



Irene Dorner
Chairman



Dividend / Share Buyback

In line with our Ordinary Dividend Policy, we are pleased to announce that the 2021 final dividend of 4.44 pence per share will be paid in May, subject to shareholder approval at the 2022 Annual General Meeting (AGM). In combination with the 2021 interim dividend, this gives total ordinary dividends for the year of 8.58 pence per share. Details of our resolutions for the 2022 AGM can be found on pages 185 to 189.

We are also pleased to announce that we will be returning up to £150 million of excess cash in respect of 2021 by way of a share buyback. When approving this method, the Board took into account stakeholders' needs and all relevant circumstances. The share buyback is expected to benefit shareholders through the opportunity for increased future dividends per share on the remaining shares. The Board expects that the share buyback will result in an increase in earnings per share and considers it to be in the best interests of shareholders generally.

Stakeholder engagement

We recognise that we can only achieve our purpose, to deliver great homes and create thriving communities, if we take account of the views of all of our stakeholders in our decision making. The Board is responsible for ensuring that our business is sustainable in the long term by respecting and taking into account the needs and views of all our stakeholders in our decision making process.

Our employees are what makes Taylor Wimpey so special. Our performance in 2021, both from a financial and operational perspective, is down to all of their hard work and determination. Despite wider Board meetings taking place virtually in 2021, we did have the opportunity to visit the South Midlands business unit, where we met employees in the office and out on site. It was great to see the site operating at normal levels in a COVID-secure way, ensuring the health and safety of everyone on site whilst delivering for our customers.

We have also taken the opportunity to more clearly articulate the role of the Board's Employee Champion, who is responsible for championing the employee voice in the boardroom and strengthening the link between the Board and employees. Gwyn Burr, Non Executive Director, was our Employee Champion during 2021 and attended three National Employee Forum (NEF) meetings. As Gwyn will be stepping down from the Board in 2022, Robert Noel, our Senior Independent Director, has been asked to take on the Employee Champion role. In 2022, in addition to attending the NEF meetings, the Employee Champion will also hold in person

conversations with small groups of junior to mid-level employees in each Division, including those from the regional offices, sites and sales centres, to listen to their views on any topics they may wish to raise, outside of the NEF and without senior management being present, to further encourage openness. The Board are interested to hear the feedback received as part of these sessions.

I continued to meet with investors in 2021 to build on the dialogue established following the virtual Chairman's roadshow I conducted in Autumn 2020. To allow for an open conversation in respect of the issues most important to each shareholder, no formal agenda was set in advance of each meeting. Investors were keen to hear my and the Board's perspective on a variety of key themes, such as ESG, fire safety and succession. I value the insight I gained from these meetings which I have fed back to the Board to consider as part of our decision making process. Once again shareholders were unfortunately not permitted to attend the 2021 AGM in person, however shareholders were able to listen throughout the proceedings and ask the Directors questions in real time during the meeting through an audiocast facility.

Fire safety

It has long been our view that customers and leaseholders should not have to pay for fire 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. The Board receives regular updates on the progress of remediation works and the topic of fire safety and cladding is included on every Board meeting agenda for discussion. We consider that fire safety is an industry wide issue that needs an industry wide solution and we will continue to work with the Government to play our part to help to resolve these wider issues.

ESG

The elements of ESG have always been an important part of working for Taylor Wimpey and have positively contributed to our culture and ways of doing business, for example in respect of health and safety, our number one priority, and our approach to employee engagement.

During the year we have conducted an independent review to assess the progress we have made in defining what ESG means for us and identified areas that would benefit from further attention. The Board was pleased to receive positive feedback in terms of the extent to which important elements of ESG are built into our day to day business operations and it is helpful to understand how we can improve our communications in this area to ensure this is visible to all of our

stakeholders and this is something we will be working on throughout 2022. Our ESG strategy will continue to be aligned to our purpose, ensuring that we play our part in creating a sustainable future for everyone.

In 2021, we participated in various benchmarks and were awarded a number of industry accreditations, including a Gold Award in the Next Generation benchmark (a homebuilder specific sustainability benchmark). We are pleased with the levels of engagement across the business with good progress against our key targets. To ensure that we remain focused on minimising the impact we have on climate change and protecting our planet for future generations, we have added 'natural resources and climate change' as a Principal Risk and the Board will continue to monitor progress. Further information on this new Principal Risk, and on the also newly added Principal Risk of 'cyber risk', can be found on page 65.

We take a science-based approach to carbon reduction, and the Science Based Targets initiative has confirmed that our operational carbon reduction target is consistent with the reductions required to keep warming to 1.5°C. We have made excellent progress towards our carbon reduction target. Against our 2019 baseline, we have achieved a 13% reduction in direct carbon emissions intensity (scope 1 and 2 emissions per 100 square metres of completed homes) and a 20% absolute reduction. Our current target was published last year but our commitment to climate action goes back much further. Since 2013, we have achieved a 50% reduction in our direct carbon emissions intensity.

We support the UK's commitment to reach net zero carbon by 2050. We will be developing our net zero transition plan and a net zero target during 2022. An environmental measure has been included in the Executive Directors' annual bonus plan (the Executive Incentive Scheme) and requires the Executive Directors to have a credible net zero carbon transition plan approved by the Board alongside the achievement of a measurable carbon reduction target. The intention is to then introduce an environmental measure in the wider annual bonus scheme for 2023 performance. Further details on the role of the Board in ESG matters can be found on page 79 and specific ESG performance measures can be found on page 107.

Chief Executive succession

We announced in December that Pete Redfern will be stepping down as Chief Executive after nearly 15 years in the role. Pete has made an invaluable contribution to the business in this time, including having successfully led the Company through the financial crisis and the pandemic. During his time as Chief Executive, he has created an excellent culture which is renowned throughout the industry for doing the right thing. Given the strength of the business, both Pete and I believe that it is the right time for new leadership as we start the next chapter. On behalf of the Board and

everyone at Taylor Wimpey, I would like to express our sincere thanks for the leadership that he has provided to the Company which has seen it return c.£2.85 billion to shareholders since 2007.

Following a rigorous process led by the Nomination and Governance Committee, we were delighted to announce earlier this year that Jennie Daly, our Group Operations Director, will succeed Pete as Chief Executive following the conclusion of the 2022 AGM. Jennie joined the business in 2014 and has held a number of senior roles within the business before being appointed to the Board as Group Operations Director in 2018. Prior to joining Taylor Wimpey, Jennie also held senior roles at Redrow plc, so is an experienced industry executive. Jennie has consistently played a key role in the Company's operational and strategic development, as her remit has gradually grown to include all of our central operational functions and has made a valuable contribution to the Board. The Board is confident that Jennie's wealth of knowledge and experience, alongside her values and leadership style, makes her the right person to lead the Company to deliver improved margin and volume growth, whilst ensuring long term value for all our stakeholders.

In late January, we also announced that in light of upcoming changes to their commitments on other boards, Angela Knight CBE and Gwyn Burr will be stepping down from the Board on 26 April following the conclusion of the 2022 AGM. The strong progress Gwyn Burr has made as Employee Champion will continue under Robert Noel as her successor in that role. A search process is underway to find their replacements to ensure that the Board continues to hold the most appropriate balance of skills and operational experience.

2022 AGM

This year's AGM will take place in person at the Crowne Plaza Hotel in Marlow, as it is closer to our Head Office and I am very much looking forward to the opportunity to meet many of our shareholders in person.

Looking forward

2022 will be a period of transition at Taylor Wimpey, whilst the new Chief Executive takes the lead and drives our business to its full potential. I am confident that Jennie is the right person to achieve this, and she has the full support of the Board and the Group Management Team.

I want to finish by saying thank you to our employees, customers, shareholders, subcontractors and suppliers for their continued support. I am incredibly proud of all that Taylor Wimpey has achieved in 2021 and look forward to building on this success in 2022 and beyond.

Irene Dorner
Chairman

Creating value for all of our stakeholders

Alongside an excellent operational performance in 2021, we are pleased to have delivered value to all of our stakeholders in a real and sustainable way while continuing to build momentum. This Annual Report and Accounts showcases how we have achieved this.

2021 has proven to be a very successful year for Taylor Wimpey, but it has not been without its challenges. As the world continued to respond and adapt to the COVID-19 pandemic, we remained, and continue to be, focused on delivering improved operating margin and setting the business up well for accelerated volume growth, from 2023.

2021 performance

I am delighted to report that in 2021 we completed 14,302 homes across the Group (2020: 9,799) including joint ventures. This is a 46% increase on 2020 performance, as the business steadily increased operations. Group operating profit increased to £828.6 million (2020: £300.3 million), with an operating profit margin of 19.3% (2020: 10.8%) as we optimised selling price and we maintained our

strong focus on cost efficiency. This resulted in profit before tax of £679.6 million (2020: £264.4 million). More information can be found within our Group financial review.

We started 2022 in a very strong position with an excellent order book amounting to 10,009 homes (31 December 2020: 10,685 homes) excluding joint ventures, valued at £2,550 million (31 December 2020: £2,684 million) and were 47% forward sold for 2022 private completions (2021: 54%). Despite wider economic uncertainty, forward indicators continue to show good underlying demand for our homes and pricing remains positive.

Following the equity raise in June 2020, we stepped up our activity in the land market to take advantage of the opportunities before competition returned and have successfully added c.29k new plots to the short term landbank over the last 18 months, including converting c.9k plots from our strategic land pipeline. These sites will enhance our portfolio and deliver a strong financial performance. We are laser focused on continuing to drive momentum by progressing land through the planning system to deliver outlet-led growth from 2023.

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.