

# Building sustainable communities

Our customers want to buy a great home in a thriving community – somewhere they feel safe, supported and enriched. We are focusing on placemaking and design and investing in affordable homes, infrastructure and research and development to help us create great places to live.



## Affordable homes

**23%**

of homes across the UK designated affordable

## Community infrastructure

**£447m**

Contributed to local communities via planning obligations

## Placemaking

We held our second internal placemaking competition to encourage and celebrate best practice on our developments

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# Building sustainable communities

Our approach starts with placemaking – ensuring the design and layout of our sites promotes social, environmental and economic sustainability. We are exploring how we can help new communities become established more quickly on our developments, and investing in research and development so we can keep improving our homes.

## HIGHLIGHTS

- 23% of our homes were designated affordable
- Trained our teams on urban design principles and held our second placemaking competition
- Launched a pilot to explore how we can accelerate the creation of communities on our developments
- Researched new energy-efficient technology and completed the build of our Project 2020 prototype homes
- Worked with leading architects to design our new standard house type range

## A focus on placemaking

Our placemaking standards are based on best practice such as the Building for Life 12 framework. We have an Urban Designer and a Director of Design who work with our teams on placemaking. We have appointed a Design Lead in each of our regional businesses and strategic land teams to champion good design at the local level.

We communicate our standards and support our teams to apply them, in a number of ways:

- **Guidance documents:** Our standards are summarised in our guidance documents such as Our Approach to Placemaking, Our Approach to Sustainable Development, Our Guide to Green Infrastructure and Building for Life 12 guidance.
- **Our placemaking compendium:** We have published the first sections of our placemaking compendium, Building Blocks of Place. This includes practical advice and examples to help our businesses apply our approach. Modules released so far cover plotting, parking and perimeter block structures.
- **Our self-assessment process:** Used by our regional businesses to review design proposals against our placemaking standards. It is based on Building for Life and our internal standards and provides a green, amber or red score showing where improvements may need to be made.
- **Design Academy training:** Our e-learning on the core principles of urban design and how to create sustainable communities. 265 people from our design teams and senior management have completed the training to date.

- **Design surgeries and workshops:** Run by our Urban Designer, these review existing and planned developments and identify opportunities to strengthen placemaking before we apply for planning permission.
- **Conferences and awareness raising:** We held two conferences for our Design Leads to hear from external speakers and visit exemplar schemes. During 2019, we also engaged our Sales Directors, Technical Directors, Land Buyers and strategic land teams through workshops and conference sessions on placemaking.
- **External partnerships:** We work with many organisations on placemaking, including the Academy of Urbanism, BOB-MK (a design network for Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes), Design for Homes, Home Builders Federation, Homes England, Ministry of Housing, Communities and Local Government, RIBA (Royal Institute of British Architects), and the Urban Design Group.

## Design competition

We ran our internal design competition for the second time during 2019, seeking examples of best practice placemaking from across the business. The competition helps to raise the profile of placemaking and to recognise colleagues for their efforts. Entries are reviewed by senior managers.

Four of our schemes were shortlisted at the national Housing Design Awards, which promote excellence, innovation and sustainability in housing scheme design.



## UN SDG: Goal 11 – Sustainable Cities and Communities

### Make cities and human settlements inclusive, safe, resilient and sustainable

We aim for the homes and communities we build in towns and cities across the UK to align to UN SDG Goal 11. We are strengthening our approach to placemaking to help us plan and build inclusive, healthy 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, R&D, managing flood risk, and investing in green spaces and community infrastructure.

 More information on page 69



## What is placemaking?

Placemaking is a multi-faceted approach to the planning, design and management of our developments. When we design our schemes, we consider many factors that will help to create attractive, successful and healthy communities for the long term. Our internal placemaking standards are based on best practice requirements as defined by Building for Life 12, the National Planning Policy Framework and the National Design Guide.

### Key features of good placemaking include:

- Schemes that are well connected and integrated into their surroundings
- Layouts that are responsive to the context of the site, including topography, landscape, and existing buildings
- Distinctive character and good architectural quality
- Well defined streets and spaces with plenty of visual markers
- Good walkable neighbourhoods that prioritise pedestrians and cyclists
- Attractive public and green spaces
- An interconnected network of green spaces and parks
- Easy access to community facilities, such as shops, schools and workplaces
- Well-designed homes and a mix of housing to suit local requirements
- Good provision for cycle and bin storage





### Infrastructure and facilities

We invest in infrastructure and facilities that help make our developments great places to live over the long term. This includes affordable housing, green spaces, community and leisure facilities, transport infrastructure, educational funding, jobs for local people and public art.

The majority of our contributions are made through our planning agreement obligations (Section 106 agreements in England and Wales, Section 75 agreements in Scotland, and Community Infrastructure Levy payments). These are negotiated with local authorities and reflect local needs, council policy and feedback gained through community engagement. During 2019, we contributed £447 million to local communities via planning obligations (2018: £455 million).

Increasingly, we aim to install infrastructure at an early stage. This can help in the successful development of a new community, increase sales by making new developments more desirable to prospective buyers and provide new facilities to benefit existing residents.

Our Guide to Green Infrastructure and Biodiversity and Home for Nature toolkits help our teams integrate quality green spaces and landscaping on our sites and encourage biodiversity. Read more on page 37.

### Health and wellbeing

The design and layout of our developments can have an impact on the health and wellbeing of future residents. We aim to encourage walking and cycling and to enable residents to adopt healthier lifestyles by integrating nature and green spaces, as well as access to leisure facilities. Inside our homes we consider factors such as noise, natural light, air quality and preventing overheating.

We were involved in the Healthy New Town initiative which brought together the NHS, homebuilders, local government, universities, technology companies and other stakeholders to plan and build healthier places.

We are partnering with other housebuilders to co-fund a PhD at Birmingham University exploring future regulatory requirements and opportunities to enhance health and wellbeing in new homes.

### Heritage

We aim to integrate historic buildings and other unique local features into our developments – this enhances local character and contributes to good placemaking. Recent examples include our Howe Barracks site where three original buildings: the gymnasium, the chapel and the small arms trainer, will be handed over to a management trust for community use.



## Prioritising wellbeing at Whitehill and Bordon

Our Whitehill and Bordon development 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 will be an integrated health hub bringing together GP surgeries with services such as physiotherapy, fitness and social care. A seven mile 'green loop' and 'green grid' will enable residents to walk and cycle to their homes, workplaces and leisure facilities on attractive paths.

New green spaces, a natural play area, sports pavilion, skate park and community garden were all opened before any customers moved into their new homes. A series of sporting and active lifestyle events have also been launched, including a parkrun, roller hockey and cricket matches, a healthy eating programme for local children, and Golden Mile which encourages children to walk a mile a day.

The site participated in the NHS Healthy New Town programme, which included research into local health needs and identified challenges such as above average levels of childhood obesity and social isolation.



**300+**

people take part in parkrun and junior parkrun each week



**70+**

local people completed the Couch to 5k



**1,000**

people attended a Spring into Health festival, now an annual event run by the Community Trust



## Connected communities

When moving into a new home, people want to quickly feel part of a thriving local community. This was a clear finding from our customer research. However, it can take time for social networks to establish on new developments. What's more, the way we live, work and shop today often means fewer day-to-day opportunities to interact with the people who live nearby.

We're exploring how we can accelerate the development of new communities on our schemes, so that our customers feel connected and have a strong sense of community from an early stage.

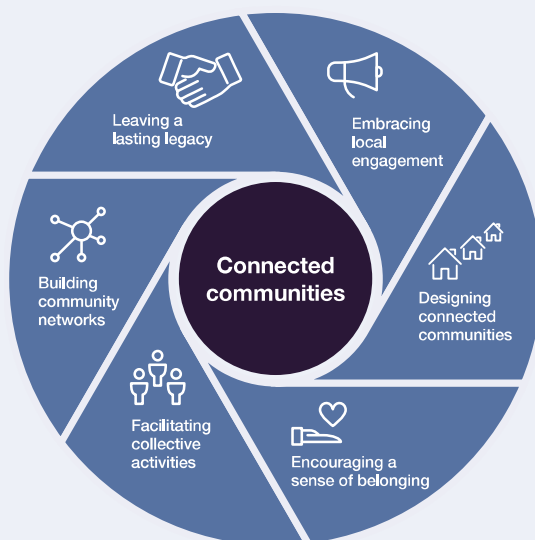
In 2019, we launched our Community Communication Plan. This toolkit will help our land, planning and sales and marketing teams organise activities and events that foster relationships between the new and existing

community, and that make it easier for new residents to set down roots. It also emphasises the importance of providing good information for customers on the facilities, services, and activities happening in their area. The toolkit covers the whole process from buying land to when we leave a development and will help us take a consistent approach across our sites.

We've also launched two pilot projects, to test the impact of different approaches to fostering community connections. The trials will be taking place at our sites in Pennington Wharf, Manchester, and Queens Court, Troon during 2020 and we'll be assessing the results using customer research and other data.

We set up Community Development Trusts on some sites to provide long term stewardship of the development and this can help to foster connections among residents and community groups.

**Our approach to connected communities is focused on six areas where we can have most impact. These incorporate our work on placemaking:**



## Affordable homes

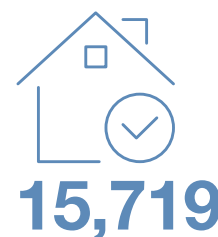
A lack of affordable housing is one of the biggest challenges facing people and communities across the UK. Not enough homes have been built in the last 40 years, resulting in rising house prices and rents and younger generations waiting longer to get on the housing ladder.

We want to play our part in tackling this housing crisis, creating quality homes for a greater number and wider range of people and exploring new initiatives to improve affordability and encourage homeownership. Our approach includes:

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

In 2019 we completed 15,719 new homes in the UK, including joint ventures (2018: 14,933), with prices starting from under £70,000. 34% of our sales were to first time buyers (2018: 34%). Second time buyers accounted for 34% of sales (2018: 31%) and investors around 5% (2018: c.5%). Around 34% of sales used the Government's Help to Buy scheme (2018: 36%), of which approximately 76% were to first time buyers (2018: 77%).

As we look ahead, we see the removal of Help to Buy as a continued risk, but having had visibility of, and time to plan for the changes we consider it as one that can be managed.



new homes completed across the UK



of completions designated affordable



of sales to first time buyers

We are trialling new ways to support more people to buy their own home through our Springboard initiative at our Kilnwood Vale development in West Sussex. This includes a mixture of 14 houses and apartments in our pilot rent to buy scheme and is enabling us to consider both the responses of first time buyers and families.

We are also participating in Home Reach, a government-backed shared ownership scheme. This allows customers to buy up to 50-75% of a new home with a 5% deposit and pay a low monthly rent on the remaining share.

Apartments can be more affordable and help us provide more homes on our developments. In 2019, 11% of completions were apartments (2018: 12%).

## Contributing to social housing

The majority of our developments include affordable social housing (homes made available at below market rates including social rent, affordable rent, low-cost home ownership and discount market sale tenures) which are negotiated as part of planning obligations. In 2019, around 23% of our completions were designated affordable (2018: 23%). Over the last decade, we have delivered over 24,950 units of affordable social housing.

As a customer-focused business, we want to make sure that the affordable homes we build meet the needs of future residents, contribute to sustainable communities and provide value to our social housing partners. We have appointed a new Partnerships Director, to further develop our approach.

## Our new house types

Our standard house types provide our customers with high-quality, energy-efficient homes that are cost-effective and safe to build. They can be adapted externally to reflect local character and scheme design and are used for the majority of our homes.

We worked with architects to update our standard house type range during 2019. We drew on findings from our Project 2020 prototype homes and research into how our customers live (or want to live), the design features they value and the aspects of our previous range that could be improved.

Our new homes will incorporate more open plan living, higher ceilings, more natural light and improved storage.

To help us improve build consistency and quality, we also reduced the number of standard house types, improved the specification and production information we provide to our teams, and standardised many of the components we use.

Most of our new standard house types will offer improved accessibility, in line with the optional requirements in Building Regulations Part M (4)2. This means they can be adapted more easily for people with disabilities.

This year, we will focus on testing the new range ahead of a full roll out to the business.

**c.90%**

of our new house types will comply with the Nationally Described Space Standard meaning more space for living and storage.

## Energy and resource-efficient homes

Our house types include sustainable design features from 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 are at least A rated for energy efficiency. In some developments we integrate additional measures, reflecting local authority priorities such as mechanical ventilation with heat recovery and photovoltaic (PV) panels.

All 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, such as water butts.

Our focus on build quality helps ensure that our finished homes achieve the specified energy efficiency standards and that ventilation systems are installed correctly to provide good internal air quality. We are 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.

## Fire safety

Following the tragic fire at Grenfell Tower in 2017, we conducted a detailed review of all relevant legacy and current buildings with Aluminium Composite Material (ACM) cladding and also 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 the 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 2019 year end, replacement works had been completed on three developments and were underway on another. Since the year end, we have commenced work on a further three developments.

## Researching the homes of the future

We invest in research and development (R&D) to help us meet changing customer needs, prepare for regulation, improve efficiency and respond to social, demographic, economic and environmental trends. Our R&D Manager coordinates our research efforts.

### Cutting energy and carbon

During 2019 we began researching and trialling products that can further improve the energy performance and reduce the carbon footprint of our homes without adding significant cost or making the build process more complex. Products we are testing include waste water heat recovery systems, thermal energy stores and PV panels. We carried out research with customers to understand their views on smart heating controls.

### Our Project 2020 homes

We built our Project 2020 prototype homes during 2019 and gathered feedback from the first occupants. These were developed from the winning entry to our design competition with the Royal Institute of British Architects (RIBA) and built on developments in Oxfordshire, Manchester and West Scotland. We used the process to test sustainable build technologies, including cross-laminated panels with wood fibre insulation and energy efficiency solutions, see case study on page 36.

We found the sustainable build technologies improved energy efficiency performance, but some increased build costs compared with more traditional techniques. The contemporary design proved popular and customers appreciated the large windows, natural light and integrated storage solutions. The ability to adapt the internal layout was also valued. These findings have informed the development of our new standard house types.

We built 14 modular houses, known as the I-House, as part of a trial in our Oxfordshire business unit, testing off site construction techniques.

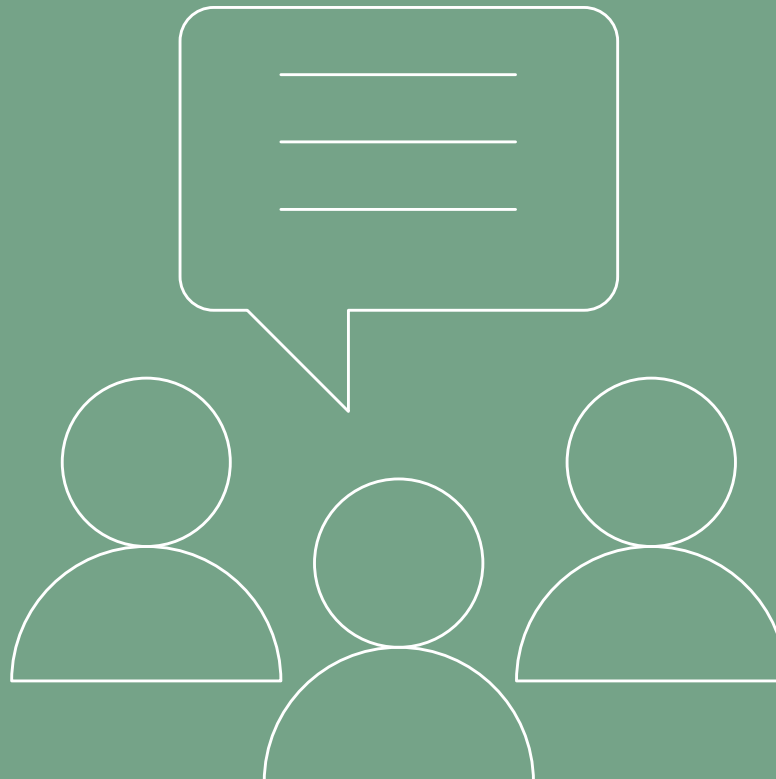
## Targets and plans

- Test our new standard house type range ahead of a full roll out and develop a range of standard apartments
- Complete our connected community trials at two sites and assess the findings
- Run our third internal design competition with a focus on sustainability and update our Design Academy training
- Increase the number of schemes rated green on our placemaking self assessment
- Develop a more energy efficient build specification to improve performance for customers and comply with updated building regulations



# Managing land, planning and engagement

We engage with local communities and planning authorities to understand their needs and priorities so we can reflect these in our plans and deliver high-quality developments. Sustainability is integrated into our land buying processes.



## Sustainable transport

Over 74% of our completed homes are within 1,000 metres of public transport, which can help to reduce car dependency

**74%**

## Delivering new homes

We are building on 97% of our sites which have implementable planning permission

**97%**

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# Managing land, planning and engagement

To create sustainable communities where our customers want to live, we need a good supply of high-quality land in the right locations, and to manage the planning process effectively.

## HIGHLIGHTS

- c.76k plots in our short term landbank and building on 97% of sites with implementable planning
- Updated our Political and Community Engagement Toolkit to help us communicate our plans in a clear and consistent way
- 57% of our UK completions were within 500m of a public transport node
- Engaged with local and central Government on issues relating to planning and sustainability including proposals relating to biodiversity, home energy efficiency and electric vehicle charging
- Developed a new digital platform for assessing and managing sustainability risks at site level
- Launched our Community Communication Plan to help our teams communicate with the community and prospective buyers throughout the life cycle of a development

## Sustainability and landbuying

Sustainability is integrated into our landbuying processes and we pay particular attention to flood risk, sustainable transport and promoting local economic development.

Every potential piece of land we buy must undergo a detailed review against the Government's National Planning Policy Framework (NPPF), which aims to ensure that developments are economically, socially and environmentally sustainable.

Our internal processes and guidance documents help our teams identify and address relevant sustainability issues for each site. These include our Sustainable Development Checklist which helps us to assess factors such as 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. Our teams must set out the sustainability factors considered in our internal authorisation document before the land can be approved for purchase.

In 2019, we developed a new integrated digital platform for assessing and managing sustainability risks at site level, called LEADR (Land and Environment Assessment of Development Risk). This draws on external environmental databases and uses detailed questions, checklists and procedures to help us manage risk associated with land and the environmental impact of our activities including remediation, flooding, biodiversity and archaeology. It will be rolled out to the business in 2020.

We often transform derelict or contaminated land into new communities, which helps support urban regeneration. Around 29% of our homes in 2019 were built on brownfield land (2018: 38%).



## How do we source our land?

We have around 76k plots in our short term landbank that have some form of planning permission. As at 31 December 2019, we are building on 97% of sites with implementable planning.

We currently have c.4.8 years of land supply at current completion levels in towns, villages and cities where customers aspire to live.

Our strategic pipeline is an important input to the short term landbank and provides an enhanced supply of land with greater control over the planning permissions we receive. This gives us more influence over the quality of the developments we build. We have increased the percentage of homes built on strategically sourced land – working with landowners and

local authorities over several years to secure planning permission.

In 2019, 56% of our completions were from strategic land (2018: 58%). Our strategic pipeline stood at a record of c.140k potential plots as at 31 December 2019.

Our Major Developments business works with Government departments such as the Ministry of Defence and Homes England 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.



>60%

of UK local authorities have now declared a climate emergency

We want to support planning authorities to achieve their climate objectives through the way we design and develop our schemes in their areas. This focuses on our efforts to reduce carbon emissions from our homes in use, with reductions in supply chain carbon and operational emissions also having an impact.

## Mitigating flood risk

Climate change is increasing the risk and frequency of flooding in many locations across 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 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.

We have carried out research to understand the likely impact of climate change on flood risk on our 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 have guidance on how to use green infrastructure to manage water on site (see page 37).

## Sustainable transport

We aim to limit the impact of new developments on existing transport infrastructure and to develop our sites to enable residents to adopt sustainable modes of transport. In 2019, around 57% of our UK completions were within 500m of a public transport node and around 74% within 1,000m.

We encourage 'walkability' on our sites by integrating paths and cycle routes into layout design and by ensuring 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 how we will encourage alternatives to car travel.

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.

## Measuring economic impacts

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, which we updated in 2019, helps us understand and communicate 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.



## Connecting residents at Lawley village

Residents in our 186 homes at Lawley Phase 8, part of the Lawley village community, have access to quality areas of public open space, and a good network of public transport, including a bus route and extensive network of cycle paths. The scheme borders parkland and integrates 'pocket parks' which provide community areas, activity spaces and resting places.

The scheme was shortlisted for a Housing Design Award in 2019.

## Community engagement

We build in communities for years, making a significant impact on the local area and its people. We aim to build strong, open and honest relationships with the local community throughout this time by communicating proactively and consistently. This engagement helps us develop successful planning applications by understanding local needs and reflecting these in our plans.

Every one of our sites has a tailored planning and community engagement strategy. We provide a clear point of contact at each site and seek to

engage neighbouring residents and property owners, potential customers, local authorities, businesses, schools and other groups.

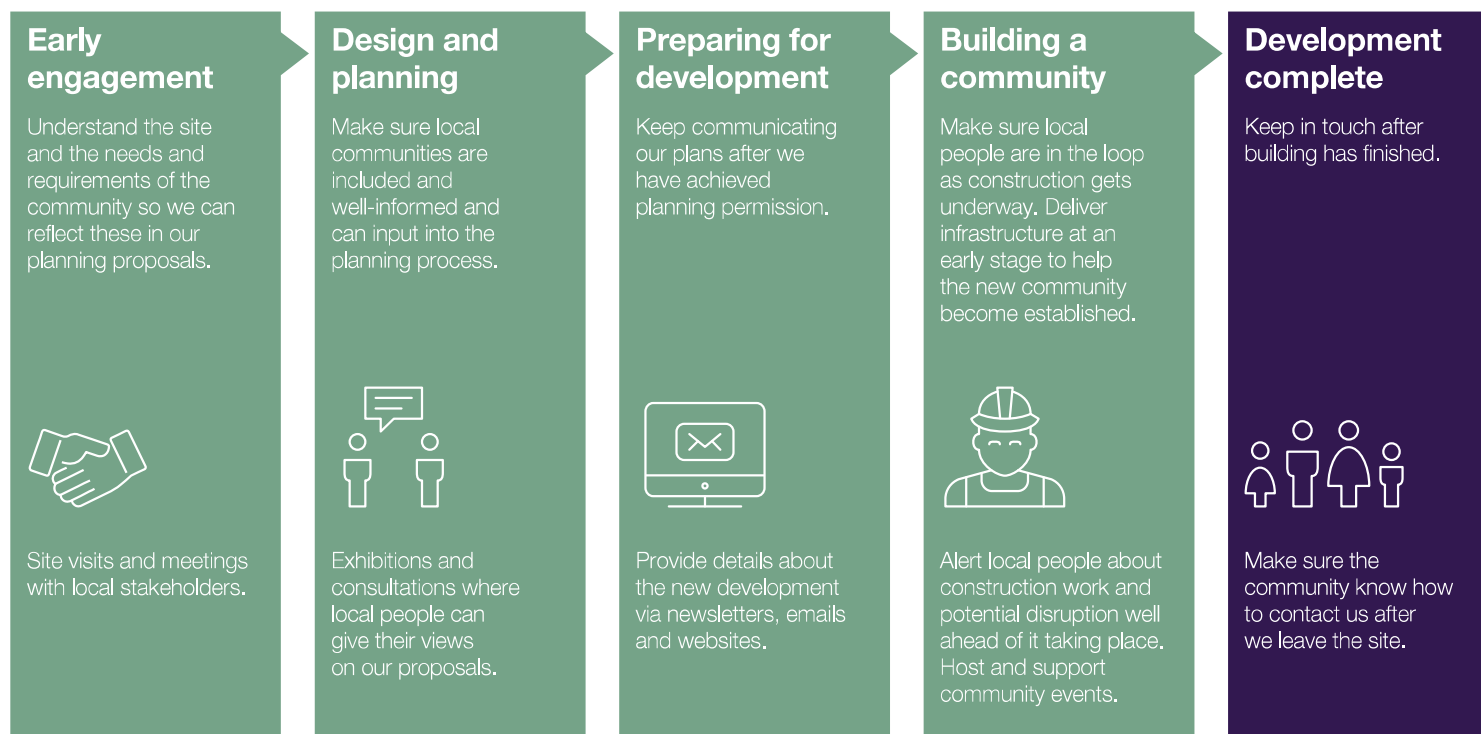
We use a range of methods to engage with local people, including meetings, exhibitions, workshops and information boards. We publish information on all proposed developments on our website so local residents can see what we are planning in their area. We are also using social media to help us reach a wider range of stakeholders and to maintain engagement throughout the planning and build process.

To make sure we engage consistently across our sites before, during and after construction, we updated and relaunched two key guidance documents in 2019:

– **Political and Community Engagement Toolkit** – To help us engage a wide range of stakeholders in the planning process and use research to understand local needs and priorities. We updated the toolkit in 2019 to ensure our communications are always straightforward and easy to understand.

– **Community Communication Plan** – Launched in 2019, this provides a step-by-step framework for our regional businesses to communicate with the community and prospective buyers throughout the lifecycle of a development. It is intended to be used by our land, planning and sales and marketing teams and supports our work on connected communities, (see page 18).

## Community engagement: key stages and examples





## 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 and sustainability. In 2019, this included:

- **Biodiversity net gain** – We contributed to a Department for Environment, Food and Rural Affairs (DEFRA) consultation on biodiversity net gain. 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.
- **Future Homes Standard** – We provided views to consultations on this proposed legislation and associated updates to building regulations. We support measures to reduce the carbon footprint and energy consumption of new homes but also highlighted potential challenges, such as increased load on the grid from all electric homes, and supply chain and skills shortages.
- **Electric vehicle (EV) charging** – We made a submission to this consultation, stating our support for enabling an increase in electric vehicle charging. Our view is that given the range of EV charging points currently in use and likely changes to these, developers should ensure that homes are EV ready so charging points can be easily installed by future residents.

- **Building a Safer Future** – We continue to participate directly and via the HBF in consultations on proposals for reform of the building safety regulatory system and introduction of a new regulator.
- **Placemaking** – We made a written submission to the All Parliamentary Group on Building Communities. We emphasised the importance of local engagement to ensure the delivery of high-quality public spaces that meet current community needs and can be adapted in the future.

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 2019, for example, we participated in focus groups on changes to viability assessments. Regional businesses are also members of trade associations, for example our Scottish businesses are members of Homes for Scotland.

We are members of five Homes England 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 17).

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



## A new community in East Anglia

The first stage of Northstowe New Town in East Anglia will provide 152 new homes of which one quarter are designated affordable housing. The site includes a primary school, and public park and is situated close to sports facilities, bars, shops, cafes and offices. It will be connected by bus to local villages and Cambridge. To benefit migratory birds passing over the site, some properties will include swift boxes. The planting scheme will include native trees and pollinator friendly plants to enhance biodiversity.

The scheme was shortlisted for a Housing Design Award in 2019.

## 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. In 2019, we trained our teams on changes to planning requirements which affect how viability is assessed on potential development sites.

## Targets and plans

- Source more than 40% of completions from the strategic pipeline
- Increase landbank efficiency – reduce length of short term owned and controlled landbank by c.1 year to 4-4.5 years
- Roll out our new integrated digital platform for assessing and managing sustainability risks at site level

# A great service for customers

We want to be a customer-focused business – delivering a quality product based on a detailed understanding of our customers' needs and getting things right first time.

**Build quality**  
Our average NHBC Construction Quality Review score increased to

**4.13**

**Customer satisfaction**

**89.4%**  
of customers would recommend us to a friend



**26**  
Equipping our people

**26**  
Good-quality homes

**27**  
Easy for our customers to do business with

**27**  
Trust and transparency

**28**  
Customer satisfaction

**28**  
Responsible marketing

**28**  
Ground Rent Review Assistance Scheme

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# A great service for customers

We are working to improve our customer service at all stages of the homebuying process and to achieve consistently high build quality. We seek to understand which factors contribute to satisfaction and to improve our training, policies and processes to deliver these.

## HIGHLIGHTS

- 89.4% of customers would recommend us to friends
- 4.13 average score from NHBC Construction Quality Reviews, leading the volume housebuilders
- Quality Managers appointed in our regional businesses
- Over 1,400 employees enrolled on or completed our Academies for Customer Excellence, Sales and Production
- 20% of our senior leaders' performance related bonus based on customer satisfaction scores
- Relaunched our Academy of Sales Excellence
- Trialled Finisher roles in our regional businesses

## Equipping our people

We are training, equipping and incentivising our people to deliver great service and a quality product.

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

- **Academy of Customer Excellence:** Training for our customer service teams covers our product range, Customer Journey, consumer protection legislation, technical standards, and health, safety and the environment. Role-specific modules are available for team leaders and Heads of Customer Service. Over 345 employees have enrolled in the training so far.
- **Production Academy:** Participants complete NVQ and technical courses developed by the NHBC and adapted to reflect our business. These cover the NHBC warranty, effective snagging, handover and defects prevention, as well as site environmental management, leadership skills, commercial awareness and project management. Over 370 employees have enrolled in or completed the training so far.
- **Academy of Sales Excellence:** This builds the skills, knowledge and expertise of our sales teams to deliver excellent customer service and consistent sales in all market conditions. Over 260 employees have completed the training since its relaunch in 2019.

More information on our approach to training can be found on pages 44 and 45

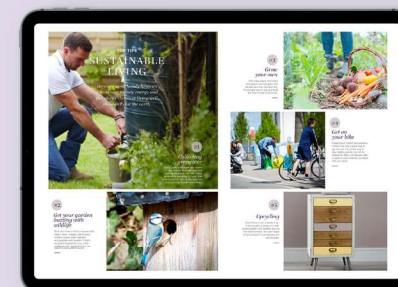
We integrate customer satisfaction (including a question on quality) into our corporate bonus scheme for all employees. In addition, in 2019, 20% of our senior leadership's performance-related bonus was dependent on achieving customer satisfaction targets. These were measured against our customer satisfaction scores from the HBF eight week and nine month surveys.

Many aspects of our work featured in other sections of this report also play a critical role in customer satisfaction including placemaking, connected communities and our house types, see pages 18 and 19.

## Good-quality homes

We want to deliver every customer a high-quality home. We are investing in our processes to ensure consistency across our regional businesses. Getting things right first time is not just good for customers, it reduces costs and is important from an environmental perspective as fewer mistakes mean less waste, fewer deliveries to site and homes perform to the energy efficiency standards we expect.

Our Production Academy training and our Production Manual help our teams to understand and apply our quality and finishing standards.



## From House to Home

All our customers receive information on their new home via our 'From House to Home' manual. This was updated in 2019 and we added advice on living sustainably including tips to help customers save energy, reduce waste, and encourage nature in their gardens. We also give all our customers details on how to use and maintain the environmental features in their homes through our Maintenance Guide.

Build quality on site is overseen by our Head of Production who works closely with our Customer Director. Progress is reviewed monthly by our Group Operations Team of senior leaders. We agree a quality improvement plan where business units are not meeting our standards and our Head of Production and Technical Director work with commercial and production teams to implement improvements.

We have recruited Quality Managers across our regional businesses. They work closely with our Production Directors to review performance and identify and address quality issues. In some businesses we are also trialling Finisher roles, to assess whether this speeds up the process of addressing snagging issues.

Our Consistent Quality Approach (CQA) guidelines ensure our Site Managers, subcontractors, production and customer service teams have a consistent understanding of the finishing standards we expect on all our homes. In 2020, we plan to produce a customer-facing version so our customers know what to expect from us.

### Quality scores

We lead the volume housebuilders in build quality as measured by the NHBC CQR score, which measures build quality at key build stages. In 2019, we scored an average of 4.13 (2018: 3.93) from a possible score of 6. This compares with an industry average score of 4.01. We are fifth nationally when ranked against all housebuilders who have more than 100 build stages (which excludes self build and very small housebuilders). We aim to improve this further by ensuring our quality assurance processes are embedded at every stage of build. Our target is to achieve at least a four rating by 2020 in each regional business.

#### NHBC Construction Quality Review score

**4.13**

2018: 3.93

### Easy for our customers to do business with

We want to make it as easy as possible for customers to do business with us and to communicate clearly throughout the homebuying process.

Touchpoint, our online portal, is being used by around 70% of customers to contact our teams, check the progress of their new home, select home layout and fitting options, and access manuals and user guides after they move in.

Every customer receives a From House to Home manual, updated in 2019, which explains what to expect at every stage as well as a maintenance guide with information on home features, systems and appliances.

We will be piloting a Customer Relationship Management system in 2020, to further improve how we communicate with customers and enable us to track interactions and outcomes.

### Trust and transparency

We want to get things right for customers, and if concerns do arise to address them at an early stage. However, if issues aren't resolved to our customers' satisfaction, they can use our complaints procedure.

Customers can raise complaints with our customer service teams and any that can't be resolved locally are referred to our Head of Customer Engagement. This process is overseen by our Customer Director. We have trained our teams on handling complaints effectively and sympathetically and only trained employees are authorised to manage complaints. We are focusing on reducing the time it takes us to resolve customer complaints.

We remain supportive of Government plans to introduce an independent ombudsman service to the new build sector to provide impartial rulings on unresolved customer issues and to help raise standards in the wider industry.

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 the complaints process for customers.

We encourage customers to leave reviews on Trustpilot and aim to increase our rating over time. At the end of 2019 we had a 4 out of 5 star rating with a trust score of 3.9 out of 5.

### Key steps in our quality process include:



#### 1. Engage

We communicate our quality standards to contractors before work begins.



#### 2. Build

Our Build Quality Checklist is used by our site production teams to assess quality during the build. All items must be completed to the required standard.



#### 3. Finishing

Our Consistent Quality Approach provides detailed guidance on the quality and finishing standards we expect in areas such as paintwork, brickwork and plastering.



#### 4. Inspection

Every home must pass our Home Quality Inspection (Hqi) before the customer can move in.

The NHBC carries out independent Construction Quality Reviews at key stages of the build.



#### 5. Monitor & improve

We monitor our CQR and Hqi scores to identify areas for improvement. Our average CQR score is a key performance indicator for the business.

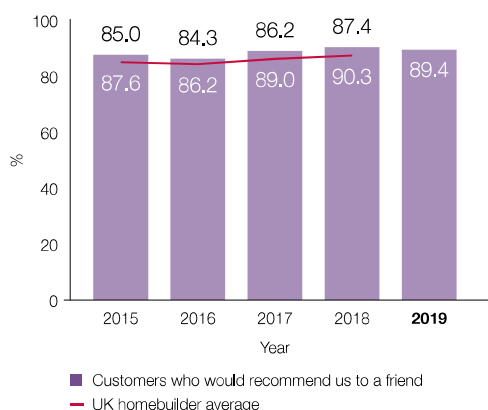
## Customer satisfaction

We track a basket of measures relating to customer service, as no one measure encompasses all aspects of a customer's journey with us. This includes the Home Builders Federation (HBF) 8-week and 9-month scores and the NHBC CQR score, which has continued to improve.

However, we dipped to a four-star builder in the latest HBF 8-week survey covering October 2018 to September 2019, from a five-star in the prior survey covering October 2017 to September 2018. The cut-off for five-star is 90% and we achieved 89.4%. Whilst we missed this by a very small margin, we are disappointed to have missed this important target and are committed to achieving a five-star rating on an annual basis. We are pleased that we are now once again operating at above 90% levels of customer satisfaction.

Our 9-month satisfaction scores give us more insight into how customers feel about the homes and places we build over the longer term. Our score for 2019 was 77% (2018: 76%). We aim to improve our 9-month customer satisfaction survey score to a consistent 80%.

### Customer satisfaction 'would you recommend us to a friend?' 8-week score (%)



Note: The UK homebuilder average is supplied by the NHBC. 2019 data will be published by the HBF on 31 March 2020.

## 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 2019, there was one complaint made to the Advertising Standards Authority which was informally resolved. There were no upheld complaints.

## Ground Rent Review Assistance Scheme

During 2007-2011, ten-year doubling ground rent clauses were included in the leases to our customers 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% at an advanced stage in the legal process. All of our customers that currently have the option of converting their ten-year doubling lease to an RPI-based structure have been contacted in connection with this matter either by Taylor Wimpey or, as appropriate, by the relevant freeholder directly.

### UK customer satisfaction – independent HBF survey (eight weeks and nine months)

Taylor Wimpey scores	2019	2018	2017	2016	2015
Customers satisfied or very satisfied with the quality of their home	87.1%	88.9%	87.9%	84.7%	86.3%
Customers satisfied or very satisfied with the service provided before purchase	83.3%	86.4%	84.1%	81.7%	84.0%
Customers who would recommend us to a friend	89.4%	90.3%	89.0%	86.2%	87.6%
9-month score (customers who would recommend us to a friend)	76.8%	76.8%	76.2%	74.2%	77.6%

Note to table: The 2019 figures relate to Taylor Wimpey's survey scores based on completions during the HBF year, from 1 October 2018 to 30 September 2019.

The 9-month 'would you recommend' score for 2019 relates to customers who legally completed between October 2017 and September 2018, with the comparator relating to the same period in the prior years. We have changed the way we report our 9-month score this year to align with our Annual Report and Accounts.

## Targets and plans

- Achieve a recommend score of at least 90% in the HBF 8-week survey, which equates to a five-star rating
- Achieve a CQR score of at least four in each of our regional businesses
- Improve our 9-month customer satisfaction survey score to a consistent 80%
- Produce a customer version of our Consistent Quality Approach document so customers are clear what they can expect from us
- Exceed NHBC requirements by conducting two Construction Quality Reviews per site per year
- Trial our new Customer Relationship Management system across the business



# A safe place to work

Our first responsibility is to provide a safe place to work. We work with colleagues, contractors, suppliers, trade groups and others in the housebuilding industry to keep improving safety performance.

## Accident rate

Our Annual Injury Incidence Rate was 156 in 2019, down from 228 the year before

156

## Employee view

98% of our employees agree that Taylor Wimpey takes Health & Safety in the workplace seriously

98%



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# A safe place to work

Health and safety (H&S) is a non-negotiable top priority for everyone at Taylor Wimpey, and is discussed at each and every Board and management meeting.

## HIGHLIGHTS

- Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees was 156 in 2019, a 32% reduction on 2018
- 98% of employees agree that “I know how to manage Health & Safety issues relating to my area of work”
- Comprehensive H&S Management System supported by training and audits
- New H&S processes launched to protect young people working on our sites
- Defibrillators installed on every site along with CPR training delivered to employees in case a colleague or visitor experiences cardiac arrest

## Our safety culture

Construction sites inevitably present a number of potential health and safety risks from slips, trips and falls to risks associated with working at height or using heavy equipment. We have rigorous policies and procedures in place supported by training, communication and visible leadership to make sure we identify and address these risks. Our goal is that everyone goes home safe and well from our sites each day. We are pleased that health and safety is the highest scoring criteria in our latest employee survey.

Key elements of our approach include:

**Our Health, Safety and Environmental (HSE) Management System** – This covers all business activities, and we have specific HSE plans for every site. It is based on (though not certified to) OHSAS 18001. Our HSE operational manuals and Site HSE Manual cover all relevant safety procedures and are updated regularly in line with best practice and regulatory changes. We develop Health, Safety and Environment Improvement Plans at both Group and regional business level.

**Senior leadership and oversight** – Directors from our regional businesses review the HSE aspects of our operations during site visits, including making unannounced spot checks and our Production Managers review performance with Site Managers on a monthly basis. Health and safety performance is the first item reviewed at every business unit management team board meeting and at our monthly Group Management and Group Operational Team meetings.

**Internal and external audits** – Our management system is audited by our internal regional HSE advisers and independent external site HSE advisers. Our external site HSE advisers carry out independent unannounced site audits at least monthly.

**HSE training** – All production and site management teams undergo training supplemented through regular workshops and briefings. 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. 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.

**Regular HSE newsletters and memos** – These 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.

## Employee survey results



98%

of employees agree that “I know how to manage Health & Safety issues relating to my area of work”



98%

of employees agree that Taylor Wimpey takes Health & Safety in the workplace seriously



## A defibrillator on every site

If someone suffers a heart attack, easy access to a defibrillator can make all the difference to their survival. That's why we've teamed up with the British Heart Foundation (BHF) to install defibrillators on all our construction sites and regional offices – over 370 locations.

Defibrillators are easy to use, however, installing the equipment doesn't necessarily mean people will have the confidence to do so. Working with BHF, we've also trained our first aiders and site HSE advisors on how to give CPR (cardiopulmonary resuscitation) and use a defibrillator to help someone experiencing cardiac arrest. During 2020, we'll offer the training to other employees and operatives on our sites.

The defibrillators are also made available to the public to use if needed and we intend to donate the defibrillator to the community we are working in once construction has finished on the site.

# 74%

60,000 people die from sudden cardiac arrest every year in the UK. Using a defibrillator and performing CPR can increase their chance of survival from 6% to 74%



**"This new and exciting collaboration will see Taylor Wimpey roll out CPR training to employees, contractors and operatives and make potentially life-saving defibrillators accessible across every one of their building sites in the UK. This will leave a lasting legacy which will continue to save lives in the future."**

**Simon Gillespie**, Chief Executive at the British Heart Foundation





## Apprentices get their safety passport

We now have 634 apprentices working on our sites and we make their safety a priority. We've rolled out our 'Young Persons HSE Safety Passports', which track the H&S training and risk assessments that each apprentice and management trainee has received from their first induction to training on using plant and equipment. Now, when they transfer between our sites, the Site Manager can easily see what they've already learned and if any HSE assessment or training gaps need to be addressed.

Our apprentices also wear specially designed 'in training' green hard hats on site, introduced in 2019. These provide a clear visual reminder to everyone that apprentices are still in training. We've also updated our safety risk processes for young people and introduced a mentor and buddy system to help us better monitor their progress and provide day-to-day support.

## Working with contractors

Many workers on our sites are employed by our contractors so we work closely with them on safety. Our approach includes:

- Risk assessment and vetting procedures before we agree to work with a contractor. These confirm whether they have the right knowledge, skills, resources and experience to manage health and safety to our standards
- Our 'Operative's Journey' process which includes our HSE site induction, regular poster campaigns and site safe briefings
- HSE site support teams that participate in monitoring and improving site safety. 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. Operatives can talk to them about HSE issues, concerns or suggestions for improvement

We strengthened our risk assessment process during 2019, employing an external organisation SMAS (Safety Management Advisory Services), to ensure contractors renew their third party H&S accreditation and risk assessment each year. This will help improve consistency across our sites.

We are a member of the 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).

## 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.

## Performance in 2019

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.

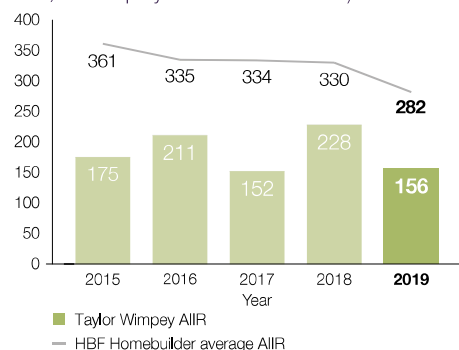
Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 156 in 2019 (2018: 228). Our AIIR for major injuries per 100,000 employees and contractors was 44 in 2019 (2018: 64). There were no fatalities.

The improvement in performance reflects the efforts of our business unit management teams, contractors and operatives in supporting our site teams to maintain safe sites.

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.

There were no health and safety fines or prosecutions in 2019.

### Health and safety performance Annual Injury Incidence Rate (AIIR) for all reportable injuries (incidence rate per 100,000 employees and contractors)



## Occupational health

We manage a range of occupational health risks on our site. This includes providing protective equipment and procedures to reduce and control construction-related dust. Face masks play an important role in protecting against dust inhalation, however they may not work effectively over stubble and facial hair. During 2020, we plan to introduce powered respirators on our sites and ask our contractors to do the same. These types of mask are designed to work with facial hair and could help encourage more operatives to make full use of respiratory protective equipment.

During the summer we ran our sun safe campaign, reminding everyone on site to cover up, stay hydrated and wear sun screen. All our sites provide free high factor sun screen which all colleagues, contractors and visitors can use.

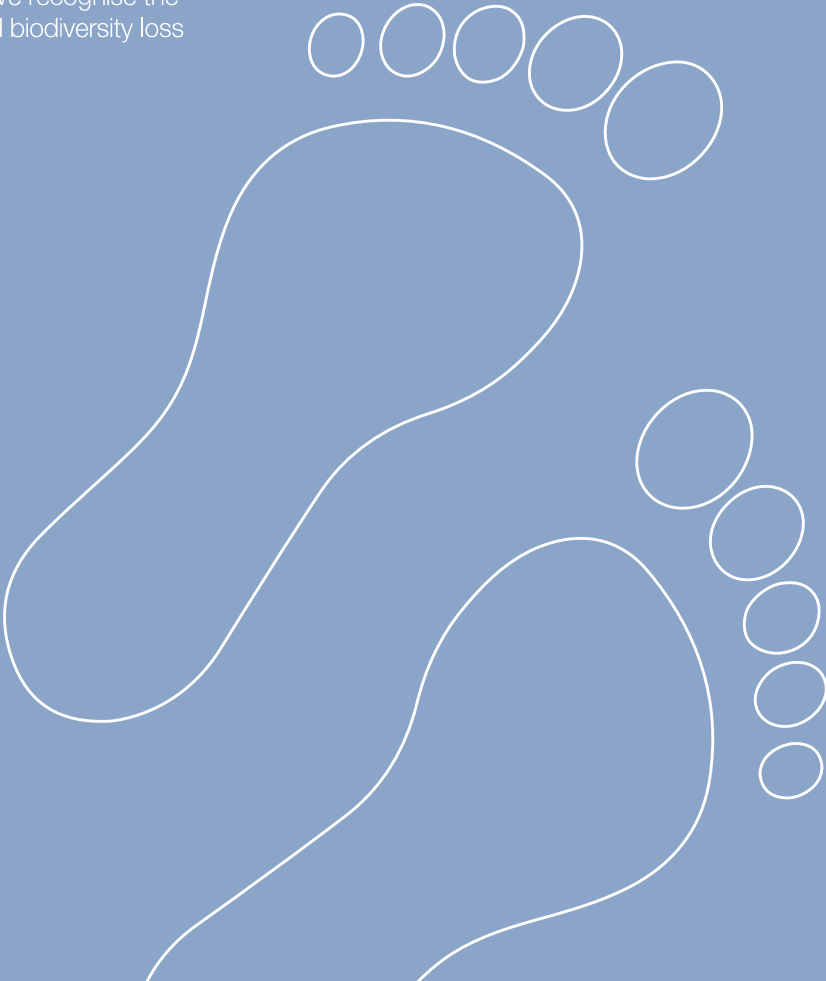
We also help our people to look after their physical and mental wellbeing, see page 46.

## Targets and plans

- Maintain or lower our AIIR, compared with 2019
- Introduce H&S passports for trade operatives on our sites
- Run HSE coaching workshops for our business unit and site management teams to help them engage their teams on continuous health and safety improvement
- Work with contractors on our sites to introduce new types of face mask to better protect workers against construction-related dust

# Cutting our environmental footprint

A healthy environment is essential to economic prosperity, to thriving communities and to everyone’s health and wellbeing. We recognise the serious and urgent threat posed by climate change and biodiversity loss and want to play our part in tackling these challenges.



## Carbon emissions

We have reduced our direct emissions intensity by 43% since 2013

43%

## Construction waste

97%

of construction waste recycled

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# Cutting our environmental footprint

Taking action on the environment helps us to create better places to live for our customers and strengthens our relationships with employees and other stakeholders. It also reduces costs and risks to the business, with climate change and biodiversity both now included as key risks in our consolidated Group Risk Register.

## HIGHLIGHTS

- Sustainability Champion in every business unit to help us reduce energy use and waste
- 43% reduction in direct carbon emissions intensity since 2013
- Launched our Home for Nature Toolkit with practical ideas for how we can enhance biodiversity on every site
- 2.9% reduction in the intensity of water consumption
- 97% of construction waste recycled
- Over 19,370 paint pots reused or recycled
- 45% increase in pallets collected from our sites for reuse or recycling
- Rated B by CDP Carbon for our performance and disclosure on climate change

## Our Environmental Management System

Our Health, Safety and Environmental Management System (EMS) covers all site activities and helps us to keep noise, dust and disturbance to a minimum, to prevent pollution incidents and to protect biodiversity. It requires all operational sites to carry out mandatory environmental checks and to have a Site Specific Environmental Action Plan (SSEAP). Site management teams are trained on our EMS. The health and safety elements are described on page 30.

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.

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 2019.

### Internal and external review and auditing

Our environmental management approach is subject to regular review and auditing. This includes:

- A annual internal audit of our EMS by our regional Health, Safety and Environment (HSE) Advisers

- A review of environmental checks and SSEAP during monthly site visits by local management team directors, including unannounced spot checks
- Independent, unannounced HSE audits at every operational site at least once a month by our external site HSE Advisers

## Our Sustainability Champions

We launched our network of Sustainability Champions in 2019, one from each of our regional businesses. They help us apply and maintain consistent standards across our sites, engage colleagues on resource efficiency and monitor progress at the local level.

Each Champion has agreed a resource management action plan for their regional business covering energy, water use, and waste. They use our resource portal to track performance, assess the costs of resource use and waste disposal and compare progress with other regional businesses. We held two training days for the Champions during 2019 focusing on waste management best practice and climate change.

We are also engaging and training our wider employee base on environmental sustainability. In 2019, this included regular briefings for our senior leadership on environmental issues, risks and opportunities, and articles on waste and climate change in our twice yearly internal magazine. We will be integrating further aspects of environmental sustainability into our Design Academy training.



## UN SDG: Goal 13 – Climate Action

### Take urgent action to combat climate change and its impacts

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.

We will develop a science-based carbon reduction target by the end of 2020.

More information on page 69



## Energy and climate change

Urgent action by government and all businesses is required to tackle climate change. We want to play our part 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 CO<sub>2</sub> per 100 sqm of completed homes). In 2020 we will increase our ambition, by rolling out an environmental strategy and setting a science-based carbon reduction target.

### 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 and aim to increase our disclosure in line with its recommendations, see table below. A summary is also included in our Annual Report and Accounts 2019.

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 for 2019 (2018: B).

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.

### Our value chain carbon footprint



### 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 is the main reason we have been able to reduce our carbon footprint from purchased electricity by 75% since 2013. We will renew our energy supply contract in mid-2020 and plan to purchase 100% green electricity for our offices, and all our new sites, show homes, sales areas and plots before sale.

The 'drying out' process for new homes is a major source of energy use on our sites. Our Sustainability Champions are working with Site Managers to increase the use of natural ventilation methods. They are also checking thermostats in show homes to ensure heating is only used when necessary.

We have identified a more energy-efficient option for our site portacabins and hope to trial this during 2020. We have installed 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 will review our car fleet policy in 2020. This will include plans to move towards a more efficient, lower emission car fleet including more all-electric and hybrid car options for our employees.

## 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 Risk Register, which includes climate change. 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 (6-10 years) and long term (11-100 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 lead to 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 analyses.

### Risk management

Climate change and biodiversity are included as key risks in our consolidated Group Risk Register. Sustainability risks are also integrated into our corporate risk management framework, through functional risk registers 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 will set a science-based carbon reduction target by the end of 2020.



## Gold Standard Homes in Scotland

Our Project 2020 homes in Scotland meet the rigorous Scottish Buildings Standards Gold label for sustainability. The homes incorporate high performance insulation, a whole house ventilation system, battery powered hot water heating, PV panels and other technology. We are also working with Strathclyde University to develop a new model for measuring the energy efficiency and air tightness of our homes enabling us to more easily assess the impact of new technologies and different design approaches.

### 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 19), selecting materials with lower embodied carbon (see page 41), reducing waste and piloting off-site construction techniques (see page 19).

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

We are engaging our suppliers on sustainability issues including climate change through the

Supply Chain Sustainability School (SCSS), (see page 40). As part of the SCSS Carbon Group, we are working on an ambitious project to collect energy and carbon data from construction suppliers. A digital portal was developed in 2019.

We received a Supplier Engagement rating of A- from CDP for our approach to engaging suppliers on climate change.

### Greenhouse gas emissions (tonnes of CO<sub>2</sub>e) and energy use (MWh)

	2019	2018	2017	2016	Base line year 2013
<b>Scope 1 and 2 emissions</b>					
Emissions from combustion of fuel (scope 1)	21,018	20,328	18,889	17,983	16,107
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (market-based method)*	3,563	4,509	4,794	10,827	14,229
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)*	6,172	6,892	8,236	10,417	10,526
Total scope 1 and 2 emissions (market-based method)	24,581	24,837	23,683	28,809	30,336
<b>Emissions per 100 sqm of completed homes (scope 1 and 2)</b>	<b>1.62</b>	<b>1.73</b>	<b>1.73</b>	<b>2.13</b>	<b>2.82</b>
<b>Percentage reduction in direct carbon emissions intensity (scope 1 and 2) since 2013</b>	<b>42.6%</b>	<b>38.7%</b>	<b>38.7%</b>	<b>24.5%</b>	<b>—</b>
<b>Scope 3 emissions</b>					
Indirect GHG emissions (scope 3)	3,869,583*	2,171,973	1,826,183	1,963,775	990,847
Total scope 1, 2 and 3	3,894,164	2,196,810	1,849,866	1,992,584	1,021,183
Emissions intensity scope 1, 2 and 3: Emissions per 100 sqm of completed homes	255.9	152.7	134.9	147.6	95
<b>Energy use (UK)</b>					
Operational energy use (fuel and electricity consumption from sites and offices) MWh	101,352	95,170	89,550	92,236	81,800
Operational energy intensity (site and office fuel and electricity intensity) MWh/100sqm	6.8	6.8	6.5	6.8	7.6

Data is provided as tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) 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 2019 covers these categories: purchased goods and services, waste generated in operations, business travel, fuel and energy-related activities, downstream leased assets, use of sold products, upstream transport and distribution, end of life treatment of sold products, employee commuting. Scope 3 data for previous years covers: purchased goods and services, business travel, waste generated in operations, and fuel and energy related activities. We have re-stated our Scope 3 emissions for all previous years due to changes 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 sites and offices only. If energy use from our fleet and our Spanish sites and offices is included the figure is 116,207 MWh. See our Carbon Reporting Methodology Statement at [www.taylorwimpey.co.uk/corporate/sustainability](http://www.taylorwimpey.co.uk/corporate/sustainability) for more detail on our calculations.

## Our carbon emissions in 2019

We have reduced our direct emissions intensity (tonnes of CO<sub>2</sub> per 100 sqm of homes built) by 43% since 2013 (our baseline). In 2019, we also reduced our emissions intensity by 4% year on year. This is due to the actions listed on page 36 (reducing energy and carbon in our business) as well as reduced fleet emissions associated with more flexible working patterns and better use of digital technology.

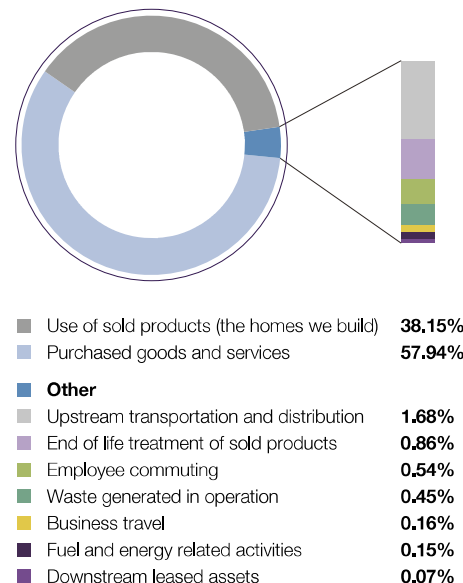
Our absolute emissions reduced by 1% year on year compared with a 6% increase in completed floor area. Absolute emissions have decreased by 13% since 2013, compared with a 42% increase in completed floor area over the same period.

Our absolute energy use increased by 6.5% due to an increase in completions. Our energy use intensity decreased by 0.2% year on year and by 10% since 2013.

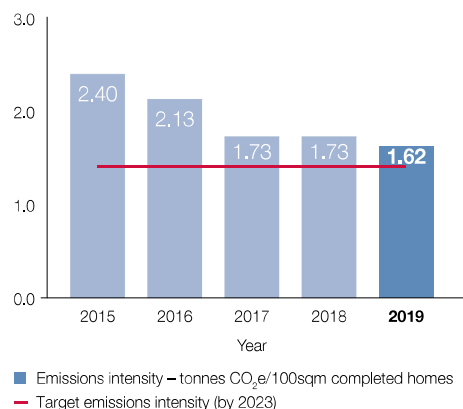
For the first time, we are reporting scope 3 emissions from homes in use and additional categories of scope 3 emissions (2019 data only). See page 61 for detailed data. This means our scope 3 emissions cannot be compared year on year.

We have also restated our scope 3 data for purchased goods and services for all previous years. This is due to a restatement of the figures by our consultants the Carbon Trust resulting from a change in their modelling methodology.

## Our scope 3 emissions



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



## Room for nature on our sites

Biodiversity loss is a major environmental challenge and affects many UK species. Development can contribute to biodiversity loss but with the right approach, we can use our sites to protect, enhance and even increase biodiversity. Integrating green spaces, nature and wildlife into our developments makes them more attractive places to live and can have a positive impact on residents' wellbeing and customer satisfaction.

We launched our Home for Nature Toolkit in 2019, which includes practical ideas for how we can enhance biodiversity on every site. It includes costs and detailed guidance to make it easier to select appropriate measures and implement them effectively. We are holding meetings with our regional business across the UK to raise awareness of the toolkit and increase understanding of how biodiversity improvements can be used to support placemaking, benefit customers, and meet planning requirements.

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.

We support proposals to introduce a biodiversity net gain requirement for new developments (see page 24) and we are developing our approach to measuring biodiversity on our sites to help us comply with the new requirements. Our Design Director sits on the technical standards board for the proposed new Building with Nature standard.

We integrate green infrastructure into our sites including parks, playing fields, woodlands and gardens, sustainable drainage features and planting alongside roads and streets. This can benefit biodiversity, help create a strong sense of place, support water management and reduce flood risk. Our Guide to Green Infrastructure incorporates recommendations from the Wildlife Trust and helps our teams to plan and implement effective green infrastructure.



## Butterfly-friendly habitats

In East Anglia we're working with Butterfly Conservation, the nature charity, to help us integrate butterfly-friendly habitats on our sites. Customers in East Anglia will also receive a 'seedbom', with their welcome pack, to help them create gardens full of nectar-rich wildflowers that can act as habitats and green corridors for butterflies.



## UN SDG: 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.**

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

[More information on page 71](#)



## Reducing water use

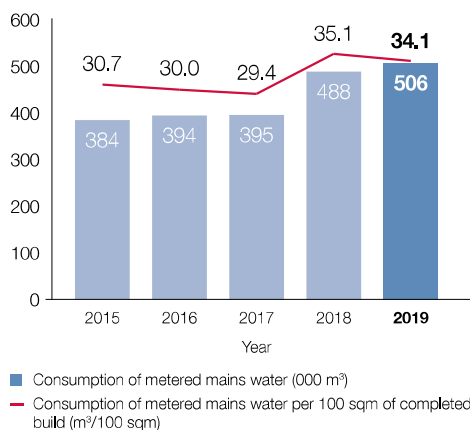
Water scarcity is already a challenge in some parts of the UK and climate change will exacerbate this. We aim to reduce water use in our operations, to design our homes to be water efficient in line with building regulations (see page 19) and to protect water quality during construction and remediation on our sites. We integrate measures to manage surface water and reduce flood risk on our completed developments.

In 2019, we held a water workshop with our Sustainability Champions, to help them monitor and improve water efficiency on our sites. Our water intensity (the amount of water used per square metre of build) decreased by 2.9% year on year.

We received a B rating from CDP Water (2018: B).

We will publish our Water Policy in 2020 as well as more guidance on water efficiency for our site teams.

### Operational water use UK (000 m<sup>3</sup>)



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](http://www.taylorwimpey.co.uk/corporate/sustainability).

## Waste, resources and recycling

Waste is a cost to our business and the environment. We have a target to reduce waste intensity by 10% by 2021 and aim to increase reuse and recycling.

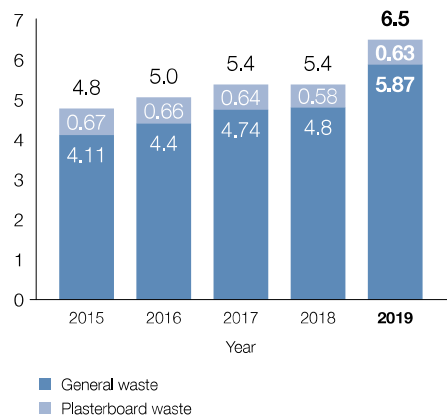
Our Waste and Resources Working Group oversees our approach to resource efficiency and includes senior managers from our production, procurement and sustainability functions, alongside operational staff and Sustainability Champions. We have set waste reduction targets for each regional business and our Sustainability Champions work with our teams to implement these.

We engage our teams on waste reduction through:

- Our Waste Dos and Don'ts guide and induction process for site teams
- A waste league table to show our regional businesses how their performance compares with others and to encourage improvement
- 15% of the potential production bonus for Site Managers is linked to performance on waste reduction

### Waste UK

(tonnes of construction waste per 100 sqm build)



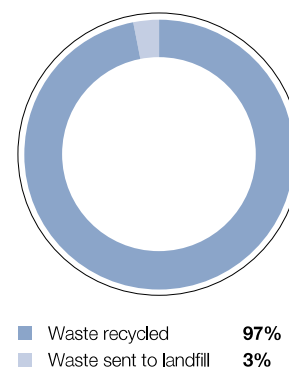
We are partnering with two suppliers to reduce waste from used paint pots. These are either washed and reused or recycled into new pots. During 2019, over 19,370 paint pots were returned for reuse or recycling from our sites, reducing waste to landfill.

We are trialling new approaches with suppliers to eliminate sources of waste. For example, we have asked our floor decking supplier to provide pre-cut products tailored to our flooring configurations. This means less waste from decking off-cuts on our sites.

During 2020, we will also be trialling a reusable alternative to temporary decking (used to prevent accidents by covering stairwells during construction).

Packaging is essential to protect products during transit and storage, and to ensure safety when products are loaded and unloaded. However it is a major source of waste on our sites. We are starting to work with suppliers to improve packaging efficiency.

### Construction waste recycling UK



We use a pallet repatriation service through which 94,984 pallets were picked up from our sites in 2019 (2018: 65,420), an increase of 45%. This represents around 1,710 tonnes of wood (2018: 1,178). 50% of these pallets are suitable for and sent for reuse. To encourage pallet reuse and recycling, we use return trips to our logistics site to repatriate pallets and ensure that our sites nominate someone with responsibility for pallet collection.

### Performance in 2019

Despite our efforts to reduce waste, the volume of waste generated increased during 2019. We produced 6.5 tonnes of waste per 100 sqm of build (2018: 5.38) – a 21% increase on last year.

We believe some of this increase may be due to improvements in how waste data is recorded as a result of our focus on this area. We aim to address and reverse this increase.

## Targets and plans

- Achieve a 50% reduction in our direct emissions intensity (scope 1 and 2) by 2023 against a 2013 baseline
- Develop and roll out our environmental strategy
- Set a science-based carbon reduction target by the end of 2020
- Review our car fleet policy to help us move towards a more efficient, lower emission fleet
- Establish a set of metrics to measure biodiversity improvements on our sites
- Reduce our waste intensity (tonnes per 100 sqm of build) by 10% by 2021 against a 2018 baseline
- Reduce metered water use intensity (m<sup>3</sup>/100sqm of completed floor area) in 2020 against a 2019 baseline

# Sourcing responsibly

Suppliers and contractors play a key role in our business, supplying the materials and much of the labour used to build our homes. So, it is important we work closely with our supply chain on sustainability issues.



## Timber frame

13.6% of our homes are built using timber frame which has lower embodied carbon than brick and block techniques

13.6%

## Supplier engagement

Received a Supplier Engagement score of A- from CDP for our approach to engaging suppliers on climate change

A-

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# Sourcing responsibly

We want to select suppliers who meet high standards on sustainability issues and to partner with them to improve performance in areas such as safety, skills and the environment. This reduces risks to the business and helps to secure supplies of essential materials and labour.

## HIGHLIGHTS

- During the year we became a signatory of the Construction Protocol, a forum led by the Gangmasters and Labour Abuse Authority
- Our suppliers accessed resources and training on sustainability via the Supply Chain Sustainability School
- 13.6% of homes built from timber frame, reducing embodied carbon
- Received a Supplier Engagement score of A- from CDP for our approach to engaging suppliers on climate change
- Participated in CDP Forests benchmark receiving a score of C

## Our supplier standards

We set clear standards on safety, quality, ethics, human rights and the environment through our policies and procedures, and engage with suppliers on sustainability including through the Supply Chain Sustainability School.

Our standards are summarised in our Supply Chain Policy and Supplier Code of Conduct, which are embedded into our Framework Agreements (contracts). We will establish a Sustainable Procurement Working Group in 2020 and update our policy to help us further strengthen our approach to supplier engagement on sustainability issues.

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.

We also work with the Safety Management Advisory Services to ensure contractors renew their third party H&S accreditation and risk assessment each year (see page 32).

## 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, to oversee our approach to due diligence and our work with suppliers to reduce modern slavery risks.

During the year we became a signatory of the Construction Protocol which is a forum led by the Gangmasters and Labour Abuse Authority specifically for the construction industry. The protocol allows signatories to share best practice and is also a mechanism for the authorities to disseminate key information out to the industry of any noticed trends.

We will shortly be publishing our fourth Modern Slavery Statement, which will be available on our website.

## 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/our-company/governance/our-policies](http://www.taylorwimpey.co.uk/corporate/our-company/governance/our-policies).

## Supply Chain Sustainability School

Our employees and subcontractors can learn about sustainability through the Supply Chain Sustainability School (SCSS), an industry collaboration for the construction sector.

We've been a member since 2016, and the majority of our national suppliers have joined too. Through the SCSS, suppliers can complete a sustainability self-assessment, create an action plan and use free resources to address gaps in their approach. 37 of our suppliers re-assessed themselves during 2019, achieving an average 17% improvement in their score.

Our suppliers also used the School's online resources over 1,000 times during 2019 covering topics such as waste, modern slavery, sustainable materials, biodiversity, supplier diversity and wellbeing. 82 attended an SCSS event or workshop.



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.

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 2020.

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.

### 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 2019.

More information will be included in our Modern Slavery Act Statement, which will be published in April 2020.

## Sustainable materials and construction techniques

We look for sustainably sourced materials and aim to partner with suppliers on resource efficiency. This is important because 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. Sourcing sustainably can also reduce costs and risks to the business and may help us to increase resilience to future resource shortages or price rises.

### 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 use of off-site construction techniques. We are currently at 13.6% 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. Around 10 million bottles were used to create the insulation for our homes in 2019.
- Our chipboard flooring, supplied by Egger, contains 30% recycled wood and 70% wood sourced from Forest Stewardship Council (FSC) certified forestry.

We are trialling technologies and off-site construction techniques through our research and development, page 19. We also work with suppliers to reduce waste, see page 38.

We received a Supplier Engagement score of A- from CDP for our approach to engaging suppliers on climate change

### 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. Our tender documents and trade specifications state that we require all suppliers to supply 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 survey suppliers to identify supply chain risks. We require any companies sourcing from higher risk countries to carry out due diligence to ensure timber meets our standards.

Chain of custody evidence is in place for key suppliers, accounting for around 95% of timber used on our sites. Further work is needed 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 participate in CDP Forests, the investor-led disclosure initiative. We received a score of C in 2019 (2018: C).

## 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. This is above the voluntary living wage.

## Small suppliers

We work with many small and medium sized (SME) businesses providing labour, trades and services, including many located near to our sites. This can boost the local economy and can also bring beneficial diversity into our supply chain.

We hold regular subcontractor engagement sessions in our regional businesses to help local SMEs do business with us. We 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, including a review of their health, safety and environment management and site-specific procedures that they need to prepare in order to work with us.

## Targets and plans

- Establish our Sustainable Procurement Working Group and develop an action plan
- Increase the proportion of homes built using timber frame to 20% by 2020

# Our people

We aspire to be the employer of choice in our sector, offering a unique and valued employee experience, that helps us to attract and retain a talented and diverse workforce.

## Future talent

We're increasing apprenticeship, trainee and graduate roles which now make up 16% of our workforce

16%

## Employee engagement

93% of colleagues would recommend Taylor Wimpey as a good place to work

93%



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# Our people

We promote an inclusive culture that encourages employees to go the extra mile and offers them flexibility in how they work. We invest in building the skills our business needs and prioritise development opportunities and quality performance discussions to support employees to achieve their career goals.

## HIGHLIGHTS

- Entry level roles made up 16% of our workforce, including 634 apprentices
- 44% women in our Group Management Team, as at 31 December 2019
- 93% of employees would recommend Taylor Wimpey to friends and family as a good place to work
- Named in the Glassdoor top 50 places to work in the UK for 2020 for the third year running, based on employee feedback
- Launched a reverse mentoring programme which will pair senior leaders with BAME (Black, Asian and Minority Ethnic) employees

## Our workforce

During 2019 we directly employed, on average, 5,796 people across the UK (2018: 5,358) and provided opportunities for a further 14,674 operatives on our sites (2018: 13,526). Our voluntary employee turnover reduced to 12.9% (2018: 14.5%), we aim to keep this below 15%.

## Our culture

Our culture is guided by our vision and values. 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.

During the year, we ran an internal campaign, asking our people what our new simplified values mean to them personally. This was very successful with numerous videos, posts and images posted on our internal communication channel. Some of these people are featured in our Annual Report 2019, setting out in their own words what makes Taylor Wimpey different.

Our updated Code of Conduct brings together our key policies and procedures, and makes it clear the high standards of integrity and conduct we expect. We are integrating the Code into our induction process and it will be distributed to new employees during 2020.

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. We will refresh our induction process during 2020.

## Awards and recognition

We were named in the Glassdoor top 50 places to work in the UK for 2020 for the third year running, based on employee feedback. Our CEO Pete Redfern was ranked 16th in the Glassdoor Top CEOs 2019 UK, based on employee reviews. We were also identified by the Financial Times as a Diversity Leader for 2020, placing 79th in a ranking of 700 companies across 10 countries.



## Skills and recruitment

There is a skills shortage in our industry, with more people leaving the sector than joining. This means increased competition to recruit and retain key roles such as Site Managers and Production Directors, as well as challenges in subcontracting skilled tradespeople.

We are focusing on a range of strategies to ensure we have the people and skills we need to deliver quality homes on time to our customers. This includes increasing the number of experienced tradespeople and apprentices that we hire directly. Each of our regional businesses now has a plan to increase recruitment of five key trades: bricklayers, carpenters, painters, scaffolders and joiners. The number of directly employed key trades including apprentices increased from 748 in 2018 to 1,169 in 2019.

Increasing diversity to widen our recruitment pool is also a top priority, see page 45.

## Partnering on skills

We work with others in our industry and with government, suppliers and colleges to promote careers in housebuilding, including through the Home Building Skills Partnership.

We are developing local links with colleges and universities to help us recruit for our entry level roles. This includes partnering on apprenticeships as well as attending careers fairs, providing talks and lectures and improving awareness among careers advisers of opportunities within housebuilding. For example, in Scotland we participated in the Skills Scotland Show promoting our career opportunities to nearly 5,000 high school students, teachers, tutors and parents.

We created a new toolkit in 2019 to help our business units develop successful partnerships with schools, colleges and universities.

## Working with schools

Our regional businesses work with local schools to promote careers in the housebuilding industry. For example, in South Wales we work with Cowbridge Comprehensive, enabling students studying for a GCSE in Construction to visit one of our sites and put their learning into practice.

We also offer work experience placements and published guidance in 2019 to help our businesses to consistently deliver quality placements that are valuable for students and our business.

We visit schools to provide information on how homes are built, career opportunities, safety on live construction sites, building materials and eco-friendly homes. We also distribute a book designed to engage young 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 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.

## Learning and development

We focus on training to build our skills base, deliver our commitments to customers and engage and develop our people. Our employees completed over 12,270 training days in 2019 (2018: 10,772).

Our Academy programmes provide structured career and skills development for employees working in production, design, customer service and sales. Some enable employees to gain a formal qualification (see page 26). Over 1,300 employees have enrolled on or completed Academy courses.

Three programmes are in place to help employees succeed as line managers – Transition to Management, Managing for Success and Realising Leadership Potential. Our Inspiring Leadership programme develops our Managing Directors and potential successors. It focuses on 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.

All employees can access online courses covering business skills such as negotiation, presentation, delegation and budgeting, as well as business and personal development topics.

We are updating how we evaluate the impact of our training on improving our people's confidence and capabilities.

## Entry level roles

We offer a range of attractive entry-level roles to encourage people into our business. This work is overseen by our Future Talent Manager. Entry level positions make up around 16% of our total workforce (2018: 13%). These include:



**634**

### Trade apprentices

3-5 year placements for bricklayers, carpenters, painters, scaffolders and joiners



**245**

### Management trainees

3 year development programme to become a Site Manager, Quantity Surveyor, Buyer, Design and Planning Executive, or Engineer



**50**

### Graduates

Placements and formal training to develop our future managers and leaders



## Supporting successful apprenticeships in West Scotland

Taylor Wimpey West Scotland has appointed 54 apprentices, as well as three site management trainees. Apprentices are recruited from schools, colleges and the armed forces. To help ensure the success of the apprenticeships, the business has appointed three Trade Development Managers and an Apprentice and Direct Trade Manager, to work alongside the apprentices – supplementing their training and monitoring their progress. The business also offers pre-apprenticeships to give young people an opportunity to come and work on site and experience the roles before applying for an apprenticeship. In 2018, four pre-apprentices were recruited via local charity, First Steps Future Training, which provides practical training for disadvantaged people. Three of these have gone on to join the business as apprentices.

## Performance appraisals

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. We are rolling out training to help our line managers' to hold effective development meetings and set quality objectives with their team members.

## Building a diverse workforce

Diversity and inclusion (D&I) is an important priority for our business. It enables us to better understand our customer base, widens our potential talent pool and makes for productive and effective teams. We are making progress on our Diversity and Inclusion Strategy but have more to do before our workforce reflects the communities we work in.

Our D&I steering committee, is sponsored by our Board of Directors who oversee our strategy.

We combined our BAME (Black, Asian and Minority Ethnic) working group with our steering committee to ensure senior oversight and a coordinated approach.

Each regional business has a D&I action plan which our Managing Directors are accountable for delivering. We have Diversity Champions in each of our business units to help implement our strategy at the local level. In 2019, we held our first D&I conference, bringing together our committee members, champions and senior leaders to share ideas and best practices. We also launched a D&I newsletter.

## Diversity training and reverse mentoring

Senior leaders are required to complete our 'Open Minds' one day course which explores the business case for diversity and helps leaders to address unconscious bias and create an inclusive culture. New employees complete diversity and inclusion e-learning as part of their induction. Line managers complete additional training.

We have launched a reverse mentoring programme which will pair senior leaders with BAME employees. This is a reciprocal programme and its goal is that employees gain valuable careers advice and development support, while senior leaders benefit from new insight into the experiences of BAME employees and ideas for how to further increase inclusion. We plan to expand the programme to include LGBTQ+ employees and employees with disabilities.

## Mentoring in the community

We're partnered with the EY Foundation in 2019 to support young people from socially deprived or BAME backgrounds to gain valuable work experience. 22 young people took part in 2019 across seven of our regional businesses. They completed two weeks of work experience and were supported by a Taylor Wimpey mentor for up to six months while they worked towards a qualification from the Chartered Management Institute. Some of the participants have now been offered extended work experience or a permanent role with us.



## Showing our support for diversity

Our D&I Committee promote and run awareness campaigns to highlight our commitment to diversity and create an environment where all employees feel included.

During 2019, this included: inclusion week with events and discussions held in many of our business units; talks, debates, and activities to mark International Women's Day and celebrate the achievements of women in our business; attending Birmingham Pride to demonstrate our support for LGBTQ+ employees; and raising awareness of men's health issues and celebrating male role models on International Men's Day.

## Diversity in recruitment

We carefully select the recruitment channels and partners we work with to help us reach a diverse range of candidates and encourage more women to join our business.

During 2019, we began partnering with Sponsors for Educational Opportunity London which prepares talented students from ethnic minority or low socio-economic backgrounds for career success.

We are pleased that over half our graduate recruits were women in 2019 and around one third were from BAME backgrounds. However, progress is slower on our management trainee programme in part because female and BAME candidates are less likely to have the relevant qualifications. This underlines the importance of our work with schools and colleges to raise the profile of our sector among young people and families from all communities.

## Flexible and agile working

Flexible and agile working can help us recruit and retain talented employees, including working parents, as well as benefiting employee engagement and wellbeing. We encourage these arrangements and some regional businesses now operate core hours which enable employees to

## Diversity and inclusion strategy

**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

**21st-century leadership:** equipping our leaders to fulfil their role in developing a more diverse and inclusive culture

**Wellbeing:** supporting employees to maintain good mental, physical, social and financial health

**Flexible and agile working:** making flexible and agile working a real possibility for all employees

adjust their start and finish times to meet personal commitments. We are rolling out an agile working toolkit with best practice examples from around the business to promote flexible working practices.

## Age, disability and accessibility

We want to make sure that we're providing the right opportunities and support to customers and employees with disabilities and we are reviewing how we can improve accessibility in our sales areas, show homes and offices.

We have worked with the Leonard Cheshire Change 100 programme for five years, providing work experience for talented undergraduates with some form of disability.

We also look at diversity from an age perspective to ensure our policies are inclusive and support individuals as they progress through different stages of their careers.



## Our performance

Overall we have a gender mix of 71% male and 29% female across the Company, with 50% female on the Board and 44% female on our GMT as at 31 December 2019. The percentage of women in our overall workforce has gone down as we have increased the number of trade apprentices, tradespeople, and management trainees we employ.

We published our third Gender Pay Gap report in March 2020 based on data at the snapshot date of 5 April 2019. This showed that our mean pay gap is 2% and our median pay gap is -4% which continues to be significantly lower than the UK average. The mean bonus pay gap was 5% and the median bonus pay gap was 32%. The mean bonus pay gap reflects the higher number of men in senior roles, where bonus payments make up a large part of their remuneration which continues to influence our bonus pay gap.

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 21st in the FTSE 100 for women's representation on boards and executive committees.

We are improving our data on workforce ethnicity. We believe that BAME representation in our workforce is currently lower than in the UK population as a whole and we aim to address this.

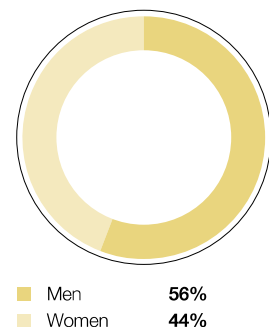
 Read more at [www.taylorwimpey.co.uk/careers/our-achievements/diversity](http://www.taylorwimpey.co.uk/careers/our-achievements/diversity)

## Women in our workforce

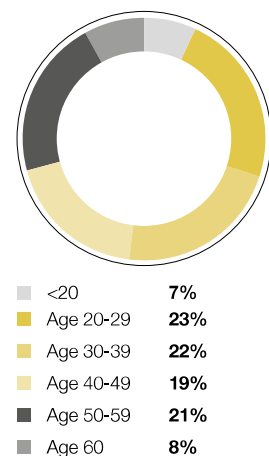
	2019	2018	2017	2016
All employees	29%	31%	32%	32%
Junior managers	45%	48%	48%	48%
All managers	28%	27%	26%	25%
Group Management Team	44%	33%	30%	30%
Board	50%	44%	30%	22%

Note to chart: The GMT and Board figures are correct as at 31 December 2019.

## Gender balance in leadership (Group Management Team)



## Age diversity in our workforce



## UN SDG: Goal 5 – Gender Equality

### Achieve gender equality and empower all women and girls

We support this goal by increasing female representation in our business, including at all levels of leadership.

 More information on page 66

## Health and wellbeing

Our Health and Wellbeing Committee coordinates our efforts to support employee mental health, physical health, social health and financial health, supported by a Health and Wellbeing Champion in every regional business. We are pleased that 91% of employees feel that there is support available to help them manage their health and wellbeing at work.

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.

We partner with charity Mates in Mind to deliver mental health training for our managers and employees. This aims to tackle the stigma that can surround mental health so people feel comfortable discussing issues they may be facing and know how to get the right help if they need it. 83% of employees have now completed this face-to-face training and line managers have completed further training. We have 132 Mental Health First Aiders across our business who support managers and employees when mental health issues arise.

We have also launched the Thrive wellbeing app that has been approved by the NHS and provides tools and support for employees to manage and improve their mental wellbeing; signed the Building Mental Health Charter; and provided financial support to the Lighthouse Club, a construction charity that provides free financial and emotional support to construction workers and their families, and raised awareness of its helpline among our employees.

We launched our first physical health campaign in 2019, 'TW Get Moving'. This encouraged employees from around the business to get involved in a 'couch to 5k' or 10k steps challenge and raise money for charity. Over 560 employees took part and we'll repeat the challenge in 2020. Following the campaign, several regional businesses have now integrated regular wellbeing activities such as lunchtime walks and yoga and exercise classes.

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

Our regular employee survey helps us to understand and respond to employee views.

3,788 (67%) employees participated in our 2019 survey, 76% of office based employees and 49% of those based on our sites. 93% of employees stated they would recommend Taylor Wimpey to friends and family as a good place to work. This is well above the benchmark score of 86%.

### Employee feedback

#### What we do well:

- 97%** agree we are committed to be an ethical and responsible company
- 96%** agree we are committed to delivering the best customer service
- 95%** believe we are committed to being a more inclusive organisation

#### Where we can get better:

- 77%** agree they have a clear development plan
- 64%** agree the departments in Taylor Wimpey work well together
- 76%** agree they have the technology, tools and resources they need to do their job well

The survey highlighted a number of high scoring areas. For example, 97% agree we are committed to be an ethical and responsible company, 98% agree we take health and safety seriously, 96% agree we are committed to delivering the best customer service and 95% believe we are committed to being a more inclusive organisation.

The survey also highlighted a number of areas where our employees think we have room for improvement. These included how teams collaborate and work together, the quality of our employee development plans and giving employees the tools and technology to do their job effectively.

The results were communicated to all employees. Each business unit has developed an action plan to address the findings. We've also established three focus groups to identify actions we can take at group level to address the lower scoring areas.

#### 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 employees 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 2019 and discussed a range of topics including: employee survey results, agile working, diversity and inclusion, IT and technology, company values, benefits and bonuses. During 2020, we will be establishing Local Employee Forums (LEF) in our regional businesses as well as our head office and logistics business, to encourage further dialogue at the local level.

#### 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 General Counsel 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. We also operate an independent confidential reporting hotline, Safecall, which is available to all employees and subcontractors.

#### Reward and remuneration

We offer attractive remuneration and a range of benefits to help us recruit and retain talented employees. All employees, whether full or part time, paid weekly or monthly, have equivalent core benefits and choice, and we regularly benchmark our approach. Benefits include healthcare, life assurance, travel and dental insurance as well as lifestyle benefits such as buying extra days holiday, cycle to work schemes and gym membership.

We operate two pension plans through which both the Company and employees contribute towards their retirement savings. During 2020 we took the opportunity to further enhance the pension offering for our weekly-paid employees with the Company continuing to contribute in excess of the legislative minimum set by the Government. We actively encourage employees to invest in their pension and conduct regular pension roadshows throughout the business to raise awareness and engagement.

We encourage employee share ownership and are pleased to successfully operate two all-employee share plans – around 57% of our eligible employees participate in one or both plans or are otherwise already shareholders of the Company.

Our house purchase discount scheme enables employees to buy one of our homes at a 5% or 20% discount and benefit from savings on white goods, options and supplier rates. 191 employees have used the scheme in the last two years.

All employees are paid at least the voluntary living wage, as calculated by the Living Wage Foundation, except for trainees and trade apprentices who are paid in accordance with the apprentice rates set out in the Construction Industry Joint Council Working Rule Agreement.

### Targets and plans

- Increase BAME representation in our workforce
- Increase the percentage of women in leadership roles in our regional businesses and in our management trainee programme
- All employees to have completed our mental health training
- Launch our Agile Working Toolkit
- Set up Local Employee Forums (LEF) in our regional businesses
- Launch and roll out our new induction process, Laying the Foundations

# Partnering with charities

We partner with charities working to tackle homelessness and promote aspiration and education as well as supporting many local projects.



## What we gave

Our donations and employee fundraising were worth

**£1.3m**

## Getting involved

420 colleagues took on hiking and biking challenges across the Brecon Beacons for the Taylor Wimpey Challenge, raising £206k for charity

**420**

**49**

Our priorities

**50**

What we gave in 2019

**50**

Getting our people involved

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# Partnering with charities

Charities do vital work around the UK but often lack resources to increase their impact. We want to make a difference through our donations, by sharing our expertise and by getting our people involved as fundraisers and volunteers. We aim to assess the impact of our giving and to direct our donations to where they will make most difference.

## HIGHLIGHTS

- Donated and fundraised £1.3 million for charities and local community causes
- Six national charities supported focusing on homelessness, aspiration and education and local projects
- All employees can take two full days, or four half days, paid time off to volunteer
- 470 of our colleagues took part in the Taylor Wimpey Challenge, raising £206k for charity
- Collaborated with others in our industry to raise money for charity, including through events like the Housebuilder's Mountain Marathon

## Our approach

We focus on charities working in three areas that are connected to our business and which our people and customers care about: aspiration and education; tackling homelessness and local projects.

Our six national charity partners are:

- Youth Adventure Trust, which helps young people fulfill their potential
- End Youth Homelessness, we are a founding partner to this Centrepoin-led movement of local charities
- Crisis, a homelessness charity
- St Mungo's, a homelessness charity
- CRASH, a construction and property industry charity for the homeless
- Foundations Independent Living Trust, that helps older and vulnerable people live with dignity in their own homes

National charitable donations are overseen and prioritised by our Charity Committee. Its members include senior leaders such as our Group HR Director (Chair) and Group General Counsel and Company Secretary, and a variety of other employees including directors, managers, personal assistants and graduate trainees.

Each of our regional businesses has a discretionary charity budget and makes Community Chest grants to support organisations working in communities close to our sites.

## Our priorities



### Aspiration and education

Projects which promote aspiration and education in disadvantaged areas



### Tackling homelessness

Intervening in and improving homelessness situations for seriously economically disadvantaged groups in the UK.



### Local projects

Initiatives that have a direct link with our regional businesses and developments.

## Building skills at St Mungo's

We support the St Mungo's Construction Skills programme, funding the salary for a trainer teaching bricklaying skills to people who've experienced homelessness, and ReVive which prepares St Mungo's clients for work by giving them practical experience in refurbishing properties. Our funding enabled 45 people to gain accredited qualifications in 2019.

**"St Mungo's are very proud of our long-standing partnership with Taylor Wimpey who have been an integral supporter of our Construction Skills programme transforming the lives of people affected by homelessness by helping them to gain skills, qualifications and work experience within the construction industry."**

**Reta Robinson,**  
Director of Fundraising, St Mungo's



## Tackling mental health issues with Crisis

Mental health problems can be both a contributing factor and a result of homelessness, with up to 80% of homeless people experiencing mental health issues. The right support is essential to help them rebuild their lives.

We've seen how important mental health provision can be in our own organisation, see page 46, and now we want to make a difference for others too. During 2020, we're funding the role of Mental Health Coordinator at Crisis Skylight Birmingham, who will oversee all health and wellbeing provision at the centre.

Crisis Skylight serves many of the hundreds of people experiencing homelessness or living in insecure temporary accommodation in Birmingham. Users of the centre can access a range of free health and wellbeing classes, social activities, education and support with housing, employment and vocational training to help them on their journey out of homelessness.

By helping to fund Crisis' health & wellbeing programmes, we can support homeless people to improve their health and wellbeing and leave homelessness behind.







### Wildgoose Chase 2019

25 teams from Taylor Wimpey and construction businesses took part in fun activities while raising £27,000 for CRASH. We sponsor the event, which was first developed by our graduates and is now in its third year. In 2019, our support enabled CRASH to help 50 hospices and homelessness charities with vital building projects.



### Ain't no mountain high enough – TW Challenge 2019

Our annual Taylor Wimpey Challenge saw 420 colleagues take on hiking and biking challenges across the Brecon Beacons, raising an impressive £206,000 for charity, of which £138,000 went to the Youth Adventure Trust. The hardest challenges saw participants cover over 112 kilometres of hiking and cycling trails.



### Crisis at Christmas

We supported the Crisis at Christmas campaign with a donation of £18,000, to help homeless people over the Christmas period and to support Crisis' year-round education, training and support services.



### Sleep out to help End Youth Homelessness

We donated and fundraised for EYH through events such as a sponsored sleep out and a Spain to Portugal cycle challenge. During 2018 and 2019 our support enabled EYH to achieve positive outcomes for 1,100 young people, helping them to leave homelessness behind.



### Housebuilder Mountain Marathon 2019

We teamed up with two other housebuilders to complete the second Housebuilder's Mountain Marathon. This saw 157 people work in teams to cover 26.2 miles of challenging terrain across the Lake District raising £90,000 for the Youth Adventure Trust.

## What we gave in 2019

We donated and fundraised £1.31 million for registered charities and local community causes in 2019 (2018: £1.28 million).

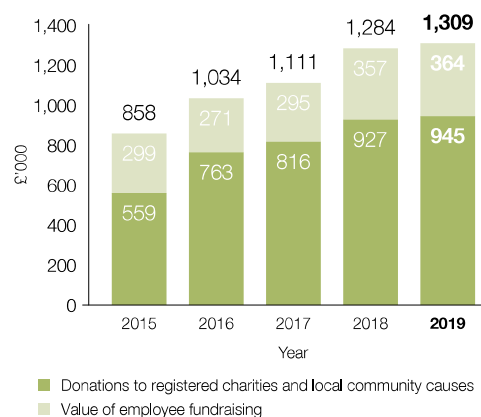
These figures do not include investments made as a result of our Section 106 and Section 75 obligations, see page 17. They also do not include the value of employee time spent volunteering.

## Getting our people involved

When our people give their time and expertise, it benefits our charity partners and supports our people's personal and professional development and job satisfaction.

That's why we give all employees the opportunity to take two full days, or four half days, paid time off to volunteer with our charity partners each year through our Volunteering Policy. We promote fundraising and volunteering opportunities via our intranet, email and Yammer social media network.

### Charitable donations and fundraising (£'000)



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 2019, our graduates helped develop a new fundraising event for Crisis 'Step Forward for Homelessness', a sponsored step challenge which will run during 2020.

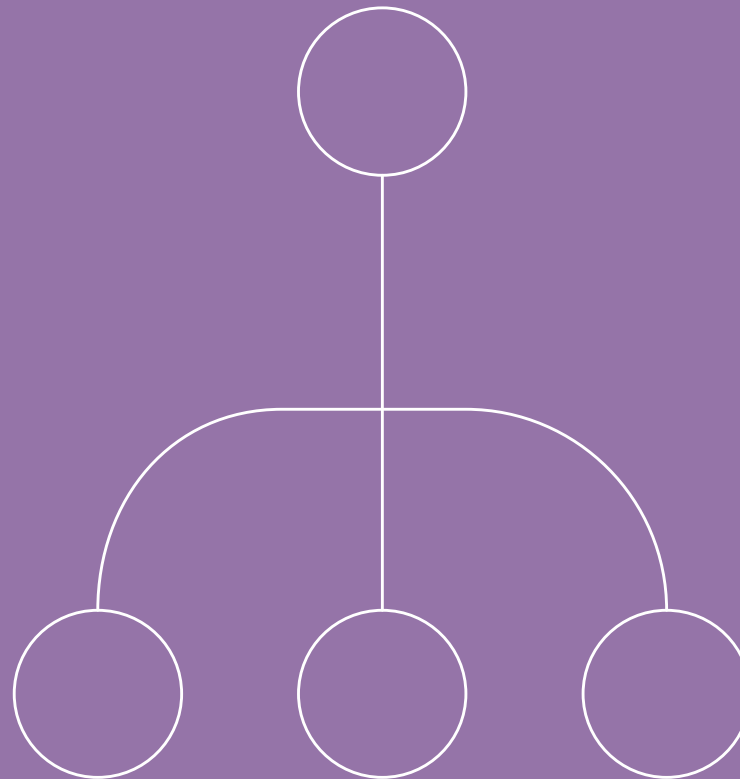
Many colleagues also share their time and professional insights as charity trustees. Our Chief Executive is chairman of the Youth Adventure Trust.

## Targets and plans

- Support our national charity partners to increase their impact
- Fund the role of Mental Health Coordinator at Crisis Skylight Birmingham
- Support the relocation of St Mungo's Construction Skills programme and continue to fund its professional trainers for brick laying, plastering, dry-lining and painting and decorating trades
- Sponsor the CRASH Wildgoose Chase event that raises funds for homelessness and hospice projects

# Governance and management

We have integrated sustainability into our management systems, policies and procedures.



## NextGeneration

We were ranked 5th in this sustainability performance benchmark of the UK's largest homebuilders

5<sup>th</sup>

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# Governance and management

Our management systems, policies and procedures and stakeholder engagement helps us to manage sustainability risks and opportunities.

## HIGHLIGHTS

- Sustainability activities coordinated by our Legacy, Engagement and Action for the Future (LEAF) committee, chaired by a member of our Group Management Team
- Health and safety and customer service form part of all senior managers' business objectives
- A constituent of the Dow Jones Sustainability Europe Index and the FTSE4Good Index series, the leading responsible investment indices
- Climate change, biodiversity and health and safety are included on our Group Risk Register

## Roles and responsibilities

Our Chief Executive has ultimate executive accountability for sustainability issues. Our plc Board, Group Management Team (GMT), our most senior executive committee, and the Group Operations Team (GOT), which comprises the GMT and our Divisional Managing Directors, regularly discuss sustainability issues and review performance. 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. 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. 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.

During 2019, the LEAF committee met four times to discuss issues, including environment strategy, biodiversity, responsible timber sourcing, waste and resource efficiency, air quality, urban design and placemaking. The committee reviews our Climate Change and Sustainability Risk and Opportunity Register, see page 55.

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

We have a Sustainability Champion in every regional business, to monitor and promote waste reduction and energy and water efficiency at the local level, see page 34.

At a project level, the sustainability aspects of a development are initially the responsibility of the land and planning and design teams. Once work has begun on site, the production management team, including the Site Manager and contractors, ensures that a wide range of site-specific sustainability issues are addressed and monitored.

Our sustainability framework sets out our sustainability priorities and focus areas (see page 13). 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 are in the process of updating our framework.

## Governance of sustainability

### Non-Executive Board of Directors

Regularly discuss sustainability issues. Audit Committee reviews sustainability risks at least twice a year

### Executive

#### Group Management Team

Reviews performance against targets

### Operational

#### LEAF Committee

Chaired by GMT member, coordinates sustainability strategy and programmes

### Business units

#### Sustainability Champions

Lead resource efficiency efforts locally

### Development level

#### Land, planning, design and site teams

Implement sustainability policies at site level

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## Engaging our people on sustainability

We rely on our people to implement our sustainability policies and we need to make sure they have the information, tools and motivation to do so. Awareness of our commitment to sustainability can also support employee engagement.

We engaged our senior leadership (GMT and GOT members) on environmental issues during 2019, building their awareness and understanding of key environmental trends, risks and opportunities.

We integrate sustainability into our training programmes. For example, our induction e-learning programme includes topics such as diversity and inclusion and modern slavery. Functional training, such as our Design and Production Academies, also cover aspects of sustainability and we have more detailed training for our Sustainability Champions network. All employees are trained on our approach to health and safety.

We use our internal communications channels to engage our people on sustainability. For example, teamTALK, our internal magazine included articles on climate change and waste during 2019. Over 6,000 copies were distributed to our regional businesses.

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 26.

## 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 2019 (2018: B) and in CDP Water, scoring B (2018: B). We also participate in CDP Forests, disclosing our approach to timber sourcing. We received a C rating. We received a Supplier Engagement rating of A- from CDP for our approach to engaging suppliers on climate change.

We are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders. In 2019 we were ranked fifth out of 24 companies in the benchmark with a score of 60% and received a Silver Award (2018: 74.8%, Gold, fifth position). Next Generation updated their methodology in 2019, so the scores are not directly comparable to 2018.



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**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



## Materiality

We updated our materiality assessment in 2019 and early 2020 to ensure we remain focused on the priority sustainability issues for our business and stakeholders. Our approach and the results are explained on pages 11 and 12 and on our website [www.taylorwimpey.co.uk/corporate/sustainability](http://www.taylorwimpey.co.uk/corporate/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 2018 UK Corporate Governance Code. For 2019, the Board has reviewed and is compliant with the Code provisions applying to the Company.

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

## Risk management

Our Risk Management and Internal Control Framework defines our procedures to identify, mitigate and monitor risks, both financial and non-financial, facing the Group.

Risk registers are maintained throughout the Group at a business unit and function level, formally reviewed twice a year as part of our financial planning cycle by GMT members and Divisional Managing Directors and updated throughout the year to recognise new or changed risks or mitigations. The registers document the risks faced by each business unit, including significant site-level and functional risks, 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 identified risks, which requires each risk to be measured according to specified likelihood (based on probability of occurrence) and impact (based on financial, reputation, customer, health & safety, employees, environment, operational, legal & regulatory and IT) criteria. After consideration of appropriate mitigations

## 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

against each risk, a residual risk is determined to help drive out those considered to be the most significant.

A consolidated view of the risk environment, including potential Emerging Risks, is discussed and approved by the GOT, GMT, Audit Committee and Board, ensuring all key risks to the Group are known and are being actively mitigated and monitored and ensuring the correct identification of the Principal Risks and Uncertainties facing the Group.

See our Annual Report and Accounts 2019, which can be found at [www.taylorwimpey.co.uk/corporate](http://www.taylorwimpey.co.uk/corporate)

## Sustainability risk

Sustainability risks are integrated into our corporate risk management framework. Health and safety, quality and people risks are included in our Principal Risks. Climate change and biodiversity are included as key risks on our consolidated Group Risk Register. Sustainability risks are also monitored via function risk registers and our Climate Change and Sustainability Risk and Opportunity Register.

Our Climate Change and Sustainability Risk and Opportunity Register is maintained by our LEAF committee and reviewed 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.

## 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 and Business Conduct policies.

The Board also oversees our independent whistleblowing service, Safecall and Whistleblowing Policy. Employees can use Safecall confidentially and anonymously, if required, to report any concerns. We raise awareness about the service through posters in our offices and via our intranet. All calls to the hotline are followed up and investigated where necessary. Employees raising concerns are protected by our Whistleblowing Policy.

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.

## 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, engagement with local and regional government through the planning process and engagement via our membership of trade associations.

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 138.

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. Regional businesses are also members of trade associations, for example our Scottish businesses are members of Homes for Scotland.

For examples of engagement with central and local government on issues relating to housebuilding, planning and the environment, see pages 20 to 24.

We also engage and participate with the Government and other organisations on business issues such as corporate and diversity and inclusivity-related matters.

## Reporting, data and external assurance

This is our 13th Sustainability Report as Taylor Wimpey. It covers our performance and data for the period 1 January to 31 December 2019. 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](http://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/our-company/governance/our-policies](http://www.taylorwimpey.co.uk/corporate/our-company/governance/our-policies)