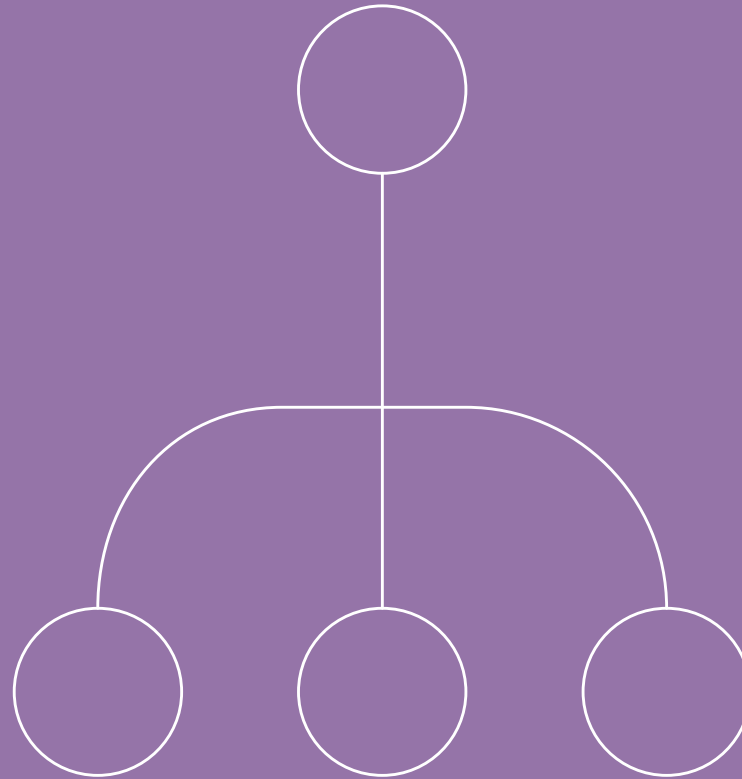


Governance and management

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

5th

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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



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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.



MEMBER OF
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.

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

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.

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