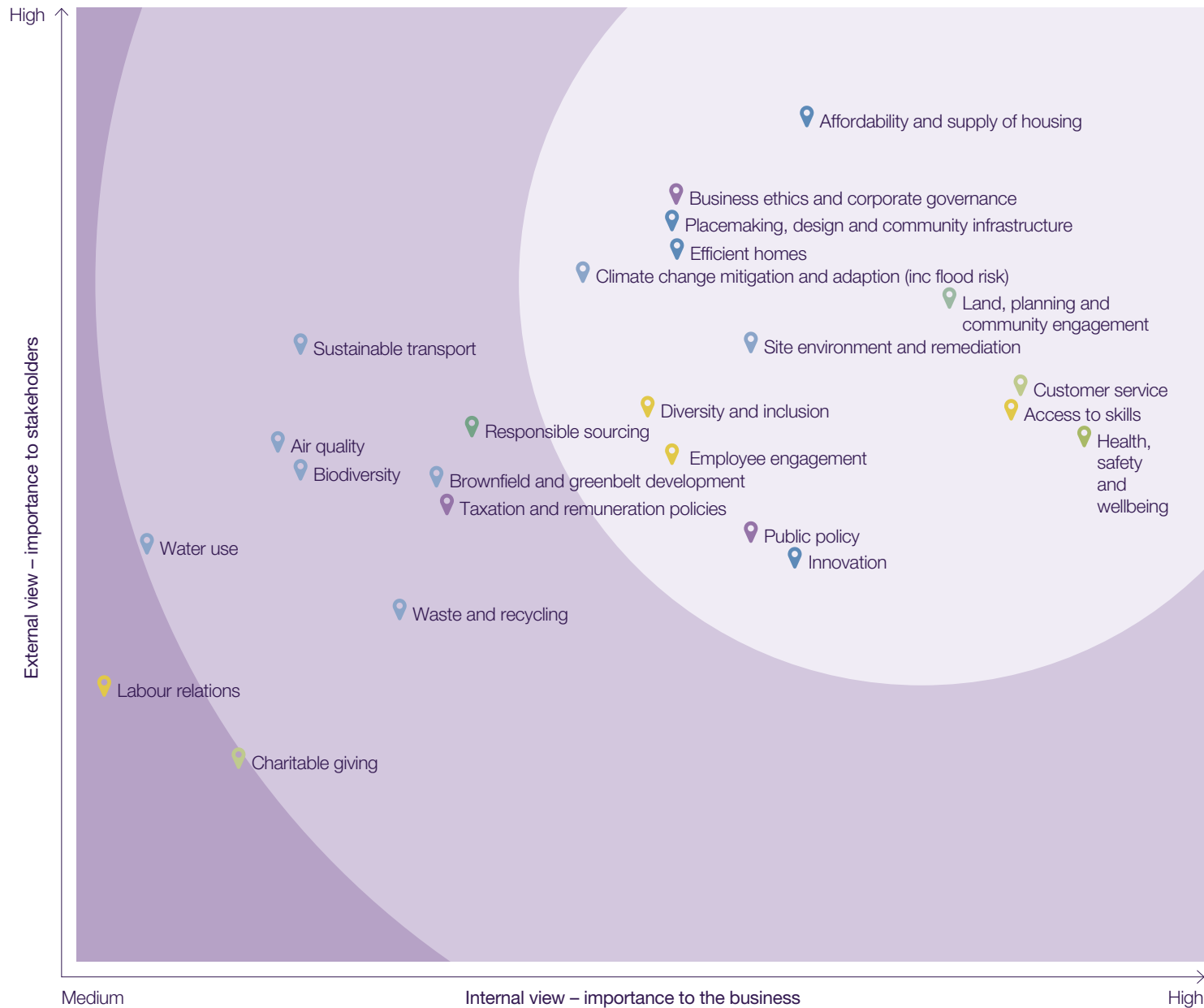
The outcomes from our materiality review have informed the development of our new business strategy.

We will be reviewing and updating our materiality assessment to reflect the changes to our business strategy.

Our materiality assessment process



Our material issues continued



Sustainable homes and communities
 MI Read more on pages 17 to 21

Land, planning and community engagement
 MI Read more on pages 22 to 25

Customer service
 MI Read more on pages 26 to 29

Health, safety and wellbeing
 MI Read more on pages 30 to 32

Environment
 MI Read more on pages 33 to 38

Responsible sourcing
 MI Read more on pages 39 to 41

People and skills
 MI Read more on pages 42 to 48

Charitable giving
 MI Read more on pages 49 to 51

Governance and management
 MI Read more on pages 52 to 55

The UN Sustainable Development Goals

The UN Sustainable Development Goals

The United Nations Sustainable Development Goals provide a common definition for what a sustainable future looks like. We support the Goals and have identified 12 of them that are particularly relevant to our business.

We aim to contribute to progress against these Goals through our work in areas such as environmental management, skills, diversity, responsible sourcing, placemaking and innovation and our investments in community infrastructure, affordable housing and charity partnerships.

During 2018 we have been undertaking more detailed analysis of our priority Goals and their sub-targets and indicators. We have identified 34 targets where we can make a contribution towards sustainable growth. We will use this analysis to inform the development of our sustainability framework.



Lack of skills, housing costs and low wages or insecure employment all contribute towards poverty in the UK. We can play a part in addressing these issues particularly through our support for homelessness charities, by building affordable housing on our sites and through investing in skills and education.



Mental health is a significant concern in our industry and we want to help address this through our focus on employee mental health and wellbeing. The way we plan, design and build our homes and developments can also influence the health and wellbeing of future residents.



There is a skills shortage in our industry. We are investing in training and education to increase the number of people with the technical and vocational skills we need. We do this through our training programmes for existing employees, our apprenticeships, management trainee and graduate programmes and the work we do with schools and further educational establishments.



We aim to increase female representation in our business, including at all levels of leadership. Our Diversity Policy sets out our commitment to diversity, equal opportunities, and no discrimination.



We are working to improve operational water efficiency on our sites as well as providing water-efficient homes to our customers. Our remediation processes ensure we protect local water quality near to our building sites. We integrate green infrastructure to protect and enhance water-related ecosystems.



We build energy-efficient homes for our customers which reduces running costs and cuts carbon emissions. We aim to reduce energy use in our business too, including from our construction sites and office buildings. We help support the renewable energy industry by purchasing green tariff electricity.



We support progress on this Goal through our business growth which contributes to UK GDP. We are a significant employer, we invest in skills and apprenticeships for young people, and we are working with suppliers to improve standards in our supply chain and address modern slavery risks. We use land and natural resources to build our homes and we aim to improve resource efficiency in our operations. The health and safety of people working on or living near our sites is our top priority.



We invest in infrastructure and facilities that benefit our customers and the surrounding community, and help ensure the long term success of our developments.



We aim to create thriving and inclusive communities where customers want to live and can enjoy a good quality of life. We are developing our approach to placemaking to help us plan and build inclusive and sustainable communities. Access to affordable housing remains a major challenge for many people and we want to play our part in addressing this. We also support this goal through our work on sustainable transport, home energy efficiency, managing flood risk, and investing in green spaces and community infrastructure.



We use significant volumes of natural resources to build our homes. We aim to be a resource efficient business. Our Waste and Resources Working Group oversees our approach to resource efficiency and includes senior managers from our health and safety, production, procurement and sustainability functions.



We contribute to climate change through the carbon emissions from our business and supply chain and the homes we build. We want to play our part in tackling climate change by reducing our carbon emissions in line with climate science. We are monitoring and responding to climate change risks that may affect the communities and homes we build.



Use of land for housing development can contribute to loss of biodiversity. We have measures in place to help us protect and enhance biodiversity on our sites. We can also support this goal through sustainable sourcing of natural resources like timber.

i We have included an index on pages 65-71 to show how we impact the Goals and where we have made a contribution during 2018.

Our sustainability framework

Our sustainability priorities

We aim to integrate sustainability into the way we work for the benefit of our business, our customers, our people and all our stakeholders. One of our four core values is to build a proud and sustainable legacy.

Our sustainability framework sets out our sustainability priorities. It reflects the importance we place on delivering great homes and communities for our customers while operating responsibly and investing in the future, including through research and innovation.

Our framework has been developed using the results of our materiality process and input from a wide range of internal and external stakeholders. We have also taken into account the long term social, economic and environmental trends that may affect our business and customers, as well as external frameworks such as the United Nations Sustainable Development Goals (see page 15).

We are now undertaking further work to review and update our sustainability framework to ensure that it closely aligns with our new strategy.

Our sustainability framework: working together to build a great future

A stronger, better business for customers, communities and our people

Creating great homes and places for our customers

Areas of focus:

- Availability and affordability
- Sense of place
- Efficient homes
- Health and wellbeing



Being a responsible business for our people and communities

Areas of focus:

- Health and safety
- People and skills
- Land, planning and engagement
- Environment
- Supply chain
- Governance



Investing in tomorrow

Areas of focus:

- Innovation and collaboration
- Stewardship
- Energy, transport and communication



Building **sustainable homes** and communities

18

Design and placemaking

19

Affordable homes

20

Efficient, accessible homes

20

Researching the homes of the future

20

Fire safety review

21

Placemaking competition

Through our focus on design and placemaking and our investment in community infrastructure and affordable housing, we aim to create thriving communities where customers want to live and can enjoy a good quality of life.

Affordable housing

Around 23% of completions were designated affordable housing

23%

Investing in infrastructure

We contributed £455 million to local communities via planning obligations

£455m



Introduction

Building sustainable homes and communities

Land, planning and engagement

Delivering sustainable services

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Focusing on **design** and **placemaking**

Good design and placemaking and our investment in community infrastructure help us to create thriving communities where customers want to live and can enjoy a good quality of life.

Creating good places to live

Our customer research shows a clear relationship between good placemaking (how we design our developments) and long term customer satisfaction. Strengthening our approach to placemaking is part of our commitment to become a customer-centric homebuilder.

During 2018, we have focused on further developing our people's placemaking skills and sharing best practice across the business.

Our placemaking standards

Our placemaking criteria are based on the Building for Life framework, other external best practice standards and recommendations from an external urban design specialist. They are integrated into our internal guidance documents including Our Approach to Placemaking, Our Approach to Sustainable Development, Our Approach to Planning, Preparing a Design and Access Statement, Our Guide to Green Infrastructure and Building for Life 12 guidance.

Our regional businesses use our self-assessment process to review design proposals against our placemaking standards. This provides a green, amber or red score showing where improvements need to be made.

We have an Urban Designer and a Director of Design who work with our teams on placemaking. During 2018 we appointed a Design Lead in each of our regional businesses to champion good design at the local level. In 2019, we will publish our placemaking compendium with practical solutions and examples.

During 2018, we ran our first internal placemaking design competition, aimed at promoting best practice design across the business. See page 21 for more information.

We work with external partners on design and placemaking including the RIBA (the Royal Institute of British Architects), Design for Homes, the Home Builders Federation, BOB-MK (a design network that works across Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes) and the Urban Design Group.

Training, workshops and design surgeries

Our Design Academy e-learning is helping to improve understanding of placemaking. It covers the core principles of urban design and how to create sustainable communities where people want to live. 225 people from our design teams and senior management have completed the training so far.

During 2018, we ran a series of layout design review workshops. These bring together teams from different business units to share ideas and review design proposals.

We have launched design surgeries, for our Urban Designer to review existing and planned developments and identify opportunities to strengthen placemaking before we apply for planning permission.

We held two design conferences during the year to engage and inspire our regional planning and design teams. These covered topics such as design, parking, townscape structuring components, urban design concepts and vision and streetscapes. Participants had the opportunity to learn from best practice in our own business, to see leading placemaking examples from other companies and to hear from external speakers including the Chief Executive of Design for Homes who authored Building for Life. Our third conference will take place in 2019.

A springboard to home ownership

Many people have to wait years to buy their own home and saving up for a deposit whilst renting is often a major obstacle. In fact, it's estimated that around 1 million potential buyers could afford a mortgage but can't get a deposit together.

We're exploring new ways to help a number of these people to get on the property ladder more quickly. During 2018, we launched Springboard, our pilot rent to buy scheme. This enables first-time buyers to rent a property from us for up to five years with no rental deposit. Between years two and five, they have the option to purchase the property at a 5% discount – enabling them to have the home they want more quickly and save money.

We are piloting Springboard at our Kilnwood Vale development in Faygate, West Sussex, with 14 new one, two and three-bedroom properties. The initiative proved very popular with customers, with all units now rented and the majority within the first few days of release.

As well as widening our customer base, Springboard will enable us to gain valuable feedback on our service and satisfaction with our homes. We are monitoring the success of the programme with the potential to roll it out to more of our sites around the UK.

Ryan Hook and Samantha Goddard Hook are renting one of our Springboard homes at Kilnwood Vale. They were previously renting a house in Crawley from a private landlord and had been without hot water for over three months.

“This three-storey property gives us the family space we have craved as our children get older.”

Building sustainable homes and communities continued

Health and wellbeing

Good placemaking and urban design can have a positive influence on the health and wellbeing of future residents. For example, by planning our developments to encourage walking and cycling, and by integrating nature and green spaces, we can help residents adopt healthier lifestyles. Inside our homes we consider factors such as noise levels, light levels and air quality.

We are involved in three pilot projects as part of the Healthy New Town initiative which brings together the NHS, homebuilders, local government, universities, technology companies and other stakeholders to plan and build healthier places.

This includes our Whitehill and Bordon development which is being designed to encourage active lifestyles and to be accessible for elderly residents and those with disabilities or dementia. One of the central features of the scheme will be a health hub. This will bring together GP surgeries with other health and wellbeing services such as physiotherapy, fitness, occupational health and social care, with the aim of providing an integrated service for the local community. A series of sporting and active lifestyle events have been launched, including a parkrun (a 5 km run held each Saturday), a healthy eating programme for local children, and the Golden Mile scheme which encourages children to walk a mile a day.

Access to green space and nature can improve wellbeing. In 2018 we published 'A Guide to Green Infrastructure and Biodiversity' to help our teams integrate quality green and blue infrastructure and landscape design on our sites.

Heritage

Historic buildings and other unique local features can help us create attractive developments with a distinctive character. Where possible, we aim to protect local heritage and incorporate it into our development plans. For example, at our Quedgeley, Kingsway development, Taylor Wimpey Bristol will be restoring the moat associated with a listed manor farm building and restocking the historic orchard with over 70 Old Gloucestershire pear and apple trees. At our Pennington Wharf development in Wigan, we have celebrated the town's mining history with a new art installation honouring miners who lost their lives in the local pit.

Contributing to infrastructure and community networks

Results from our customer research show that feeling part of a community is a top priority for our customers and we are exploring new ways we can help foster this on our sites.

We invest in infrastructure and facilities that benefit our customers and the surrounding community, and help ensure the long term success of our developments. The majority of this contribution is made through our planning agreement obligations, known as Section 106 agreements in England and Wales, and Section 75 agreements in Scotland, and Community Infrastructure Levy (CIL) payments. These are negotiated with local authorities and reflect local needs, council policy and feedback gained through community engagement.

Our planning contributions include investment in affordable housing, community and leisure facilities, transport infrastructure, educational funding, jobs for local people and public art and green spaces. During 2018, we contributed £455 million to local communities via planning obligations (2017: £413 million).

Installing infrastructure at an early stage can help in the successful development of a new community. It can also increase sales by making new developments more desirable to prospective buyers and benefit the existing local community. We are looking at how we can increase early delivery of community infrastructure to maximise its positive impact. For example, at Whitehill and Bordon we developed and opened new green spaces, a skate park, play area and sports pavilion before any customers moved in.

Our customer research has highlighted the importance of fostering a strong sense of community on our schemes and promoting the development of local networks. On some schemes this includes establishing a Community Development Trust to provide long term stewardship of the development and its public spaces after construction finishes.

At our Leybourne Chase site in Kent, for example, we have funded a community development worker to help set up the Community Development Trust and foster connections between residents and community organisations. This has included organising events and activities at the new community centre, and supporting the formation of community groups, including a youth club and parents' group. At our Howe Barracks site, in Canterbury, we have established the Community Development Trust at an early stage, before any new homes have been built. The Trust will work to foster a sense of community as construction work progresses and to run the new community centre which will be created in one of the retained buildings on the site.

Affordable homes for more people

There is a shortage of affordable housing for sale and rent in the UK. With our new strategy, we want to play our part in tackling this, creating quality homes for a greater number and wider range of people. Our approach includes:

- Building houses and apartments to suit a wide range of budgets
- Working with local authorities and housing associations to integrate social housing on our developments
- Exploring new initiatives that can improve affordability

In 2018 we completed 14,933 new homes in the UK, including joint ventures (2017: 14,541), with prices starting from under £70,000. 34% of our sales were to first time buyers (2017: 41%). Second time buyers accounted for 31% of sales (2017: 39%) and investors around 5% (2017: 3%). Around 36% of sales used the Government's Help to Buy scheme (2017: 43%), of which approximately 77% were to first time buyers (2017: 77%). We welcome the Government's announcement within the Autumn Budget to introduce tapering measures to the Help to Buy scheme as the Equity Loan Scheme transitions to a close in 2023. Help to Buy has been popular with our customers and has supported them in getting onto and moving up the housing ladder, however, we believe that the changes announced are appropriate and are in the best long term interests of the housing market and homebuyers.

23%

of completions were designated affordable housing

The majority of our developments include affordable social housing (homes made available at below market rates) which are negotiated as part of our planning obligations. In 2018, around 23% of our completions were designated affordable housing (2017: 19%).

Apartments can be more affordable and help us provide more homes on our developments. In 2018, 12% of completions were apartments (2017: 16%).

During 2018, we trialled our first rent to buy scheme, Springboard, at our Kilnwood Vale development in West Sussex, see page 18.

Building sustainable homes and communities continued

Designing high-quality homes

We have a range of standard house types used for most of the homes we build. These high-quality, energy-efficient homes are also straightforward, cost-effective and safe to build. They can be adapted externally to reflect local character and scheme design. We aim to further increase the use of our standard house types as this helps us to improve quality and efficiency.

We are working with architects to update our standard house types and will launch our new range in 2019. These will build on the findings from our Project 2020 prototype homes and customer research, providing opportunities for more open-plan living, greater natural light and improved storage.

Most of our new standard house types will offer improved accessibility, in line with the optional requirements in Building Regulations Part M. This means they can be adapted more easily for people with disabilities. Most will also comply with the Nationally Described Space Standard meaning more space for living and storage.

Energy and resource efficient homes

Our house types include a range of sustainable design features from highly energy-efficient walls and windows, to insulated loft spaces. This reduces running costs for our customers and helps cut carbon emissions.

Inside our homes we use energy-efficient fixtures and fittings, including 100% low energy light fittings and LED recessed downlights. All appliances that we offer as standard options in our homes are at least A rated for energy efficiency.

We give our customers details on how to use and maintain the environmental features in their homes in our 'From House to Home' manual. This also includes advice on sustainable living, from energy efficiency tips, recycling and growing your own vegetables, to getting to know the neighbours and supporting local shops and services.

In some developments we integrate additional energy efficiency measures, reflecting local authority priorities. These can include systems for mechanical ventilation with heat recovery, wastewater heat recovery and flue gas heat recovery. We may also integrate low carbon and renewable technologies, such as photovoltaic panels and charging points for electric vehicles.

It is important that our finished homes achieve the energy efficiency standards specified in our designs. We have made changes to our door thresholds and window installations to simplify the process and ensure a quality installation. We are also integrating off-site construction techniques which can improve the performance of finished homes.

For example, we use off-site pre-insulated panelised systems for the top storey of our 'room in the roof' house types.

All new Taylor Wimpey homes have water meters fitted, as well as low flow taps and showers, and dual flush toilets. Some developments include additional water saving features, reflecting local authority priorities, such as rainwater harvesting.

In a modern, airtight home it is important that ventilation systems are installed and used correctly to ensure good internal air quality and prevent condensation. We have introduced a new ducting product for our ventilation systems that is easier to install and provides more consistent performance.

Researching the homes of the future

Social, demographic, economic and environmental trends will all have an impact on our future business and the types of homes our customers need.

We invest in research and innovation to help us to meet changing customer requirements; to improve the quality and sustainability of our homes; to improve efficiency; and to deal with challenges such as the skills shortage. We appointed our first Research and Development Manager in 2018 to coordinate our research efforts.

During 2019, as part of our new strategy, we will be focusing on identifying new products and processes that can help us improve build quality. This will include, for example, trialling products that are easier to install and reduce the potential for mistakes during construction.

We also carried out customer research in 2018, see page 29.

Our Project 2020 prototype homes

During 2018, we began construction work on our prototype homes using the winning entry from our design competition with the Royal Institute of British Architects (RIBA).

We have built prototypes on three of our developments in different parts of the UK. We have used the process to test a number of sustainable build technologies, including off-site construction techniques such as timber frame and cross-laminated panels with wood fibre insulation. We are also trialling Mechanical Ventilation with Heat Recovery systems to assess their impact on energy efficiency and internal air quality and heat storage systems. The prototypes we are building in Scotland feature a range of resource efficiency measures and we aim for them to achieve a Scottish Building Standards Gold label for sustainability.

During 2019, we will be reviewing the findings from the prototype build process and gathering feedback from the first occupants of the new homes to assess how the designs work in practice. This will include assessing the advantages and disadvantages of using new construction techniques, testing air quality and energy efficiency and assessing whether expected benefits such as increased levels of natural light have been achieved.

We are also trialling a modular house, the SIG I, in our Oxford business to assess whether it can help us to deliver quality and energy-efficient homes while also reducing build times.

Fire safety review

Following the tragic fire at Grenfell Tower, we conducted a detailed review into all legacy and current buildings with Aluminium Composite Material (ACM) cladding and worked with building owners, management companies, and the Fire Service to implement Government advice on interim mitigation measures, where applicable.

Whilst each situation is different, and this is an exceptionally complex issue, we have in a number of cases, having regard to all of the relevant facts and circumstances, agreed to support our customers both financially and practically with removal and replacement of ACM, even though the buildings concerned met the requirements of building regulations at the time construction was formally approved. We took this decision for buildings we constructed recently because we believe that it is morally right, not because it is legally required.

At the year end, replacement works had been completed on one development and were underway on another. Since the year end we have started work on a further development.

Targets/plans

- Publish our placemaking compendium and run our second placemaking competition
- Increase the number of schemes that achieve a green score on our placemaking self-assessment
- Assess the findings from our Project 2020 prototype builds
- Launch our new house type range
- Trial a number of community projects within our developments

In focus



Chobham Manor Phase 3, Stratford, Taylor Wimpey East London

What makes a development a good place to live?

We want all our people to understand the importance of good urban design in creating great places to live for our customers. To promote best practice and inspire our teams, we ran our first internal design competition in 2018.

We asked for schemes which have been submitted for planning permission in the last two years and got a great response with almost 60 entries submitted. Each entry was judged against the Building for Life criteria – a recognised tool for measuring good design.

The winners were announced at our Managing Directors' conference to further raise awareness. The three winning designs were:

West Road, Sawbridgeworth, Taylor Wimpey North Thames

Centred around a green community space, this 135 home development will be an attractive new neighbourhood, well linked to the rest of Sawbridgeworth. The design takes advantage of the site's context, providing views out to the countryside, with gardens backing on to the school.

Chobham Manor Phase 3, Stratford, Taylor Wimpey East London

This new residential quarter is built along a green promenade linking through to the Olympic Park. The design is contemporary but the townscape structure reflects the traditional vernacular and development patterns of Victorian and Georgian London. A mixed-use hub will provide a focal point for the community to meet, shop and socialise.

Roeshot Hill, Christchurch, Taylor Wimpey Central and South West Strategic Land

This development will use green space, trees and squares to connect different parts of a linear site, providing recreation areas and creating attractive views from the 875 new homes.

Land, planning and engagement

23	Developing our land pipeline
23-24	Sustainability and land buying
24	Mitigating flood risk
24	Sustainable transport
24	Community engagement
24-25	Working with government
25	Compliance with planning requirements
25	Local economic development
25	Developing successful planning applications

We engage with local communities and planning authorities to help us create new communities that meet local needs. We integrate environmental and social considerations into our approach to buying and managing land including flood risk, sustainable transport and local economic development.

Sustainable transport

Just over half our completions were within 500 metres of a public transport node

52%

Land pipeline

c.127k

potential plots in our strategic pipeline



Introduction
Building sustainable homes and communities
Land, planning and engagement
Delivering a quality green infrastructure service
Operating safely
Cutting our environmental footprint
Responsible sourcing
Investing in people and skills
Partnering with charities
Governance and management
Performance summary

Land, planning and engagement

Integrating sustainability into land buying

We buy land across the UK, selecting sites that will enable us to create thriving communities where our customers want to live.

We integrate environmental and social considerations into our approach to buying and managing land, including flood risk, sustainable transport and promoting local economic development.

We engage with local communities and planning authorities throughout the planning and development process. This helps us to understand local needs and priorities and reflect these in our development plans. We strive to be the land partner of choice the industry leader in planning and community engagement, and to deliver on our promises.

With our new strategy we will be developing our approach to land, planning and community engagement. We aim to deepen our understanding of customer and community needs at the local level, and to work more closely with local authorities to develop planning applications that enable us to deliver more high-quality schemes more quickly.

Our work on placemaking and design (page 18), affordable homes (page 19), community infrastructure (page 19), and product quality (page 20) all support our ability to develop successful planning applications.

Developing our land pipeline

We have around 76k plots in our short term landbank that have some form of planning permission. As at 31 December 2018, we are building on 96% of sites with implementable planning.

We have one of the largest strategic pipelines in the sector which stood at a record c.127k potential plots as at 31 December 2018. We work with landowners, local authorities, and other stakeholders to secure planning permission for these sites.

We aim to increase the percentage of homes built on strategically sourced land. This helps us plan for the longer term, and gives us more influence over the quality of the developments we build because we are involved from an earlier stage. In 2018, 58% of our completions were from strategically sourced land (2017: 53%).

Our Major Developments business works with Government departments such as the Ministry of Defence and Homes England (previously called the Homes and Communities Agency) to progress large developments, often on public sector land. These developments are built over many years and can help to reduce cyclical risk to the business.

Sustainability and land buying

Our land teams integrate sustainability into the land acquisition process from the start.

Every potential site undergoes a detailed review against the Government's National Planning Policy Framework (NPPF), which aims to ensure that developments are economically, socially and environmentally sustainable.

Each internal authorisation document (used to approve a site for purchase) must set out the social, economic and environmental factors considered in assessing the suitability of the land for purchase.

Our internal processes and guidance documents help our teams identify and address relevant sustainability issues for each site. These include our Land Quality Assessment Process, our Land Assessment and Management Process (LAMP), our Approach to Sustainable Development and our Approach to Planning documents. We issue regular guidance to our teams during the year highlighting examples of best practice from around the business.

Measuring the impact of our developments

We aim for our developments to provide a boost to the local economy, both during construction and once new residents move in.

Our Economic Benefits Toolkit helps us understand and communicate these scheme-specific socio-economic benefits to stakeholders during the planning process.

Using the Toolkit we can estimate the number of direct site and indirect supply chain jobs that our development will create, as well as the expected total economic value of those jobs.

It estimates how much new residents will spend with local businesses when moving in, and then annually as they continue to live there, and values the impact of new infrastructure and amenities.

It also calculates revenue benefits to local authorities, including from council tax and business rates.



Land, planning and engagement continued

We use our Sustainable Development Checklist to assess a range of sustainability criteria, including how well connected the site is to transport links, the potential impact on habitats and species, the risk of flooding and whether the development will support local economic activity.

LAMP is used to identify and manage risks at site level before and during construction, such as land remediation, flooding, ecology and archaeology. It was updated in 2018 to reflect updates to regulation and technical best practice.

Where possible, we transform derelict or contaminated land into new communities, which helps support urban regeneration. Around 37% of our homes in 2018 were built on brownfield land (2017: 45%).

Mitigating flood risk

We take the risk of flooding on our developments extremely seriously and identify potential flood risk as part of our site selection process. We use the Environment Agency's flood mapping tools, and take account of their input during our planning consultations. We do not buy land unless we can mitigate flood risk, and we have a senior internal working group which oversees our approach.

The effects of climate change will increase flood risk in the UK and could reduce the amount of land available for development. In 2017, we updated our processes and flood risk assessment to reflect the Environment Agency's revised climate change projections. We also carried out detailed reviews at 47 sites.

On our sites, we integrate sustainable drainage systems (SDS) that decrease flow rates to watercourses, increase infiltration into the ground and improve water quality. These can include measures such as ponds, swales, permeable paving, retention basins, wetlands, green roofs, infiltration trenches and soakaways.

We have trained our technical teams and colleagues in our land and planning departments on flood risk and how it should be mitigated. We also launched our guidance on how to use green infrastructure to manage water on site, reduce risks to biodiversity and improve placemaking (see page 38).

Sustainable transport

We aim to limit the impact of new developments on existing transport infrastructure and encourage residents in the new communities we create to adopt sustainable modes of transport. In 2018, around 52% of our UK completions were within 500m of a public transport node and around 66% within 1,000m.

We encourage 'walkability' on our sites through investment in community infrastructure, and by planning mixed use developments where residents have easy access to local shops, schools and facilities. We invest in roads, public and community transport, walkways and cycle paths as part of our obligations within the planning system. Where possible, we install transport infrastructure at an early stage to encourage the integration of new sites into the wider community.

Many of our sites have a Travel Plan which sets out any investments in transport infrastructure and how we will encourage alternatives to car travel. Larger sites often provide more opportunities to promote sustainable transport options. For example, our sites at Chobham Manor and the Greenwich Millennium Village both include car sharing schemes, electric vehicle charging points and a network of cycle paths and pedestrian footways. At Broomhouse in Glasgow, every home has been equipped with an electric vehicle charging point.

Transport needs are changing with the growth in electric vehicles and a decline in car ownership among younger generations. We are exploring these trends and their implications for our developments.

Community engagement

Community engagement helps us to create good places to live that meet local needs. Every one of our sites has a tailored planning and community engagement strategy.

We aim to develop positive relationships by engaging with local communities from when we first invest in a site, and throughout the planning and build process. This helps us to better understand community needs, identify the most suitable sites, and develop effective planning applications. Increasingly we aim to continue to engage after construction has finished, including through post-occupancy research and involvement in local community panels.

We seek views from a wide range of stakeholders who have an interest in our schemes, including neighbouring residents and property owners, potential customers, local authorities, businesses, schools and other groups. We aim to be open and transparent about how we work, providing a clear point of contact and making it easy for our stakeholders to share their views with us.

We provide guidance to our people through our Community Engagement Toolkit. We will launch an updated Toolkit in 2019 with further detail to help our employees engage a wider range of stakeholders and use research to help us understand local needs and priorities from the earliest stages of development.

We use a range of methods to engage with local people, including meetings, exhibitions, workshops, newsletters and information boards. We are updating our exhibition materials to make sure these are clear and easy to interpret. We publish information on all proposed developments on our website so that anyone can see what we are planning in their area.

We are trialling social media, including Facebook and Twitter, at some sites to help us capture and respond to feedback. We are finding that social media can be a useful tool at some stages of the planning process in helping us to reach a wider and more diverse range of stakeholders. It can also be useful in maintaining engagement throughout the planning and build process.

"We are trialling social media, including Facebook and Twitter, to help us capture and respond to community feedback."

Working with local and central Government

We engage with local authorities, parish councils, Homes England, the Greater London Authority (GLA), the Ministry of Housing, Communities & Local Government and other public sector organisations to understand their priorities and share our views.

As well as site-specific engagement, we participate in the development of strategic frameworks, Local Plans and Neighbourhood Plans, which consider broader development needs and enable local people to shape new developments in their area. This is particularly important for land in our strategic pipeline, where preparation or review of the Development Plan is the first step in the planning process.

We engage with central Government on issues relating to planning. In 2018, this included:

- **National Planning Policy Framework (NPPF)** – we responded to various consultations on the NPPF and Planning Practice Guidance, sharing our views on issues relating to calculating housing need, viability review and delivery tests. We also supported proposals aimed at increasing transparency and accountability for the delivery of community and social infrastructure funded by Section 106 contributions.
- **Development plans** – we responded to many neighbourhood and local plans and spatial development strategies. This included a consultation on the Draft London Plan, through which we shared our view on the importance of councils allocating sufficient land to meet London's housing needs.
- **Community Infrastructure Levy (CIL)** – we welcomed the Government's review of the CIL and many of the proposed changes including the option for councils to pool CIL contributions. We also shared our concerns about proposals to index link CIL costs to the house price index rather than to building costs.

We also engage with Government through our membership of industry organisations such as the Home Builders Federation (HBF) and the British Property Federation (BPF). In 2018, for example, we worked with them to respond to Government proposals on shared services, standard approaches to calculating housing need, the CIL and the NPPF.

We are members of the Homes England five regional Delivery Partner Panels.

Compliance with planning requirements

We aim to work constructively with planning authorities to agree the details of our Section 106 (England and Wales) and Section 75 (Scotland) planning obligations for each development. These include investments in affordable housing, local infrastructure, and facilities. These obligations are designed to mitigate any negative impacts of development, and to support the provision of services and infrastructure (see page 19).

Land, planning and engagement continued

Once planning permission is granted, our technical teams in our regional businesses monitor compliance with planning agreements and obligations.

We also track build rates to make sure that each scheme is being managed efficiently and new homes are delivered on time. This is overseen by the Managing Director in each regional business and supported by our Project Management Improvement Programme – an internal function focused on ensuring efficient delivery.

Local economic development

We measure the economic impact of our developments using our Economic Benefits Toolkit, see sidebar on page 23.

Developing successful planning applications

We use the results of our community engagement to help us develop planning proposals that are financially viable and meet local needs.

Each planning application includes a Design and Access Statement which explains how the plans have been developed and how community engagement and sustainability factors have been integrated. Each proposal also integrates a clear development plan, enabling planning authorities to monitor progress.

Our employees use Our Approach to Planning toolkit, our Approach to Sustainable Development document and our Preparing a Design and Access Statement guide to help them comply with regulatory requirements, including social and environmental criteria.

Plans and targets

- Continue to source more than 40% of completions from the strategic pipeline in the medium term
- Convert on average c.6,000 plots per annum in the medium term from the strategic pipeline to the short term landbank
- Launch our updated Community Engagement Toolkit
- Develop a new integrated digital platform for our Land Assessment and Management Process (LAMP) to improve how we manage sustainability risks at site level

In focus



Sustainable transport and community engagement at Cherry Tree Park

Cherry Tree Park, a rural development in the village of Shavington, Cheshire, is designed to encourage residents and the community to walk more and drive less.

Developed by Taylor Wimpey Manchester, it is laid out around a central green space. Pedestrian and cycle links offer a picturesque travel route between the site and the village. Traffic calming measures have been integrated to slow vehicles down and create a safe environment for walkers and cyclists.

Community engagement has been prioritised throughout the planning process and informed the development of both the pedestrian and cycle routes, and highway calming measures. Changes to the development plans have been made to reflect local feedback. This includes planting of new woodland areas, extending green open spaces, as well as creating a wildlife corridor through the site.

Delivering great quality and customer service

27

Equipping our people

27-28

Meeting our quality standards

28

Customer communication

28

External engagement

28

How we performed in 2018

29

Ground Rent Review
Assistance Scheme

29

Responsible marketing

We aim to be a genuinely customer-centric homebuilder, putting customer needs at the heart of our strategy. This includes achieving right first time build quality.

Customer satisfaction

90%

of customers would recommend us to a friend

Build quality

3.93

average score in NHBC
Construction Quality Reviews



Introduction

Building
sustainable
homes and
communities

Land
planning and
engagement

Delivering
sustainable
and customer
service

Operating
safely

Cutting our
environmental
footprint

Responsible
sourcing

Investing
in people
and skills

Partnering
with charities

Governance
and
management

Performance
summary

We want to get things **right first time** for our customers

We are striving to become a customer-centric homebuilder, putting customer needs at the heart of our strategy. We listen to our customers to understand where we are doing well and where we need to improve.

During 2018, we have been focused on developing our teams and improving our processes to make sure we build our homes to consistently high-quality standards and provide great customer service. We have made progress in improving our quality and customer satisfaction scores but want to go further.

Equipping our people

We aim to build our people's skills and give them the knowledge and support they need to deliver great customer service.

We are updating our training to make sure all employees understand their role in helping us to become a customer-centric business. Our customer facing teams have additional training supported by our Home Quality Inspection Guide and Customer Service Manual. We provide more in-depth training for key roles through our academy system, see sidebar. We have a Head of Customer Service in each of our regional businesses who oversees our approach at the local level.

To underline its importance, we integrate customer satisfaction (including a question on quality) into our corporate bonus scheme for all employees. In addition, in 2018, 20% of our senior leadership's performance-related bonus was dependent on achieving customer satisfaction targets. These were measured against our customer satisfaction scores at eight weeks and nine months. This will be the same in 2019.

Meeting our quality standards

Our customers expect high-quality homes that are defect-free, so achieving right first time build quality is one of our top priorities. We are investing in our processes to ensure consistently high-quality standards across our regional businesses. This is also important from an environmental perspective as fewer mistakes mean less waste, and homes perform to the energy efficiency standards we expect.

Build quality on site is overseen by our Head of Production who works closely with our Head of Customer Service. Each business unit has an action plan to improve quality on their lowest scoring sites. Progress is reviewed monthly by our Group Operations Team of senior leaders. Key steps in our quality process include:

- **Build Quality Checklist (BQC)** – our site production teams use our BQC to assess quality during the build. All items must be completed to the required standard before the BQC is approved and the home is ready for review by customer service.
- **Consistent Quality Approach (CQA)** – this provides detailed guidance on the quality and finishing standards we expect in areas such as paintwork, brickwork and plastering. To meet customer expectations, we have strengthened our standards and these now go beyond the tolerances in the NHBC Consistent Approach to Finishing in many areas.
- **Home Quality Inspection (HQI)** – our customer relations managers conduct a HQI on every home. Homes must pass the HQI and be free from any defects before the customer can move in.
- **Construction Quality Review (CQR)** – an independent review carried out by the NHBC at key stages of the build, to assess the standard of finish and construction quality of our homes. We monitor our CQR and HQI scores to help us identify areas for improvement. The CQR score is a new Key Performance Indicator for the business.

Our training academies

Our training academies help us build the skills we need to deliver great customer service and quality. They include our:

Academy of Customer Excellence: designed to develop the skills of our customer service teams. This includes modules for both new joiners and more experienced staff, covering our product range, Customer Journey, consumer protection legislation, technical standards, and health, safety and the environment. We are also developing role-specific modules for team leaders and Heads of Customer Service that will be launched in 2019. Over 270 employees have enrolled in the training so far.

Production Academy: created to help our production teams deliver the high-quality homes our customers expect. Participants in the Academy complete NVQ and technical courses developed by the NHBC and adapted to reflect our business. The topics covered include the NHBC warranty, effective snagging, handover and defects prevention, as well as site environmental management, leadership skills, commercial awareness and project management. They help our teams identify potential barriers to delivering quality homes and to work consistently with subcontractors to overcome these. We reviewed and updated the Academy during 2018. Over 350 employees have enrolled in or completed the training so far.

Academy of Sales Excellence: we are updating and relaunching this training aimed at building the skills, knowledge and expertise of our sales teams to deliver excellent customer service and consistent sales in all market conditions.

i More information on our approach to training is on page 45

Delivering great quality and customer service continued

We rolled out our CQA guidance in 2018 to make sure our Site Managers, contractors, production and customer service teams all have a consistent understanding of the finishing standards we expect. We are developing specific guidance within the CQA for the different trades working on our sites that will form part of our framework agreements with contractors. We will be producing a version of the CQA for customers so they know what they should expect from us.

We're exploring how technology can help us improve quality. Using 3D animated drawings can help site teams to visualise site plans and improve accuracy. We are equipping Site Managers with mobile devices they can use to help them monitor quality on site and reduce paperwork. For example, this enables them to complete our Build Quality Checklist electronically and attach photographs. This will be a valuable time saving tool for our site management teams.

Our regional businesses are testing different approaches to help improve quality. For example, some have appointed dedicated 'finishers', who focus on addressing issues identified through the HQL process or after a customer has moved in. Our business in West Scotland has appointed a Quality Inspection Manager to oversee implementation of our standards. Early results suggest this is having a positive impact and reducing costs to the business.

Customer communication

We aim to give our customers clear and useful information so they know what to expect throughout the homebuying process and how to contact us when they need to.

Touchpoint, our online portal, has been rolled out to all our regional businesses and is being used by around 70% of customers. Customers can log in at any time from any device to check the progress of their new home, contact our teams, request appointments and find out about their new neighbourhood. With Touchpoint they can also customise and select home layout and fitting options, including trying out different configurations for kitchens and bathrooms. After they move in they can use Touchpoint to access manuals and user guides, to contact our aftercare teams and to report any issues.

Every customer receives a 'From House to Home' manual, which includes our Customer Charter and our Customer Journey roadmap explaining what to expect at every stage as well as information on home features, systems and appliances. We are reviewing and updating the manual to ensure that it has all the information our customers need.

We encourage customers to leave reviews on Trustpilot and aim to increase our rating over time. We carried out customer research to inform the development of our business strategy and will be conducting further research in 2019.

Handling complaints

We want to get things right for customers, and if concerns do arise we want to address these at an early stage. However, if issues aren't resolved to our customers' satisfaction, they can use our complaints procedure to escalate the issue. This is overseen by our Customer Director.

During 2018, we have taken a number of steps to help us respond more efficiently and effectively to customer complaints, and to resolve issues more quickly. We have launched a new two-day training course for our Heads of Customer Service and Customer Service Managers to help them communicate clearly and sympathetically. We have also improved our complaint handling processes so that we have better oversight of the number of complaints made, the types of issues raised and the time taken to resolve them.

We will be making further improvements in 2019, including rolling out training to our site-based teams. We will also be improving how we communicate our complaints procedure to customers so it is simpler to make a complaint and customers have better visibility on how quickly we will respond.

External engagement

We are a signatory to the UK Consumer Code for Home Builders which aims to improve information and protect the rights of buyers. We engaged in discussions with the HBF and other housebuilders about how to improve complaints and redress processes for customers. We support proposals for improving consistency between warranty providers and the appointment of an ombudsman to improve complaint resolution for customers.

How we performed in 2018

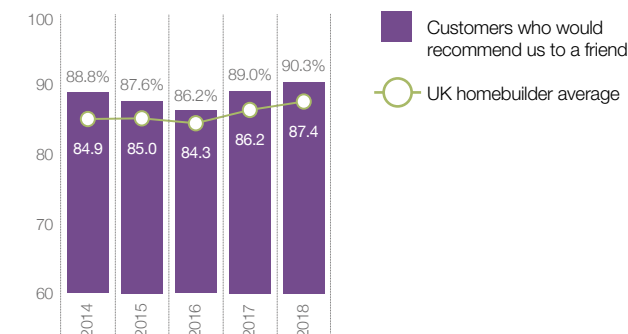
We monitor customer satisfaction using our own metrics and independent surveys conducted by the National House-Building Council at eight weeks and nine months after completion.

Following a significant step change in our business over the last four years we are pleased to have achieved over 90% in our customer satisfaction score, as measured by the Home Builders Federation (HBF) survey (2017: 89%). The percentage of customers who are satisfied with the quality of their home has also improved to 89% (2017: 88%).

Our mission to enrich the lives of customers and communities by putting them at the heart of our decisions means we think about how customers live in the homes and places we build for longer than the first few months after they move in. We have therefore introduced the NHBC 9-month 'would you recommend?' score as an additional Key Performance Indicator. Although fewer customers choose to participate in this survey it provides a good indication of longer term customer satisfaction with the homes we build. Our score for 2017/18 currently sits at 76% (as at 28 February 2019), the same as the previous year but up from 74% in 2015/16. We aim to improve this score.

We also monitor scores from the NHBC Construction Quality Reviews and have improved our average score (out of six) from 3.74 in 2017 to 3.93 in 2018. A score of three indicates minor non-compliances with NHBC standards. This compares with an industry average score of 3.68 and we moved from 12th to 5th nationally over the last year. We aim to improve this further through our investment in our quality processes so that all regional businesses score a rating of at least four by 2020.

Customer satisfaction 'would you recommend?' 8-week score (%)



Delivering great quality and customer service continued

UK customer satisfaction – independent HBF survey

	2018 UK homebuilder average	Taylor Wimpey scores				
		2018	2017	2016	2015	2014
Customers satisfied or very satisfied with the quality of their home	86.0%	88.9%	87.9%	84.7%	86.3%	87.4%
Customers satisfied or very satisfied with the service provided before purchase	82.5%	86.4%	84.1%	81.7%	84.0%	85.2%
Customers satisfied or very satisfied with the condition of their home	79.9%	86.0%	84.4%	81.6%	82.3%	85.4%
Customers who would recommend us to a friend	87.4%	90.3%	89.0%	86.2%	87.6%	88.8%
9-month score (customers who would recommend us to a friend)	71.1%*	76.2%*	76.2%	74.2%	77.6%	79.2%

Note to table: The figures relate to Taylor Wimpey's survey scores based on completions during the HBF year, from 1 October 2017 to 30 September 2018.

The UK Homebuilder average is supplied by the NHBC based on legal competitions between 1 October 2017 to 30 September 2018.

* The 9-month score is based on legal completions from 1 October 2017 to 31 May 2018 from customers who had returned their survey by the 28th February 2019. The final score will be available after 30 September 2019.

Ground Rent Review Assistance Scheme

During 2007-2011, ten-year doubling ground rent clauses were included in the leases on some of our developments. Whilst we implemented these leases in good faith and the terms were clearly set out in the relevant leases, it is clear that the impact of these clauses was causing some of our customers understandable concern, particularly from a mortgageability and saleability perspective. This was not consistent with our high standards of customer service.

The Ground Rent Review Assistance Scheme (GRRAS) announced in April 2017 is progressing well with a continuing number of customers accessing the GRRAS. Our objective is to ensure our customers are put back into a position they would have been had the doubling lease not been in place, by converting the ten-year doubling ground rent clause to an industry standard RPI-based structure, comparable to that used in the majority of residential leases in the UK.

We have reached agreement with freeholders representing 95% of the leases concerned, with a further 2% in advanced legal. All of our customers that currently have the option of converting their ten-year doubling lease to an RPI-based structure have been contacted about this either by Taylor Wimpey or the freeholder directly.

Responsible marketing

It is important that our marketing and advertising is clear and truthful. Our advertising and marketing agencies are required to follow the guidelines established by the Advertising Standards Authority, Committee of Advertising Practice, Institute of Practitioners in Advertising and British Code of Sales Promotion as well as the UK Consumer Code for Home Builders. During 2018, there were three complaints made to the Advertising Standards Authority which were all informally resolved. There were no upheld complaints.

Targets and plans

- Maintain a recommend score of at least 90% in the HBF 8-week survey, which equates to a five-star rating
- To achieve an average score of 4 out of 6 across Taylor Wimpey in NHBC Construction Quality Reviews by 2020
- Pilot our Customer Relationship Management system to improve consistency in customer experience across our business

In focus



What our customers want

- An affordable and efficient home
- A sense of community
- Great quality – no defects
- Good communication and clear information about timings and costs
- A flexible and adaptable home

These are some of the priorities identified in our research with customers and potential customers during 2017/2018.

The research was carried out to guide the creation of our new strategy. We spoke to homebuyers, existing customers and renters of different ages in four locations across the UK.

Our research showed that customer priorities are shared across different regions and demographics. They highlighted that sustainability factors, such as good placemaking and home energy efficiency, contribute to customer satisfaction.

We will be conducting further research with our customers during 2019.

Operating safely

31

Embedding a safety culture

31

Working with contractors

32

How we performed in 2018

32

Occupational health

Health and safety is a non-negotiable top priority for everyone at Taylor Wimpey, from the most senior executives to all our employees and contractors. Everyone should be able to go home safe and well from our sites each day.

Safety performance

Our Annual Injury Incidence Rate for reportable injuries per 100,000 employees and contractors was

228

Safety training

Our site staff completed an average of 4.3 training days in 2018

4.3



Introduction

Building sustainable homes and communities

Land planning and engagement

Delivering specialist services

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Operating safely

Safety is always our number one priority

Health and safety is a non-negotiable top priority for everyone at Taylor Wimpey, from the most senior executives to all our employees and contractors. Everyone should be able to go home safe and well from our sites each day.

We work with suppliers, trade groups and associations, and others to improve both our own and our partners' health and safety performance.

Embedding a safety culture

Our Health, Safety and Environmental (HSE) Management System covers all business activities, and we have specific HSE plans for every site. The health and safety element of our management system is based on (though not certified to) OHSAS 18001. It is audited by our internal regional HSE advisers and independent external site HSE advisers.

We embed a safety culture through training, awareness and visible HSE leadership. Our HSE operational manuals and Site HSE Manual cover all relevant safety procedures. The manuals are reviewed and updated annually.

Our production and site management teams complete HSE training supplemented through regular workshops and briefings. To keep safety front-of-mind, our Site Managers and production teams complete a full day's health and safety refresher training every year. These interactive sessions explore best practice, behavioural safety and tools for managing and communicating safety on site.

With an increase in directly employed tradespeople on our sites, we are increasing our focus on mentoring and monitoring undertaken by our regional and site HSE advisers. We have also developed new training and risk assessments for employees joining us through our direct labour pilots, see page 43.

During 2018, our safety initiatives and updates focused on:

- The roll out of staircases to replace ladders on scaffolds
- Improvements to our controls for working near underground electrical and gas services
- Rolling out our plant prompts to reinforce safety controls for heavy machinery
- Improving and standardising fall prevention systems including greater use of proprietary decking systems as working platforms

We use regular HSE newsflashes and memos to highlight key issues as well as legal and best practice updates. We monitor employee engagement on safety issues through our performance metrics and our regular employee surveys.

Senior oversight and audits

Directors from our regional businesses review health and safety during site visits, and our Production Managers review performance monthly in conjunction with Site Managers. Our external site HSE advisers carry out independent unannounced site audits at least monthly which include HSE.

Health and safety performance is the first item reviewed at monthly Group Management and Operational Team meetings as well as Board meetings. All new Directors and Group and regional Managing Directors are given senior management HSE training in addition to their induction. Regional and site HSE advisers assist new managers with understanding and implementing our standards. We develop Health and Safety Improvement Plans at both Group and regional business level.

Safety on site in Spain

In Spain, we have a comprehensive health and safety management system and internal audit process. Each site is visited at least quarterly by the relevant directors and regular site HSE inspections are carried out by our independent site HSE adviser. We provide health and safety induction training for all new contractors and subcontractors on our sites.

Working with contractors

Most people working on our sites are contractors so it is essential that we collaborate on safety issues. Before we agree to work with a contractor, we require details of their safety management arrangements and procedures, including risk assessment, for their area of activity.

We ensure that we clearly communicate critical safety messages to site operatives through our 'Operative's Journey' process, which starts with our HSE site induction. Our HSE induction is supported by regular poster campaigns and site safe briefings.

Our HSE site support teams work with site management in maintaining safe sites. Team members are nominated by the site manager and given a blue hat in recognition of their role and to make them visible on site. The site support teams participate in monitoring and improving site safety, and operatives can talk to them about HSE issues, concerns or suggestions for improvement.

We consulted with contractors on health and safety issues in 2018. This included working with our timber frame suppliers, to agree common standards and develop best practice guidance covering areas such as general timber frame safety, traffic management, lifting operations, working at height, using scaffolding and fire safety training for site management and operatives. We hosted a number of training workshops during 2018.

We ran a series of breakfast briefings for groundworks contractors to explore best practices such as safe use of plant and service excavation, to understand their views on what works well and to encourage our contractors to work together effectively. We will roll these out to other groups of contractors in 2019.

We are a member of the Home Builders Federation (HBF) Health and Safety Committee, contribute to the HBF's Action Plan for health and safety, and support the Contractors Health and Safety Scheme (CHAS).

Operating safely continued

How we performed in 2018

We monitor all lost-time, reportable and major injuries involving direct employees, contractors' employees, visitors to our sites and members of the public. We also monitor near-miss incidents to help prevent possible future accidents.

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors increased to 228 in 2018. Our AIIR for major injuries per 100,000 employees and contractors was 64 in 2018 (2017: 54). The increase this year was due to an increase in two categories: slips, trips and falls; and accidents caused by operator error. We aim to address this during 2019 through an increased focus on site organisation and housekeeping, and ensuring operatives are adequately trained and briefed by their employer and through our programme of site safe briefings. Our AIIR remains below both the HBF Home Builder Average and the Health and Safety Executive Construction Industry Average.

We were deeply saddened by the tragic death of a subcontractor on our Stoneley Park site in Crewe in 2018 following a serious accident. We are assisting the Health and Safety Executive with the accident investigation and await their findings. We have offered support to everyone working on the site, encouraging them to access counselling via our confidential and free employee assistance scheme.

We received one improvement notice from the UK's Health and Safety Executive in 2018 in relation to management of unexploded ordnance (UXO) at Burntwood Triangle, a former military site. We employed a specialist UXO advisor and updated our remediation strategy. No further action was taken by the Health and Safety Executive.

Health and safety data is verified by the Managing Director for each regional business, validated by our internal HSE advisers, and cross-checked by external advisers to ensure compliance and accurate reporting.

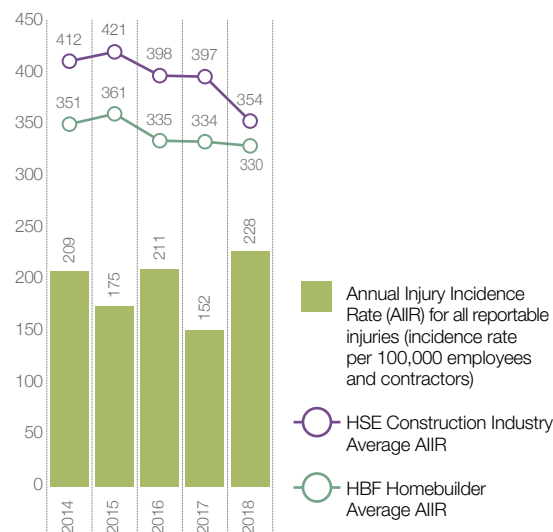
Occupational health

We aim to educate workers on occupational health issues through our poster campaigns, training and site safe briefings.

We are working with the HBF and the UK's Health and Safety Executive on an industry-wide initiative to assess the risks of construction-related dust on sites and to develop practical tools and improve control measures for reducing operatives' exposure. We have standard construction dust control procedures on all sites, including the use of respiratory protection and extraction equipment. In 2018 we worked with our dry lining and carpentry contractors to promote the use of vacuums that automatically collect up dust from equipment.

Annual Injury Incidence Rate

Reportable injuries incidence rate
(per 100,000 employees and contractors)



During the summer we ran poster campaigns about sun safety and provided free high factor sun screen on all our sites.

We also ran poster campaigns to highlight health and safety messages relating to dust, working with heavy equipment, manual handling and eye protection.

We have launched our health and wellbeing strategy, with an initial focus on mental health, see page 44.

Plans and targets

- Reduce our AIIR from 228 in 2018 to 190 in 2019
- Update our Site HSE Manual with a focus on working at height, risk assessment and traffic management
- Develop site safety briefings and workshops for carpenter and bricklayer contractors
- Update our safety training for apprentices
- Launch health and safety passports to help us better track safety training when our apprentices and trade operatives move between our sites

In focus



Switching to stairs

Climbing up and down scaffolding ladders several times a day can be tiring for employees and also pose safety risks, especially when carrying tools or materials. We worked with our scaffolding providers and contractors to roll out a new solution – replacing ladders on our scaffolds with staircases. This improves safe access and wellbeing for our people. All our main scaffolds on site are now fitted with staircases.

Improving safe use of our dumper trucks

Dumper trucks are an essential piece of machinery on our sites, used for transporting loose material and demolition waste. However, when used on uneven ground there is a risk they can overturn and if the operator is not wearing a safety belt they could be seriously injured or even killed.

We've worked with our groundworks contractors to ensure that all dumper trucks used on our sites are fitted with additional safety features. For example, immobilisers and warning lights that come on if operators don't use their safety belt. The system we developed has proved successful and has become the industry standard for dumper trucks.

Using safety data from our sites and across the industry, we've also assessed when dumper truck accidents are most likely to occur. We found that accidents frequently occur on spoil heaps (storage mounds for soil and rubble on our sites) due to the uneven ground. After consulting with our groundworks contractors, we've taken the decision to ban dumper trucks from driving on spoil heaps.

Cutting our environmental footprint

34	Our Environmental Management System
34-35	Cutting energy and carbon
35	Governance, strategy and risk
36	Greenhouse gas emissions data
37	Waste and resources
38	Biodiversity and green infrastructure
38	Water use

We're working to cut our carbon footprint, reduce waste and improve resource efficiency in our business and supply chain, as well as protecting and promoting biodiversity on our sites.

Our carbon target

We are working to reduce our direct emissions (scope 1 and 2) intensity by

50%
by 2023

Construction waste recycling

We recycled 96% of construction waste

96%



Introduction
Building sustainable homes and communities
Land planning and engagement
Delivering quality specialist services
Operating safely
Cutting our environmental footprint
Responsible sourcing
Investing in people and skills
Partnering with charities
Governance and management
Performance summary

Cutting our environmental footprint

Aiming to be a **low carbon** and **resource efficient** business

We want to be a resource efficient, low carbon business. This is not only the right thing to do but also reduces costs and risks, improves efficiency and helps us to meet the expectations of investors, employees and customers.

We work closely with our suppliers to reduce our impacts from energy use, carbon, waste and water, to promote biodiversity and to benefit from opportunities associated with low carbon technology. This collaboration is essential since the environmental impact of our supply chain far outweighs our own.

Our Environmental Management System

Our comprehensive Health, Safety and Environmental Management System covers all our site activities. It includes procedures and processes to keep noise, dust and disturbance to a minimum on all our operational sites, to prevent pollution incidents and to protect the biodiversity of the local environment. It requires all operational sites to carry out mandatory environmental checks and to have a Site Specific Environmental Action Plan (SSEAP).

We train site management teams and brief operatives working on our sites to ensure they understand the key elements of our management system. Employees, contractors and site operatives can use our Environmental Advice Line to get advice or, in the case of an incident, obtain specialist environmental support immediately. The health and safety elements of our management system are described on page 31.

We support the principles of the Considerate Constructors Scheme (CCS) and over 1,000 of our sites have registered with the CCS since the scheme began in 1997.

There were no prosecutions or fines relating to environmental matters in 2018.

Internal and external review and auditing

Our approach is subject to regular internal and external review and auditing. This includes: an annual internal audit of our Environmental Management System by our regional Health, Safety and Environment (HSE) advisers; review of environmental checks and SSEAP during monthly site visits by local management team directors; independent, unannounced HSE audits at every operational site at least once a month carried out by our external site HSE advisers; and regular external review of our EMS by our environmental advisers to ensure it reflects changes in regulation and best practice.

Engaging our people

To make progress on our targets we need to engage our people on resource efficiency and ensure that best practices are applied consistently across the business. To help us do this, we have recruited a network of Sustainability Champions, one from each of our regional businesses. See sidebar.

Our Waste and Resources Working Group oversees our approach to resource efficiency and includes senior managers from our health and safety, production, procurement and sustainability functions.

Cutting energy and carbon

Climate change will have an impact on our business and our customers. We want to play our part in tackling climate change, by reducing our emissions in line with the Paris Agreement.

Our current target is to achieve a 50% reduction in our direct emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline (tonnes of CO₂ per 100sqm of completed homes).

Last year we conducted a review of our target. We identified that deeper emission cuts are needed to align with climate science and the rules governing the setting of science based targets whilst also allowing for the construction of more much-needed homes in line with Government plans. We are exploring whether we can set a science based target and are working with the Carbon Trust to confirm the level of reductions we may need to make and how this can be achieved.

Championing resource efficiency

We want to get every employee involved in improving resource efficiency – cutting energy and water use, and reducing waste.

To help us, we have recruited a network of Sustainability Champions, one from each of our regional businesses. Their role is to engage our people and make sure that every regional business is meeting best practice standards.

They will be responsible for monitoring waste reduction and energy and water efficiency performance at the local level, championing improvements and getting our people involved. Using our resource portal they will track performance, assess the costs of resource use and waste disposal and compare progress with other regional businesses.

The Champions met for the first time in 2019, attending a full day training session. They explored what sustainability means for Taylor Wimpey, our sustainability targets and their role as Champions.

“Sustainability is something I feel very passionate about and I want to assist in driving Taylor Wimpey’s efforts.”

Assistant Land Manager

“Sustainability was a key topic throughout my studies and it is really exciting to be part of this team and to put what I have learnt into practice.”

Commercial Management Trainee

“I believe sustainability is becoming increasingly important to our customers.”

Project Manager

Reflections from some of our Champions on their reasons for putting themselves forward for the role.

Introduction

Building sustainable homes and communities

Land planning and engagement

Delivering quality and service

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

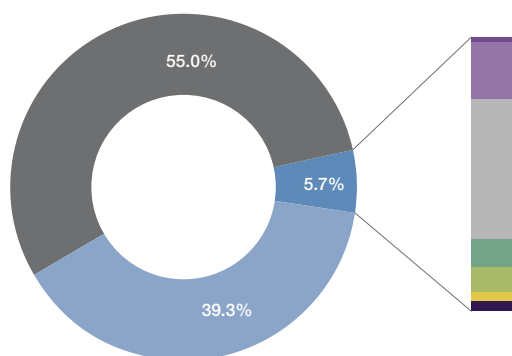
Partnering with charities

Governance and management

Performance summary

Our scope 3 value chain emissions far outweigh those from our direct operations. We have worked with the Carbon Trust to improve our data and to analyse our scope 3 emissions in greater detail. The results of this exercise are shown in the pie chart below. We have also developed a methodology for measuring emissions associated with our homes in use. We are using the findings to help us understand the level of Scope 3 reductions we may need to make.

Our value chain emissions (scope 3)



Use of sold products (the homes we build)	55.0%
Purchased goods and services	39.3%
Other	
Downstream leased assets	0.1%
End of life	1.2%
Upstream transportation	2.9%
Waste generated in operation	0.6%
Employee commuting	0.5%
Business travel	0.2%
Fuel and energy related activities	0.2%

Cutting our environmental footprint continued

Governance, strategy and risk

We have governance and risk management systems in place to help us achieve our target and reduce climate-related risks to the business. We support the aims of the Task Force on Climate-related Financial Disclosures. We have increased our disclosure in line with its recommendations, see table below, and aim to further increase our alignment in future years. A summary is also included in our Annual Report and Accounts.

Further information on our approach to climate risk is included in our submission to CDP Carbon, which we publish on our website.

We received a score of B in 2018 (2017: B), which is the highest score among UK homebuilders.

We have achieved the Carbon Trust Standard for our overall approach to carbon management, including our policy, strategy and verification of our data and processes. We are the first homebuilder to achieve this.

See www.taylorwimpey.co.uk/corporate/sustainability/carbon-emissions-and-reporting

Our approach to managing climate change-related risk and opportunity

Governance

Our Legacy, Engagement and Action for the Future (LEAF) committee, chaired by a member of our Group Management Team (GMT), is responsible for reviewing climate strategy, risks and opportunities and meets four times a year. The LEAF Chair reports to the Board twice a year. Ultimate responsibility for our approach to climate change resides with our Chief Executive. Below Board level, the Director of Sustainability is responsible for monitoring climate-related issues as part of the overall risk management process. They report on risk and progress against targets to the GMT on a monthly basis.

Our Audit Committee reviews financial and non-financial risks included in the Group's Consolidated Risk Register, which includes a section on long term risks. They receive an update on sustainability risks every six months.

Strategy

Climate change risks have the potential to impact our business strategy through increased costs, reduced productivity and reputational damage. We assess climate risks to the business using short (0-5 years), medium (5-10 years) and long term (10-100 years) horizons.

The most material climate-related risks are: changes in weather patterns and an increase in severe weather events which could affect the availability and cost of raw materials, impact energy and water use, increase flood risk and impact productivity; and increased regulation and taxation.

The most material opportunities in the short term relate to the financial benefits associated with our use of low carbon goods and services as well as shifts in consumer preference to favour low carbon homes and products. In the longer term, the most material opportunity relates to improved business resilience due to implementation of climate change adaptation measures.

We have conducted analysis on increased flood risk relating to climate change and are exploring the potential to conduct further scenario analysis.

Risk management

Climate change and sustainability risks are integrated into our corporate risk management framework, including through two central risk registers – the Land and Commercial and the Technical Risk Registers which feed into a Group Material Risk Register – and our Climate Change and Sustainability Risk and Opportunity Register.

Our Climate Change Register guides the climate change adaptation of our business practices and the homes we build. For each climate-related risk and opportunity the register identifies: risk driver, description of risk, potential impact, timeframe, whether the risk or opportunity is direct or indirect, likelihood and magnitude of impact. This is a standing item on every LEAF committee agenda. The committee makes recommendations to the GMT on how to mitigate, transfer, accept, or control climate-related risks.

We prioritise our climate change risks and opportunities based on their materiality to our business, measured in % of profit before tax (PBT). A % PBT greater than 20% is considered a major impact. A large risk in terms of likelihood is a greater than 50% chance.

Metrics and targets

We have set a reduction target for our scope 1 and 2 emissions and report progress on a range of Key Performance Indicators, covering our direct and value chain emissions. We are doing further work in this area and exploring whether we can set a science based target.

Cutting our environmental footprint continued

Greenhouse gas emissions scope 1, 2 and 3 (tonnes of CO₂e) and energy use

Category total emissions (tonnes CO ₂ e)	2018	2017	2016	2015	2014
Scope 1 and 2 emissions					
Emissions from combustion of fuel (scope 1)	20,328	18,889	17,983	17,768	16,436
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (market-based method)*	4,509	4,794	10,827	12,947	13,326
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)*	6,892	8,236	10,417	11,159	11,885
Total scope 1 and 2 emissions (market-based method)	24,837	23,683	28,809	30,716	29,672
Emissions per 100 sqm of completed homes (scope 1 and 2)	1.73	1.73	2.13	2.40	2.56
Percentage reduction in direct carbon emissions intensity (scope 1 and 2) since 2013	38.7%	38.7%	24.5%	14.9%	9.2%
Scope 3 emissions					
Indirect GHG emissions from supply chain (scope 3)	1,044,656	917,540	949,323	737,784	696,289
Total scope 1, 2 and 3	1,069,493	941,223	978,132	768,500	725,961
Emissions intensity scope 1, 2 and 3: Emissions per 100 sqm of completed homes	74.3	68.6	72.5	59.9	62.7
Energy use (UK)					
Operational energy use (fuel and electricity consumption from sites and offices) MWh	95,170	89,550	92,236	90,524	81,679
Operational energy intensity (site and office fuel and electricity intensity) MWh/100sqm	6.8	6.5	6.8	7.1	7.0

Data is provided as tonnes of carbon dioxide equivalent (CO₂e) for all operations. Scope 1 and 2 emissions are from our sites, offices, show homes and sales areas, plots before sale and car fleet.

Data on our estimated scope 3 emissions for 2018 covers these categories: purchased goods and services, business travel, waste generated in operations, and fuel and energy related activities. We have re-stated our Scope 3 emissions from our supply chain due to changes and improvements to the Carbon Trust input output modelling methodology

* We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) for data gathered to fulfil our requirements under the Mandatory Carbon Reporting (MCR) requirements, and emission factors from the Government's GHG Conversion Factors for our corporate reporting. We are now using the market-based method of the revised version of the GHG Protocol Scope 2 Guidance for calculating our scope 2 emissions. We have also included our scope 2 emissions calculated using the location-based method for transparency.

The energy use and intensity figures are for our UK business only.

See our Carbon Reporting Methodology Statement at www.taylorwimpey.co.uk/corporate/sustainability for more detail on our calculations.

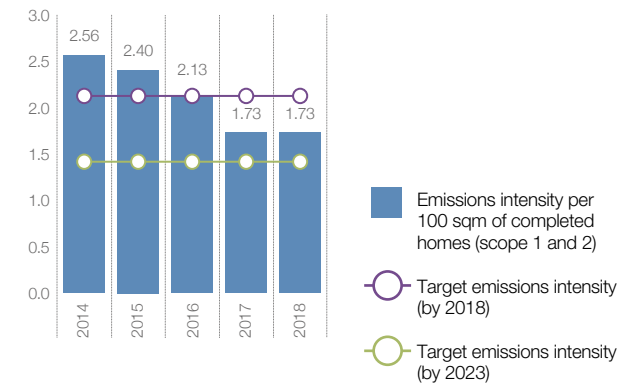
How did we do in 2018?

We have reduced our direct emissions intensity (tonnes of CO₂ per 100 sqm of homes built) by 38.7% since 2013. In 2018, our emissions intensity remained the same as in 2017. The gains made through our carbon and energy reduction initiatives were offset by a spike in gas and gas oil used for heating during the long period of cold weather in early 2018. Our absolute emissions increased by 4.9% in line with an increase in total floor space built.

Our absolute energy use increased by 6.3% year on year due to the spike in gas and gas oil use and business growth. Our energy use intensity increased by 5% year on year but has decreased by 10% since 2013.

Our reported scope 3 emissions have increased year on year. This is due to business growth and the inclusion of further spend categories in our data. We have restated our scope 3 emissions for the last five years to reflect changes to the Carbon Trust modelling methodology.

Greenhouse emissions intensity (scope 1 and 2 emissions per 100 sqm of completed homes)



Cutting our environmental footprint continued

Reducing energy and carbon in our business

We aim to reduce energy use and carbon emissions from our construction sites (including site compounds, show homes and plots before sale) and office buildings.

We purchase green tariff electricity for our sites during construction (Temporary Building Supplies). This reduced our carbon footprint from purchased electricity by 6% in 2018.

Site portacabins can be high energy users, particularly when they include drying rooms for wet jackets and boots. We now specify a more energy efficient model of portacabin and are exploring the potential to use air-source heat pumps to further reduce energy and carbon emissions. We will be installing sub-meters on two of our portacabins to help us monitor usage and identify opportunities for reductions that can be rolled out across the business.

We integrate energy efficiency improvements when we refurbish or fit out our offices.

Tackling emissions in our value chain

We are working with suppliers to reduce the carbon impact of our value chain. This includes designing our homes to be energy efficient (see page 20), selecting materials with lower embodied carbon (see page 41) and piloting off-site construction techniques (see page 20).

We are increasing the proportion of homes built using timber frame to 20% of our total. This will reduce greenhouse gas emissions as wood from renewable sources takes carbon from the atmosphere, and will replace more energy intensive materials.

We are engaging our suppliers on sustainability issues including resource use and climate change through the Supply Chain Sustainability School (see page 40).

Waste and resources

We aim to use resources efficiently, to waste less and increase reuse and recycling. However, our waste volumes and intensity have increased over the last five years. We want to address this as waste is a cost to our business and the environment.

In 2018, we established a new waste action plan to reverse the increase in waste generation and set a target to achieve a 10% reduction in waste intensity by 2021. We will focus on reducing waste from packaging, timber and inert materials such as bricks and blocks. Our Sustainability Champions will help lead our work on waste reduction.

We have published a 'Dos and Don'ts' guide for construction waste management which summarises our vision and will help our site teams consistently implement best practice. We have also launched a waste league table to show our regional businesses how their performance compares with others and to encourage further improvement.

We are partnering with our two main paint suppliers to increase the reuse and recycling of used paint pots. These are either washed and reused or recycled into new pots.

Improving packaging efficiency

Packaging plays an important role in protecting products during transit and whilst in storage on our sites. It can also be important from a safety perspective, particularly when products are being loaded and unloaded. However, it can have a significant environmental impact and is a major source of waste. We are starting to work with suppliers to improve packaging efficiency.

In 2018, we surveyed our major suppliers to understand the volume of packaging and types of materials used. We found that many suppliers do not yet track this data. However, we were able to identify categories of suppliers which use relatively high volumes of packaging. For example, carpet suppliers were relatively high users of plastic and cardboard, while suppliers of building materials such as blocks and roofing use most pallets.

We will be using the findings to engage with key suppliers to reduce the volume of packaging used and improve protection to avoid products being damaged and becoming waste.

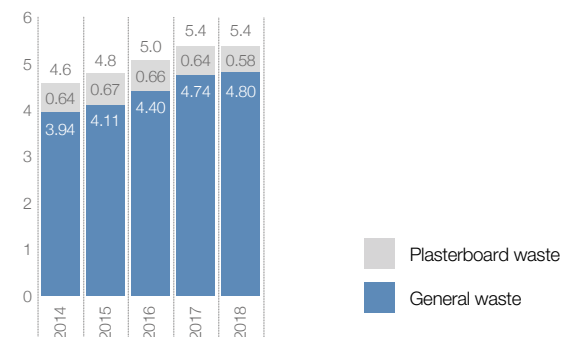
We use a pallet repatriation service through which 65,420 pallets were picked up from our sites in 2018 (2017: 67,798). This represents 1,178 tonnes of wood (2017: 1,220). Around 44% of these pallets are suitable for reuse. To address the decrease in pallet repatriation we are now using more return trips to our logistics site to repatriate pallets. We are also making sure that our sites nominate someone with responsibility for pallet collection.

Performance in 2018

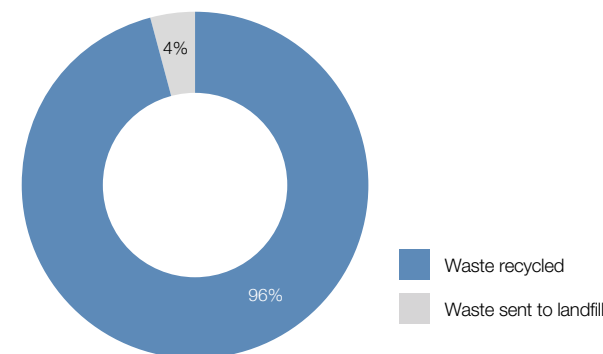
We produced 5.38 tonnes of waste per 100 sqm of build, the same as the previous year, meeting our target to maintain construction waste at 2017 levels. General waste intensity increased by 1% but plasterboard waste reduced by 9%. We believe this reduction is due to our work with our plasterboard supplier to specify the right sizes of plasterboard, reducing off-cuts.

Around 96% of construction waste was recycled, an increase on 95% in 2017. We also reuse large volumes of soil and aggregates on our sites during the development process but we do not have comprehensive data for this.

Waste (tonnes of construction waste per 100 sqm build) UK



Construction waste recycling UK



Biodiversity and green infrastructure

We want to protect and promote biodiversity on our sites. Access to green spaces, nature and wildlife can have a positive impact on residents' wellbeing and our research shows it improves customer satisfaction. Biodiversity is also an increased priority in the revised National Planning Policy Framework.

We integrate green infrastructure into our sites including parks, playing fields, woodlands and gardens, sustainable drainage features and planting alongside roads and streets. This helps create a strong sense of place, supports water management, reduces flood risk (see pages 24) and helps to enhance biodiversity.

We launched our Guide to Green Infrastructure in 2018, which incorporates recommendations from the Wildlife Trust. It aims to support our teams to plan and implement effective green infrastructure that supports biodiversity. Key aspects are also integrated into our Design Academy training, see page 18.

To supplement the Guide we are developing a Home for Nature Toolkit, a compendium of practical measures which can be implemented on our sites to enhance biodiversity. It includes costs and detailed guidance to make it easier to select appropriate measures and implement them effectively.

During the planning process, we assess the likely impact of construction and the finished development on biodiversity. We carry out an ecological impact assessment for all sites, including assessing any protected species or habitats. We use ecologists' reports to identify measures needed and these recommendations are embedded into the Site Specific Environmental Action Plan, part of our Environmental Management System. For example, at our site at Raunds in the East Midlands, new boxes and habitat areas have been provided for bats and badgers – two priority species identified on the site – as well as areas of open space and green infrastructure.

We contributed to the DEFRA consultation on biodiversity net gain in early 2019. We support the idea of net gain but believe that there should be flexibility in how it is applied and that investment in skills will be needed to ensure projects achieve intended results.

Water use

Water scarcity is a growing issue in parts of the UK, which will be exacerbated by climate change. We aim to reduce water use in our operations, to design our homes to be water efficient in line with building regulations (see page 20) and to protect water quality during

Cutting our environmental footprint continued

construction and remediation on our sites. We integrate measures to manage surface water and reduce flood risk on our completed developments, see page 24.

We are in the process of reviewing our water policy, strategy and targets. We have developed best practice guidance on water efficiency that is now available to our production teams via our intranet. Improving water use efficiency is one of the focus areas for our Sustainability Champions.

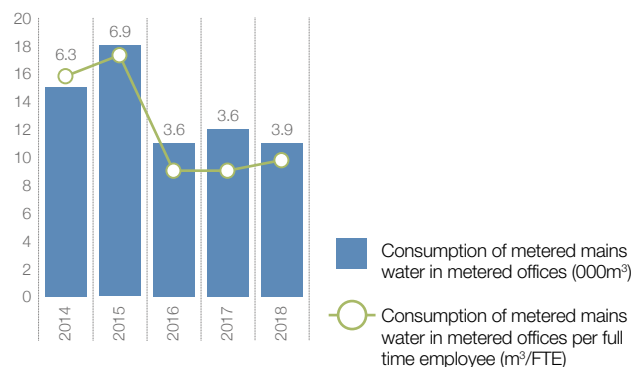
In 2018, our water intensity (the amount of water used per square metre of build) increased by 19% year on year. We believe this significant increase was due to the hot summer in the UK with more water being used for the lawns in our show homes and plots before sale and other green spaces on our developments.

We have reduced the water intensity of our metered offices (the amount of water used per full time employee) by 38% since 2014. However, intensity increased by 7% year on year. This is due to a number of water-efficient offices switching to non-metered supplies.

More water is used in our supply chain than in our own operations, particularly among material suppliers. We are engaging with suppliers on resource use, including water, through the Supply Chain Sustainability School.

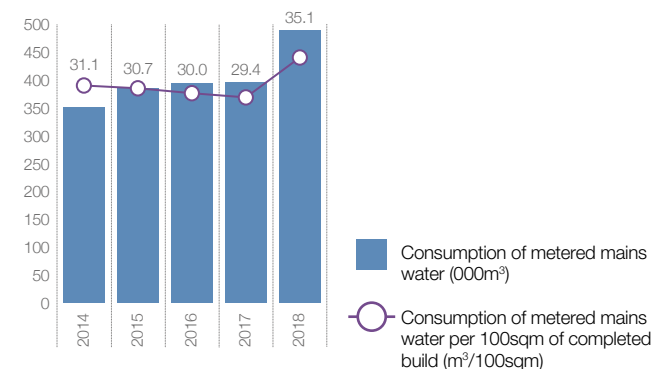
We received a B rating from CDP Water (2017: A-), which is the highest among UK housebuilders.

Water use – UK metered offices (000m³)



Note to chart: Data is for UK and metered water only. Metered offices account for around one third of total offices.

Operational water use UK (000m³)



Note to chart: Operational water use includes water used on building sites, in sales areas, show homes, plots before sale, offices and our logistics business. Data is for UK and metered water only. A water footprint method statement summary can be found on our website. www.taylorwimpey.co.uk/corporate/sustainability.

Plans and targets

- Achieve a 50% reduction in our direct emissions intensity (scope 1 and 2) by 2023 against a 2013 baseline
- Reduce our waste intensity (tonnes per 100sqm of build) by 10% by 2021 against a 2018 baseline
- Reduce our metered water use intensity (m³ per 100sqm of completed floor area) in 2019 against a 2018 baseline
- Launch our Home for Nature Toolkit to increase biodiversity on our sites

Responsible sourcing

40

Our supplier standards

40

Human rights and modern slavery

41

Sustainable materials and construction techniques

41

Small suppliers

41

Prompt payment

We partner with suppliers to improve resource efficiency, to select more sustainable materials and to tackle modern slavery risks in our supply chain.

Procurement spend

We spend around £1.5 billion each year with contractors and suppliers

£1.5 billion

CDP Forests

We participated in CDP Forests, the investor-led disclosure initiative, for the first time and received a score of

C



Introduction

Building
resilient
business
communities

Land
planning
and
engagement

Delivering
sustainable
service

Operating
safely

Cutting our
environmental
footprint

Responsible
sourcing

Investing
in people
and skills

Partnering
with charities

Governance
and
management

Performance
summary

Responsible sourcing

Partnering with suppliers on sustainability

Suppliers play an essential role in our business, providing the goods and services we use to build our homes and carrying out the majority of construction work on our sites. We spend around £1.5 billion each year with suppliers and contractors.

We aim to establish long term partnerships with suppliers and collaborate on issues like safety, skills and the environment. This reduces risks to the business and helps to ensure a secure supply of essential materials and labour.

Our supplier standards

We want to work with suppliers who meet high standards on safety, quality, ethics, human rights and the environment. Our standards are explained in our Supply Chain Policy and Supplier Code of Conduct, which are embedded into our Framework Agreements (contracts) with suppliers.

Suppliers provide us with information on their approach to health, safety and environment and other sustainability issues via Constructionline, a UK Government certification service.

Around 90% of our national suppliers – those with whom we have centrally negotiated contracts – and service and material suppliers with a turnover of £1 million or over now use Constructionline. Around 10% of suppliers are accredited to Constructionline Gold standard. This means they complete a more detailed questionnaire covering areas such as environmental management, quality management, equal opportunities, modern slavery and anti-bribery and corruption policies.

Human rights and modern slavery

We respect the human rights of our employees, workers in our supply chain, customers, people in the communities in which we operate and others affected by our business activities. We are guided in our approach by international standards such as the United Nations' Universal Declaration of Human Rights and the European Convention on Human Rights.

We respect the rights of our employees and those working on our behalf, including the rights to freedom of assembly and association and non-discrimination. Our work on issues such as health, safety, diversity and the environment supports our commitment to uphold human rights.

We do not tolerate any form of slavery, forced labour, child labour or human trafficking in our business or supply chain. We have established our Modern Slavery Act multidisciplinary working party, chaired by our Group Legal Director and Company Secretary, to oversee our approach to due diligence and our work with suppliers to reduce modern slavery risks.

Engaging with suppliers

Our supplier Framework Agreements include contractual provisions requiring all suppliers to adhere to anti-slavery laws and our Anti-Slavery, Human Trafficking and Human Rights Policy and Supplier Code of Conduct. These are available on our website at www.taylorwimpey.co.uk/corporate/sustainability/our-policies.

We have carried out a risk assessment of our supply chain and operations, and identified categories of suppliers presenting a potentially higher risk of modern slavery. These include, for example, labour agencies and suppliers providing labour on our sites in areas such as security, cleaning, demolition and landscaping.

Working with the Supply Chain Sustainability School

We want to support our suppliers to improve sustainability performance. This includes working with the Supply Chain Sustainability School (SCSS), an industry collaboration aimed at improving standards across the construction sector.

The majority of our national suppliers have now joined the SCSS and completed a sustainability self-assessment. This identifies their strengths and weaknesses in relation to issues such as human rights, resource use and sustainable sourcing and provides an action plan with resources and training materials to help address any gaps. Our suppliers have used these resources over 3,000 times so far, helping to strengthen their approach in areas such as waste, water, climate change mitigation and adaptation, use of recycled materials, supplier diversity and community.

During 2018, we participated in a series of training workshops with the SCSS to engage our commercial teams and local subcontractors in each of our regions. During the workshops, participants learnt about the SCSS and the resources available, explored best practice examples and discussed practical actions they can take to improve sustainability performance in areas such as carbon and waste reduction, social value and inclusion. Over 400 employees and subcontractors have participated in SCSS events to date.

“My knowledge has increased and I now understand the impact we can have.”

“The discussions around how sustainability improvements could be practically included in our tender processes in the future will be beneficial to our company.”

Supplier comments after attending a SCSS session

Responsible sourcing continued

We are engaging with these suppliers to confirm that they meet our standards and have processes in place to reduce modern slavery risks within their operations and supply chain. We will be reviewing the findings from this engagement and following up with suppliers where necessary during 2019.

Our Spanish business has implemented its own Anti-Slavery, Human Trafficking and Human Rights Policy, added contractual provisions on modern slavery to supplier contracts and carried out a supplier risk assessment.

Our suppliers can access information, guidance and training on modern slavery through the Supply Chain Sustainability School. We participated in a modern slavery workshop with suppliers and other housebuilders run by the SCSS during 2018.

Training our people

We have developed two e-learning modules on modern slavery. These give employees the practical knowledge of how to identify modern slavery risk factors and how to report any concerns that they might have. The first module is included in our induction training. Our Commercial, Technical and Production Directors have completed the second more detailed module which helps them to engage with suppliers on modern slavery risks.

Reporting and performance

We operate an independent whistleblowing hotline, run by Safecall, which is available to all employees, subcontractors, customers and members of the public and can be used to report any incidents of modern slavery. There were no cases of modern slavery identified in 2018.

More information is in our Modern Slavery Act statement, published in March 2019.

Sustainable materials and construction techniques

The environmental footprint of our supply chain including energy and water use, carbon emissions and waste is many times greater than that of our direct operations. We aim to work with suppliers to use resources efficiently and to select sustainable materials with a lower environmental footprint. Often this can also reduce costs and risks to the business and may help us to increase resilience to future resource shortages or price rises.

Our procurement managers engage with suppliers to assess any sustainability risks related to the materials we buy.

Reducing embodied carbon

Where possible, we select materials with lower embodied carbon and energy. For example:

- We are increasing the proportion of homes built using timber frame. This can have a significantly lower carbon footprint than traditional 'brick and block' building techniques due to the materials and the use of off-site construction techniques. We are currently at 10.8% and aim for 20% by 2020.
- Our glass mineral wool insulation supplied by Knauf, is made from recycled glass bottles through Knauf's partnership with waste management company Veolia. To date, around 4.8 million bottles have been used to create the insulation for our homes.
- Our chipboard flooring, supplied by Egger, contains 30% recycled wood and 70% wood sourced from Forest Stewardship Council (FSC) certified forestry.

We are trialling other off-site construction techniques which can help to reduce energy and waste in construction and improve the energy efficiency performance of the homes we build. Read more on research and development, page 20.

Responsible timber sourcing

Deforestation is a significant source of greenhouse gas emissions. We use a lot of timber in our developments and want to make sure it comes from sustainably managed forests.

We require all suppliers to provide timber from legally logged sources in line with our Supply Chain Policy and the EU Timber Regulation. We are committed to buying timber from responsibly managed forests certified by recognised schemes such as the FSC, Programme for the Endorsement of Forest Certification (PEFC) or Sustainable Forestry Initiative (SFI). We updated our tender documents and trade specifications in 2018 to make it clearer that we require all suppliers to supply certified timber.

We have reviewed compliance and found that chain of custody evidence is in place for key suppliers, accounting for around 95% of timber used on our sites. We are working to confirm compliance among the remaining 5%, which is more challenging since these are mainly small regional suppliers, often supplying us via contractors.

We recognise the importance of transparency and participated in CDP Forests, the investor-led disclosure initiative, for the first time in 2018. We received a score of C. As part of this process we carried out a more detailed mapping exercise of our supply chain and identified that some timber is sourced from higher risk countries. We are following up with these suppliers to confirm that they have robust processes in place for sourcing sustainable timber.

We will be doing further work on timber sourcing during 2019 including working with a sustainable timber expert to review, and where necessary strengthen, our policies and processes.

We are working with suppliers on packaging waste, see page 37.

Small suppliers

Most of our procurement, particularly for materials, is through large national contracts. However, we also work with many small and medium sized (SME) businesses providing labour and services, including suppliers that are local to our sites. This can boost the local economy and can also bring beneficial diversity into our supply chain.

Recent examples include our Chobham Manor site in East London, where at least 28% of the on-site workforce is recruited from the four neighbouring boroughs. We have also run 'Meet the Buyer' events for local SME businesses to meet our commercial team and learn how to apply through our tender processes.

We provide advice and help to small and medium-sized businesses with health, safety and environment risk assessments and other site-specific procedures that they need to prepare in order to tender for work with us.

Prompt payment

We are committed to treating suppliers fairly and paying on time. Our standard payment terms for suppliers and contractors are to pay by the end of the following month after receipt of invoice. The payment terms for contractors are 37 days. We have self-billing arrangements in place for subcontractors which automate and speed up the invoicing and payment process.

The pay rates of weekly paid site operatives are governed by the industry-wide Construction Industry Joint Council (CIJC) Working Rule Agreement.

Plans and targets

- Increase the proportion of homes built using timber frame to 20% by 2020
- Review our sustainable procurement priorities and develop an action plan
- Work with a sustainable timber expert to update our timber sourcing policies and processes
- Engage with suppliers who provide labour for our building sites to ensure they have robust processes for managing and reducing modern slavery risks

Investing in people and skills

43

Our culture

43

Recruitment and skills

44

Succession planning

45

Learning and development

45-46

Diversity and inclusion

47

Health and wellbeing

47

Employee engagement

47

Reward and remuneration

48

Boosting apprenticeships at Taylor Wimpey Bristol

We want to be the employer of choice in our sector. During 2018, our focus areas included providing a great employee experience, increasing diversity, promoting wellbeing and investing in skills.

Apprentice

We recruited 197 people onto our apprenticeship programmes during 2018

197

Women in leadership

One-third of the members of our Group Management Team are women

33%



Introduction

Building
resilient
business
communities

Land
planning
and
engagement

Delivering
sustainable
growth
for
service

Operating
safely

Cutting our
environmental
footprint

Responsible
sourcing

Investing
in people
and skills

Partnering
with charities

Governance
and
management

Performance
summary

Investing in people and skills

Becoming an employer of choice

We want to be the employer of choice in our sector, offering a great employee experience in each part of our business and at every stage of our people's careers with us.

Our employees play an essential role in delivering our strategy and meeting our commitment to be a customer-centric business. We are continually improving the training, development and support we provide to help them do this effectively. We are particularly focused on building the skills our business needs now and in the future.

We value diversity and aim to widen our talent pool to employ a more diverse workforce. We want to create an inclusive culture which recognises individuals for their contribution and offers flexibility in how our employees choose to work.

During 2018 we directly employed, on average, 5,358 people across the UK (2017: 4,893) and provided opportunities for a further 13,526 operatives on our sites (2017: 13,442). Our voluntary employee turnover remained low at 14.5% (2017: 14.0%).

In December 2018, we were delighted to be named as one of the top 10 places to work in the UK for 2019 by Glassdoor, based on employee feedback.

glassdoor

**2019 BEST
PLACES
TO WORK**

Our culture

Our culture is guided by our mission, vision and values which we updated during 2018. We provide guidance to help employees apply our values to their work and day-to-day behaviours and we assess how well they have done this through our appraisal process.

Our induction checklist helps new employees, including those on our sites, to quickly become familiar with how we work and our key policies and commitments. This includes our commitment to customers and how we operate as a listed company, as well as topics such as diversity and inclusion, modern slavery, and privacy and data security.

During 2019, we plan to enhance how we induct new starters in each of our divisions. This will ensure all employees, regardless of where they work, understand our ways of working, our customer-centric vision and our values.

We will launch our new Code of Conduct in 2019. This will summarise our key policies and help employees to meet high standards of integrity and conduct in their work.

Recruitment and skills

Our industry is experiencing a skills shortage, with more people leaving the sector than joining. This could be further exacerbated by Brexit. We are focusing on a range of strategies to ensure we continue to have the people and skills we need to deliver quality homes on time to our customers.

Recruiting skilled tradespeople

There is a particular shortage of skilled tradespeople in our sector. To reduce the impact on our business and help reverse this trend, we are increasing the number of trades people we hire directly, as well as via subcontractors. This includes both experienced tradespeople and new recruits to the industry, such as apprentices and people looking for a career change.

We piloted this approach in six regions during 2017 and 2018, focusing on five trades: bricklayers, carpenters, scaffolders, painters and joiners. We found that direct hiring works well, increasing our access to skills without undermining our relationships with subcontractors.

We currently directly employ 748 key trades including trade apprentices (2017: 581), a 29% increase on 2017. The positions proved popular with potential employees, offering flexibility and attractive benefits, whilst improving job security and providing opportunities for career development. We are now rolling out this approach to our other business units.

Our approach includes encouraging more women and a greater diversity of candidates to join our apprenticeship schemes. We are working with St Mungo's to support their long term unemployed clients to transition from their Train and Trade scheme into paid employment. In addition, we are looking at supporting ex-military personnel to pursue new careers in our industry.

Investing in people and skills continued

Entry level roles

We aim to attract more young people to careers in our sector by offering a wide range of attractive entry-level roles. This work is overseen by our Future Talent Manager. Entry-level positions make up around 13% of our total workforce.

Our trade apprenticeships are paid positions which last three to five years, with participants qualifying with a Level 2 or 3 Diploma in a construction-related discipline. We increased the number of trade apprentices recruited this year to 197 (2017: 137). We are making improvements to our apprenticeship programmes, including more regular reviews and enhancements to the training and support they receive on site.

We recruited 175 new people into our graduate, management trainee and site management trainee programmes in 2018 (2017: 126). We relaunched our management trainee programme to help us increase recruitment into five key roles: site managers, quantity surveyors, buyers, design and planning executives, and engineers. Trainees now complete a three-year development programme with the opportunity to gain professional qualifications. We also improved our induction process for new trainees and provided additional training to help managers support trainees in their teams.

Our two-year graduate programme enables employees to learn on the job through placements in different parts of the business and through intensive formal training programmes, focusing on self-awareness, business skills and technical understanding. As well as our general graduate programme we also run graduate schemes focused on strategic land, finance, and project management.

Partnering on skills

We work with others in our industry and with government, suppliers and colleges to promote careers in housebuilding. For example, we participate in the Home Building Skills Partnership which aims to train 45,000 new housebuilding workers by 2019. During 2018, we worked with the HBF and other housebuilders to run the Attract online recruitment campaign targeting former members of the armed forces, recent school or university leavers and their parents and people looking for a career change. In total, the online ads were viewed by over 10 million users and resulted in 1,000 visits to our careers website.

We sponsor and work closely with Buckinghamshire University Technical College (Bucks UTC) and many of our employees give talks and run workshops for students.

We are developing links with colleges at the local level to help us train and hire apprentices, see case study on page 48.

We are also working to develop closer relationships with 12 universities to support our recruitment of talented and diverse graduates. This includes attending careers fairs, providing talks and lectures and improving awareness among careers advisers of opportunities within housebuilding.

Working with schools

Our regional businesses work with local schools to promote careers in the housebuilding industry and offer work experience placements. We expect the number of placements we provide to increase with the introduction of T Levels, new technical alternatives to A Levels. We are developing a work experience framework to ensure we deliver quality placements that are valuable for students and our business.

We also work with schools to raise the profile of the housebuilding sector. In 2018, we made 112 school visits providing information on how homes are built, career opportunities, safety on live construction sites, building materials and eco-friendly homes. We launched a children's book to engage younger children in the housebuilding process.

Succession planning

We have succession plans in place for all key roles to make sure we identify and develop our potential future leaders. We carry out a Talent Review every six months to provide our leaders with an update on succession strengths, gaps and risks and to identify future resourcing needs. Managers provide feedback on employees' performance in relation to both their current role and future roles they may aspire to move into.

We updated our succession planning process this year to encourage increased focus on diversity and inclusion. Managing Directors are now required to include an update on their approach to flexible working, employee engagement, diversity and inclusion, direct trade and entry level talent. We are supporting our senior leaders to develop local plans to address any risks identified through this process.

Starting the conversation on mental health

Every year in the UK, 1 in 4 people will experience a mental health issue. Mental health is a significant concern in our industry with Government data showing that suicide rates are particularly high among men working in construction. Work-related stress is also a major cause of absence from work.

We want to make sure that we tackle stigma around mental health so all our people feel comfortable talking about it and can get the right help when they need it.

During 2018 as part of our Health and Wellbeing campaign, we launched mental health training for all employees. This one hour face-to-face session, called Start the Conversation, has been developed by Mates in Mind, a charity focused on improving mental health in the construction industry. It addresses stigma and encourages people to talk about mental health issues. It also raises awareness about the support available in the business and via our Employee Assistance Programme, which we relaunched to coincide with the training.

Line managers are completing additional two-hour training to better equip them to identify and support employees who may be experiencing mental health issues and to create a culture that promotes good mental health.

Mental health 'first aiders' have been appointed in each of our regional businesses and provided with further training. Their role is to support managers and employees when mental health issues arise.

We're developing a range of resources to support the training including information on our intranet and Yammer sites, pocket guides for managers, articles in our internal magazine and a health and wellbeing film, created for our Taylor Wimpey Proud Campaign. We will also be including information on mental health in our induction programme and training.

"The course was so informative and made me realise that some people have to deal with such huge issues when carrying out their day to day lives."

Feedback from Start the Conversation training

Investing in people and skills continued

Learning and development

We provide learning and development opportunities for our people throughout their careers with us. This helps us to build our skills base, improve quality and delivery for our customers and promote employee engagement. Our employees completed over 10,770 training days in 2018 (2017: 10,100). We will deliver Company-wide training during 2019, to help all employees understand our customer-centric approach and its importance for all roles and functions.

Our academy programme provides structured career and skills development for employees working in production, design, customer service, sales and marketing. Academies enable employees to develop specific technical skills and business breadth and, in some cases, gain a formal qualification (see page 27). Over 1,800 employees have enrolled on or completed academy courses. We have updated our training for sales teams, and our Academy of Sales Excellence will be launched in 2019.

Three programmes are in place to help employees succeed as line managers – Transition to Management, Managing for Success and Realising Leadership Potential. We have updated this training to help line managers work effectively as coaches to their teams. Our Inspiring Leadership programme is aimed at developing our Managing Directors and potential successors. It focuses on developing leadership skills with an emphasis on emotional intelligence, business breadth, strategic thinking and change management. Our Chief Executive attends each programme to share his experiences, and participants also get the chance to hear from members of our Group Management Team.

All employees can now access the 'My Development' space on our intranet. This provides 75 online courses covering a range of business skills such as negotiation, presentation, delegation and budgeting. It also includes resources to support employee learning including articles, podcasts, TedTalks and YouTube videos covering business and personal development topics.

During 2018, we reviewed our training provision and appointed new providers. We also established a Taylor Wimpey Trainer Faculty for external trainers working with our teams, to ensure they have a good understanding of our business.

We are also updating how we evaluate the impact of our training, enabling us to assess how successful our provision is in helping improve our people's confidence and capabilities.

Performance appraisal

Regular performance appraisals enable us to recognise employee achievements and agree future goals and priorities. We are working towards all employees having at least two formal appraisal meetings each year and during 2019 will be focusing on weekly paid employees. We piloted an online performance management system in 2018 and will now roll this out, enabling employees and managers to monitor progress against objectives throughout the year.

Diversity and inclusion

It's essential that we create an inclusive culture and attract and retain employees from all backgrounds and walks of life. This enables us to better understand our customer base, supports creativity, and widens our potential talent pool. We continue to focus on our diversity and inclusion strategy and have made some good progress so far. However, the diversity of our workforce doesn't yet fully reflect the communities we work in.

Diversity steering committee

Our diversity steering committee, chaired by one of our Managing Directors, oversees our strategy focusing on four areas:

- **21st-century leadership** – equipping our leaders to fulfil their role in developing a more diverse and inclusive culture
- **Employer of choice** – ensuring our policies, procedures and culture support diversity and inclusion
- **Expanding our reach** – developing a broader range of recruitment and communication channels to reach a diverse audience
- **Communication** – engaging our employees on diversity and sharing best practice across the business

We expanded the steering committee in 2018, adding six new members representing a cross-section of employees including site-based employees. We also appointed Diversity Champions in each of our business units. They will play an important role in supporting our leadership and sharing best practice around the business.

Training, engagement and communication

All our senior leaders have completed our 'Open Minds' one-day course which explores the business case for diversity and helps leaders to address unconscious bias and create a more inclusive culture. We intend to retest our leadership on unconscious bias during 2019 and use the findings to refresh our training.

We have also integrated diversity and inclusion training into our induction process so employees understand its importance right from the start of their career with Taylor Wimpey. Line managers complete additional training.

We hold regular networking sessions for senior women in our business to meet with our Group Management Team (GMT) members and share their experience and insights.

We are reviewing our website, intranet and other communications to ensure they reflect and promote our commitment to diversity, including featuring more female and diverse role models.

Promoting ethnic diversity

We established a BAME (Black, Asian and Minority Ethnic) working group in 2017 to help us attract and develop employees from a wider and more inclusive talent pool.

During 2019, we will be looking at initiatives such as reverse mentoring which generate a deeper understanding of diversity and the experiences of BAME colleagues among our leadership teams as well as providing networking and development opportunities. We have launched a partnership with a specialist BAME recruitment agency to help us increase the diversity of candidates for our management trainee and graduate programmes. We are also partnering with the EY Foundation to support young people from socially disadvantaged BAME backgrounds with career planning and work experience.

1,800

employees have enrolled on or completed our academy training courses providing structured career and skills development

Diversity in recruitment

We are broadening our recruitment channels and the educational partners we work with to help us reach more female and diverse candidates including for our graduate, management trainee and apprentice programmes. 50% of our graduate recruits in 2018 were women (2017: 48%), however, women are still under-represented in our management trainee programme. We have worked with the Leonard Cheshire Change 100 programme for four years, providing work experience for talented undergraduates with some form of disability. Three have now gone on to take up permanent roles with us.

During 2019 we will be doing further work in this area partnering with specialist recruiters; trialling job boards that target flexible working or diverse candidates and increasing our engagement with universities that have a higher percentage of BAME students.

Our regional businesses are partnering with others to increase diversity in recruitment. For example, our South East regional business has worked with schools, colleges and career fairs to encourage more female candidates to apply for roles with us. In 2018, this resulted in the appointment of three female site management trainees in our South East business. In West Scotland we have worked with the Scottish Government and others on a pilot to help people from refugee and migrant communities to find employment through work experience placements and training. The Scottish Government is reviewing the outcome with a view to developing this programme further.

We are also integrating diversity into our succession planning processes, see page 44.

Flexible working

Flexible working is increasingly a focus for our business as it can help us retain talented employees, including working parents, as well as benefiting employee engagement and wellbeing. Our Flexible Working Policy encourages these arrangements and some regional businesses now operate core hours which enable employees to adjust their start and finish times to meet personal commitments.

Disability and accessibility

We want to make sure that we're providing the right opportunities and support to customers and employees with disabilities. The Centre for Accessible Environments audited our sales areas, show homes and offices in 2018 and identified a number of actions that will improve accessibility. We will be implementing these during 2019.

Investing in people and skills continued

We are also working with the Business Disability Forum to help us become a disability-confident organisation. This will be piloted in two business units in 2019.

Our performance

Overall we have a gender mix of 69% male and 31% female across the Company, with 44% female on the Board and 33% female on our GMT.

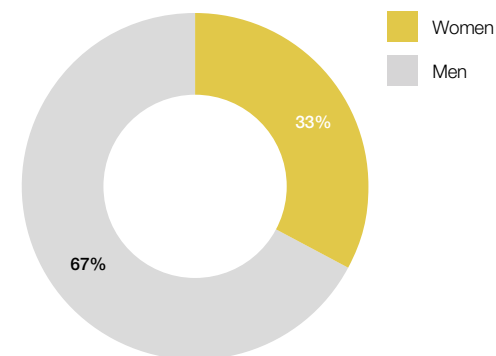
We published our second Gender Pay Gap report in March 2019 based on data at the snapshot date of 5 April 2018. This showed that our mean pay gap is 6% and our median pay gap is 0%. This is significantly lower than the UK average but an increase on last year. This is because a high proportion of our Sales Executives, who benefit from commission payments, are women. These payments are variable in nature and our data shows that we made slightly lower commission payments at the April snapshot date when compared to the previous year. However, commission payments paid over the whole year remain at similar levels to the prior year. The mean bonus pay gap was 9% and the median bonus pay gap was 34%. This mean bonus pay gap reflects the higher number of men in senior roles, where bonus payments make up a large part of their remuneration. The difference in the median bonus gap compared to the previous year can be explained by the number of females who received additional one-off project bonus payments in 2017. Our work to increase women's representation overall and at the most senior levels of the Group will help to address this.

i Read more at www.taylorwimpey.co.uk/careers/diversity-and-inclusion/gender-pay-reporting.

Women in our workforce

	2018	2017	2016
All employees	31%	32%	32%
Junior managers	48%	48%	48%
All managers	27%	26%	25%
Group Management Team	33%	30%	30%
Board	44%	30%	22%

Gender balance in leadership – Group Management Team 2018



We are working to improve our data to enable us to monitor progress on other diversity aspects including age, ethnicity and disability. This will include an update to our job application system to enable us to gather data on candidates. Our data on workforce ethnicity is still incomplete but suggests that BAME representation in our workforce is lower than in the UK population as a whole.

Two of our senior women, Sarah Pasco and Jackie Coulthard, were named in the 100 Women to Watch list compiled by Cranfield University and Aviva.

Bridget Warlow, one of our Site Managers in South Wales, was our first woman to win a Seal of Excellence Award from the NHBC Pride in the Job Awards 2018.

Investing in people and skills continued

Health and wellbeing

We launched our Health and Wellbeing campaign in 2018 to support employees to maintain good mental health, physical health, social health and financial health.

In our first year our priority has been to improve awareness and understanding around mental health issues, see page 44.

During 2019 we will be continuing our focus on mental health as well as reviewing and expanding our provision for social, financial and physical health. We will be tracking the impact of our training through our employee survey.

Our core benefits package includes healthcare for all employees, through either private medical insurance or health cash plans. All office-based employees are entitled to regular health assessments after completing one year's service. Our Employee Assistance Programme (EAP) offers counselling and a support line.

Employee engagement

Regular employee surveys help us to understand employee views, identify areas for improvement and track engagement. Our most recent survey in 2017 achieved a 72% response rate, with 93% of employees stating they would recommend Taylor Wimpey to friends and family as a good place to work. During 2018, we made a number of improvements in response to the survey findings including strengthening our development and leadership programmes, improving employee awareness of the flexible benefits we offer and continuing to offer more flexible ways of working. Our next survey will be carried out in Spring 2019.

We keep employees updated with Company news via our half-yearly teamTALK magazine, fortnightly teamTALK Express email newsletter and Yammer, our employee social media platform. Our intranet is available to all office and site-based employees.

Employee forums

Our National Employee Forum (NEF) enables our Board and senior management team to engage with employees and hear their feedback. The NEF has nine members (three from each of our regional divisions) including site and office staff and regional directors. It is chaired by one of our divisional managing directors. Its members are drawn from active Employee Consultation Committees in our regional businesses. Members of our Board of Directors also attend some meetings.

The Forum met four times in 2018 and discussed a range of topics including: our vision, mission and values; business strategy; being a customer-centric business; health and wellbeing; IT systems; employee induction; modern slavery; flexible working; and salary review and bonus scheme.

Several of our regional businesses have also established Young Persons Forums to help increase engagement among younger members of our workforce. For example, our Forum in West Scotland provides regular opportunities for networking, teambuilding and learning through seminars and events.

Raising concerns

We encourage employees to share any concerns, breaches of our policies or suspected cases of unethical conduct with their direct line manager, another manager or by reporting to our Group Legal Director and Company Secretary, Group HR Director or Head of Internal Audit. This includes any form of harassment or bullying or if any employee has reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future. Our heads of department and Site Managers received training during 2018 to help them respond appropriately to any issues raised.

We also operate an independent confidential reporting hotline, Safecall, which is available to all employees and subcontractors across the business.

Awards, rankings and external engagement

We were delighted to be named one of the top 10 places to work in the UK by Glassdoor, based on employee feedback. Glassdoor is the top ratings site for employers globally. We are the only commercial homebuilder to make the top 50. In addition, our CEO was recognised as one of the top 10 CEOs to work for.

We participated in the Hampton Alexander Review which aims to increase the number of women on UK boards and executive roles to 33% by 2020. We were ranked in the top 10 companies in the FTSE 100 for women's representation on boards.

Reward and remuneration

We offer attractive remuneration and a range of benefits to help us recruit and retain talented employees. All our employees, whether full or part time, paid weekly or monthly, have equivalent core benefits and choice, and we regularly benchmark our approach against others in our sector and the wider employment market.

We encourage employee share ownership and are pleased to successfully operate two all-employee share plans – around 59% of our eligible employees participate in one or both plans or are otherwise already shareholders of the Company.

Employees can benefit from our house purchase discount scheme which enables them to buy one of our homes at a 5% or 20% discount and benefit from other savings on white goods, options and supplier rates. 181 employees have used the scheme in the last two years.

We offer pension benefits for both monthly and weekly paid employees. We pay Company pension contributions above the legislative minimum, which was increased in April 2018, to help boost retirement savings for our employees.

On-site employee and contractor wages are governed by the Construction Industry Joint Council Working Agreement. This is above the voluntary living wage.

Targets and plans

- Increase the number of people recruited onto our early talent programmes including graduates, management trainees and site management trainees
- Keep our voluntary employee turnover below 15%
- Deepen our recruitment pool both in terms of diversity and quality, particularly focusing on people who would not historically consider a career in housebuilding
- Make flexible and agile working a real possibility for all employees
- Launch our new Code of Conduct to all employees
- Run our employee survey to understand how employees feel about working at Taylor Wimpey

In focus



Boosting apprenticeships at Taylor Wimpey Bristol

Partnerships can help us tackle the skills shortage and bring talented young people into our business.

Taylor Wimpey Bristol, for example, is working with Bridgewater College, City of Bristol College, City of Bath College, Gloucester College, Weston College and six local schools to run careers events, mock interviews, industry talks, and work experience placements and traineeships.

To help bring more young people into the business, it is establishing three training academies, which will each recruit 12 apprentices. This will enable young people from the local area to work towards diplomas in core trades such as bricklaying, site carpentry, and painting and decorating. They will also spend time working on one of three Taylor Wimpey developments and with local colleges and housing associations.

Taylor Wimpey Bristol was awarded Outstanding Employer of the year 2018 at the Bristol Learning City Awards for supporting communities and young people.



[Read more](#) on page 44

Introduction

Building
sustainable
business
communitiesLand
planning and
engagementDelivering
sustainable
serviceOperating
safelyCutting our
environmental
footprintResponsible
sourcingInvesting
in people
and skillsPartnering
with charitiesGovernance
and
managementPerformance
summary

Partnering with charities

50

Our priorities

50

What we gave in 2018

50

Getting our people involved

Our charity partnerships make a difference to the communities we work in and provide opportunities for our people to get involved as fundraisers and volunteers.

Donations and fundraising

We supported charities through donations and employee fundraising worth:

£1.28m

Taylor Wimpey Challenge

370 people in 65 teams took part in our latest Company-wide fundraising challenge

370



Introduction

Building
resilient
business
communities

Land
planning
and
engagement

Delivering
sustainable
service

Operating
safely

Cutting our
environmental
footprint

Responsible
sourcing

Investing
in people
and skills

Partnering
with charities

Governance
and
management

Performance
summary

Partnering with charities

Supporting charities through donations, fundraising and volunteering

We partner with charities to support the communities where we work and to help address issues relating to homelessness, education and aspiration.

We provide financial support as well as sharing expertise and getting our people involved as fundraisers and volunteers.

Our support for charities is in addition to the community contributions we make through our Section 106 and Section 75 planning obligations, see page 19.

Our priorities

We want to maximise the impact of our giving so we focus on three priorities that are connected with our business:

- **Aspiration and education:** projects which promote aspiration and education in disadvantaged areas, for example, our work with the EY Foundation to support young people from socially disadvantaged backgrounds with career planning and work experience
- **Tackling homelessness:** intervening and improving homeless situations for seriously economically disadvantaged groups in the UK
- **Local projects:** initiatives that have a direct link with our regional businesses and developments

Our six national charity partners are: Youth Adventure Trust, which helps young people fulfill their potential; End Youth Homelessness, a Centrepont-led partnership; Crisis, a homelessness charity; St Mungo's, a homelessness charity; CRASH, a construction and property industry charity for the homeless; and Foundations Independent Living Trust, that helps older and vulnerable people live with dignity in their own homes. Our regional businesses also support many further organisations at the local level, for instance by providing Community Chest grants. Every regional business has a discretionary charity budget.

Our national charitable donations are overseen and prioritised by our Charity Committee. The Charity Committee members include senior leaders such as our Group Legal Director and Company Secretary and Group HR Director, and a variety of other staff including directors, managers, personal assistants and graduate trainees.

What we gave in 2018

We donated and fundraised £1.28 million for registered charities and local community causes in 2018 (2017: £1.1 million).

These figures do not include investments made as a result of our Section 106 and Section 75 obligations. They also do not include the value of employee time spent volunteering.

We work closely with our charity partners to assess the impact of our giving and we seek their feedback to help us direct our donations to where they will make most difference.

Getting our people involved

We encourage our employees to get involved with our charity partners, sharing their expertise and energy as volunteers and fundraisers. As well as benefitting good causes, this can support our people's personal and professional development and improve engagement.

Our Volunteering Policy enables employees to take two full days, or four half days, paid time off to volunteer with our charity partners each year. We are starting to track the number of hours and value of our employee volunteering but our data is still incomplete.

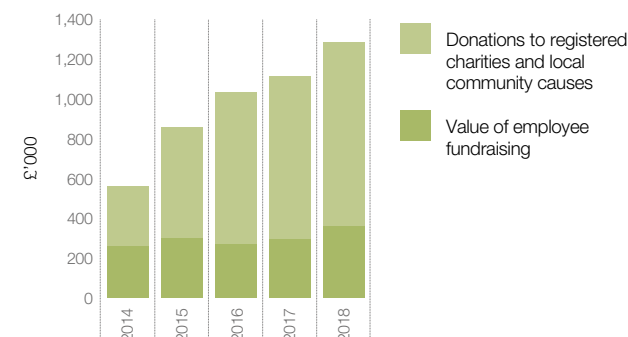
We promote fundraising and volunteering opportunities via our intranet, email and Yammer social media network.

We set a charity project each year for participants on our graduate programme, enabling them to apply their business experience to help one of our charity partners. In 2018, our graduates developed the Wake Up To Homelessness campaign for St Mungo's, see case study on page 51.

In 2017, our graduates created the Wildgoose Chase event, for construction charity CRASH. We sponsored the event for the second time in 2018, which saw 26 teams from across the construction industry raise £17,900 for CRASH.

Our employees also provide their professional expertise to support charities. For example, our Chief Executive Pete Redfern is a Trustee of Crisis and Chair of the Youth Adventure Trust.

Charitable donations and fundraising (£'000)



Targets and plans

- Support our national and local charity partners to increase their positive impact through our fundraising, donations and volunteering
- Continue to support the CRASH Wildgoose Chase event that raises funds for homelessness and hospice projects
- Provide funding to support St Mungo's Construction Skills Programme that helps people recovering from homelessness to gain skills and find work in the construction sector
- Provide training to help St Mungo's master craftsmen update their skills and learn about modern construction techniques

In focus



Hiking and biking for the Taylor Wimpey Challenge

The annual Taylor Wimpey Challenge brought together 370 of our people representing every one of our regional businesses to have fun while raising money for charity.

The 65 teams took part in a range of hiking and biking challenges over two days in the beautiful surroundings of Snowdonia National Park.

We raised over £167,000 this year to be shared between local charities and the Youth Adventure Trust, which runs activity days and camps for disadvantaged young people. This was the fifth year of the Challenge and over £815,500 has been raised in that time.

Supporting St Mungo's to tackle homelessness

St Mungo's aims to help people who have experienced homelessness to gain skills and rebuild their lives. We're supporting their Construction Skills Programme which helps St Mungo's clients to develop vocational skills and find paid employment.



To date, our support has helped bring construction skills training to 77 people, of which 17 have gone on to find jobs in the industry. Now we're exploring opportunities for people who have completed the training to become Taylor Wimpey apprentices.

During 2018, our graduates also got involved in supporting St Mungo's, donating over 500 hours of time to develop and run Wake Up To Homelessness – a social media campaign. The campaign aimed to raise awareness of homelessness and the work of St Mungo's among younger social media users. The selfie driven posts were supported by celebrities and social media influencers and reached over 4 million users.

Introduction

Building sustainable business and communities

Land planning and engagement

Delivering specialist services

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Governance and management

53

Roles and responsibilities

53

Sustainability framework

54

Engaging our people on sustainability

54

Awards, sustainability indices and ratings

54

Materiality

54

Corporate governance

54

Risk management

55

Anti-bribery and corruption

55

Public policy

55

Reporting, data and external assurance

We have established governance structures, processes, policies and procedures to help us identify and manage sustainability risks and opportunities.

CDP Climate

We received a score of B in the latest CDP Climate benchmark

B

Next Generation benchmark

We received a Gold rating in this sustainability performance benchmark of the UK's largest homebuilders

Gold



Introduction

Building sustainable business and communities

Land planning and engagement

Delivering specialist services

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Governance and management

Managing sustainability risks and opportunities

We have clear policies and procedures for governing sustainability issues, risks and opportunities. We value engagement with our stakeholders and aim to report on our progress in a clear and transparent way.

Roles and responsibilities

Our Chief Executive is the most senior company executive with ultimate accountability for sustainability issues. Sustainability issues are regularly discussed by our plc Board, our Group Management Team (GMT), which is our most senior executive committee, and also the Group Operations Team (GOT), which comprises the GMT and our Divisional Managing Directors. The GMT receive a monthly update on our progress against sustainability targets.

At an operational level, sustainability activities are coordinated by our Legacy, Engagement and Action for the Future (LEAF) committee. Members of the LEAF committee include senior executives from our procurement, production, and design functions, and our regional businesses, our Director of Sustainability and our external sustainability consultant. It also includes a number of younger colleagues to represent the views of our future workforce.

LEAF is chaired by Lee Bishop, our Major Developments Director, who is a representative of the GMT and reports to the plc Board twice a year. During 2018, the LEAF committee met four times to discuss a range of issues, including social purpose, sustainability strategy, science based targets, resource efficiency, customer health and wellbeing, sustainability communications, innovation, urban design and placemaking, and our Climate Change and Sustainability Risk and Opportunity Register. For more on sustainability risk management, see pages 35 and 54.

We also have a number of committees and working groups overseeing particular aspects of sustainability such as our Charity Committee, Waste and Resources Group, Flood Risk Working Group and our Diversity and Inclusion Strategy Committee.

At a project level, the sustainability aspects of a development are initially the responsibility of the land and planning departments with the involvement of the design teams. Project team members then have responsibility for ensuring that the appropriate sustainability measures are introduced as planned. Once work has begun on site, the production management team, including the Site Manager and contractors, takes on responsibility for ensuring that a wide range of site-specific sustainability issues are addressed and monitored.

We have recruited a network of Sustainability Champions, one from each of our regional businesses, to monitor and champion waste reduction and energy and water efficiency at the local level, see page 34.

We interact with a wide range of stakeholders in the course of running our business and we value stakeholder input, see pages 11 and 12.

Sustainability framework

Our sustainability framework sets out our sustainability priorities and focus areas (see page 16). It has been developed taking into account the long term social, economic and environmental trends that affect our business and customers, the results of our materiality assessment and external frameworks such as the United Nations Sustainable Development Goals (see page 15).

It is supported by our sustainability principles (see sidebar). We will be working to update our approach in 2019 to further reflect our new business strategy.

Taylor Wimpey's sustainability principles

Our six sustainability principles apply to all of our business operations:

1. We try to understand the communities, the environments and the economies in which we operate.
2. We understand the consequences of our business activities and work to improve the positive social, economic and environmental outcomes while reducing any negative impacts.
3. We work and develop sustainably to achieve our business objectives. These include greater efficiency, less waste, more certain planning outcomes, an enhanced reputation and better relationships with stakeholders and communities based on trust.
4. We treat the communities in which we build as we would like to be treated if development was taking place near our own homes.
5. We are not afraid to challenge others where we consider the political, regulatory or other influences that our business faces are not sustainable, reasonable or viable.
6. We want to leave a positive environmental, social and economic legacy that future generations can enjoy, which is the right thing to do, and will contribute to trusting and enduring relationships with communities and other stakeholders.

Governance and management continued

Engaging our people on sustainability

We integrate sustainability issues into our training where relevant. For example, our Sales, Design and Production Academies all cover aspects of sustainability as does our training for our Sustainability Champions network. All employees are trained on our approach to health and safety.

Our induction e-learning programme includes topics such as diversity and inclusion and staff have also received training on modern slavery. We are looking for further opportunities to embed sustainability into our learning and development programmes.

We also use our internal communications channels to engage our people on sustainability. For example, teamTALK, our internal magazine included articles on the UN Sustainable Development Goals, our charitable partnerships, skills and other aspects of sustainability in 2018. Over 3,200 copies were distributed.

Health and safety and customer service form part of all senior managers' business objectives and a proportion of our senior management bonus relates to customer service, see page 27.

Awards, sustainability indices and ratings

We are a constituent of the Dow Jones Sustainability Europe Index and the FTSE4Good Index series, the leading responsible investment indices.

We participate in the CDP Climate report and received a score of B in 2018 (2017: B) and in CDP Water, scoring B in 2018 (2017: A-). We also participated in CDP Forests for the first time in 2018, disclosing our approach to timber sourcing. We received a C rating.

We are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders. In 2018 we were ranked fifth out of 25 in the benchmark with a score of 74.8% and achieved our first Gold Award (2017: 70%, Silver Award, fifth position).



MEMBER OF
Dow Jones
Sustainability Indices



Materiality

We want to make sure that we prioritise the sustainability issues that are most important and relevant to our business and our stakeholders. We carried out a detailed materiality assessment during 2016 to review our current priorities, get stakeholder feedback on our approach and identify emerging issues or trends. The results are explained on pages 13 and 14. Our materiality assessment methodology is explained on our website, www.taylorwimpey.co.uk/sustainability.

Corporate governance

Good corporate governance is essential and supports us in the successful delivery of our business plans and objectives. We fully support The UK Corporate Governance Code. For 2018, the Board has reviewed and is compliant with the Code provisions applying to the Company for reporting year 2018 and has also complied, ahead of time, with a number of new and additional requirements introduced for reporting year 2019.

See our Annual Report and Accounts for more details of our approach to corporate governance.

Risk management

Our risk management systems incorporate both financial and non-financial risks to the business.

Our risk management and internal control frameworks define the procedures to manage and mitigate risks facing the business, rather than eliminate risk altogether and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our risk management framework includes risk registers which are maintained for each site and business unit, and which is supported by an evaluation of the risk environment by divisional management. The risk framework also includes registers for all functions at a Group-wide level. Collectively, the registers detail each issue which may be faced by the site, business unit, function or Group. The registers identify key potential exposures arising from factors both internal and external to the Group, as well as risks to and from the delivery of our strategy.

A standard methodology is applied to the assessment of business risk, which requires each identified item to be measured according to a risk matrix. This matrix considers the potential impact of each risk after putting mitigating activities in place, the likelihood of the event occurring, and hence provides an assessment of the remaining or residual risk. The definition of impact assessment includes a number of different measures, including those concerning health, safety and environmental impacts, financial and reputational impacts.

Our risk registers are refreshed on an ongoing basis at site level and at a broader level as a part of our financial planning cycle.

The registers feed into a formal risk assessment to summarise the sources, impact and likelihood of risks, and considers the controlling activities already in place or planned. Similarly-rated risk events are considered together, and categorised into three key Group-wide registers. This summary position is discussed and approved by the GMT, and this ensures the correct identification of the Principal Risks and Uncertainties. Our Sustainability and Climate Change Risk and Opportunity Register highlights the material risks and opportunities facing the Company in relation to sustainability and climate change. Together, these support both the Audit Committee and the Board to re-evaluate the identified risks facing the Group. See our Annual Report and Accounts for more information.

Sustainability risk

Sustainability risks are integrated into our corporate risk management framework, including through two central risk registers – the Land and Commercial and the Technical Risk Registers which feed into a Group Material Risk Register – and our Climate Change and Sustainability Risk and Opportunity Register.

Our Climate Change and Sustainability Risk and Opportunity Register highlights the material risks and opportunities facing the Company in relation to sustainability and climate change. It forms part of our Corporate Risk Management Framework. Our LEAF committee is responsible for reviewing the register at each meeting.

For each climate-related risk and opportunity the register identifies the: risk driver, description of risk, potential impact, timeframe, whether the risk or opportunity is direct or indirect, likelihood and magnitude of impact. This is based on the approach taken by the CDP benchmarks. A separate methodology is used for other sustainability risks and opportunities in the register. See page 35 for more on climate risks.

Our established systems and procedures – such as our comprehensive Health, Safety and Environmental Management System – contribute to effective risk management.

Governance and management continued

Anti-bribery and corruption

We do not tolerate bribery or corruption and we are committed to conducting our business activities in an ethical and transparent way. The Audit Committee of our Board oversees our approach and regularly reviews and approves our Anti-Corruption, Business Conduct and Whistleblowing and Disclosure policies.

We provide annual training on our Anti-Corruption Policy and on our Competition Law Guidelines to all business units. We expect the same standards from our suppliers and anti-corruption provisions are included in our supplier contracts.

We expect and encourage employees to report any suspected business wrongdoing. This can be done via our confidential whistleblowing and reporting hotline Safecall or directly to our Anti-Corruption Compliance Officer, who is the Group Legal Director and Company Secretary. Employees raising concerns are protected by our Whistleblowing Policy.



i Our Annual Report and Accounts 2018 and online Sustainability Report can be viewed at www.taylorwimpey.co.uk/corporate

Public policy

Regulation has an impact on our business and we think it is important to share our views with policy makers at the local, regional and national level. This includes direct engagement such as responding to Government consultations and engagement through our membership of trade associations.

Our main trade association memberships are the Home Builders Federation, the National House-Building Council, the Confederation of British Industry and the British Property Federation.

We also work closely with local authorities, parish councils, Homes England, the Greater London Authority (GLA) and other public sector organisations to plan our developments. We encourage members of our senior management team to represent the Company on a wide range of Government, industry and other committees and steering groups.

For examples of engagement with central and local government on issues relating to housebuilding, planning and biodiversity, see pages 25 and 38.

We also engage and participate with the Government and other organisations on corporate governance initiatives and consultations including on diversity and inclusivity-related matters.

Public policy work is carried out in a way that reflects our values and cultural principles and key policies such as our Business Conduct Policy. We strive for clear, open and accurate communication. It is our policy not to make donations to political parties, see our Annual Report page 182.

Reporting, data and external assurance

This is our 12th Sustainability Report as Taylor Wimpey. It covers our performance and data for the period 1 January to 31 December 2018. Information on our sustainability performance and key non-financial performance metrics are also integrated into our Annual Report and Accounts.

We collect a wide range of social and environmental data from our regional businesses through our COMBINE (Co-ordinated Measurement of Business Information) system. This covers health and safety, environment, sustainable construction, resource efficiency, planning and community engagement, employee and customer data. This data is used to measure, monitor and improve our performance.

We have achieved certification to the Carbon Trust Standard which includes independent verification of our greenhouse gas data (scope 1 and 2). Their statement is published on our website at www.taylorwimpey.co.uk/corporate/sustainability.

We publish our key Company policies on our website, including those relating to business ethics, human rights, health, safety and environmental management and community investment. See www.taylorwimpey.co.uk/corporate/sustainability/our-policies

Introduction

Building sustainable homes and communities

Land planning and engagement

Delivering quality and value for service

Operating safely

Cutting our environmental footprint

Responsible sourcing

Investing in people and skills

Partnering with charities

Governance and management

Performance summary

Performance summary

Progress against targets

Targets 2018	Performance	Summary	Targets 2019
Building sustainable homes and communities			
Design Academy training to be completed by all senior managers and design professionals	In progress	225 of our design teams and senior managers have fully completed the training so far, around 55% of the total.	– Publish our placemaking compendium and run our second placemaking competition – Increase the number of schemes that achieve a green score on our placemaking self-assessment – Assess the findings from our Project 2020 prototype builds – Launch our new standard house type range – Trial a number of community projects within our developments
Continue our programme of interactive design workshops and masterclasses and hold our first design conference	Achieved	We ran layout design review workshops to bring teams together from different business units and design surgeries, where our urban designer works with regional teams to review existing and planned developments. We held two design conferences during the year to engage and inspire our regional planning and design teams. These covered topics such as design, parking, townscape structuring components and urban design concepts.	
Launch our internal design competition and award scheme to identify and promote best practice among our regional businesses	Achieved	We ran our first internal design competition in 2018 – seeking out the best examples of placemaking from around the business. Around 60 schemes were submitted and each was judged against the Building for Life criteria – a recognised tool for measuring good design. The winners were announced at our managing directors conference.	
Conduct further post-occupancy research to assess customer views on our standard house types	Not achieved	We did not carry out post-occupancy research during 2018. However, over the last two years we have carried out extensive research with customers and potential customers as part of our efforts to become a more customer-centric business. This included home buyers, existing customers and renters of different ages in four locations across the UK.	
Increase the proportion of homes built using off-site construction techniques including timber frame	Achieved	The percentage of homes built using timber frame was 10.8%, an increase from 7.7% the previous year. We also piloted other off-site methods through our Project 2020 research.	
Complete the build of our 2020 pilot projects and evaluate build costs, efficiency and customer views	In progress	We began construction work on our prototype homes using the winning entry from our design competition with the RIBA. We built prototypes on three of our developments in different parts of the UK and used the process to test sustainable build technologies including off-site construction techniques. We will be evaluating the findings in 2019.	
Managing land, engagement and planning			
Continue to focus on selecting the right land and developing it in a sustainable manner	Achieved	Our land teams integrate sustainability into the land acquisition process from the start. Every potential site undergoes a detailed review against the Government’s National Planning Policy Framework which aims to ensure developments are economically, socially and environmentally sustainable. Our internal processes and guidance documents help our teams to identify and address relevant sustainability issues for each site.	– Continue to source more than 40% of completions from the strategic pipeline in the medium term – Convert on average c.6,000 plots per annum in the medium term (from the strategic pipeline to short term landbank) – Launch our updated Community Engagement Toolkit – Develop a new integrated digital platform for our Land Assessment and Management Process (LAMP) to improve how we manage sustainability risks at site level.
Continue to source more than 40% of completions from the strategic pipeline in the medium term	Achieved	In 2018, 58% of our completions were from strategically sourced land (2017: 53%).	
Convert on average c.6,000 plots per annum in the medium term	Achieved	We converted 7,619 plots from the strategic pipeline to short term landbank.	
Continue to maintain best practice community engagement	In progress	We create a tailored planning and community engagement strategy for each site that reflects local circumstances using our Community Engagement toolkit. Our approach goes beyond regulatory requirements, with engagement starting before we submit a planning application and continuing throughout the development process. We will launch an updated toolkit in 2019 with further detail to help our people engage a wide range of stakeholders and use research to help us understand local needs and priorities from the earliest stages of development. We continued to test the use of social media in community engagement.	
Update our LAMP process to make better use of environmental data	In progress	LAMP was updated in 2018 to reflect updates to regulation and technical best practice. In 2019, we will develop a new integrated digital platform for LAMP to improve how we use environmental data and manage site level risks.	

Performance summary continued

Targets 2018	Performance	Summary	Targets 2019
Delivering customer service			
Achieve a five star rating from the HBF	In progress	We are pleased to have achieved a customer satisfaction score of over 90% as measured by the Home Builders Federation (HBF) survey.	– Maintain a recommend score of at least 90% in the HBF eight-week survey, which equates to a five-star rating – Achieve an average score of 4 out of 6 across Taylor Wimpey on NHBC construction quality reviews by 2020 – Pilot our Customer Relationship Management system to improve consistency in customer experience across our business
Invest in a Customer Relationship Management system to further improve the quality of our customer interactions by 2019	Not yet achieved	We will be piloting a customer relationship management system during 2019.	
Review and strengthen our complaint handling procedures to be more customer-centric	In progress	We improved our complaint handling processes so that we have better oversight of the number of complaints made, the types of issues raised and the time taken to resolve them. We also launched a new two-day training course for our heads of customer service and customer service managers to help them communicate clearly and sympathetically. We will be making further improvements in 2019.	
Share best practice on customer service between our business units	In progress	We are sharing best practices through our updated customer service and quality processes such as our HQL process and training programmes. Identifying and sharing best practice will continue to be a focus in 2019.	
Review and update our Customer Journey process	In progress	We updated our customer journey process with the roll out of our Touchpoint online portal and updates to our complaint handling processes. We will be making further improvements in 2019.	
Increase our use of social media and improve our communication with customers online	In progress	Touchpoint, our online portal, has now been rolled out to all our regional businesses and is being used by around 70% of customers. We encourage customers to leave reviews on Trust Pilot and aim to increase our rating over time.	
Operating safely			
Improve safety and wellbeing for operatives working at height through the use of access staircases on all scaffolds to replace ladders	Achieved	We worked with our scaffolding providers and contractors to replace ladders on our scaffolds with staircases. This improves safe access and wellbeing for our people. All our main scaffolds on site are now fitted with staircases.	– Reduce our AIIR from 228 in 2018 to 190 in 2019 – Update our site HSE manual with a focus on working at height, risk assessment and traffic management – Develop site safety briefings and workshops for carpenter and bricklayer contractors – Update our safety training for apprentices – Launch health and safety passports to help us better track safety training when our apprentices and trade operatives move between our sites
Introduce best practice guidance for all timber frame suppliers, and timber frame fire safety training for our design and site management teams	Achieved	We held a series of workshops with our timber frame suppliers to agree common best practice and documentation for operating on our sites. These agreed processes are described in our ‘Timber Frame Manual’. We also ran a series of timber frame fire safety training sessions for our design and site teams.	
Update our HSE Manual and refresh our HSE training for new site managers	Achieved	Our HSE operational manuals and Site HSE Manual cover all relevant HSE operational procedures. The manuals were reviewed and updated in 2018. To keep safety front-of-mind, all our site managers and production teams complete a full day's health and safety refresher training every year. These interactive sessions explore best practice, behavioural safety and tools for better HSE management and communication on site.	
Improve or, as a minimum, maintain the same Annual Injury Incidence Rate (AIIR) as achieved in 2017	Not achieved	Our Annual Injury Incidence Rate (AIIR) for reportable injuries (per 100,000 employees and contractors) increased to 228 in 2018 (2017: 152). We are disappointed at this increase; however, our AIIR remains well below both the HBF Home Builder Average and the Health and Safety Executive Construction Industry Average.	

Performance summary continued

Targets 2018	Performance	Summary	Targets 2019
Protecting the environment			
Achieve a 50% reduction in our direct emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline	In progress	We have reduced our direct emissions intensity (tonnes of CO ₂ per 100 sqm of homes built) by 38.7% since 2013. In 2018, our emissions intensity remained the same as in 2017.	– Achieve a 50% reduction in our direct emissions intensity (scope 1 and 2) by 2023 against a 2013 baseline. – Reduce our waste intensity (tonnes per 100sqm of build) by 10% by 2021 against a 2018 baseline – Reduce our metered water use intensity (m³ per 100m² of completed floor area) in 2019 against a 2018 baseline – Launch our Home for Nature Toolkit to increase biodiversity on our sites
Work with the Carbon Trust to assess the feasibility of setting a science based target	In progress	We conducted a review of our target. We identified that deeper emission cuts are needed to align with climate science and the rules governing the setting of science based targets whilst also allowing for the construction of more much-needed homes. We are continuing to work with the Carbon Trust to confirm the level of reductions we will need to make and how this can be achieved. During 2018, we also worked with the Carbon Trust to analyse our scope 3 emissions in greater detail and developed a methodology for measuring emissions associated with our homes in use.	
Launch our Resource Champions network to improve resource management in our regional businesses	Achieved	We recruited a network of Sustainability Champions, one from each of our regional businesses. Their role is to engage our people and make sure that every business unit is meeting best practice standards. They will be responsible for monitoring waste reduction and energy and water efficiency performance at the local level, championing improvements and getting our people involved. The Champions met for the first time in 2019, attending a full day's training session. Here they explored what sustainability means for Taylor Wimpey, our sustainability targets and the role of the Champions.	
Reduce our mains water consumption from our metered UK offices by 3% per full time employee on a 2017 baseline	Not achieved	We have reduced the water intensity of our metered offices (the amount of water used per full time employee) by 38% since 2014. However intensity increased by 7% year on year. This is due to a number of water-efficient offices switching to non-metered supplies.	
As a minimum, maintain construction waste at 2017 levels	Achieved	We generated 5.38 tonnes of waste per 100sqm of build the same as the previous year, meeting our target. General waste intensity increased by 1% but plasterboard waste reduced by 9%. We believe this reduction is due to our work with our plasterboard supplier to specify the right sizes of plasterboard, reducing off-cuts. Around 96% of construction waste was recycled, an increase on 95% in 2017.	
Publish our Guide to Green Infrastructure to help promote biodiversity on our developments	Achieved	We launched our Guide to Green Infrastructure in 2018, which incorporates recommendations from the Wildlife Trust. It aims to support our teams to plan and implement effective green infrastructure that supports biodiversity. Key aspects are also integrated into our Design Academy training.	

Performance summary continued

Targets 2018	Performance	Summary	Targets 2019
Sourcing responsibly			
Engage with suppliers identified as potentially higher risk in relation to modern slavery	In progress	We are engaging with these suppliers to confirm that they meet our standards and have processes in place to reduce modern slavery risks within their operations and supply chain. We will be reviewing the findings from this engagement and following up with suppliers where necessary during 2019.	– Increase the proportion of homes built using timber frame to 20% by 2020 – Review our sustainable procurement priorities and develop an action plan – Work with a sustainable timber expert to update our timber sourcing policies and processes – Engage with suppliers who provide labour for our building sites to ensure they have robust processes for managing and reducing modern slavery risks.
Conduct a modern slavery risk assessment of suppliers to our Spanish business	Achieved	Our Spanish business has implemented its own Anti-Slavery, Human Trafficking and Human Rights Policy, added contractual provisions on modern slavery to supplier contracts and carried out a supplier risk assessment.	
Integrate our modern slavery e-learning modules in the induction process for all new employees and require all existing employees to complete them	In progress	We launched induction training on modern slavery to help employees understand the risks and know how to report any suspected incidents. Our commercial, technical and production directors are completing more detailed training on how to engage suppliers and to identify risk factors in our business and our supply chain.	
Increase engagement with the Supply Chain Sustainability School through workshops in our regions and with our contractors	In progress	During 2018, we participated in a series of training workshops with the Supply Chain Sustainability School to engage our commercial teams and local subcontractors in each of our regions. Participants learnt about the SCSS and the resources available, explored best practice examples and discussed practical actions they can take to improve sustainability performance in areas such as carbon and waste reduction, social value and inclusion. Over 400 employees and subcontractors have participated in SCSS events to date.	
Participate in the CDP Forests initiative	Achieved	We recognise the importance of transparency and participated in CDP Forests, the investor-led disclosure initiative, for the first time in 2018. We received a score of C.	
Continue to review compliance with our timber policy	In progress	We carried out a more detailed mapping exercise of our supply chain and identified that some timber is sourced from higher risk countries. We are following up with these suppliers to confirm that they have robust processes in place for sourcing sustainable timber.	
Conduct a review of packaging used at our logistics centre and identify opportunities for reduction	In progress	In 2018, we surveyed our major suppliers to understand the volume of packaging and types of materials used. We will be using the findings to engage with key suppliers to reduce the volume of packaging used, to identify opportunities for reuse and to avoid waste by improving how products are packaged and stored on our sites.	

Performance summary continued

Targets 2018	Performance	Summary	Targets 2019
Investing in people and skills			
Develop an apprenticeship best practice framework to ensure consistency across our regional businesses	In progress	We are making improvements to our apprenticeship programmes, including more regular reviews and enhancements to the training and support apprentices receive on site.	– Increase the number of people recruited onto our early talent programmes including graduates, management trainees and site management trainees – Keep our voluntary employee turnover below 15% – Deepen our recruitment pool both in terms of diversity and quality, particularly focusing on people who would not historically consider a career in housebuilding – Make flexible and agile working a real possibility for all employees – Launch our new Code of Conduct to all employees – Run our employee survey to understand how employees feel about working at Taylor Wimpey
Relaunch and expand our Management Trainee Programme	Achieved	We relaunched our management trainee programme to help us increase recruitment into five key roles: site managers, quantity surveyors, buyers, design and planning executives and engineers. Trainees now complete a three-year development programme with the opportunity to gain professional qualifications. We also improved our induction process for new trainees and provided additional training to help managers support trainees in their teams. 148 trainees were recruited in 2018 (2017: 95).	
All new employees to complete our e-learning module on diversity and inclusion as part of their induction	In progress	We have also integrated diversity and inclusion training into our induction process so employees understand its importance right from the start of their career with Taylor Wimpey. Line managers complete additional training.	
Carry out unconscious bias testing and compare progress against previous results	Not yet achieved	We intend to retest our leadership on unconscious bias during 2019 and use the findings to refresh our training.	
Launch a wellbeing campaign focusing on mental health	Achieved	We launched our mental health campaign including a one hour face-to-face session, called Start the Conversation, for all employees. This has been developed by Mates in Mind, a charity focused on improving mental health in the construction industry. Line managers are completing additional two-hour training to better equip them to identify and support employees who may be experiencing mental health issues and we have appointed mental health ‘first-aiders’ to support them.	
Partnering with charities			
Create volunteering opportunities for employees at all levels and parts of the business	In progress	Our Volunteering Policy enables employees to take two full days or four half days paid time off to volunteer with our charity partners each year. We have started to organise and promote some volunteering opportunities to employees.	– Support our national and local charity partners to increase their positive impact through our fundraising, donations and volunteering. – Continue to support the CRASH Wildgoose Chase event that raises funds for homelessness and hospice projects. – Provide funding to support St Mungo’s Construction Skills Programme that helps people recovering from homelessness to gain skills and find work in the construction sector – Provide training to help St Mungo’s master craftsmen update their skills and learn about modern construction techniques.
Organise another Company-wide fundraising challenge for our employees	Achieved	The annual Taylor Wimpey Challenge brought together 370 of our people, representing every one of our regional businesses, to have fun while raising money for charity. We raised over £167,000 this year to be shared between local charities and the Youth Adventure Trust, which runs activity days and camps for disadvantaged young people.	

Performance summary continued

Key Performance Indicators (KPIs) and other relevant sustainability data

	Coverage	Unit	2018	2017	2016	2015	2014
Revenue	Group	£m	4,082.0	3,965.2	3,676.2	3,139.8	2,686.1
Operating profit ¹	Group	£m	880.2	844.1	768.1	641.2	485.6
Number of completions (including joint ventures)	UK	Number	14,933	14,541	13,881	13,341	12,454
Number of completions (excluding joint ventures)	UK	Number	14,822	14,387	13,808	13,219	12,294
Number of completions	Spain	Number	342	301	301	251	164
Sustainable homes and communities							
Placemaking and design²							
Participation in Design Academy training	UK	Number of employees	225	151	–	–	–
Affordability							
Completions designated as affordable ³	UK	%	23	19	19	19	18
Number of affordable homes ³	UK	Units	3,416	2,809	2,690	2,527	2,198
First time buyers – % of sales	UK	%	34	41	38	36	36
Help to Buy – % of sales	UK	%	36	43	39	37	35
Percentage of sales through Help to Buy from first time buyers	UK	%	77	77	77	77	73
Efficient homes							
Code level 3 homes ⁴	UK	Number	1,762	2,451	3,676	3,968	3,268
Code level 4 homes ⁴	UK	Number	501	906	1,282	944	756
Planning obligations							
Value of Section 106 (England and Wales) and Section 75 (Scotland) and CIL agreements delivered	UK	£m	455	413	363	336	300
Land, planning and engagement							
Plots owned or with planning consent (short term landbank)	UK	Number	75,995	74,849	76,234	75,710	75,136
Short term landbank – number of plots converted from strategic land pipeline	UK	Number	7,619	7,863	9,519	8,660	10,779
Strategic pipeline – number of potential plots	UK	Number	c.127,000	c.117,000	c.108,000	c.107,000	c.110,000
Completions sourced from strategic pipeline	UK	%	58	53	51	47	39
Homes built on brownfield land	UK	%	37	45	45	52	55
Sustainable transport – customers							
Completions within 500 meters of a public transport node	UK	%	52	50	49	na	na
Customer satisfaction							
Customers satisfied or very satisfied with quality of their home ⁵	UK	%	88.9	87.9	84.7	86.3	87.4
Customers satisfied or very satisfied with the service provided before purchase ⁵	UK	%	86.4	84.1	81.7	84.0	85.2
Customers satisfied or very satisfied with the condition of their home ⁵	UK	%	86.0	84.4	81.6	82.3	85.4
Customers who would recommend us to a friend ⁵	UK	%	90.3	89.0	86.2	87.6	88.8
Homebuilder average – Customers who would recommend us to a friend ⁶	UK	%	87.4	86.2	84.3	85.0	84.9
Customers who would recommend us to a friend	Spain	%	100	100	93	100	100

Performance summary continued

	Coverage	Unit	2018	2017	2016	2015	2014
Health and safety							
Number of reportable RIDDOR injuries per year	UK	Number	43	28	36	29	32
Annual Injury Incidence Rate (AIIR) for all reportable injuries (incidence rate per 100,000 employees and contractors)	UK	Incidence rate	228	152	211	175	209
Annual Injury Incidence Rate (AIIR) for all major injuries (incidence rate per 100,000 employees and contractors)	UK	Incidence rate	64	54	53	18	26
HBF Homebuilder average AIIR	UK		330	334	335	361	351
Fatalities – employees and contractors	Group	Number	1	0	0	0	0
HSE training days – site management and operational staff	UK	per employee	4.3	4.5	4.8	5.2	5.3
HSE training days – support staff (office based)	UK	per employee	0.2	0.1	0.2	0.2	0.2
Number of reported workplace injuries per year	Spain	Number	4	4	5	6	6
Annual Injury Incidence Rate (AIIR) for reported workplace injuries (incidence rate per 100,000 employees and contractors) ⁷	Spain	Incidence rate	324	361	577	722	894
Annual Injury Incidence Rate (AIIR) for all major injuries (incidence rate per 100,000 employees and contractors)	Spain	Incidence rate	64	0	0	0	0
Construction site operatives (including subcontractors) with a CSCS card or trade equivalent	UK	%	93	94	94	92	na
Environment							
Energy and climate change							
Scope 1 GHG emissions – combustion of fuel	Group	tonnes CO ₂ e	20,328	18,889	17,983	17,768	16,436
Scope 2 GHG emissions – market based	Group	tonnes CO ₂ e	4,509	4,794	10,827	12,947	13,326
Scope 2 GHG emissions – location based	Group	tonnes CO ₂ e	6,892	8,236	10,417	11,159	11,885
Total scope 1 and 2 – market based	Group	tonnes CO ₂ e	24,837	23,683	28,809	30,716	29,672
Emissions per 100sqm completed homes (scope 1 and 2)	Group	tonnes CO ₂ e/100sqm	1.73	1.73	2.13	2.40	2.56
Scope 3 emissions from supply chain ⁸	Group	tonnes CO ₂ e	1,044,656	917,540	949,323	737,784	696,289
Total scope 1, 2 and 3	Group	tonnes CO ₂ e	1,069,493	941,223	978,132	768,500	725,961
Emissions per 100sqm completed homes (scope 1, 2 and 3)	Group	tonnes CO ₂ e/100sqm	74.3	68.6	72.5	59.9	62.7
CDP Carbon rating		Score	B	B	B	97:D	88:C
Energy use							
Operational energy use (fuel and electricity consumption from sites and offices) ⁹	UK	MWh	95,170	89,550	92,236	90,524	81,679
Operational energy intensity (site and office fuel and electricity intensity)	UK	MWh/100sqm	6.84	6.50	6.80	7.10	7.00

Performance summary continued

	Coverage	Unit	2018	2017	2016	2015	2014
Environment continued							
Waste and resources							
Construction waste per 100sqm build – general	UK	Tonnes/100sqm	4.80	4.74	4.40	4.11	3.94
Construction waste per 100sqm build – plasterboard	UK	Tonnes/100sqm	0.58	0.64	0.66	0.67	0.64
Construction waste per 100sqm build – total	UK	Tonnes/100sqm	5.38	5.38	5.06	4.78	4.58
Construction waste recycled	UK	%	96	95	93	93	94
Construction waste landfilled	UK	%	4%	5%	7%	7%	6%
Water							
Consumption of metered mains water	UK	m³	487,915	394,558	393,846	384,137	350,482
Consumption of metered mains water per 100sqm build	UK	m³/100sqm	35.09	29.41	29.95	30.66	31.05
Consumption of metered mains water in metered offices	UK	m³	10,874	11,563	11,305	18,359	15,059
Consumption of metered mains water in metered offices per full time employee	UK	m³/FTE	3.89	3.64	3.62	6.85	6.28
CDP Water rating		Score	B	A-	B-	B-	na
Biodiversity and ecology							
Biodiversity risks assessed at % of sites	UK	%	100	100	100	100	100
Biodiversity management plans implemented at % of sites identified as being exposed to biodiversity risks	UK	%	100	100	100	100	100
People							
Average number of employees (weekly and monthly)	UK	Number	5,358	4,893	4,697	4,299	3,916
Average number of employees	Spain	Number	84	102	98	89	75
Average number of employees (weekly and monthly)	Group	Number	5,442	4,995	4,795	4,388	3,991
Site operatives	UK	Number	13,526	13,422	12,390	12,273	11,450
Annual voluntary employee turnover	UK	%	14.5	14.0	13.9	13.3	na
Skills, learning and development							
Graduates programme – number recruited during the year	UK	Number	27	31	20	19	19
Management trainees – number recruited during the year	UK	Number	53	28	30	22	50
Trades apprentices – number recruited during the year	UK	Number	197	137	93	69	70
Site management trainees – number recruited during the year	UK	Number	95	67	54	29	29
Total apprentices, graduates and trainees recruited during the year	UK	Number	372	263	197	139	168
Training days per monthly salaried employee (including H&S training) ¹⁰	UK	Number	3	2.9	2.2	2.3	3
Training days completed	UK	Number	10,772	10,100	11,000	9,113	na

Performance summary continued

	Coverage	Unit	2018	2017	2016	2015	2014
People continued							
Diversity							
Women in workforce – all employees	UK	%	31	32 ¹¹	32	32	33
Women in junior management	UK	%	48	48	48	48	51
Women in management	UK	%	27	26	25	19	17
Women in GMT	Group	%	33	30	30	30	33
Women on the Board	Group	%	44	30	22	22	25
Partnering with charities							
Charitable donations and volunteering							
Donations to registered charities	Group	£	754,000	737,000	604,744	449,000	284,000
Donations to local community causes	Group	£	173,000	79,000	158,330	110,211	21,136
Amounts raised by employee fundraising	Group	£	357,000	295,000	270,753	298,654	257,889
Total donations (cash and fundraising)	Group	£	1,284,000	1,111,000	1,033,827	858,078	563,065

na – Data not available

1. Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures. Prior numbers have been restated for adoption of IFRS 9 'Financial Instruments'.

2. Course introduced in 2017

3. Includes joint ventures

4. The Code for Sustainable Homes has now been consolidated into Building Regulations so the number of new homes we build to the Code will reduce.

5. Figures relate to the HBF year of 01.10.17 to 30.09.18

6. The homebuilder average data is supplied by the NHBC based on legal completions between 01.10.17 and 30.09.18

7. For Spain, our injuries data and annual injury incidence rate include all reported workplace injuries to employees and contractors. This is similar but not directly comparable to our data for the UK which is collected under the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

8. We have re-stated our Scope 3 emissions from our supply chain due to changes and improvements to the Carbon Trust input output modelling methodology.

9. Data is for the UK. It includes all site and office energy (electricity, gas and other fuels), but excludes fleet.

10. Monthly employees accounted for around 68% of our total on average in 2018.

11. We have restated our data for 2017. The previously reported figure of 35% women in our workforce was incorrect.

Taylor Wimpey and the UN Sustainable Development Goals

We aim to support progress on the UN Sustainable Development Goals through our business and our work on sustainability.

We have analysed the goals and their related sub-targets to identify those of most relevance to our business. The following table shows the goals and targets we've identified, our potential impact whether positive or negative, and the progress we have made during 2018. We will use the results of this analysis as we continue to develop our sustainability strategy.

	Relevance to our business	Our impact	Progress in 2018
 Goal 1 – No poverty End poverty in all its forms everywhere			
1.2 By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions implement nationally appropriate social protection systems and measure for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.	Low – medium	Lack of skills, housing costs and low wages or insecure employment all contribute towards poverty in the UK. We can play a part in addressing these issues particularly through our support for homelessness charities, by building affordable housing on our sites and through investing in skills and education.	In 2018, around 23% of our completions were designated affordable housing (2017: 19%) – housing made available at below market rates. We donated and fundraised £1.28 million for registered charities and community groups in 2018 (2017: £1.1 million). We supported projects that promote aspiration and education and that help to tackle homelessness for seriously economically disadvantaged groups in the UK. We invested in skills through our apprenticeships and training programmes. In 2018, we also started working with St Mungo's to support their long term unemployed clients to transition into paid employment. See pages 19, 43, 44, 50 and 51.
 Goal 3 – Good health and wellbeing Ensure healthy lives and promote well-being for all at all ages			
3.4 By 2030, reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	Medium	Mental health is a significant concern in our industry with Government data showing that suicide rates are particularly high among men working in construction. The way we plan, design and build our homes and developments can influence the health and wellbeing of future residents. For example, by planning our developments to encourage walking and cycling and integrating nature and green spaces, we can enable residents to adopt healthier lifestyles. We manage risks relating to contaminated land through our Land Assessment and Management Process (LAMP).	We launched our Health and Wellbeing campaign in 2018 to support employees to maintain good mental and physical health. This includes face-to-face training for all employees on mental health and the appointment of mental health 'first aiders' to support managers and employees dealing with mental health issues. We are involved in three pilot projects as part of the Healthy New Town initiative which brings together the NHS, homebuilders, local government, universities, technology companies and other stakeholders to plan and build healthier places. We published 'A Guide to Green Infrastructure and Biodiversity' to help our teams integrate quality interconnected green spaces on our sites. See pages 19, 38 and 44.
3.9 By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination			

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
 Goal 4 – Quality education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all			
4.3 By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university	High	There is a skills shortage in our industry. We are investing in training and education to increase the number of people with technical and vocational skills. This includes through our training programmes for existing employees, our apprenticeships, management trainee and graduate programmes and the work we do with schools and further educational establishments. We are working to increase the number of women and diverse candidates joining our apprenticeship and trainee programmes.	We recruited 372 new people into our apprenticeship, management trainee and graduate programmes in 2018 (2017: 263). Entry-level positions make up around 13% of our total workforce.
4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship			We partnered directly with many universities, colleges and schools as well as participating in the UK Government’s Home Building Skills Partnership which aims to train 45,000 new housebuilding workers by 2019.
4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations			Our employees completed over 10,770 training days in 2018 (2017: 10,100). We work with Leonard Cheshire Change 100 to provide work experience for undergraduates with disabilities. We are partnering with the EY Foundation to support young people from socially disadvantaged black, Asian and minority ethnic (BAME) backgrounds with career planning and work experience. See pages 44 and 46.
 Goal 5 – Gender equality Achieve gender equality and empower all women and girls			
5.1 End all forms of discrimination against all women and girls everywhere	Medium – High	We aim to increase female representation in our business including at all levels of leadership. Our Diversity Policy sets out our commitment to diversity, equal opportunities, and no discrimination.	Overall, we have a gender mix of 69% male and 31% female across the Company, with 44% female on the Board and 33% female on our GMT. Our diversity steering committee leads our efforts to increase the diversity of our workforce.
5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision making in political, economic and public life			All our senior leaders have completed our ‘Open Minds’ training on the business case for diversity and addressing unconscious bias. We have integrated diversity and inclusion training into our induction process with additional training for line managers. We are broadening our recruitment channels to help us attract more female and diverse candidates. See pages 45-46.

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
 Goal 6 – Clean water and sanitation Ensure availability and sustainable management of water and sanitation for all			
6.3 By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally	Low – medium	We are working to improve operational water efficiency on our sites as well as providing water efficient homes to our customers. Our remediation processes ensure we protect local water quality near to our building sites. We integrate green infrastructure to protect and enhance water-related ecosystems.	All the homes we build have integrated water efficiency measures, including water meters, low flow taps and showers, and dual flush toilets. On our sites, we integrate sustainable drainage systems (SDS) that decrease flow rates to watercourses, increase infiltration into the ground and improve water quality. In 2018, our water intensity (the amount of water used per square metre of build) increased by 19% year on year. We believe this significant increase was due to the hot summer in the UK with more water being used for the lawns in our show homes and plots before sale and other green spaces on our developments. Our network of Sustainability Champions will help to improve water efficiency performance at the local level. See pages 20, 24 and 38.
6.4 By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity			
 Goal 7 – Affordable and clean energy Ensure access to affordable, reliable, sustainable and modern energy for all			
7.2 By 2030, increase substantially the share of renewable energy in the global energy mix	Medium – high	We build energy efficient homes for our customers which reduces running costs and cuts carbon emissions. We aim to reduce energy use in our business too, including from our construction sites and office buildings. We help support the renewable energy industry by purchasing green tariff electricity.	Our house types include a range of sustainable design features from highly energy efficient walls and windows, to insulated loft space and energy efficient fixtures and fittings. We are exploring alternative construction techniques which can further improve the energy efficiency of the homes we build. Our absolute energy use increased by 6.3% year on year due to a spike in gas and gas oil use during the colder than average winter months and business growth. Our energy use intensity increased by 5% year on year but has decreased by 10% since 2013. We purchase green tariff electricity for our sites during construction. This reduced our carbon footprint from purchased electricity by 6% in 2018. See pages 20, 36 and 37.
7.3 By 2030, double the global rate of improvement in energy efficiency			

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
 Goal 8 – Decent work and economic growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all			
	8.1 Sustain per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries	High	Our revenue was £4,082m in 2018 and we directly employed 5,442 people (2017: £3,965m and 4,995). We are investing in R&D to improve efficiency and sustainability including through building our Project 2020 prototype homes, testing new construction techniques and appointing our first R&D Manager.
	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors		We are working with suppliers and in our business to increase resource efficiency. We have recruited a network of Sustainability Champions, one from each of our regional businesses, to champion resource efficiency at the local level. In 2018, our energy use intensity and waste intensity stayed the same but our water use increased. We recycled 96% of construction waste.
	8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead		We have a particular focus on helping more young people join our industry. We recruited 372 new people into our apprenticeship, management trainee and graduate programmes in 2018 (2017: 263). We are committed to increase the number of women working in our industry.
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value		We published our second Gender Pay Gap report in March 2019. This showed that our mean pay gap is 6% and our median pay gap is 0%. This is significantly lower than the UK average but an increase on last year. Bonus pay gaps were 9% and 34%. This reflects the higher proportion of men in senior management roles. Our work to increase women's representation overall and at the most senior levels of the Group will help to address this.
	8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms		We respect the human rights of our employees and workers in our supply chain. We do not tolerate any form of slavery, forced labour, child labour or human trafficking in our business or supply chain. We have established our Modern Slavery Act multidisciplinary working party, chaired by our Group Legal Director and Company Secretary, to oversee our approach to due diligence and our work with suppliers to reduce modern slavery risks.
	8.8 Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment		In 2018, our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 228.
			See pages 20, 32, 36-38, 40, 41 and 44.

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
	Goal 9 – Industries, innovation and infrastructure Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation		
	9.1 Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	Medium We invest in infrastructure and facilities that benefit our customers and the surrounding community, and help ensure the long term success of our developments. The majority of this contribution is made through our planning agreement obligations (Section 106 agreements, Section 75 agreements and Community Infrastructure Levy payments).	During 2018, we invested £455 million in local communities via planning obligations (2017: £413 million). This included affordable housing, community and leisure facilities, transport infrastructure, educational funding, jobs for local people, public art and green spaces. We are looking at how we can increase early delivery of community infrastructure to maximise its positive impact. See page 19 and 24.
	Goal 11 – Sustainable cities Make cities and human settlements inclusive, safe, resilient and sustainable		
	11.1 By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums	High We aim to create thriving and inclusive communities where customers want to live and can enjoy a good quality of life.	The majority of our developments include affordable housing. In 2018, around 23% of our completions were designated affordable housing (2017: 19%) and made available at below market rates.
	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons	We are developing our approach to placemaking to help us plan and build inclusive and sustainable communities. Access to affordable housing remains a major challenge for many people and we want to play our part in addressing this.	To promote best practice in placemaking and inspire our teams, we ran our first internal design competition in 2018. We have also appointed an urban designer and local design leads and run our Design Academy training.
	11.3 By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	We also support this goal through our work on sustainable transport, home energy efficiency, managing flood risk, and investing in green spaces and community infrastructure.	We invest in roads, public and community transport, walkways and cycle paths as part of our obligations within the planning system. In 2018, around 52% of our UK completions were within 500 metres of a public transport node and around 66% within 1,000 metres.
	11.7 By 2030, provide universal access to safe, inclusive and accessible, green and public spaces, in particular for women and children, older persons and persons with disabilities		We integrate accessible green and public spaces into our developments. In 2018 we published 'A Guide to Green Infrastructure and Biodiversity' to help our teams integrate quality interconnected green and blue infrastructure and landscape design on our sites. The effects of climate change will increase flood risk in the UK. We take the risk of flooding on our developments extremely seriously and identify potential flood risk as part of our site selection process. We do not buy land unless we can mitigate flood risk. We also integrate energy efficiency measures into the homes we build. See pages 18, 19, 24 and 38.

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
 Goal 12 – Responsible consumption and production			
12.2 By 2030, achieve the sustainable management and efficient use of natural resources	High	We use significant volumes of natural resources to build our homes. We aim to be a resource efficient business. Our Waste and Resources Working Group oversees our approach to resource efficiency and includes senior managers from our health and safety, production, procurement and sustainability functions. The environmental footprint of our supply chain including energy and water use, carbon emissions and waste is many times greater than that of our direct operations. We aim to work with suppliers to use resources efficiently and to select sustainable materials with a lower environmental footprint.	We have recruited a network of Sustainability Champions, one from each of our regional businesses, to champion resource efficiency at the local level.
12.4 By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment			Waste volumes have increased over the last few years and we aim to address this. In 2018, we established a working group of senior managers to develop a new waste vision and action plan to reverse the increase in waste generation. We recycled 96% of construction waste.
12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse			We are working on resource efficiency and sustainable sourcing with suppliers including through the Supply Chain Sustainability School.
12.6 Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle			We aim to be transparent about our performance and we report on progress each year through our Sustainability Report, Annual Report and Accounts and by participating in investor led initiatives such as CDP.
12.8 By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature			We use our internal communications channels to engage our people on sustainability. For example, teamTalk, our internal magazine included articles on the UN Sustainable Development Goals, our charitable partnerships, skills and other aspects of sustainability in 2018. We provide information on sustainable lifestyles to our customers through our House to Home manual. See pages 34-38 and 41.
 Goal 13 – Climate action Take urgent action to combat climate change and its impacts			
13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Medium	Climate change is one of the most pressing global issues. We contribute to climate change through the carbon emissions from our business and supply chain and the homes we build. We want to play our part in tackling climate change by reducing our carbon emissions in line with climate science. We are monitoring and responding to climate change risks that may affect the communities and homes we build.	Our target is to achieve a 50% reduction in our direct emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline (tonnes of CO₂ per 100sq metres of completed homes). Last year we conducted a review of our target. We identified that deeper emission cuts are needed to align with climate science and the rules governing the setting of science based targets whilst also allowing for the construction of more much-needed homes in line with government plans. We are exploring whether we can set a science based target and are working with the Carbon Trust to confirm the level of reductions we would need to make.
13.2 Integrate climate change measures into national policies, strategies and planning			The effects of climate change will increase flood risk in the UK. We take the risk of flooding on our developments extremely seriously and identify potential flood risk as part of our site selection process. We do not buy land unless we can mitigate flood risk. We disclose climate-related risks through our reporting and CDP Climate. See pages 24, 34-36.

Performance summary continued

	Relevance to our business	Our impact	Progress in 2018
 Goal 15 – Life on land Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss			
15.1 By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements	Medium	Use of land for housing development can contribute to loss of biodiversity. We have measures in place to help us protect and enhance biodiversity on our sites. We can also support this goal through sustainable sourcing of natural resources like timber.	We carry out an ecological impact assessment for all sites, including assessing any protected species or habitats. We use ecologists' reports to identify measures needed to protect biodiversity and these recommendations are embedded into a Site Specific Environmental Action Plan, part of our environmental management system. We launched our Guide to Green Infrastructure in 2018, which incorporates recommendations from the Wildlife Trust. It aims to support our teams to plan and implement effective green infrastructure that supports biodiversity. We are also developing our Home for Nature Toolkit, a compendium of practical measures which can be implemented on our sites to enhance biodiversity. We use a lot of timber on our developments and want to make sure it comes from sustainably managed forests. We updated our tender documents and trade specifications in 2018 to make it clearer to suppliers that we require all timber to be from certified sustainable sources. We participated in CDP Forests, the investor-led disclosure initiative, for the first time in 2018 and received a score of C. See pages 38 and 41.
15.2 By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally			
15.5 Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species			
15.9 By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts			

We value your feedback

Get in touch

We welcome comments on this report or any aspect of our approach to sustainability.

Write to us:

Group Legal Director
and Company Secretary
Taylor Wimpey plc
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR

Please email us at:

sustainabilityreport@taylorwimpey.com

For more information visit:

www.taylorwimpey.co.uk/corporate

If there is a proposed development in your area, please get involved. At Taylor Wimpey, we firmly believe that the more thoroughly we engage with the local community and local stakeholders, the better and more rounded our development designs will be.

Please see our Annual Report and Accounts for further information on who our stakeholders are and how we go about engaging with each of them.

