Shareholder Questions & Answers from the 2022 Annual General Meeting (AGM)

Taylor Wimpey plc held its AGM on Tuesday 26 April 2022 at 10.30am at the Crowne Plaza Marlow, Fieldhouse Lane, Marlow, SL7 1GJ.

In the event that shareholders were unable to attend the AGM, shareholders were invited to submit questions in advance to be asked at the meeting. The deadline to submit questions was 10.30am on Friday 22 April 2022. Any shareholder questions submitted after this deadline were responded to directly after the meeting.

This document contains a full transcript of the questions pre-submitted by shareholders and the answers provided by Jennie Daly, CEO and Irene Dorner, Chairman. No questions were asked by shareholders present at the meeting itself.

1. **Mr Michael Bath: Why are PV (or solar) panels not fitted as standard in all new homes? Would this not help with sales and also the environment?"**

Jennie Daly: With the phasing in of the new Part L and F Building Regulations in England and Wales, and Section 6 in Scotland in 2022, homes will have enhanced fabric standards with additional features that may include heat recovery systems and PV panels. In 2021, 16% of the homes we built had onsite renewables systems installed, which included PV panels and we also have PV panels on some of our offices. We expect this percentage to increase during 2022 and beyond.

We do recognise that the way we design and build our homes can enable our customers to live a more sustainable and resource efficient lifestyle. During 2020 and 2021, we have conducted a range of research to update our technical specification and help reduce the carbon footprint of our homes, which has included product trials of wastewater heat recovery systems and thermal lintels, which are manufactured with an integrated thermal break that reduces heat loss and improves the environmental performance of homes. Our homes are well insulated and integrate energy efficient walls and windows, low energy light fittings and energy efficient appliances. All our homes in England and Wales have water meters fitted, and have low flow taps and showers, and dual flush toilets.

2. **Mr Robin Goulton: High levels of insulation will almost certainly be an attribute that potential buyers will require in homes purchased in the future. The high costs of heating buildings and ever hotter summers mean that insulation of buildings is of increasing importance. What would the relative costs of construction of a building in order to reduce the heat loss from a building by 1%, 5%, 10%, 20%, etc and could be based for convenience on the average temperature for particular regions in the UK?**

Jennie Daly: The performance of the building fabric does play an important role in reducing heat loss in our homes. Improvements to insulation, windows and doors will continue to reduce the heating

demand on homes as we progress towards Future Homes Standards. Whilst it is important to reduce heat loss it is also important to achieve an appropriate level of ventilation to ensure air quality is maintained and to minimise the risk of overheating.

Delivering higher levels of insulation through changes to building regulations have to date had a relatively modest impact on build costs. As we progress our designs to meet the 2021 Part L&F Building Regulations and further to meet the anticipated 2025 Future Homes Standards, we expect to see increased costs through the delivery of incremental fabric improvements such as triple glazing and increased depth of insulation to cavity walls.

3. **Mr Robin Goulton: Climate change is exacerbating the possibility that a building will be flooded. How will the risks of flooding impact upon the likely costs of insulation?**

Jennie Daly: Where we buy land, and as part of the planning process, we are required to assess potential flood risk on proposed developments and ensure that our developments and homes are built to appropriate standards of flood resistance in line with the expected impacts of climate change.

When designing our developments, we consult the NHBC exposure maps which assists with our determination of the cavity insulation specification, particularly in areas of severe exposure, to avoid water ingress across the cavity and prevent any dampness within the home during extreme weather events.

The cost of insulation is largely driven by the energy required to manufacture it and the cost of obtaining the raw material, and any required change to insulation specification due to exposure rating of the site is negligible.

4. **Mr Robin Goulton: Heat pumps are a way of reducing the amount of gas and oil needed to heat homes, and heat pumps will almost certainly be used to heat many new homes in the future. Optimising the construction of houses and flats so that the level of insulation is as high as possible, the resilience of the houses and flats to the risks of flooding, and the best ways of heating and possibly cooling homes with heat pumps, are all to some extent interconnected technical problems.**

Does Taylor Wimpey employ sufficient numbers of scientists and engineers to optimise the heating and cooling of houses and other buildings that Taylor Wimpey constructs, now and in the future?

Jennie Daly: Taylor Wimpey works with a range of consultants, manufacturers, industry bodies and also Government, to complement our own internal knowledge and experience across all our internal functions, and to assess a wide range of possible solutions and their compatibility. We believe this approach provides a beneficial way of capturing many differing thoughts and opinions, experiences and emerging concepts, which helps us to formulate our customer focussed solutions.

5. **Mr Robin Goulton: What level of insulation to prevent heat loss, and during very hot summers to prevent the ingress of heat, does Taylor Wimpey consider the optimum level of insulation necessary at present and in the future, when in the near future the consequences of climate change are likely to be more severe?**

Jennie Daly: We are largely driven by Government's projected targets when it comes to reducing heat loss and reducing overheating. Our homes and specifications are subject to a high degree of thermal modelling to ensure we strike the right balance between insulation and ventilation, whilst complying with the building regulations. We are currently working through the specifications of the new building regulation Parts L, F & O which are energy, ventilation and overheating; future government targets beyond these are not yet known. It is however an appropriate consideration that specifying too much insulation without proper and due consideration for the risk of overheating, ventilation and cooling, could have a detrimental effect for the occupants and therefore must be considered holistically, which we do at Taylor Wimpey with the assistance and advice from experienced consultants, manufacturers, and industry bodies.

6. **Mr James Daly: Achieving an EPC A rating for new builds isn't hard, or that expensive and can easily be exceeded. What is your justification for currently not achieving this as standard? Achieving a B simply means you are marginally above the average existing housing stock.**

Jennie Daly: The EPC rating of our homes is an estimation of how much energy the property is likely to use, and an assessment of the carbon dioxide emissions, which then rates the energy-efficiency of the home on a scale between A to G. The latest release from the Office for National Statistics (ONS) data from March 2021 confirms that the average EPC rating across the UK housing stock is an EPC band D. The EPC determines a band D house between a scale of 55 - 68 SAP points whereas a Band B is in the range of 81-91 SAP points. Our homes achieving an EPC with band B are therefore 33-47% better than the existing housing stock at Band D.

We do acknowledge that fabric and technology solutions are available to achieve an EPC Band A home, however these can often be complex and expensive solutions whose performance and contribution to an EPC rating will vary depending on typology and orientation of the home. The EPC rating is linked to running costs and not necessarily carbon compliance, so it may generate solutions that could benefit carbon compliance but actually increase the running costs of the home. We therefore need to carefully balance the carbon footprint of the home with the anticipated running costs using a developed supply chain and a skilled workforce that are capable of building at scale. As we progress our specifications for 2021 building regulations Part L & F and move towards the Future Homes Standard in 2025 we expect to be installing renewable energy generation technologies in our homes whilst ensuring the supply chain and available skilled workforces is sufficiently developed to deliver this at scale.

7. **Mr James Daly: Currently one of the biggest carbon emissions from the construction of a new home is the concrete used in the foundations. What steps are you taking to reduce the emissions associated with foundation construction?**

Jennie Daly: As we approach 'zero carbon ready' homes in use from 2025, embodied carbon (including embodied carbon from foundations) will make an increasingly prominent contribution to the whole life carbon of a home. We are supportive of whole life carbon regulation and are working with the 'Future Homes Hub Whole Life Carbon Steering Group' to create an approach that is practical and

deliverable for the home building industry as a whole. This will cover not just foundations but also the superstructure of homes and the development infrastructure such as roads.

In the interim we are taking some practical steps on foundation embodied carbon including building 20% of our homes with timber frame. Timber frame homes have a lower mass than brick and block homes and so foundations that provide an equal degree of structural support, can be built using fewer materials and hence have less embodied carbon.

8. **Mr James Daly: The majority of your new and proposed sites are still orientated around car ownership. Why are cycle lanes and active travel routes not being incorporated into more of these designs, along with car share schemes and local amenities access without having to drive?**

Jennie Daly: The design of our developments has to reflect planning policy and customer need. Local council planning policy still reflects a car based society and requires us to design accordingly. Likewise most of our customers will come with preconceptions of car ownership and use. We do, however recognise that active travel is a vital to our future society, in terms of sustainability, environment and wellbeing; so our designs do and will continue to look at consideration of the walking and cycling networks. Our designs increasingly include dedicated, separated cycle tracks. We are currently looking at how we can implement more of the guidance in the governments Cycle infrastructure design guidance and we await the forthcoming Manual for Streets.

9. **Mr James Daly: What steps are you taking to place pressure on insurance providers to provide cover for non-conventional builds, to allow you to build low carbon homes?**

Jennie Daly: To date we have not encountered any difficulties putting in place adequate cover for our timber frame buildings, however we are aware of the limited capacity within the insurance market for timber frame construction cover.

Our insurance brokers are looking into the limited availability of cover and considering ways to alleviate Insurers' concerns around timber frame construction; including whether any enhancements could be made to risk management processes across the industry or how reinsurance is put in place to cover Insurers' own risks.

We are also aware of the white paper published in January 2022 which referenced the substantial role Government has to play in developing Building Regulations that better appreciate the challenges if more complex construction types are to be embraced.

10. **Mr Martin Bushell: After being in our new home for over 4 months, we still have over 100 'snags' that we have been reporting, in some cases, since the day we moved in. Some of which are items outside of NHBC tolerance and some which have cost us, or are still costing us, significant amounts of money.**

With this large development - often referred to by Taylor Wimpey staff as a flagship development - one of the biggest in the country, I would have anticipated that you would want this development

to be of the highest standard. Instead, the build quality is dreadful, customer service is shocking, and apparently no desire to put things right, but a massive commitment to 'fobbing people off' with false promises. disappointing people and receiving a bad press.

This site is already under threat from the Enforcement department of the local council, due to the poor state in which it is being kept and no-one at Taylor Wimpey appears to have any interest in resolving this.

Would the board please comment on why this is considered to be acceptable and what plans are in place to correct this apparent constitutional problem which seems to run through the entire business, causing an untold amount of damage to the reputation of the business?

Irene Dorner: Please accept my apologies on behalf of the Board for the issues you have faced since moving into your home. I am conscious that we won't go into the specific details in relation to your property today, as it does not relate to the business of the meeting, but I will make sure your concerns are looked into as a priority and that an appropriate member of our customer service team is in contact with you as soon as possible to find a satisfactory resolution.