

Stakeholders

Our Customers

SDGs



2021 highlights

- Achieved an average quality score of 4.67 compared with an industry benchmark group average score of 4.43
- Achieved a recommend score of 92% in the HBF 8-week survey which equates to a 5-star rating
- Successfully launched pilot of our new house types incorporating several years of customer insights
- Improved our 9-month customer satisfaction survey score
- Provided for additional £125 million funding to support fire safety improvement works for leaseholders in Taylor Wimpey apartment buildings, including those below 18 metres, built over the last 20 years, to ensure they meet current RICS EWS1 guidance

2022 priorities

- Continue to target an average quality score of above 4 across the business
- Maintain high levels of customer service and a score of over 90% in the HBF 8-week survey which equates to a 5-star rating
- Continue to progress work on bringing historic buildings up to current standards
- Continue to work on implementing our environment strategy and developing even more energy-efficient homes
- Signing the new code of conduct that supersedes the UK Consumer Code for Home Builders

Read more in relation to our business model on pages 22 and 23

Read more in relation to our KPIs on pages 24 and 25

Read more in relation to our remuneration on pages 105 to 124

Our customer proposition is closely tied to our purpose and centres on delivering great homes and thriving communities. It is important that our customers can trust us to do the right thing.

Customers satisfaction

We track customer satisfaction using the HBF 8-week and 9-month survey results. In 2021, 92% of customers in the 8-week survey would recommend us to a friend (2020: 92%). This means we met our target to maintain a 5-star rating. We continue to believe that a wider range of customer care and quality measures are necessary to ensure we are delivering for our customers. Our 9-month satisfaction scores give us insight into how customers feel about the homes and places we build over the longer term. Our score for 2021 was 79.2% (2020: 78.2%).

We encourage customers to leave reviews on Trustpilot. At the end of 2021, with over 1,799 reviews, we had a 4 out of 5-star rating (end of 2020: 4 out of 5) with a trust score of 3.9 out of 5 (2020: 4 out of 5). We acknowledge that we do not always get it right and sometimes fall short of our targeted standards. Where this is the case, we remain committed to working closely with our customers to put this right and learn from our mistakes.

In 2021, we introduced a Customer Director role which sits on the management team in each regional business. This will further elevate the voice of the customer in our regions. We also rolled out our new customer relationship management (CRM) system across the business. This provides clearer data on customer issues, complaints and defects which will help us to further improve quality and customer service. The results are reviewed by Customer Directors and used to identify any trends or recurring issues and put measures in place to address them.

Our customers are rightly demanding more of us. As well as rolling out new house types designed to meet their changing needs, we continue to provide a high standard of training to our Sales Executives through our own Sales Academy. Our sales staff are further supported by our CRM system which is now live across all regional businesses and is delivering the expected customer service and operating benefits.

The sector continues to face scrutiny and pressure from social media and pressure groups, with the potential for greater oversight from Government through a single New Homes Ombudsman. We are supportive of the introduction of an independent New Homes Ombudsman and will endeavour to deliver both the letter

and the spirit of regulations and maintain this same ethos in our relationships with our customers. We are aligning our processes to make sure we meet the expectations and timescales being set by the Ombudsman, as well as new consumer rights such as third party home inspections. We have signed the new code of conduct that supersedes the UK Consumer Code for Home Builders.

New house type range

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

We have worked with architects to update our standard house types and successfully piloted homes in the range in 2021. These house types will replace our existing standard house type range. Our site designs have incorporated the new house types from October 2021 with the first site using new house types to go on sale in August 2022. The new range incorporates more open plan living, more natural light and improved storage, reflecting customer feedback and the results of our research and development. The new homes include at least one study area with space for a desk and easy access to broadband and electricity sockets, to enable working from home.

Our design team has worked closely with our central procurement team and these new houses offer standardisation and plotting efficiency benefits. Most of our new house types will offer improved accessibility, meaning they can be adapted more easily for people with disabilities. These house types will also more readily accommodate the required changes as we transition to the Future Homes Standard and we have established a clear timeline to adapt to the necessary changes.

Closure of the CMA process

During 2021, the Competition and Markets Authority's (CMA) investigation into the historical sale of leasehold properties with doubling ground rent clauses by the Company was closed, following the agreement of voluntary undertakings. All leaseholders of Taylor Wimpey-owned ten-year doubling ground rent leases, or those that have already gone through our Ground Rent Review Assistance Scheme (GRRAS) and converted their Taylor Wimpey-owned lease to an RPI-based structure, will be offered the option to convert to a fixed ground rent. The cost of implementing the undertakings is expected to fall within the original provision made in 2017.

Fire safety improvement works

It has long been our view that customers and leaseholders should not have to pay for fire



Greener house types

Our new houses are designed to integrate the services and equipment required to meet changing energy efficiency standards, including waste water heat recovery, flue gas heat recovery, photovoltaic panels, car charging points and eventually air source heat pumps.

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 indoor air quality.

safety remediation works to ensure their buildings are safe and mortgageable. We took early and proactive action, committing significant funding to address fire safety and cladding issues on our buildings, with total amounts provided up to March 2021 of £165 million. Taylor Wimpey's decision a year ago meant that funding was in place to bring all our affected buildings, going back 20 years from January 2021, up to current EWS1 standard.

We have identified all Taylor Wimpey buildings that may require works and are in active dialogue with building owners to undertake these and are committed to resolving these issues as soon as possible for our customers. From April 2022, we will also be paying the new Residential Property Developer Tax (which is a 4% tax on profits) that will fund the Government's Building Safety Fund for buildings over 18 metres.

We are working closely with Government through the HBF to facilitate an equitable solution involving all industry stakeholders. We fully support the HBF's recent letter to the Government which sets out proposed additional commitments from the industry in relation to buildings over 11 metres. We continue to believe this is an industry-wide issue involving many types of organisations and therefore needs an industry-wide solution. If accepted by Government, the HBF proposal would result in an additional modest provision for Taylor Wimpey.

Build quality

Since the introduction of the measure, we have led the volume housebuilders in build quality as measured by the NHBC CQR score, which measures build quality at key build stages. In 2021, we scored an average



of 4.67 (2020: 4.45) from a possible score of six, once again the highest score for a volume housebuilder. This compares with an industry benchmark group average score of 4.43. We aim to improve this further by ensuring our quality assurance processes are embedded at every stage of build.

Our Consistent Quality Approach (CQA) guidelines ensure our Site Managers, subcontractors, production and customer service teams all have a consistent understanding of the finishing standards we expect on all Taylor Wimpey homes. We also publish a customer version, so it is clearer for customers what they can expect from us. We updated our scope of operations for subcontractors in 2021, which sets out our expectations for the management and delivery of build quality. Key product suppliers provide training to our Site Managers, Quality Managers and trade subcontractors on the correct installation of their products to ensure a quality build.

Quality is incentivised from the top of the organisation with a significant percentage of our Executive Incentive Scheme linked to customer service and build quality, and this is one of our Principal Risks. We track progress and calculate bonus payouts using a combination of internal and independent external measures: HBF 8-week and 9-month customer survey results; CQR scores conducted independently by the NHBC, and the average reportable items which is the average number of defects found per plot during NHBC inspections at key stages of the build. We also integrate customer service and quality into our all employee bonus scheme.

Opportunities in green building

The way we design and build our homes enables our customers to live a more sustainable and resource efficient lifestyle and there is more that can be done. During 2020 and 2021, we conducted research to enable us to update the technical specification for our homes in preparation for changes to Building Regulations and the FHS.

New homes are already considerably more energy-efficient than many older homes. The energy savings we will secure to meet the FHS will make our homes increasingly attractive to customers, with lower running costs and a greatly reduced environmental footprint. The increasing take up of more cost effective green mortgages offers a potential competitive advantage for new homes compared to older housing stock.