



## Performance and strategy continued



# Operational excellence

**We seek to drive continuous improvement and efficiency benefits** through relentless focus on operational excellence throughout the business.

## Key performance indicators

### Construction Quality Review

(average score/6)



**i** 2023 remuneration measure. Read more on [page 143](#)

#### Objective

To achieve an average score of four out of six across Taylor Wimpey.

#### Definition

The average score, out of six, achieved during an in-depth annual review of construction quality on a site-specific basis.

#### Why it is key to our strategy

Right first time continues to be a key priority within our customer-focused approach. Construction Quality Reviews focus on construction quality and understanding 'why or how' given levels of quality have resulted.

### Average reportable items per inspection



#### Objective

Reduce defects found during build stages.

#### Definition

The average number of defects found per plot during National House Building Council (NHBC) inspections at key stages of the build.

#### Why it is key to our strategy

Reducing the number of defects per plot is crucial to ensuring we deliver consistently high-quality homes for our customers, whilst also minimising the cost of rectifications.

### Health and Safety Injury Incidence Rate

(per 100,000 employees and contractors) rolling 12 months



#### Objective

We are committed to providing a safe place in which our employees and subcontractors can work and our customers can live.

#### Definition

Reportable (all reportable) injury frequency rate per 100,000 employees and contractors (Annual Injury Incidence Rate).

#### Why it is key to our strategy

Health and safety is our non-negotiable top priority. As well as having a moral duty to maintain safety on site, accidents and injuries can have a detrimental impact on the business through additional costs, delays and/or reputational damage.

### Employee engagement

(annual survey)



#### Objective

We aim to maintain a high level of overall employee engagement.

#### Definition

Our employee engagement score measures a range of factors in terms of employees' sense of belonging, how proud they are to work for Taylor Wimpey and their willingness to go the extra mile for the business.

#### Why it is key to our strategy

As a key part of our employee engagement strategy, the survey provides an opportunity for employees to provide feedback on all aspects of working at Taylor Wimpey. This leads to clear action plans at both a national and local level where improvements can continue to be made. Ensuring that the employee voice continues to be heard remains an important part of our overall engagement strategy.

## 2023 highlights

- 98% of our employees agree that we take health and safety seriously (2022: 98%)
- Driving efficiencies through increased use of technology, data monitoring and trend analysis, and continued focus on defect prevention and continuous improvement
- Conducted a detailed value exercise to ensure our customer offering continues to be of high-quality and the specification valued by our customers whilst at the same time targeting cost savings

## Priorities going forward

### Short term

- Health and safety remains our number one priority in all markets
- Optimising value across all areas of the business and increasing efficiency
- Continue to ensure consistent high quality

### Medium term

- Continuous business improvement including investment in technology to protect stakeholder value against a backdrop of increasing regulatory demands
- Continuing to invest in training our highly engaged workforce to ensure they have the appropriate skills to drive the business forward

Performance and strategy continued

**Operational excellence**  
Strategic cornerstone in action



**Developing our own timber frame production**

We took possession of our 240,000 square foot timber frame facility in the summer of 2023 and have since completed an extensive fit out. The large facility is ideally located in Peterborough, close to our Taylor Wimpey Logistics business.

Alongside the efficiency benefits, increasing our use of timber frame will aid us in our carbon reduction goals, since the timber frame process produces less carbon than masonry construction. Timber frame construction is currently slightly higher cost than conventional brick and block construction but enables us to speed up build, allowing earlier commencement of all follow on trades whilst slightly reducing our reliance on bricklaying resources.

**Increasing security and reliability of supply**

In recent years, the supply and pricing of timber has been volatile due to global supply chain issues. In establishing our own facility, we can hold our own buffer stock enabling us to better manage any future supply chain challenges. As we progress, there is the potential to drive future savings for our businesses.

**A measured roll out**

Production commenced in early 2024 with first kits to be delivered to site in the first half of the year. We are taking a measured approach to rolling out our production. We have management with vast experience in timber frame to ensure that proper processes are in place before scaling up over the next two years.



**Environment and efficiency benefits**

Timber frame could reduce embodied carbon from the materials in a typical home by around 15%



Our skilled employees will be provided with the necessary training in the fundamentals of timber frame production and health and safety. When fully operational, we expect to run two shifts employing around 100 people.

This year, the facility will produce several hundred units, with first deliveries to our sites in the first half of the year. At full capacity in two to three years' time, we expect to produce around 3,000 kits per year which, in combination with our external suppliers, will support our goal of increasing timber frame usage to 30% of our production by 2030.

**c.3k**

kits per year once at full capacity