



**CREATING A
SUSTAINABLE BUSINESS**

IN THIS REPORT

Welcome to our Sustainability Report 2016.

We are committed to being a responsible homebuilder and are continuing to integrate sustainability into our business practices. This approach helps us to create better homes and communities and a stronger business for the long term.

In this report, which covers the period between January and December 2016, you can find more information about our sustainability strategy and how we deliver it in practice, in addition to our performance information, data and case studies.

OUR MATERIAL ISSUES

Overview and results from our materiality assessment

PAGE 6

HIGHLIGHTS FOR 2016

Some of our achievements delivered in the year

PAGE 7

GOVERNANCE

Our approach to governance, management and performance

PAGE 41

CHIEF EXECUTIVE'S STATEMENT

"We are committed to managing our business in the right way"

PAGE 3

AT A GLANCE

What we do and where, and how we operate

PAGE 2

MORE INFORMATION



www.taylorwimpey.co.uk/corporate

BUSINESS MODEL

Creating value for our shareholders, customers, employees, communities and other stakeholders

PAGE 8

CONTENTS

At a glance	2
Chief Executive's statement	3
Our material issues	6
Highlights for 2016	7
Our Business Model	8
Our Business Model in practice	9
Delivering customer service	10
Selecting land	16
Managing the planning and community engagement process	19
Getting the homebuilding basics right	23
Our people	32
Optimising value	37
Governance, management and performance	41
Governance, management and performance	42
Risk and opportunity management	44
Progress against targets	46
Data table	58
Glossary	61

NAVIGATING THIS REPORT

The icons below help to signpost where you can find more information



AT A GLANCE

We are one of the UK's largest residential developers and are focused on delivering high-quality homes for our customers, benefiting the wider communities in which we work and creating value for our shareholders.

WHAT WE DO

We are one of the UK's largest residential developers and our vision is 'Working together to build your dreams'.

We aim to create places that inspire and delight by focusing on key elements of our Business Model:

- Delivering customer service
- Selecting land
- Managing the planning and community engagement process
- Getting the homebuilding basics right
- Our people
- Optimising value

We do much more than build homes – we add social, economic and environmental value to the wider communities in which we operate. We are first and foremost a local business and an important contributor to the local communities.

OUR BUSINESS MODEL

Our Business Model is based on a value cycle and each component of the value cycle is important in order to deliver our strategy.

Through our Business Model we generate value for our shareholders, customers, employees and the communities we work in, as well as for other stakeholders such as local authorities and housing associations. We aim to integrate sustainability into the way we work so that we can reduce negative impacts on the environment and maximise the positive economic, social and environmental value that our business brings.



[See more on page 8](#)

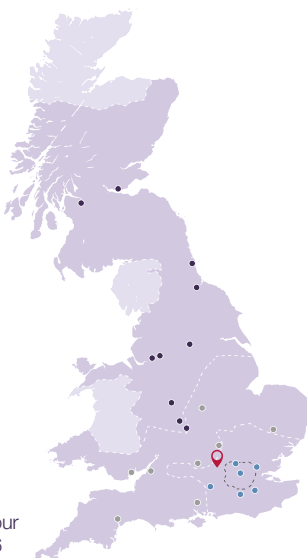
WHERE WE OPERATE

We operate at a local level from 24 regional businesses across the UK. We also have operations in Spain.

UK map key

- Head Office
- North Division Regional Offices
- Central and South West Division Regional Offices
- London and South East Division Regional Offices
- London Market

[Read more about our divisions in our Annual Report and Accounts 2016](#)



OUR INTEGRATED APPROACH

We are continuing to implement a more integrated approach to reporting, where, as a sustainable business, we are interlinking reporting on our financial performance with our non-financial metrics. In addition, we are reporting key sustainability information through our Business Model, highlighting how we apply our sustainability strategy across our business operations.



[See our Annual Report and Accounts 2016 for more information](#)

OUR SUSTAINABILITY STRATEGY

Our sustainability strategy sets out our sustainability principles and a range of strategic priorities and commitments that relate to key social, environmental and economic issues. It covers a wide range of sustainability topics in all areas of our Business Model, encompassing the way we work, the places we create and the homes we build. We have robust policies, procedures and governance structures in place to help us implement our strategy and to monitor and improve our performance. More information about our sustainability strategy is available throughout this report.

CHIEF EXECUTIVE'S STATEMENT

We are committed to managing our business in the right way.



I am pleased to report another year of strong financial performance for Taylor Wimpey in 2016. We increased our output, building 14,112 new homes for our customers in the UK and Spain, excluding joint ventures, and delivering strong financial returns for our shareholders. We continued to grow our strategic and short term land pipeline, putting the business in a strong position for the years ahead. However, our financial performance is just one part of the picture.

There are many factors that contribute to our continued success. These range from how we treat our people, communities, suppliers and customers and the quality of the product we offer, to how we take care of the environment and the role we play in contributing to the long term sustainable development of the communities we work in and the UK as a whole. This is why we are committed to managing our business in the right way and are pleased to report good progress in 2016.

Managing our business in the right way

In 2016, a major focus has been on embedding our new customer approach so that we deliver an excellent service and a quality product for our customers. This includes new training, guidance and support to help employees provide the service our customers expect and deserve. Health and safety has remained our non-negotiable top priority and this is reflected in our injury rate which remained below the industry average.

In 2016 we took the opportunity to challenge our thinking on brand to ensure it fully reflects our culture today as well as our aspirations for the future. We worked with employees across the business, customers and other stakeholders to determine our new:

VISION

Working together to build your dreams.

MISSION

To create great places to live and deliver excellent service which inspires and delights our customers, our people and our shareholders.

CORE VALUES AND CULTURAL PRINCIPLES

Be respectful, fair and deliver together

- Communicate well and collaborate
- Encourage and embrace diversity
- Set clear professional standards
- Develop good relations and behave with integrity

Continuously improve and innovate

- Be future-focused and drive change
- Find solutions and don't accept second best
- Make informed decisions
- Be well planned and organised

Build a proud legacy

- Never compromise on safety
- Be passionate about customers
- Deliver right first time and keep promises
- Commit to a sustainable future

CHIEF EXECUTIVE'S STATEMENT CONTINUED

During 2016 we have engaged with the local communities on all of our developments and worked with partners and local government to deliver quality schemes that meet local needs. We made a significant contribution of £363 million to infrastructure and facilities in communities around the UK through our planning obligations, and c.19% of the homes we built in 2016 were designated as affordable housing, making a contribution towards addressing the UK's housing shortage.

We have increased our focus on placemaking and design, learning from what has and has not worked on past developments enabling us to keep improving the quality of our output. We have launched new partnerships in areas such as biodiversity, which will benefit both customers and the local environment.

Following the introduction of the UK's Modern Slavery Act, we have strengthened oversight of standards in our work supply chain to make sure we are selecting partners who share our commitment to responsible business.

Investing in skills, promoting diversity

We are only as good as the people we employ and, with the skills shortage in our industry, we recognise that our investment in people is extremely important. Our approach includes developing the skills of our existing workforce, bringing more young people into the business through apprenticeships, graduate and other entry level positions and working with partners in education to build the wider skills base. We launched several new academy training programmes for employees in 2016 with more to follow in 2017.

Diversity has been a challenge for our industry and this is something we are continuing to address. We are taking a multi-pronged approach to ensure we are an inclusive employer and to increase representation of women and people from diverse backgrounds at all levels of our company. This not only creates opportunities for a wider group of people to build careers with us, it also expands our talent pool and enables us to better reflect the diversity of our customer base.

Preparing for the future

We have used this year to look forward and make sure that our approach is well aligned with the changing expectations of our customers and stakeholders, and that we are prepared for future challenges and opportunities.

The review and refresh of our brand (see page 3) has been a valuable exercise. It enabled us to give clearer guidance to our people on what we stand for and the type of business we want to be. I am confident it will contribute to good decision-making and support our efforts to recruit and retain the right people.

Q&A

Why is sustainability important for Taylor Wimpey?

Adopting sustainable practices is not just about doing the right thing, it contributes to our business success today and creates a more resilient business for the longer term.

Integrating sustainability into our design process enables us to create highly desirable places where our customers want to live. Through improving environmental performance and working with subcontractors and suppliers on sustainability, we can promote innovation, reduce costs and business risk. Our investment in skills training and diversity strategy fosters a productive and engaged workforce and, significantly, by listening to and working with our stakeholders, we can access high-quality land and achieve our desired planning consents.

It is these principles which safeguard our reputation and ensure we can build a future legacy.

LEE BISHOP

Major Developments Director and Chair of Sustainability Steering Group

CHIEF EXECUTIVE'S STATEMENT CONTINUED

Q&A

What is a brand and why does it matter?

As part of our thorough strategy review process, during 2016 we invested the time to properly define what our brand means to us internally and how we should use it.

This wasn't about questioning whether we should be changing our logo or brand colours. All credible brands are 'grown from within' and are built on the people and processes inside a business. Our Taylor Wimpey brand definition is built on a combination of 'who we are' and 'what we want to be'. We put some structure on this by looking at our vision, mission, core values and cultural principles. These are simply an evolution of the principles that have guided our business over the last five years but together they set a clear ambition for the future.

If all our people clearly understand what Taylor Wimpey stands for, we will all work much more effectively and collaboratively as one business, and this clearly has a fundamental link to our strategy and success.

PETE REDFERN
Chief Executive

We carried out a sustainability materiality assessment to look at the priority social, economic and environmental issues for the business and our stakeholders, and also used it as an opportunity to hear what our stakeholders think about our approach. This has shown us that we are largely focused on the right issues, but there are also opportunities to do more in key areas and to continue to play an active part in addressing major challenges like access to housing and climate change. We will be using the findings to review and strengthen our approach to sustainability in the year ahead.

Through Project 2020, we are looking at how we can prepare our future product range for some of these challenges and meet changing customer expectations. Our design competition with RIBA (Royal Institute of British Architects) has led to some exciting new ideas for our future home range that we will continue to explore during 2017.

The UK's housing challenge – a personal perspective

I was not surprised to see that affordability of housing was one of the most highly-rated issues in our materiality assessment. The housing shortage remains one of the UK's biggest challenges and one that can significantly impact people's financial security, life choices, relationships, health and wellbeing.

I got a personal insight into these challenges through my role in leading an independent review into homeownership during 2016, the Redfern Review, which was commissioned by John Healey MP, Shadow Secretary of State for Housing.

As CEO of Taylor Wimpey I share the Review's conclusions that meeting housing needs is best achieved through long term partnership between national and local government, housing associations and the private sector. Taylor Wimpey will continue to work with its partners to explore our role in finding solutions to this challenge.

I am confident we are making good progress on the issues covered in this report but there is more to do across all areas. I welcome your views on any aspect of our approach to sustainability, whether positive or negative. Please see the back cover of this report to find out how you can share your feedback with us.



PETE REDFERN
Chief Executive



 www.taylorwimpey.co.uk/corporate

OUR MATERIAL ISSUES

We want to make sure we are focusing on the sustainability issues that matter most, both for our business and our stakeholders.

We carried out a materiality assessment during 2016 to review our current priorities, to help us better understand stakeholder views on key topics and to identify emerging risks and opportunities.

The assessment considered and ranked a wide range of issues. It took account of how important each issue is to our business strategy; which issues could represent a significant risk or opportunity for the business; how important each issue is to our key stakeholders (including investors, customers, employees, communities and local government); and whether our business operations could have a significant negative or positive impact on an issue. Further details are included on page 44.

Findings and next steps

The results of the materiality assessment are highlighted on our materiality matrix (see right). The issues are grouped into six themes: customers and communities; our people; environment; supply chain; economic and governance. The issues of most importance to both the business and our external stakeholders are shown in the top right corner.

During 2017 we will be using the findings and stakeholder feedback to help us further develop our sustainability strategy and reporting.



HIGHLIGHTS FOR 2016

CREATING A SUSTAINABLE AND RESILIENT BUSINESS



38%

First time buyers accounted for 38% of total sales



Together with our staff, we donated and fundraised over £875k for registered charities across the UK

£875k

We directly employed, on average, 4,697 employees across the UK

4,697

Our voluntary employee turnover rate remained low at

13.9%



We have reduced our carbon emissions intensity since 2013 by

24%

We continued to participate in various sustainability benchmarks



We contributed £363 million to the local communities in which we build across the UK via planning obligations

£363m



We carried out a materiality assessment to identify the priority social, environmental and economic issues for our business and key stakeholders



Our Project 2020 design competition with RIBA attracted entries from

14 countries

OUR BUSINESS MODEL

Delivering customer service

Through our renewed customer service approach we aim to help our customers make our houses their homes.

We focus on delivering high-quality homes and positive, proactive and professional customer service. Customer service is and will continue to be a key priority for Taylor Wimpey.

Selecting land

We are experts at selecting land and promoting it through the planning process.

We integrate social, environmental and economic considerations into the way we select, buy and develop land to help us create desirable and sustainable places to live.

Managing the planning and community engagement process

We aim to be the industry leader in all aspects of planning.

We undertake community engagement on all our sites and strive for open and honest communication throughout the development process. This helps to ensure a smooth planning process and create developments that reflect local needs.



Getting the homebuilding basics right

We work with our suppliers and build using carefully sourced materials to ensure that the homes we sell are of high quality, and are built safely, efficiently, cost-effectively and with minimal environmental impact.

Health and safety is our non-negotiable top priority.

Our people

We aim to attract and retain the best people by engaging with our employees and investing in training, development and rewards.

By investing in our people, being an inclusive employer and helping to build skills in our workforce and beyond, we can continue to manage our business in the right way and provide high-quality homes for our customers.

Optimising value

We add social, environmental and economic value to the wider communities.

We aim to integrate sustainability into the way we work so we reduce negative impacts on the environment and maximise the positive economic, social and environmental value that our business brings.

OUR STAKEHOLDERS

We strive to be an open, transparent and responsive company for all of our stakeholders. Stakeholder engagement helps us to understand and address the wider social, economic and environmental impacts resulting from our operations, and to build strong relationships with the communities in which we build.



Customers

Our aim is to keep our customer at the centre of our decisions and to deliver a great service throughout their Customer Journey.

Read more on pages 10 to 15



Communities

We engage with local communities on every one of our schemes. We are committed to working with local stakeholders during the planning process and throughout the life of our developments.

Read more on pages 19 to 22



Employees

Our employees are one of our greatest competitive advantages, crucial to executing our strategy and driving our business success. We strive to continuously improve and make Taylor Wimpey a great place to work.

Read more on pages 32 to 36



Other stakeholders

We are committed to working with our charities and local community groups where we operate, whether financially, with our time, energy or leadership. We want to genuinely improve the position of the causes that we support.

Read more on pages 37 to 40



Shareholders

A key part of our approach to running the business in a sustainable way is to give our investors a significant, consistent and reliable dividend stream.

Read more in our Annual Reports and Accounts

OUR BUSINESS MODEL IN PRACTICE

Our Somerdale development in Keynsham, Somerset, is creating 700 new homes on the site of the former Cadbury's chocolate factory.



Delivering customer service

This popular development has been designed by our Bristol regional business with placemaking at heart, attracting a range of customers and communities to the area. For each section of the development a different design style has been used to add character. Mature trees have been retained and some of the historic buildings will be used for a new retirement village and employment space. Green spaces have been improved and woodland and a community orchard added to promote long term sustainability of this scheme.



Selecting land

The project is regenerating a total of 220 acres of land, previously under private ownership. Connectivity and sustainable transport is a priority with new cycle and footpaths created as well as a new bus service. Once complete, Somerdale residents will benefit from living in a peaceful and leafy setting with open parkland right on their doorstep.



Planning and community engagement process

We engaged extensively with local residents and stakeholders to develop the site's masterplan. Through our planning agreement we are creating a new primary school with 210 places as well as upgraded sports facilities. We are also contributing towards a new doctors' surgery building and youth services.



Getting the homebuilding basics right

We review flood risk for each of our developments. Somerdale is surrounded on three sides by the River Avon, and the existing sports pitches and meadow land have been retained at the edges to act as a floodplain if the river rises.



Our people

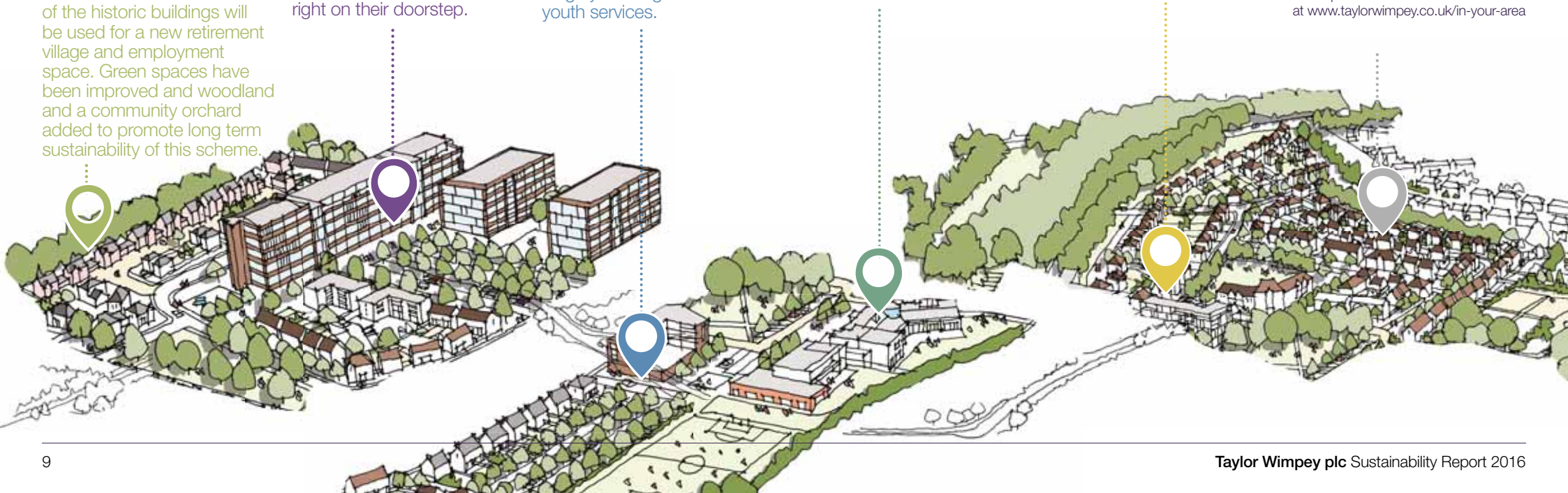
We are working with suppliers and Bath College to provide opportunities for young people to gain valuable work experience. This includes eight apprenticeships to date as well as educational site visits and work placements for local students.



Optimising value

We are investing c.£6.8 million in facilities and off-site works through planning obligations. The site will create around 1,100 jobs and generate around £30 million for the local economy. Around 29% of homes will be affordable including shared ownership and social rent.

i More information about our Somerdale development can be found on our website at www.taylorwimpey.co.uk/in-your-area



DELIVERING CUSTOMER SERVICE

Customer service is and will continue
to be a key priority

CONTENTS

Customer-centric culture	11
Quality assurance process	12
Communicating with customers	12
Customer service – how are we doing?	13
Building affordable homes	14
Placemaking and design	14

WHAT IT MEANS TO US

Our mission is to create great places to live and deliver excellent service. We want customers to have a positive experience when they buy from us, to be happy with their new home and to recommend us to friends and family.

HOW WE ADD VALUE

We are focused on fostering a customer-centric culture, ensuring high-quality build, and on placemaking and design. We make homes that are affordable for a range of buyers.

85%

Our 2016 customer satisfaction score, reflecting the number of customers satisfied with the quality of their Taylor Wimpey homes.

DELIVERING CUSTOMER SERVICE

Our customer vision is to help our customers make our houses their homes.

To create the right experience for our customers, we must deliver the right product – a quality home that is right first time, and the right service – one that is positive, proactive and professional.

During 2016 we focused on embedding our new customer approach to help us deliver great service. We received a four-star rating from the Home Builders Federation (HBF) customer satisfaction survey in March 2016.

We focus on placemaking and design to create well-planned communities that reflect customer needs and have a strong sense of place. This contributes to long term customer satisfaction. Good placemaking also helps us develop communities which are more socially, environmentally and economically sustainable.

Our house types include properties that are affordable to a range of buyers and we work with local authorities to deliver quality affordable, social housing through our planning obligations.

Customer-centric culture

It is important that all of our employees have a customer-centric mindset, and that we put customer needs at the heart of our decision-making. This is reflected in our new 'Working Together' approach, which sets out our mission to create great places to live and deliver excellent service (see page 3). Our four customer commitments are based on the feedback received from our customers and aim to guide our employees.

They are embedded in our brand and cultural principles:

1. Right first time
2. Communicate well
3. Keep promises
4. Find solutions

Our Customer Journey Manual, Home Quality Inspection Guide and Customer Service Manual provide practical guidance for employees in applying these principles and our Customer Journey process.

We improved the Customer Service Team structure in our regional businesses to help us deliver good service and quickly resolve issues that arise. We now have a Head of Customer Service within each regional business assisted by a Customer Support Manager, Customer Relations Managers, who work directly with customers, and Customer Support Coordinators, who deal with customer administrative matters.

We explain our approach to customers in our Taylor Wimpey Customer Charter and in our 'From House to Home' Manual, a copy of which is given to each customer. The manual includes a Customer Journey 'roadmap', which explains what happens in each of our Customer Journey stages. We have signed the UK Consumer Code for Home Builders that aims to improve information and protect the rights of purchasers. We provide homebuyers with a copy of the Code.

Case study

New academies help us deliver customer excellence

We have launched a number of Training Academies to help develop further the skills and capabilities of customer-facing teams.

Our new Academy of Customer Excellence (ACE), for example, will improve understanding of our product range and develop the skills of our Customer Service, Production and Sales Teams. It will include a Foundation programme with modules covering customer service, legislation, technical standards, and health, safety and the environment. Employees will be provided with a skills matrix to evaluate progress and identify areas where more training is needed.

Employees who complete the Foundation programme can progress on to the Excellence level, with the opportunity to build their leadership

and management skills. We will be tracking, the impact of our training, looking at factors such as customer satisfaction ratings and staff retention.

What are the benefits for customers?

- Improved service for customers from skilled and knowledgeable employees

What are the benefits for our people?

- Opportunities for our people to develop their skills and progress their career

What are the benefits for our business?

- Improved customer satisfaction and staff motivation, retention and engagement

Training

All employees working in our Customer Service Teams have been trained in our Customer Journey process. New customer-facing employees will be required to complete customer-focused training as part of their induction when joining Taylor Wimpey.

We have a series of Training Academies to help further develop the skills and capabilities of our customer-facing teams. These include our:

- Sales Academy, launched in 2012, that includes internal and external courses to build the skills, knowledge and expertise of our Sales Teams
- Marketing Academy, launched in 2016, that identifies the skills required by marketing staff and provides a manual of best practice and guidelines for all marketing activities
- Academy of Customer Excellence, to be launched in 2017, that will improve understanding of our product range and develop the skills of our Customer Service, Production and Sales Teams
- Production Academy, designed to help our Production Teams deliver the high-quality homes our customers expect (see page 34)

Quality assurance process

Our site Production Teams ensure that homes are built to the Taylor Wimpey quality and standard of finish. In 2016 we strengthened our processes for monitoring build quality during construction and before properties are handed over to our customers to ensure we deliver a home that is right first time.

Our Site Production Teams use our Build Quality Checklist (BQC) to assess quality against our standards at key stages of the build. All items must be completed to the required standard in each home before the BQC is approved.

Our Customer Relations Managers then carry out the Home Quality Inspection (HQI), looking at the finish of the property through the eyes of our customer. All homes must pass the HQI before the customer moves into the property. We monitor our HQI first time pass rate nationally and for each regional business.

Communicating with customers

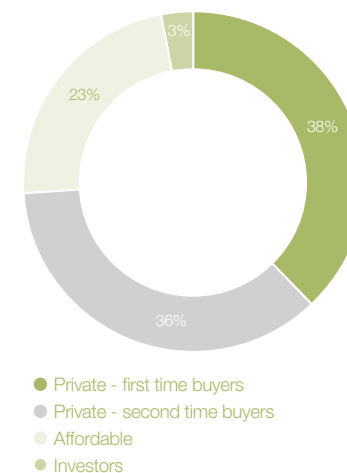
Good communication is key to customer satisfaction. We aim to keep customers up-to-date during the build process, to provide them with the information they need about moving in and to promptly address any issues that arise after completion.

We provide extensive customer information on our website, in marketing brochures and through social media channels. Customers are invited to meet the Site Manager responsible for building their home, providing an opportunity to ask questions, discuss options for the property and review progress.

Our Home Demonstration enables customers to visit their completed home before moving in and to familiarise themselves with the systems, appliances and features. Further detail about the home is included in the 'From House to Home' Manual.

Our Home Aftercare process includes visits and calls by the Sales Executive who sold the home to our customer, and the Customer Relations Manager who works as part of the development team. These are designed to check how our customers are settling in to their new home, to answer questions, and to address any issues that arise.

UK customer segmentation



* Based on total reservations

During 2017 we will launch TouchPoint, our new online customer portal. TouchPoint will provide personalised information for each customer about their new home, keep them apprised of build progress and enable them to select options for their home. Once customers have moved in, they will be able to use the portal to log any issues or concerns, and there will be a community area for each development where residents can find local information.

If issues arise in our customers' new homes, we aim to respond proactively, positively and professionally. We aim to place ourselves in our customers' position and to treat them fairly. Customers can report any problems with their home via our customer assistance line and we aim to resolve all aftercare issues within 28 days. We monitor the types of aftercare issues raised and the time taken to resolve these, to help us improve future performance. If customers are not satisfied, we have a clear complaints procedure, explained on our website. This is overseen by our Customer Director.

Communicating on sustainability

Our homes are built to be energy-efficient, and we provide homeowners with details on how to use and maintain the specific environmental features in their homes.

The 'From House to Home' Manual includes advice on sustainable living for customers, ranging from energy efficiency tips and

growing your own vegetables, to getting to know the neighbours and supporting local shops and services. We also provide details of local authority recycling schemes.

We have launched a partnership with the Wildlife Trust to provide customers with information on local wildlife and nature reserves (see page 22).

Responsible marketing

Our marketing and advertising should be 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 2016,

the UK's Advertising Standards Authority took further action in relation to one complaint made about our advertising. This was informally resolved and there were no upheld complaints.

Leasehold review

In the final quarter of 2016, concern was expressed by some customers about certain leasehold houses and apartments which are subject to leases with doubling ground rent clauses used on some of our developments started between 2007 and 2011. Whilst the clauses are clearly outlined in the lease and customers received independent legal advice, we note the reports of the potential impact of these clauses for our customers. We are therefore in the process of reviewing this matter and working with these customers.

Customer service – how are we doing?

We carry out customer research and use independent surveys conducted by the National House-Building Council (NHBC) at eight weeks and nine months after completion to monitor our performance and identify areas for improvement.

We received a four-star rating from the HBF in March 2016 (2015: four-star) based on the percentage of customers who were satisfied with the quality of their homes according to the NHBC research (see table below). We expect to see an improvement in our scores during 2017 following the introduction of our new customer approach.

We are carrying out post-occupancy research to give us greater insight into customer views (see page 15), and we will also benefit from feedback provided via our portal in future.

UK customer satisfaction – independent HBF survey

	2016 UK homebuilder average	2016	2015	2014	2013
Customers satisfied or very satisfied with the quality of their home	83.8%	84.7%	86.3%	87.4%	90.0%
Customers satisfied or very satisfied with the service provided during the buying process	79.3%	81.7%	84.0%	85.2%	87.7%
Customers satisfied or very satisfied with the condition of their home	77.5%	81.6%	82.3%	85.4%	88.6%
Customers who would recommend us to a friend	84.3%	86.2%	87.6%	88.8%	92.0%

Note to table: The figures relate to Taylor Wimpey's survey scores based on completions during the HBF year, from 1 October 2015 to 30 September 2016. The UK Homebuilder average is supplied by the NHBC based on legal competitions between 1 October 2015 to 30 September 2016.

Building affordable homes

There is a shortage of affordable housing in the UK, with fewer people, particularly among younger generations, being able to afford to buy their own home. There is also a shortage of quality, affordable rental accommodation.

Solving the UK's housing challenge is very complex and requires collaboration between the government, local authorities, the housebuilding sector and many other stakeholders. We will continue to engage with the UK Government and others to explore solutions to this issue.

We have a part to play in addressing the housing challenge by maintaining a strong supply of quality new homes, including properties that are affordable for a range of buyers. We completed 13,808 new homes in the UK, in 2016, excluding joint ventures, (2015: 13,219) with prices starting from under £100,000. First time buyers accounted for 38% of total sales (2015: 36%) in 2016.

Around 39% of total sales used the Government's Help to Buy equity loan scheme (2015: 37%). Approximately 77% of sales through Help to Buy in 2016 were to first time buyers (2015: 77%).

We work with local authorities and housing associations to build affordable social housing (homes made available at below market rates). The majority of our developments include an affordable housing element with the number of

affordable homes on each site negotiated as part of the Section 106 and Section 75 obligations attached to planning permissions (see page 38). In 2016, c.19% of our completions were designated as affordable housing (2015: 19%).

Placemaking and design

We are increasingly focused on placemaking – developing well-designed communities that meet the needs of residents and have a strong sense of identity and character.

Good placemaking incorporates many elements, from the layout of the development to the integration of green spaces and access to transport, facilities and amenities. If we get placemaking right we can increase customer satisfaction, achieve strong sales and maintain good relationships with local communities and their representatives. Placemaking supports our goal to build a proud legacy.

Our placemaking approach

We consider placemaking from when we first choose which land to buy. We have guidance documents to help our Land, Planning, Design and Technical Teams and our external consultants to integrate a placemaking approach. These include Our Guide to Placemaking, Our Approach to Sustainable Development, Our Approach to Planning, Preparing a Design and Access Statement and Our Guide to Green Infrastructure. We use external standards such as Building for Life to inform and assess our site designs.

Case study

Placemaking at Battersea Exchange

Placemaking has been a top priority at Battersea Exchange, a development being delivered by our Central London regional business. It is part of Nine Elms, a major regeneration project on a brownfield site aimed at creating a vibrant new, mixed-use community.

The site combines new public areas and landscaping, with offices, shops, cafés and restaurants. Designed by award-winning architects, and incorporating new public art works, the scheme includes 290 highly energy-efficient homes and the whole development is BREEAM certified. Affordable and shared ownership homes as well as affordable rental properties are integrated across the site.

A new primary school building has been built, enabling the school to grow to a two-form entry school. The site is close to public transport links and connected by new pedestrian routes and cycle ways.

What are the benefits?

- 290 new homes, of which 20% are designated as affordable
- New public spaces and art works that create a sense of community
- A new two-form entry primary school
- New premises available for local businesses
- Highly energy-efficient, with at least BREEAM Very Good rating for sustainability



During 2017 we will launch our Design Academy, a set of training resources for our Design Teams and managers. This will include an e-learning introduction to the principles of good placemaking and workshops to deepen knowledge and encourage our regional businesses to share best practice.

We commissioned an independent review by an urban design expert of our approach to design and placemaking during 2016. This assessed a number of our recent schemes and made recommendations for improvement in areas such as public spaces, parking, landscaping and streetscapes. We will carry out post-occupancy research on completed developments during 2017 to help us better understand our customer views.

Our work in areas such as protecting local heritage (see page 22), biodiversity and green infrastructure (page 28) and sustainable transport (page 17) contribute to good placemaking.

Designing good homes

Good design is one element of placemaking. We have around 50 standard house types that are used across our developments and are designed to provide high-quality, energy-efficient homes that are straightforward, cost-effective and safe to build. Our standard house type range provides flexibility to suit different internal layout requirements and can be adapted externally to reflect local character and scheme design.

We regularly review our standard house types and update them in line with changes to regulation and to reflect customer feedback. We extended our standard house type range in 2016 to include a number of options for larger houses. Following the Government's Housing Standards Review, a range of our house types now also comply with the new Nationally Described Space Standard and the optional higher level of accessibility in Building Regulations. Our regional businesses will be able to use these standard house types when local authorities request homes to be built to space standards or with enhanced accessibility.

We conducted post-occupancy research with a group of customers in 2016 and have used the findings to make a number of improvements to the provision of storage and utility spaces in our homes.

Responding to continued high demand for housing, a growing number of our developments now include apartments. This enables us to increase the number of units per site and offer a variety of properties to suit different budgets. We will be introducing a range of standard apartment types in 2017.

We engage regularly with external organisations on design and placemaking including RIBA (the Royal Institute of British Architects), BOB-MK, a design network that works across Berkshire, Oxfordshire, Buckinghamshire and Milton Keynes, and the Urban Design Group.

Case study

Designing our future house type range

Flexibility, customisation, cost efficiency, natural daylight, and the perception of space are some of the key features of the winning entry in the Taylor Wimpey Project 2020 Design Competition. The proposed homes designs, designed by Openstudio Architects, utilise the technical possibilities for off-site production and consider how house design can positively impact the quality of life for residents, through factors such as space and light.

The aim of the competition, which was launched in conjunction with RIBA in March 2016, was to help us develop our future range of house types, reflecting changing customer needs and aspirations. It attracted 120 entries from 14 countries, all providing different

approaches to creating aspirational, innovative, cost-effective, quality homes.

The judging panel, which included our Chief Executive and two leading RIBA architects, first shortlisted the entries down to six before issuing the stage two brief. The final submissions were featured on social media and the RIBA website, where customers, members of the public and other interested parties were invited to comment on their preferred design.

The winning design, which has now been selected, will help us to enhance and improve our existing typology.

What are the benefits?

- New ideas and inspiration to help us develop our future house types

SELECTING LAND

The ability to purchase the
right sites in the right locations

CONTENTS

Our land pipeline	17
Integrating sustainability into land acquisition	17
Land assessment and management	18

WHAT IT MEANS TO US

We are experts at selecting land and promoting it through the planning process. To sustain and grow our business and to create great places for our customers, we need sufficient quantities of suitable land, at the right price and in the right locations.

HOW WE ADD VALUE

We integrate sustainability into our approach to buying, managing and developing land. We aim to be the land partner of choice and strive to be honest, professional and act with integrity in all our dealings with landowners and others.

49%

In 2016 49% of our UK completions were within 500 meters of a public transport node.

SELECTING LAND

Land is the critical 'raw material' for our business.

Land is a valuable resource. The land that we acquire is key to defining our product range, locations, target customer base and prices, and underpins our confidence in our future financial performance.

The land we select has a significant impact on the social, economic and environmental sustainability of the future communities we create. We focus on locations that are suitable for development, in areas where people want to live and which have good transport links and access to employment and services. We assess the environmental impact of our operations and review risks and technical considerations such as flood risk and the potential need for remediation for each of our developments. This enables us to comply with the National Planning Policy Framework and to create desirable and more sustainable places to live.

We work closely with industry organisations and engage regularly with government on land, housing and planning policy both directly and as members of the Home Builders Federation. Examples of our partnership work can be found on page 21.

Our land pipeline

We take a number of different approaches to securing land to make sure we have sufficient supplies of the right land. Our land pipeline includes:

- Short term land pipeline – land with planning permission. We currently have c.76k plots in our short term landbank, with 65% sourced from the strategic land pipeline. This is enough for around 5.5 years of supply at current completion level
- Strategic land pipeline – sites with the potential for development which don't yet have planning permission. We work with landowners to secure planning permission for these sites. We have one of the largest strategic pipelines in the sector with c.108k potential plots
- Major developments – very large projects, often on public sector land. These are often progressed jointly with local authorities and government departments such as the Ministry of Defence and HCA. The Major Developments business was established in 2015 to help us evaluate the increasing number of land opportunities, which have a high return potential with a lower land and capital risk funding structure. We view this approach as an attractive route to creating additional value and, importantly, as a means to further reduce future cyclical risk.

We aim to increase the percentage of units built on land from our strategic pipeline. This enables us to plan for the longer term and, because we are involved from an earlier stage, to have more influence over the quality of the communities that we create. 51% of our 2016 completions were from strategically sourced land and 9,519 plots were converted from our strategic pipeline to our short term landbank.

Integrating sustainability into land acquisition

Our land teams integrate sustainability considerations into the land acquisition process from the start. Potential sites are reviewed against the National Planning Policy Framework which aims to ensure that all developments are economically, socially and environmentally sustainable.

We have a number of internal processes and guidance documents to help our Land Teams identify and address relevant sustainability factors, including our Land Quality Assessment process, our Land Assessment and Management Process, Our Approach to Sustainable Development and Our Approach to Planning documents.

Our sustainable development checklist helps our teams assess the wide range of issues and criteria that can determine whether a piece of land is in a sustainable location. Examples include: how well connected a community on the site will be

to transport links, infrastructure, services and jobs; flood risk; the impact of development on significant habitats or protected species; and whether the site will support local economic development or regeneration.

Every Taylor Wimpey authorisation document (used to approve a site for purchase) includes a section on sustainable development. This sets out the social, economic and environmental factors which have been considered in assessing the suitability of the land from a planning, design and sales perspective.

Sustainable transport

We aim to select land that is well connected with good transport links. Through our planning obligations we invest in roads, public and community transport initiatives, walkways and cycle paths to reduce congestion. We aim to reduce the need for travel through investment in local amenities and by planning our sites so that facilities such as schools are within easy access for our customers. 49% of our UK completions were within 500m of a public transport node in 2016.

Many sites have travel plans to encourage and monitor sustainable transport use, including car clubs and electric charging points, to reduce the impact of car travel on congestion and the environment.

Case
study**Urban regeneration at Alver Village**

Our award-winning development at Alver Village is contributing to the regeneration of Rowner in Gosport, one of the most deprived areas in southern England.

The development is seeing the old estate of 507 poorly maintained properties replaced with 623 new houses and apartments, plus a playground, small parks and other facilities. A new shopping centre to replace the previous rundown shopping parade is helping make Rowner a destination for residents of Gosport and the surrounding area. 41% of the new properties are designated affordable homes.

Taylor Wimpey is investing £16 million in the project, working in partnership with First Wessex Housing Association,

Gosport Borough Council, Hampshire County Council and the Homes and Communities Agency.

Alver Village, which is due for completion in 2017, won a Best Development of the Year award at the Local Authority Building Control Regional Building Excellence Awards 2016.

What are the benefits?

- 623 new high-quality private, affordable and shared-ownership homes
- New shops and facilities for local people
- Up to 40% of the site workforce recruited from the local area and up to 150 jobs created at the new supermarket

Land assessment and management

Our Land Assessment and Management Process (LAMP) enables us to identify and manage risks and technical issues such as those associated with remediation, flooding, ecology and archaeology. We updated LAMP in 2016 and strengthened its provisions in relation to flooding, as well as adding information and updates on dealing with asbestos in soil, fracking, sustainable drainage and the Cleaner Construction Machinery for London initiative.

We regularly transform empty, derelict or contaminated areas of land into vibrant new communities. Around 45% of our homes, in 2016 (2015: 52%), were built on previously developed land, known as brownfield land. This can support urban regeneration and renewal (see case study, left). The decrease compared with last year reflects an increase in the use of land from our strategic pipeline which includes fewer brownfield sites.

Flood risk

We take the risk of flooding extremely seriously and have processes in place to identify and mitigate flood risk from when we first identify land for acquisition. We have a working group that reviews flood risk and we use the Environment Agency's flood mapping tool to assess flood risk before purchasing land. We also take account of the Environment Agency responses to planning consultations.

We put in place mitigation measures to reduce the risk of flooding such as sustainable drainage systems and we will not purchase land where it is not possible to mitigate flood risk. Many of our sites include sustainable

drainage systems (SDS) that reduce flood risk associated with water run off. SDS work by mimicking natural drainage systems, absorbing rainfall in ponds and swales. As well as improving water management, they create attractive natural features that contribute to placemaking and provide habitats for wildlife.

We are part-funding a research project with Abertay University and other partners in Scotland to explore how gardens in new homes can be used to absorb heavy rainfall, help prevent flooding in built-up areas and contribute to biodiversity. As well as trialling new approaches at our Torrance Park development, we have also helped to produce a Developer's Guide to Greener Gardens and a learning package for schools.

The risk of flooding is predicted to increase in some areas due to climate change. The Environment Agency published new climate change allowances for England during 2016, based on the latest climate change projections. Climate change allowances are used for flood risk assessments and drainage strategies through the planning process. Potential risks included the sterilisation of development areas and increased costs for flood mitigation works. We reviewed 47 sites selected from our English regional businesses and Strategic Land North and South, with more detailed reviews at 16 of those sites. We identified that in general our business is not significantly exposed to the risk of increased river flood levels or extents in future climate change scenarios. However, there are circumstances where there is potential for individual sites to be impacted. The review work is complete and we will roll out the lessons learned in 2017.

MANAGING THE PLANNING AND COMMUNITY ENGAGEMENT PROCESS

Creating sustainable communities that meet
the needs of local people

CONTENTS

Community engagement	20
Developing successful planning applications	21
Engagement with local and central government	21
Protecting local heritage	22
Local economic development	22

WHAT IT MEANS TO US

We engage, consult and work in partnership with local government, communities and other stakeholders to plan our developments. We want to be the industry leader in planning and community engagement and the residential developer that everyone wants to deal with.

HOW WE ADD VALUE

Open communication and ongoing dialogue throughout the planning and development process enables us to create desirable places to live that meet local needs and add value to the local communities in which we build.

100%

We create a tailored planning and community engagement strategy, that reflects the needs of the local area, for every Taylor Wimpey site.

MANAGING THE PLANNING AND COMMUNITY ENGAGEMENT PROCESS

We undertake tailored, development-specific community engagement on all of our UK sites.

We prioritise community engagement. We aim to be open and transparent so that local communities know what we are doing and why we are doing it, as well as how they can express an opinion or get involved. Investing in engagement with the local communities in which we build helps us to meet regulatory requirements, build good relationships and ensure an efficient and successful planning application process.

Dialogue also helps us to maximise the economic benefits of our developments for local communities.

Community engagement

We create a tailored planning and community engagement strategy for each site that reflects the needs of the local area. Our approach goes well beyond regulatory requirements, with engagement starting before we submit a planning application and continuing throughout the development process. Wherever possible, we use the feedback obtained as part of our community engagement to develop and improve our design proposals.

To fully understand local views, it is important that we reach a wide range of stakeholders, from residents, property owners and local authorities, to businesses, schools and other groups. Research by Shelter, the housing and homelessness charity, shows that those who oppose development are more likely to actively participate in engagement than those who support it, so we need to be proactive in encouraging all types of stakeholders to share their views.

We communicate our plans and encourage feedback through meetings, exhibitions, newsletters and information boards, and we are trialling the use of social media updates via Facebook and Twitter to reach a wider audience. Depending on the site, we also run workshops on topics such as design to explore local views in more detail.

We publish information on all proposed developments on our website so anyone can see what we are planning in their area.

We work with many communities on the creation of Neighbourhood Plans, which are designed to enable local people to shape new development in their area.

Tools and guidance for employees

Our Community Engagement toolkit helps our people develop the right approach for each site. We also have a Building Our Reputation toolkit that provides information and practical tools to help our employees communicate honestly and openly with communities and customers through the development process. We are developing an online, interactive version of the toolkit that will be launched in 2017.

We provide training for Planning Teams on our approach to community engagement, and we share information and best practices through internal conferences, email updates and Yammer, our internal social media network.

Case study

Working with the community at Haycop Rise, Broseley in Shropshire

Dialogue with the local community has been a priority throughout the planning and construction process at our Haycop Rise development in Broseley. The Taylor Wimpey Project Team established the 'Broseley Stakeholders' Group', providing a regular forum to discuss concerns and keep local people updated.

The Group includes representatives from the Taylor Wimpey Project Team, the local Mayor and Ward Councillor, the Head Teacher and Chair of Governors from the local school and a representative for the local residents' group. It met monthly for the first two years and now convenes quarterly.

The Group's work has helped reduce the impact of the build process on local people. Thanks to the regular meetings the Site Team has been able to schedule infrastructure works and road closures around local events and to work more effectively with the school to educate children and their parents on the dangers of construction sites.

What are the benefits?

- Has helped reduce the impact of the build process on local residents
- Enabled the site team to better understand local needs and meet, and where possible exceed, the expectations of local stakeholders

Working with communities during and after construction

Our engagement with local stakeholders continues throughout the construction process of our developments, and we make sure there is always a clear point of contact for people to ask questions or raise concerns.

We encourage the development of local networks and a strong community on our sites. This includes building new community facilities and organising events that provide opportunities for residents to meet. On some sites these are organised by a community development worker, funded through our planning obligations.

We establish Community Development Trusts on some sites to provide long term stewardship of the development and its public spaces after construction finishes. On other sites this role is fulfilled by the local council or a private management company.

Developing successful planning applications

Our approach to community engagement helps us to develop planning proposals that are financially viable and meet local housing needs.

Every planning application must demonstrate a positive contribution to economic, social and environmental sustainability as required under the National Planning Policy Framework. Each planning application

Case study

Creating new community spaces at Newton Leys

A new community centre at our Willow Lake waterside development in Newton Leys is providing a venue for events and a hub where residents can meet and get to know each other.

The centre, which opened in 2016 with capacity for 100 people, is already being used to host community groups such as a pre-school group, the Newton Leys Residents' Association and a branch of the Women's Institute.

It is one of several facilities being developed for the new village community of Newton Leys, including a new primary school and nursery, shops, playgrounds and leisure facilities.

What are the benefits?

- A new space for local events and community groups
- Helping to foster a sense of community among new residents

includes a Design and Access Statement which explains how the plans have been developed and how community engagement and sustainability factors have been integrated.

Our Approach to Planning toolkit, our Approach to Sustainable Development document (see page 17) and our Preparing a Design and Access Statement guide help employees comply with regulatory requirements, including social and environmental criteria.

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, which 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 for new residents (see page 38).

Once planning permission is granted, 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.

Engagement with local and central government

We work closely with local authorities, parish councils, the Homes and Communities Agency (HCA), the Greater London Authority (GLA) and other public sector organisations to understand their priorities so we can reflect these in our development proposals.

As well as site-specific engagement, we participate in the development of Local Plans, which consider the broader development needs of each area. This is particularly important for land in our strategic pipeline, where creation of the Local Plan is the first step in the planning process.



Case
study**Partnering with the Wildlife Trust**

A partnership with the Wildlife Trust is helping to engage our customers on local wildlife and nature and to enhance biodiversity on our developments.

Through the partnership, our regional businesses can work with their local Wildlife Trust to create customer leaflets, distributed by our Sales Teams in home handover packs. These provide information on local green spaces and nature reserves, help customers identify local birds and give tips on creating a wildlife-friendly garden.

Our Oxfordshire regional business is also working with its local Wildlife Trust to identify opportunities to protect and enhance biodiversity on each site before the design process begins. We are exploring opportunities to roll out this model of early engagement to other regional businesses.

What are the benefits?

- We help customers connect with local nature and wildlife
- Contributes to a sense of place on our developments
- Biodiversity better integrated into our design process



We respond to consultations on changes to the planning and development process. During 2016, we made representations in response to proposed changes to the National Planning Policy Framework, the Housing and Planning Act 2016, the Neighbourhood Planning Bill, the Improving the Use of Planning Conditions Consultation and the Local Plans Review carried out by the Local Plans Expert Group.

We are members of the HCA's four regional Delivery Partner Panels and a member of the GLA's London Development Panel, which enables us to tender for potential sites on public sector land.

Protecting local heritage

We aim to protect unique local heritage on our sites such as historic buildings and archaeological remains. This is important for local communities and can contribute to good placemaking, enhancing a site's character and sense of place.

Examples from 2016 include our Sherford Consortium in Devon (a collaboration between three developers) which held an open day to share archaeological discoveries made on the site. As part of this initiative, children were able to join a practice dig with archaeologists while experts explained some of the history associated with early Bronze Age burial mounds, round houses, and ancient artefacts found on the site, including pottery and coins.

Prince Philip Barracks (Bordon, Hampshire) is a former Army base which we are developing on behalf of the Ministry of Defence with our development partner Dorchester Regeneration. A number of existing buildings on site have been improved and are being used by the local community. Buildings of heritage value will be renovated to enable them to be put into alternative sustainable uses that complement the scheme's regeneration plans for the former barracks site.

At our development at the former Cadbury's chocolate factory in Keynsham, Somerset, some of the historic buildings are being redeveloped by local charity the St Monica Trust to provide a retirement community, featuring assisted-living apartments and a care home (see page 9).

Local economic development

Our developments create economic benefits for local communities. As well as new housing, these can include new jobs on site and in the supply chain, increased revenues for local businesses during construction and from new residents, and benefits arising from our investment in new infrastructure and amenities.

We use our Economic Benefits toolkit to estimate and communicate these benefits to stakeholders during the planning process. The toolkit shows the estimated 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 also calculates how much new residents will spend with local businesses when moving in and then annually as they continue to live there.

GETTING THE HOMEBUILDING BASICS RIGHT

We work with suppliers and use carefully sourced materials to ensure that our homes are built safely, efficiently, cost-effectively and with minimal environmental impact

CONTENTS

Sustainable homes	24
Environmental management	24
Energy and carbon	26
Water	26
Waste and recycling	27
Biodiversity and green infrastructure	28
Supply chain	28
Health and safety	30

WHAT IT MEANS TO US

We want to build our developments in the right way, with respect for employees, local people and the environment. We choose suppliers carefully, aiming to select partners who share our values and to work with them to achieve our goals.

HOW WE ADD VALUE

Our comprehensive policies and procedures ensure we use resources efficiently, reduce our carbon footprint, keep our people safe and protect or enhance the local environment on our developments. Improving energy and resource efficiency in our homes can make them better places to live for our customers.

24%

We have reduced our scope 1 and 2 carbon emissions intensity by 24% since 2013.

GETTING THE HOMEBUILDING BASICS RIGHT

We strive to create high-quality, well-designed sustainable homes and communities.

Sustainable homes

Energy-efficient homes are better for the environment and can be more comfortable to live in with lower running costs for customers. Research suggests that average household energy spend in a new home can be almost half that in older properties¹.

Our standard house types include highly energy-efficient walls and windows, and insulated loft space. We test our homes for airtightness and use mechanical ventilation to maintain good air quality and comfort. Some developments also include additional efficiency measures such as systems for mechanical ventilation with heat recovery, waste water heat recovery and flue gas heat recovery, often in response to local authority requests.

We use energy-efficient fixtures and fittings. All appliances that we offer as standard options in our homes are at least A rated for energy efficiency. We use 100% low energy light fittings, including LED bulbs, for recessed down lights.

Through our Project 2020 research initiative, we have been piloting smart and intelligent home technologies which can make it easier for customers to control and reduce home energy use and save money on their energy bills. We are rolling out smart thermostats that allow customers to control their heating and hot water remotely in six regional businesses as an option.

It is important that our finished homes achieve the energy efficiency standards specified in our house designs. This requires all elements to be installed correctly and consistently. During 2015-16 we carried out audits in our regional businesses to assess the energy efficiency performance of our finished homes. This identified a number of areas for improvement including inconsistencies in the way that doors and windows are installed. To address this, we are trialling a simpler approach to constructing door thresholds, and are working with suppliers to make it easier for window frames to be installed correctly.

In a modern airtight home it is important that ventilation systems are installed and used correctly, to ensure good internal air quality and prevent condensation. We are trialling a new ducting product for our ventilation systems that is easier to install and provides more consistent performance.

We have also introduced a new system for properties with rooms in the roof space. This uses pre-insulated panels constructed off-site. This improves quality of build and ensures consistent energy performance as well as being more efficient and safer to install.

The Code for Sustainable Homes has now been consolidated into Building Regulations so the number of new homes we build to the Code will reduce. In 2016 we completed 3,676 homes to Code level three (2015: 3,968) and 1,282 homes to Code level four (2015: 944).

Case study

Research and innovation through Project 2020

We are exploring and evaluating new products, new materials, new construction techniques and design innovations through Project 2020, our 'future proofing' work stream. For example, during 2016 we worked with suppliers to test closed panel timber frame systems. These replace the inner leaf of the building, traditionally constructed from block-work on-site. Closed panel systems are constructed off-site allowing greater flexibility in insulation and the option for windows, plasterboard and other features to be

factory-installed. The systems can improve construction efficiency, reduce waste, contribute to high-quality build and improve home energy efficiency.

We will be trialling other products and approaches during 2017 and applying the results of our research to future developments.

What are the benefits?

- Improved build quality and business efficiency
- Lower environmental impact from greater resource and energy efficiency

Renewable technologies

We take a 'fabric first' approach, concentrating on making our homes as energy-efficient as possible. However, we also integrate low-carbon and renewable technologies on some of our developments or include them as customer options. This includes photovoltaic and solar panels, combined heat and power products and ground source heat pumps. We are exploring other renewable energy approaches through Project 2020.

Water efficiency

We integrate water efficiency measures into our homes to help reduce future water use by our customers, in line with Building Regulations. All new homes have water

meters fitted, and we also include low flow taps and showers, and dual flush toilets. Some developments include additional water saving features such as rainwater harvesting and grey water systems, reflecting local authority priorities.

Environmental management

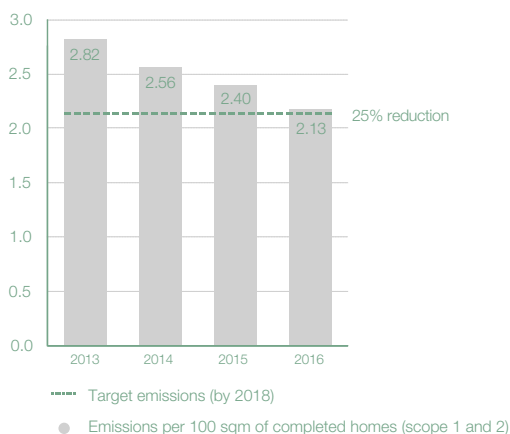
Our health, safety and environmental management system covers all our business activities. It includes procedures and processes to keep noise, dust and disturbance to a minimum on all our operational sites, to prevent pollution incidents and to protect the biodiversity of the local environment. The health and safety elements of our environmental management system are described on page 25.

¹ Research by the NHBC and Zero Carbon Hub comparing a three-bed semi detached house built to 2013 building regulations with an average Victorian three-bedroom semi-detached house. More information can be found at www.zerocarbonhub.org

Our environmental management system (EMS) is based on (but not certified to) the environmental management standard ISO14001. It requires all operational sites to carry out mandatory environmental checks and to have a regularly updated Site Specific Environmental Action Plan (SSEAP). We support the principles of the Considerate Constructors Scheme (CCS) and over 1,000 of our sites have registered with CCS since the scheme began in 1997.

We train Site Management Teams and the operatives working on our sites on our EMS. Employees, contractors and site operatives can use our Environmental Advice Line to get advice or, in the case of an incident, obtain specialist support immediately.

Emissions per 100 sqm of completed homes (scope 1 and 2)



Our approach is subject to regular internal and external review and auditing. This includes:

- Annual internal audit of our EMS by our regional HSE advisors
- Review of environmental checks and SSEAP during monthly site visits by local Management Team Directors
- Independent, unannounced HSE audits at every operating site at least once a month, carried out by our external HSE advisors

- Regular external review of our EMS by our environmental advisors RSK to ensure it reflects changes in regulation and best practice

There were no enforcement notices received from the Health and Safety Executive in 2016. We received one Control of Noise Notice from the Environment Agency to prevent further 'unreasonable disturbances' to residents in surrounding properties on one of our sites.

We received no enforcement notices for environmental issues in Spain in 2016.

We will be launching a network of sustainability champions in our regional businesses during 2017 to help improve our environmental data and encourage colleagues to use resources efficiently. Champions will be nominated by the Managing Director in each regional business and will focus on energy, water and waste.

Greenhouse gas emissions – scopes 1, 2 and 3 (tonnes of CO₂e)

Category total emissions (tonnes CO ₂ e)	2016	2015	2014	2013
Emissions from combustion of fuel (scope 1)	17,983	17,768	16,436	16,107
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (market-based method)*	10,827	12,947	13,326	14,229
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)*	10,417	11,159	11,885	10,526
Total scope 1 and 2 emissions (market-based method)	28,809	30,716	29,672	30,336
Emissions per 100 sqm of completed homes (scope 1 and 2)	2.13	2.40	2.56	2.82
Percentage reduction in direct carbon emissions intensity (scope 1 and 2) since 2013	24.5%	14.9%	9.2%	n/a #
Indirect GHG emissions from supply chain (scope 3)	1,026,420	767,501	696,005	551,749
Total scope 1, 2 and 3	1,055,229	798,217	725,677	582,085
Emissions intensity scope 1, 2 and 3: Emissions per 100 sqm of completed homes	78.2	62.2	62.7	54.2

Data is provided as tonnes of carbon dioxide equivalent (CO₂e) 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 covers these categories: purchased goods and services, business travel, waste generated in operations and fuel and energy related activities.

* We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), 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 recalculated our data for previous years to reflect this. We have also included our scope 2 emissions calculated using the location-based method for transparency. See our Carbon Reporting Methodology Statement at www.taylorwimpey.co.uk/corporate/sustainability for more detail on our calculations.

Not available due to using a new emissions measurement methodology in 2013 due to the introduction of Mandatory Carbon Reporting. This means that 2013 data is not entirely comparable to previous years.

Energy and carbon

Climate change is one of the most significant and complex global challenges and one that will affect our business and our customers. The Paris Agreement provides an international framework for tackling climate change, and we aim to play our part by reducing the carbon footprint of our business. We have set a target of a 25% reduction in scope 1 and 2 greenhouse gas emissions per 100sq metres of completed homes by 2018 compared with 2013.

We use our Sustainability and Climate Change Risk and Opportunity Register to guide the climate change adaptation of our business practices and the homes we build (see page 44).

We have reduced scope 1 and 2 carbon emissions intensity by 24% since 2013, including through our energy reduction programmes in place in our offices, on our sites and within our show homes and sales areas, and by purchasing green tariff and lower carbon electricity. We are close to meeting our target of a 25% intensity reduction by 2018.

We participate in the CDP climate change report and received a score of B in 2016 (2015: D). This improvement reflects our progress at reducing the carbon intensity of our direct operations.

Our scope 1 and 2 data has been verified by the Carbon Trust for a number of years. During 2016 we 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.

We updated our greenhouse gas data to reflect the Greenhouse Gas Protocol market-based method, introduced in 2015. This allows the carbon intensity of the electricity purchased to be reflected in our greenhouse gas footprint, whereas our previous methodology relied on the UK grid average intensity. We have adjusted our 2013 baseline and data for previous years to reflect this. This work was supported by the Carbon Trust.

Our scope 3 footprint has risen by a third this year. This is largely as a result of the introduction of a new and more accurate methodology for calculating carbon from purchased goods and services, but also reflects an increase in the number of homes built.

Reducing energy use on site

During 2016 we held a carbon workshop to identify further actions to reduce our carbon footprint. As a result, we are prioritising energy use and carbon emissions from our show homes, offices and site compound buildings. We are reviewing the specification for site compound buildings, looking to improve the layout and create enclosed offices for Site Managers as well as making simple changes like fitting door closers. This will reduce the amount of space we need to heat in each building and reduce heat loss from people coming in and out.

Behaviour changes can have an impact. For example, after a home is built it needs to go through a process of drying out.

We encourage site workers to use natural ventilation methods rather than heating to reduce energy use.

We found that thermostats in many of our show homes were left on factory settings, so heating stayed on during the evenings, wasting energy. Our Sustainability Team met with Sales Executives at many of our show homes to show how adjusting the thermostat timer can save energy and money. We expect this to reduce energy use by around 40% in show homes which could result in c.1% reduction in our overall carbon footprint.

We are changing the way we purchase energy for our sites during construction (Temporary Building Supplies) and switching to other green tariffs. This will reduce carbon emissions and costs to the business.

We are also exploring other opportunities to reduce energy use, looking at areas such as efficient plant machinery and the fuel efficiency of our car fleet. We are installing electricity sub meters on six sites to help us better understand our electricity use and identify reduction opportunities.

Water

Several parts of the UK are already experiencing serious water stress and climate change could increase this. We aim to use water carefully and increase the water efficiency of our sites.

Case study

Carbon Futures – understanding the carbon footprint of developments

Our Carbon Futures tool, developed with the New Energy Trust, assesses carbon impacts on a whole site basis. It covers not just the carbon footprint of the homes we build, but also the impact of landscaping and features that enable residents to lead a lower carbon lifestyle.

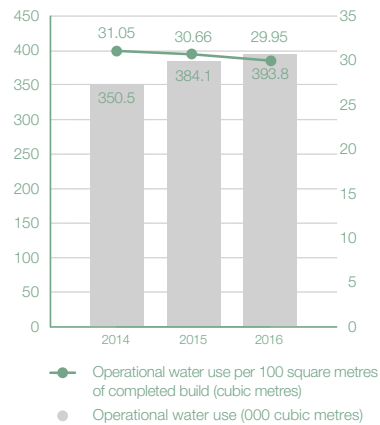
We tested the tool at our Whitehill and Bordon development in Hampshire, which showed that overall CO₂ emissions were 23% lower than required by Building Regulations. Much of this saving was due to the impact of new landscaping, with soil capturing and storing atmospheric CO₂, as well as improvements to building design, including energy-efficient building fabric, lower water consumption and hot water savings.

In 2017 the Carbon Futures tool will undergo a further phase of development work and we aim for it to be verified by the Carbon Trust.

What are the benefits?

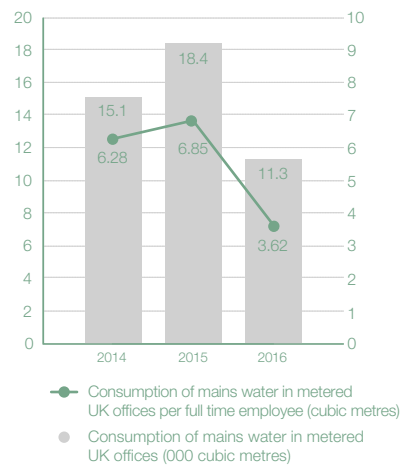
- A holistic approach to identifying and reducing carbon emissions on our developments

Operational water use (000 cubic metres)



Note to chart: Data is from all metered water sources, including offices, show homes, sites and plots before sale.

Water consumption – metered UK offices (000 cubic metres)



Note to charts: Operational water use includes water used on building sites, in sales areas, show homes, plots before sale, offices and our logistics business. A water footprint method statement summary can be found on our website www.taylorwimpey.co.uk/corporate/sustainability. Data is for UK only.

We integrate water efficiency measures into our homes in line with Building Regulations (see page 24). We also take steps to minimise flood risk and to create sustainable drainage systems on our sites. We protect water quality by remediating groundwater on brownfield sites and preventing silt run off or fuel spills on our construction sites through our environmental management system.

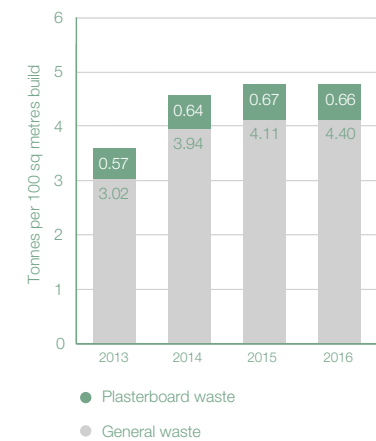
We commissioned research by Trucost, the sustainability consultancy, on the water footprint of our supply chain during 2016 (see case study on page 29).

Performance in 2016

Our total metered water consumption increased this year however our water intensity (the amount of water per square meter of build) has decreased by 3.5% since 2014.

In our offices there have been further reductions. Our target was to reduce metered office water consumption intensity by 6% by 2016, compared with 2014. We achieved a 42% reduction in the water intensity of our metered offices (per full time employee) far exceeding our target. The reduction is due to a combination of moving into more water efficient offices, addressing water leaks, implementing efficiency measures and an increase in the number of employees in these locations which affects the intensity measurement.

Construction waste (tonnes per 100 sq metres build)



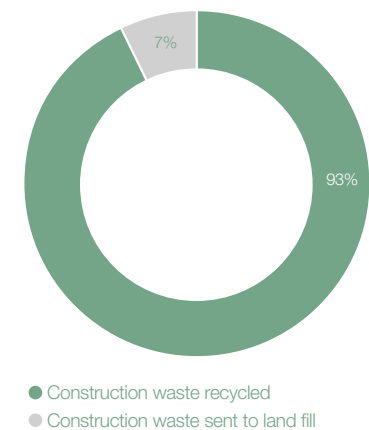
In 2016, we developed best practice guidance on water efficiency measures and leaks for our building sites, sales areas and plots before sale. We also participated in the CDP water benchmark for the second year running. This assesses companies' corporate water stewardship practices and performance. CDP gave us a score of B- slightly below the overall CDP average score of B.

Waste and recycling

We aim to use resources efficiently and to reuse and recycle where possible. We have a waste and resources strategy for our business and our supply chain. We aim to treat all materials as 'resources' rather than waste, to encourage reuse and recycling and to avoid costs associated with waste disposal.

In 2016 our target was to, as a minimum, maintain construction waste intensity at 2015 levels. However we missed this target with waste intensity increasing by 5.9%. The increase in waste in our business is reflected across our industry. We believe this is mainly due to skills shortages and more staff and subcontractor turnover on site resulting from continued growth in the sector, making it more challenging to embed our waste reduction strategy. Following waste audits of a number of our regional businesses, we have identified areas for improvement including materials storage areas to reduce breakages, waste storage areas, making colour coding for waste sorting more consistent and more training for employees and suppliers.

Construction waste recycled



Our sites reuse soil and aggregates during the development process but we do not have comprehensive data for this. We believe there could be opportunities to collaborate on soil reuse with other homebuilders, to increase the overall volume of soil reused, and we are looking for opportunities to partner in this area.

We continued our partnership with Reconomy, our waste contractor. We began an office waste recycling pilot in our North East regional business in 2016 and are now using their Sustain-a-Bale system that increases recycling of packaging waste in three of our regional businesses. This significantly reduced waste for the Midlands pilot region and we expect similar results in our other regional businesses.

We continued to use a pallet repatriation service in 2016. A total of 70,798 pallets were picked up from our sites, a 3% increase on the previous year (2015: 68,814). This represents 1,274 tonnes of wood (2015: 1,239). The pallets were dispatched to a consolidation centre and, whenever possible, they were taken back to their organisation of origin for reuse.

Biodiversity and green infrastructure

We aim to protect native species and habitats during construction and promote biodiversity on our completed sites. By integrating wildlife-friendly green spaces into our developments we can create better places for our customers to live and have a positive impact on local biodiversity.

Integrating green infrastructure

We design our developments to incorporate green spaces such as parks, playing fields, woodlands and gardens, as well as sustainable drainage features and planting, alongside roads and streets. This green infrastructure contributes to good placemaking (see page 14), supports water management (see page 26) and can also enhance biodiversity.

Our Guide to Green Infrastructure will be launched in 2017 to help our teams successfully plan and implement green infrastructure. It includes advice on how to use green spaces to support biodiversity, such as maintaining mature trees, planting native species, providing wildlife corridors and enhancing waterways with natural edges. Recent examples of how we enhance biodiversity on our developments include Cambourne, where six hectares of new lakes and wetlands were created, providing areas for recreation and bringing new species of birds, mammals and insects onto the site. At our The Chilterns development we have incorporated wildlife-friendly planting such as mature trees and native shrubs. And at Chase we, in partnership with the Wildlife Trust, have developed a comprehensive landscape strategy to enhance its nature conservation value as well as improving visual amenity and protecting cultural heritage.

More information about our partnership with the Wildlife Trust to engage residents on the wildlife and natural environment around their homes is available on page 22.

Protecting biodiversity during construction

We aim to reduce the impact of our developments on local biodiversity. We carry out an ecological impact assessment for all sites, including assessing any protected species or habitats, as part of our LAMP process (see page 18).

During construction, biodiversity is included in our environmental management system. The Site Specific Environmental Action Plan provides a management plan for ecological mitigation, compensation and enhancement measures.

Supply chain

We spend over £1 billion each year with more than 2,000 suppliers of goods and services, including contractors and material suppliers. Suppliers play a major role in our business, providing the materials we use to build our homes and carrying out the majority of construction work on our sites. We select suppliers that meet our high standards in areas such as safety, quality and efficiency, who treat their people well, respect human rights and look after the environment.

We aim to work in partnership with our suppliers, treating them fairly and collaborating to improve our practices in areas like health and safety (see page 30), the environment and skills and apprenticeships (see page 33). By establishing long term partnerships with carefully selected suppliers, we can improve how we work, reduce risks to the business and ensure a secure supply of essential materials and labour.

Supply chain standards

Our standards for suppliers are explained in our Supply Chain Policy and in our Supplier and Subcontractor Framework Agreement.

More than 95% of our national suppliers – those with whom we have centrally negotiated contracts – now use Constructionline, a UK Government certification service for supplier vetting. We are extending this to all service and material suppliers with a turnover of £1 million or over, which is around 300 more suppliers. We require all of our national suppliers to provide a wide range of HSE and other information to Constructionline.

We commissioned an external review of our approach to sustainable procurement during 2016. This looked at our policies and procedures and benchmarked them against best practice standards and other companies in our sector. It identified opportunities to strengthen our approach in areas such as supplier criteria and engagement which we will be reviewing during 2017.

We joined the Supply Chain Sustainability School (SCSS), a membership organisation for companies in the construction, housebuilding, facilities management and infrastructure sectors, to share information and best practices on sustainability. We will be working with the SCSS to develop our approach and share information with suppliers.

Modern slavery

We do not tolerate any form of slavery, forced labour or human trafficking in our business or supply chain. We have published an

Anti-Slavery and Human Trafficking Policy that sets out our approach on this issue and are updating a number of other key policies to reflect the requirements of the Modern Slavery Act.

The Company welcomes the aims and objectives of the Modern Slavery Act 2015 and takes its responsibilities under the Act very seriously. As part of this, during 2016 we strengthened oversight of standards in our supply chain to make sure we are selecting partners who share our commitment to responsible business. We will be publishing our first Modern Slavery Act Statement on our website on 17 March 2017. We will be following up with suppliers identified as higher risk for further engagement. Further information can be found in our Annual Report and Accounts and on our website.

Sustainable materials

We aim to select materials with a lower environmental footprint and to work with suppliers to reduce environmental impacts in our supply chain. This can reduce costs, improve efficiency and help us prepare for potential future resource shortages.

Many of the products we buy have been independently assessed and certified to the BES 6001 standard for responsible sourcing of construction products. We commissioned research by Trucost during 2016 to review the resource intensity of our supply chain (see case study, right).

We use a significant amount of timber on our developments. We require all suppliers to provide timber from legally logged sources in line with our policy and the EU Timber Regulation. We are committed to buying timber from responsibly managed forests certified by recognised certification schemes such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or Sustainable Forestry Initiative (SFI). In 2017 we will review supplier compliance with our policy.

We use many materials with lower embodied energy and carbon or that contain reused or recycled content. Examples include:

- Our plasterboard, supplied by British Gypsum, contains up to 90% recycled materials. It has been certified to the BES 6001 standard Excellent level. We are working with British Gypsum on a project to review the size of plasterboard we buy to reduce waste on site, which could result in a 4% materials saving
- Our chipboard flooring, supplied by Egger, contains 30% recycled wood and 70% wood sourced from FSC certified forestry
- We are introducing pre-fabricated panels to replace masonry gable and interior walls. These have a lower embodied carbon than masonry due to their use of timber frame and their off-site construction

Case study

Understanding resource use in our supply chain

The resource impacts of our supply chain from energy and water use, carbon emissions and waste are at least 10 times greater than those of our direct operations. This is one of the findings from research by Trucost, the sustainability consultancy, into the environmental footprint of our supply chain.

The research showed that waste generation is largely associated with directly employed Tier 1 contractors on site. However, energy, carbon and water impacts are greater further down the supply chain, mainly among construction material providers in Tier 2 and beyond.

We have joined the Supply Chain Sustainability School to help us engage with suppliers on resource efficiency. This will include working with groundworks contractors, who complete site clearance, development platform creation, excavation and foundation laying on construction sites, as they have a significant impact on both energy use and waste.

What are the benefits?

- Will help us work with suppliers to reduce resource use and improve efficiency

Fair treatment of suppliers

Prompt payment is an important element in maintaining constructive partnerships with suppliers. Our standard payment terms for suppliers and contractors are 30 days.

Small and local suppliers

A significant proportion of our procurement, particularly for materials sourcing, is through large contracts with national suppliers. However, we also work with many smaller

businesses providing labour and services, including companies that are local to our development sites. This can benefit the business by giving us access to a more diverse range of skills and experience as well as help support the local economies in which we work.

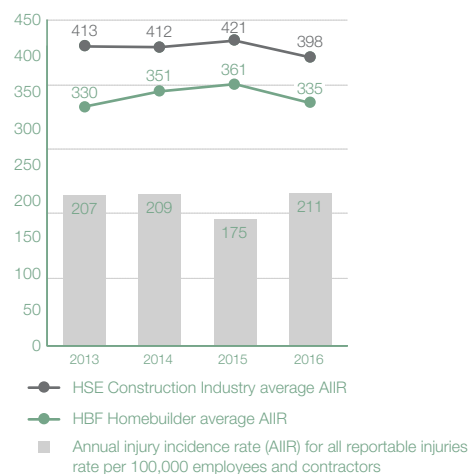
We provide advice and help to small and medium sized businesses with HSE risk assessments and other site-specific procedures that they need to prepare in order to tender for work with us.

Health and safety (H&S)

Health and safety is our non-negotiable top priority. We work with contractors, suppliers, trade groups and associations, and others to improve our health and safety performance.

We have a comprehensive health, safety and environmental (HSE) management system covering all business activities as well as site-specific HSE plans. The health and safety element of our management system is based on (though not certified to) OHSAS 18001. It is audited by our internal regional HSE advisors and independent external site HSE advisors.

Health and safety performance Annual injury incidence rate



Embedding a safety culture

We embed a safety culture through training, awareness and visible HSE leadership. Our Site HSE Manual covers all relevant aspects of HSE management and is regularly updated.

Production and Site Management Teams complete HSE training and annual refresher training, supplemented by regular workshops and briefings. During 2016, briefings covered topics such as environmental management, effective traffic management and control of site groundworks operations. Regular newsflash memos highlight key issues as well as legal and best practice updates. All new directors and managing directors are trained on health and safety.

Site operatives complete our HSE induction which is supported by regular poster campaigns and 'toolbox talks' on key topics.

Directors from our regional businesses review H&S during site visits and our Production Managers review performance monthly, including making unannounced spot-checks. Our external site HSE advisors, RG Wilbrey and C-MIST, carry out independent unannounced site audits at least monthly which include HSE.

H&S performance is the first item reviewed at monthly Group Management and Operational Team meetings as well as board meetings for our regional businesses. We develop H&S Improvement Plans at both group and regional business level.

In Spain, we have a comprehensive H&S management system and internal audit process. Each site is visited at least quarterly by the relevant directors. We provide H&S induction training for all new contractors and subcontractors on our sites.

How we performed in 2016

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 prevent possible future accidents.

In 2016 there was an increase in reportable and major injuries reflecting an increase in accidents involving slips, trips and falls and material handling. During 2017, there will be an increased focus on housekeeping on site to reduce slips, trips and falls and we will be working with our suppliers on manual handling of bulky items such as doors and staircases. Our annual injury incidence rate (AIIR) for reportable injuries per 100,000 employees and contractors was 211 in 2016, against a record low of 175 in 2015, with the rate in the second half of the year at a similar level to 2015. Our AIIR for major injuries per 100,000 employees and contractors was 53 in 2016 (2015: 18). Whilst our AIIR has increased, it remains below both the HBF Home Builder Average and Health and Safety Executive Construction Industry Average, and we are committed to reducing it further.

We received no enforcement notices from the UK's Health and Safety Executive in 2016. We received three Notification of

Contravention Letters relating to: improvements to a perimeter fence on one of our sites; adjustments to the buttressing support on scaffolding; and in relation to access to scaffold whilst a fall protection system was installed. In Spain, we received two improvement notices. Some minor issues were identified at our Marina Golf development during a routine inspection by the Labour Department which were resolved during the visit. We were inspected and required to provide documentation to the Labour Department following a workplace accident at our Colonia de San Pere site.

Health and safety data is verified by the Managing Director for each regional business, validated by our internal HSE advisors, and cross-checked by external advisors to ensure compliance and accurate reporting.

Working with contractors and partners

We work in close partnership with contractors to keep our sites safe. All contractors tendering for work have to provide details of their risk assessment process and safe system of work for their area of activity.

The Operatives' Journey is our process for ensuring clear communication of critical safety messages to site operatives. It is intended to prevent 'safety sign blindness' and engage site workers on safety. It starts with our HSE site induction.

Each site is encouraged to have a Site Support Team, with representatives from Taylor Wimpey and contractors such as trades supervisors, groundworkers supervisors or site operatives. Members are nominated by the Site Manager and given a blue hat to make them visible on site. Site Support Teams participate in improving site safety and operatives can talk to members of the team about HSE issues, concerns or suggestions. During 2016 we ran training sessions and team building events for Site Support Team members.

We consulted with contractors on H&S issues during 2016. This included a consultation with roof carpenters and joiners on improving our safe system for carrying out internal roof bracing at height. As a result, a specially adapted roof ladder with metal roof decking was developed and introduced on all sites.

We also consulted groundworks contractors on issues associated with working near underground services, safe use of dumper trucks and training for groundwork supervisors. A series of breakfast meetings were held with all groundworks contractors to review the findings and agree implementation. We are continuing with our safety supervisory training programme for our contractors' groundworks supervisors (completed by over 3,200 at the end of 2016).

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).

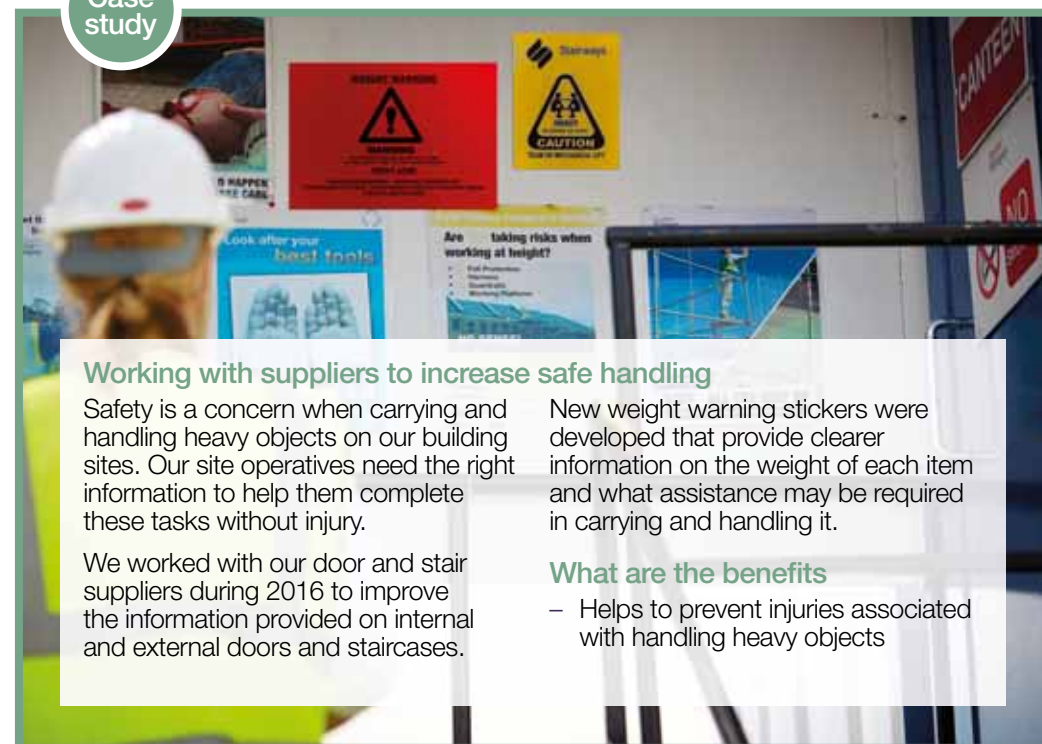
Occupational health

We educate workers on health issues through our 'tool box' campaigns and H&S training. We are working with the HBF and the Health and Safety Executive (HSE) on an industry-wide initiative to assess the risks of construction-related dust on sites and develop practical tools and control measures for reducing operatives' exposure. We have dust control procedures that are standard practice on all sites, including the use of respiratory protection and extraction equipment.

Working with schools

We engage with schools near to our developments, raising awareness of the dangers of live construction sites and giving schoolchildren an opportunity to learn about the housebuilding process. Our school resource packs provide a range of interesting and interactive projects linked with the curriculum. Pupils have an opportunity to see the work that goes into designing homes and communities, find out about the range of career opportunities available in the construction sector and learn about safety on live construction sites, building materials and eco-friendly homes. Our schools packs have been distributed to over 270 schools across the UK.

Case study



Working with suppliers to increase safe handling

Safety is a concern when carrying and handling heavy objects on our building sites. Our site operatives need the right information to help them complete these tasks without injury.

We worked with our door and stair suppliers during 2016 to improve the information provided on internal and external doors and staircases.

New weight warning stickers were developed that provide clearer information on the weight of each item and what assistance may be required in carrying and handling it.

What are the benefits

- Helps to prevent injuries associated with handling heavy objects

OUR PEOPLE

We aim to be the employer of choice
in the housebuilding industry

CONTENTS

Cultural principles and ethics	33
Skills, recruitment and training	33
Diversity, inclusion and gender balance	34
Reward and remuneration	35
Employee engagement	36

WHAT IT MEANS TO US

We aim to be the employer of choice in our industry. We invest in training and development, offer attractive remuneration and focus on employee engagement to help us recruit and retain skilled employees.

HOW WE ADD VALUE

We provide apprenticeships and entry level positions and partner with education providers to build skills, bring young people into our industry and combat the construction skills shortage. We aim to be an inclusive employer and to increase the diversity of our workforce over time.

4,697

We directly employed, on average, 4,697 employees across the UK.

OUR PEOPLE

We aim to be the employer of choice for our people.

During 2016 we directly employed, on average 4,697 people across the UK (2015: 4,299) and provided opportunities for a further 12,390 operatives on our sites. Our voluntary employee turnover remained low at 13.9% (2015: 13.3%).

Cultural principles and ethics

Our cultural principles framework underpins our expectations of employees and all aspects of people management including appraisals, employee development and recruitment.

We have a range of policies and procedures in place to help embed our cultural principles. This includes our Business Conduct Policy, which requires all employees to meet high standards of integrity and conduct in their work. We do not tolerate bribery or corruption. We are developing a new Code of Conduct which will be launched in 2017. This will bring together existing policies and procedures with our values and will provide more guidance and additional accessibility for employees on expected standards of behaviour.

We encourage employees to share any concerns or suspected cases of unethical conduct with their direct line manager, another manager or by reporting to our Group Legal Director and Company Secretary, HR Director or Head of Internal Audit. We also operate an independent confidential reporting hotline, Safecall, which is available to all employees and subcontractors across the business.

Skills, recruitment and training

The skills shortage in our industry makes it essential that we invest in recruiting new talent and building the skills of our existing workforce.

We use a wide range of recruitment channels, and our updated careers page on our website explains our employee offer and the range of opportunities available. We have added a page on diversity and inclusion, outlining our approach to inclusive recruitment processes, and we are expanding our range of recruitment channels to reach a more diverse range of candidates (see page 35).

We are introducing an Employee Referral incentive programme to reward our staff for referring new employees to the business. We expect this to improve employee retention and engagement and give us access to quality new recruits.

In our Midlands business, we are running a direct sourcing pilot for site management staff, aiming to recruit more employees directly rather than via recruitment agencies. This includes using a wider range of recruitment channels such as digital job boards and the Careers Transition Partnership targeting former members of the armed forces.

We are participating in the Home Building Skills Partnership, a new collaboration between the Home Builders Federation and the Construction Industry Training Board, to train 45,000 new housebuilding workers by 2019.

Entry level positions and education

We provide a range of entry level positions to attract young people into our industry. During 2016 we recruited 147 apprentices (including 54 site management apprentices), 30 management trainees and 20 graduates. We participate in educational events and careers fairs to publicise our entry level positions.

Our site management and trade apprenticeships are paid positions lasting three to five years with participants qualifying with a Level 2 or 3 Diploma in a construction related discipline.

Our two-year graduate programme enables employees to learn on the job through placements in different parts of the business and through intensive formal training programmes, focusing on self-awareness, business skills and technical understanding. Our graduates also have an opportunity to work with our national charities to gain additional project management experience as part of our graduate project initiative. We have recruited a Future Talent Manager to further develop our graduate programme and strategy for entry-level positions.

We work with suppliers and educational partners to promote careers in construction and to develop the skills our industry needs. For example, in 2016 we were one of the main sponsors of the South West Skills Show, a major apprenticeship fair in Bristol. We have sponsored Buckinghamshire University Technical College (Bucks UTC) for several years and helped develop its curriculum. We also offer site visits for

Q&A

What are the benefits of an apprenticeship?

"The hands-on experience I am getting is invaluable. I am learning so much on a daily basis, from how to run a building site to residential design and management. The Taylor Wimpey apprenticeship scheme is providing me with a brilliant support network, which is helping me to constantly learn and develop my skills," comments Scott Iveson.

Scott is completing a three-year apprenticeship with our North Yorkshire regional business, where he is gaining experience as a Trainee Site Manager at our Woodside Chase development in Colburn.

students at the college, and our employees give talks and run workshops. We have five former Bucks UTC students working with us as apprentices and an assistant site manager.

Learning and development

We are expanding our learning and development programmes to help build our skills base, raise quality standards and develop our future leaders. Good training opportunities support employee engagement and retention and help us achieve our goal

Q&A

How are we embedding our updated values in the business?

We reviewed and refreshed the Taylor Wimpey brand this year, updating our cultural principles and values to reflect both 'who we are' and 'what we want to be'. Sustainability is integrated into our refreshed brand, particularly in our 'Build a proud legacy' value and our cultural principle 'Commit to a sustainable future'.

We have communicated the brand to employees through internal roadshows, articles in our teamTALK internal newsletter, as well as through other communication materials and our team meetings and events.

During 2017 we will be doing further work to embed our commitment to 'Working Together'. It will be reflected in all our training courses, and all employees will be assessed against our cultural principles in their appraisal.

to be an employer of choice. Our employees completed a total of over 11,000 training days in 2016 (2015: 9,113).

Our academy training programmes provide structured career and skills development in key parts of the business. They enable

employees to develop specific technical skills as well as business breadth and, in some cases, to gain a formal qualification. We now have a Sales Academy, Marketing academy, Customer Excellence Academy and Production Academy with further academies planned for our commercial and land and planning disciplines.

From 2017, all new employees will complete our new induction journey. This will cover our vision, mission, values and cultural principles; key policies and procedures; data protection and security; health and safety; the customer journey; diversity and inclusion; and other topics.

All employees have an annual performance appraisal and a development plan. In addition, we encourage managers to discuss performance with employees throughout the year, giving feedback on what has gone well and what could be improved.

Succession planning

Succession planning enables us to identify and develop potential future candidates for key roles in the business.

We have succession plans in place for the position of regional director and above. We carry out a Talent Review every six months to provide our leaders with an update on succession strengths and risks. Managers provide feedback on employees' performance in relation to both their current role and future roles they may aspire to move into.

During 2017 we will expand our succession planning to focus on successors to regional

Case
study

The Taylor Wimpey Production Academy

We want to develop the best Production Teams in the industry to deliver the high-quality homes our customers expect. That is the aim behind the Taylor Wimpey Production Academy, a new training programme through which our employees can develop their skills and complete an NVQ Diploma.

Participants in the Academy complete NVQ courses aligned to assistant site manager, site manager and production manager roles and complete technical courses developed by the NHBC on effective snagging and handovers and defects prevention. Sustainability and site environmental management are integrated into the training as well as management and leadership skills, commercial awareness and project management.

Over 160 employees have enrolled in the NVQ element of the programme to date, with many others completing the technical and management modules. We will be measuring the Academy's success by assessing the pass rates for our Home Quality Inspections (see page 12), employee performance management ratings and employee retention measures.

What are the benefits?

- Develops the skills our people need to deliver high-quality homes
- Supports employee engagement and retention by providing clear career and development pathways for production employees

directors and 'heads of' roles, high potential emerging talent and high potential graduates. This will help us to identify longer term skills gaps or risks and to work with employees to accelerate their development.

Diversity, inclusion and gender balance

We aim to be an inclusive employer and to attract, retain and promote employees from all backgrounds. The construction sector has traditionally been a male-dominated industry, with a workforce that does not reflect the

diversity of the UK population. However, there is a strong business case for diversity and inclusion. It widens our talent pool, boosts employee engagement, helps us to better reflect our customer base and ultimately improves decision-making.

We developed a diversity and inclusion strategy during 2016 focusing on the impact of leadership for creating and maintaining a diverse and inclusive culture; improving how diversity and inclusion are

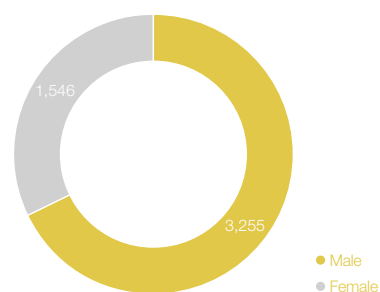
embedded into our policies and procedures; and reflecting our commitment to diversity in our customer interactions.

We established a Diversity and Inclusion Strategy Committee, chaired by one of our divisional managing directors to help us implement our new approach. The Committee includes both senior and junior employees from our regional businesses and head office.

We will be measuring our progress in a range of ways, including through questions in our employee survey and by monitoring representation of women, age diversity, ethnicity and disability in our workforce.

Overall we have a gender mix of 67.8% male and 32.2% female across the Company, with 22.2% being female on the Board and 30% female in our Group Management Team (GMT).

Employee diversity



Training and awareness

We rolled out our Open Minds training workshop during 2016 which was developed with specialist diversity consultants (see case study).

Our leaders are updating employees on our commitment to diversity and an e-learning module is being developed on diversity and unconscious bias that will be completed by all other employees. Articles on diversity have been included in our teamTALK magazine and on our internal social media network Yammer.

Updating our policies and procedures

We are committed to fair and inclusive employment practices and do not tolerate discrimination, harassment or bullying. We reviewed our diversity policies and combined them into one up-to-date and easy to understand Equal Opportunities Policy. We also reviewed our family friendly policies, updating our maternity, paternity and adoption policies to provide enhanced benefits to employees who become parents.

Flexible working can help us retain talented employees and can be particularly beneficial for working parents. We are piloting a flexible working approach in our Southern Counties regional business, giving employees more control over their working hours. We launched a new Flexible Working Policy to encourage flexible working arrangements where appropriate.

We carried out an equal pay review to ensure that men and women performing equal work receive equal pay. We also compared average pay for men and women in the business with national averages.

We are pleased to embrace the Government's proposed employee voice initiative, and we are therefore putting in place a National Employee Forum which will build upon the existing regional Employee Consultative Committee Structure so as to enhance the dialogue between the Board, GMT and our employees.

Diversity in recruitment

We are advertising vacancies with a wider range of job boards and channels targeting diverse candidates, such as 'Living with Disability' magazine, Race for Opportunity and the Diversity Group Directory.

We are working with the Leonard Cheshire Disability Foundation Change 100 to provide internship opportunities for young people with disabilities. The partnership also provides us with advice and support to become a more disability confident organisation. Six students completed internships with us during 2016, and one of the participants from our 2015 intake has now gone on to secure a full time role with us.

Reward and remuneration

We offer attractive remuneration and a range of benefits to help us recruit and retain talented employees. All our employees, whether full or part time, paid weekly or monthly, have equivalent core benefits and

Case study

The importance of an open mind

Our Open Minds training is helping our senior people show leadership on diversity and inclusion and implement our diversity strategy. This one-day course explains the business case for diversity and inclusion and its significance for Taylor Wimpey, and helps leaders to identify and address unconscious bias by studying real life case studies and examples.

The course has now been completed by leaders at our head office and in our regional businesses, and we will run two further sessions each year as part of our core training, to ensure that we reach any new leaders who join the business.

choice, and we regularly benchmark our approach against others in our sector.

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

Q&A

What results have you seen from the flexible working pilot at Taylor Wimpey Southern Counties?

“Flexible working has had a very positive impact at our Southern Counties business. The feedback from employees shows that it makes a real difference to their lives, enabling them to manage work and home commitments more effectively and avoid stress. Our people feel trusted and appreciated, and we’ve noticed the benefits in terms of productivity and engagement.”

SARAH PASCO

Managing Director at Taylor Wimpey Southern Counties

Our benefits include:

- Healthcare provision for all employees, including on-site employees
- Regular health assessments for office based employees
- Employee Assistance Programme counselling and support line for all employees, including on-site employees

In addition to our core benefits, we have a generous house purchase discount scheme with employees able to buy a Taylor Wimpey home at either a 5% or 20% discount and to benefit from savings on options and white goods and to use our negotiated supplier rates. Around 180 employees have reserved homes through the scheme in the last two years.

We provide all employees with healthcare, either through private medical insurance or health cash plans. In addition, all office based employees are entitled to regular health assessments after completing one year’s service. We also provide an Employee Assistance Programme (EAP) counselling and support line that we promote amongst our employees.

Pensions

Our stakeholder pension arrangements represent one of our largest benefits spends, and we offer pension benefits for both monthly and weekly paid employees. Increased legislation in this area is increasing the flexibility of pension arrangements as well as restricting the amount that high earners can invest in their pension. We strengthened the governance structure for our pension arrangements to oversee this.

Employee engagement

Regular two-way communication with our people helps us to keep employees up-to-date with changes in the business, create a team spirit and understand employee views.

Our Talkback employee survey helps us understand how engaged employees feel in their work and identify areas for improvement. We carried out the last survey in 2015 and will survey employees again in 2017.

We have active employee consultation committees in our regional businesses and communicate with employees via our half-yearly teamTALK employee magazine, bi-weekly teamTALK Express email newsletter and Yammer, our employee social media platform. Our intranet is available to all office and site based employees and includes a wide range of employee information. It also offers an Open Door forum that puts employees directly in touch with our Chief Executive.

We are in the process of conducting a gender pay review and are committed to our principles of equality and inclusion through ongoing review of our pay policies and practices. We are also developing a communication and education programme for those employees who will be affected by upcoming pension legislation changes so that we can help employees make the right financial decisions.

In 2016, our Senior Management Team presented an update on our business strategy, which was attended by over 4,200 of our employees. The roadshow provided an update on our strategy, progress made and priorities for the future, with an emphasis on how everyone can play a part in our future success.

Case study

West Scotland launches Young Persons’ Forum

A new Young Persons’ Forum is helping our West Scotland business recruit, develop and retain young people in its workforce. The Forum provides regular opportunities for networking, teambuilding and learning through seminars and events. The members are drawn from our West Scotland head office as well as our developments, and work together with colleagues in the business. Taylor Wimpey West Scotland has recently gained Investors in Young People silver accreditation.

What are the benefits?

- Gives young people a clearer voice and supports retention of young employees
- Promotes Taylor Wimpey as an employer of choice with education bodies and other partners

OPTIMISING VALUE

We add social, environmental and economic value to the communities we work in

CONTENTS

Planning agreement contributions	38
Affordable homes	38
Skills, job opportunities and local economic development	38
Our charitable initiatives	38

WHAT IT MEANS TO US

We want to maximise the positive value our business brings to the communities in which we work – from the way we design our homes and communities, to our investments in local facilities, affordable homes and infrastructure, the jobs we support and our charitable donations.

HOW WE ADD VALUE

We work closely with local partners to understand their needs and ensure that our contributions achieve the maximum positive impact.

£363m

We contributed £363 million to local communities in which we built in 2016.

OPTIMISING VALUE

We do much more than build homes – our operations add significant additional value to communities in which we build.

Planning agreement contributions

We make a major contribution to communities across the UK through our planning agreement obligations known as Section 106 agreements in England and Wales and Section 75 agreements in Scotland. During 2016, these were worth £363 million (2015: £335 million).

These contributions are negotiated with local authorities and can take many forms including the provision of affordable housing, community and leisure facilities, educational funding, jobs for local people, public art and green spaces. Exactly what we provide in each location depends on factors such as the number and size of the new homes being built and existing facilities. We consult with local communities so we can provide facilities that meet their needs (see page 21).

In many areas we also make Community Infrastructure Levy (CIL) payments which are usually additional to our Section 106 agreements. This money is used to fund the development of infrastructure such as roads and community facilities.

We also focus on placemaking and design to create vibrant, strong communities, that have a lower environmental footprint and a positive impact on the quality of life and wellbeing of residents (see case study on page 14).

Affordable homes

We aim to add value to communities by building a range of homes to suit different budgets. We completed 13,808 new homes in the UK in 2016, excluding joint ventures, (2015: 13,219) with prices starting from under £100,000. First time buyers accounted for 38% of total sales in 2016 (2015: 36%). We work with local authorities and housing associations to build affordable social housing (homes made available at below market rates). The majority of our developments include an affordable housing element with the number of affordable homes on each site negotiated as part of the Section 106 and Section 75 obligations attached to planning permissions (see page 14). In 2016, c.19% of our completions were designated as affordable housing (2015: 19%).

Skills, job opportunities and local economic development

We strive to recruit the majority of our employees and subcontractors from the local area. We provided employment for 4,697 direct employees during 2016. We also provided work for 12,390 operatives on our sites. We invest in skills and education, including providing apprenticeships and training opportunities and partnering with colleges and educational establishments (see page 33). Our developments create economic benefits

for local communities through jobs and investment and we use our Taylor Wimpey Economic Benefits toolkit to estimate and communicate these benefits (see page 22).

Our charitable initiatives

In addition to our contributions made via our Section 106 and Section 75 planning obligations, we also support charities and local groups in the communities where we operate. We aim to make a positive impact through fundraising and donations of time, money and materials and to get our people actively involved in supporting our charity partners.

We focus on smaller national charities as well as regional and local organisations where we can have a significant impact, and our employees can be active participants. We prioritise causes that are relevant to our business, the communities in which we operate, our business partners and our people.

Our charitable donations are overseen and prioritised by our Charity Committee. Committee members include senior leaders such as our Group Legal Director and Company Secretary and Group Human Resources Director, as well as a combination of mid-management and junior staff such as land managers, personal assistants and graduate trainees.

OUR FOCUS AREAS FOR OUR CHARITABLE INITIATIVES

Aspiration and education:

Projects which promote aspiration and education in disadvantaged areas.

Tackling homelessness:

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

Local projects:

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

Case
study**The Taylor Wimpey Challenge 2016**

Hundreds of our colleagues took part in the Taylor Wimpey Challenge 2016, raising more than £180,000 for charity. Over half the money raised was used to support the Youth Adventure Trust which helps vulnerable young people from difficult backgrounds to gain confidence and fulfil their potential. The rest of the funds were used to support other local charities chosen by our regional businesses.

The event, our third company-wide fundraising challenge, brought together teams representing all of our 24 regional businesses, as well as our head office and Spanish business.

Around 370 of our staff took part in their choice of two gruelling expeditions which culminated in a climb to the peak of Ben Nevis in Scotland, Britain's highest mountain. While others took part in the 'Going for Gold Challenge',

a Highland Games event involving caber tossing and bagpipe playing.

As well as supporting the Youth Adventure Trust, the money raised will contribute to the work of charities nominated by employees including CLIC Sargent, National Deaf Children's Society, Wood Street Mission, Tanya's Courage Trust, St David's Foundation Hospice Care and Derian House Children's Hospice. Our next challenge will take place in May 2017.

What are the benefits?

- £180,000 raised for our charity partners
- A great team-building opportunity for our employees
- Opportunities for colleagues in different parts of the business to work together

Volunteering and fundraising

We encourage our employees to get involved as volunteers and fundraisers. This is good for charities which benefit from our people's expertise and enthusiasm, and good for us, as it supports our employees' personal and professional development and contributes to high employee engagement.

At the end of 2016 we introduced a new framework which provides employees with two full days or four half-days paid time off to volunteer with one of our charitable partners. Our policy was introduced following research into the benefits of volunteering and best practice in this area. Employees can get involved in a range of activities from fundraising to volunteering in homeless shelters and assisting with breakfast groups for vulnerable young people.

Our six national charities are currently: the Youth Adventure Trust which helps vulnerable young people fulfil their potential; End Youth Homelessness, a Centrepiece-led partnership; Crisis, the national homeless charity; St Mungo's, the homeless charity; Crash, the construction and property industry charity for the homeless; and Foundations Independent Living Trust that helps older and vulnerable people live with dignity in their own homes. Our national charity partners are selected by our Charity Committee, with regional charities selected by our regional businesses.

We encourage employees to use their skills and expertise to support charities and many of our people work as charitable trustees. Our Chief Executive Pete Redfern is a Trustee at Crisis. 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 charitable partners (see case study on page 40).

Our charity support

During 2016 we donated and fundraised over £875k for registered charities (2015: over £746k), in addition to c.£159k for other organisations, such as scout groups and other local community causes (2015: c.£112k).

These figures do not include investments made as a result of our Section 106 and Section 75 obligations.

Our regional businesses have tended to focus on local initiatives, for example, by providing Community Chest grants to charities or community groups in the local area. We regularly donate time, materials and labour as well as cash, and our employees often don hiking boots and running shoes to take part in fundraising events for charity. The following case studies provide examples of our charitable involvement in 2016.

Following the launch of our volunteering framework, from 2017 we will track and report the number of hours and value of our employee volunteering.

Case study



Employees get involved in tackling homelessness

'Do you know where you will be sleeping tonight?' 83,000 homeless young people in the UK often don't know the answer to this question. The annual Sleep Out events, run by the End Youth Homelessness partnership, aim to raise money to tackle youth homelessness by giving people a taste of what it is like to sleep out on the streets.

Many Taylor Wimpey employees took part in Sleep Out during 2016 in Bradford, Edinburgh, Southampton, Manchester, Bristol and London, each raising at least £400 in sponsorship.

Tackling homelessness is one of our community investment priorities, and we support the work of several homelessness charities through donations, fundraising and employee involvement. Other activities during 2016 included a charity project for participants on our graduate programme. Graduates worked with Crash, the construction and property industry charity for the homeless, to design a large-scale fundraising event which they will help deliver during 2017.

GOVERNANCE, MANAGEMENT AND PERFORMANCE

We carefully manage sustainability issues and monitor our performance

CONTENTS

Sustainability strategy, roles and responsibilities	42
Awards, sustainability indices and ratings	43
Materiality	44
Corporate governance	44
Risk management	44
Human rights	45
Public policy	45
Reporting, data and assurance	45
Progress against targets	46
Performance data	58

WHAT IT MEANS TO US

We put in place robust policies, procedures and governance structures to help us integrate sustainability into our business and to monitor and improve our performance.

HOW WE ADD VALUE

Through our stakeholder engagement and by participating in external benchmarks, we seek to understand external views and expectations, to compare our performance with others and to continually improve how we work.

B

We received a B rating in the CDP benchmark of companies' carbon reporting and performance.

GOVERNANCE, MANAGEMENT AND PERFORMANCE

How we manage sustainability issues and monitor our performance.

Sustainability strategy

Our sustainability strategy sets out our sustainability principles and a range of strategic priorities and commitments that relate to key social, environmental and economic issues. It covers a wide range of sustainability issues in all areas of our Business Model, encompassing the way we work, the places we create and the homes we build. The strategy works alongside our energy and climate change strategy. We will be reviewing our sustainability strategy during 2017 to ensure it reflects the results of our materiality assessment that we carried out in 2016.

Roles and responsibilities for sustainability

Ultimate executive accountability for sustainability issues rests with our Chief Executive. Sustainability issues are regularly discussed by our plc Board, our Group Management Team (GMT), which is our most senior executive committee, and also the Group Operations Team (GOT), which comprises the GMT and our Divisional Managing Directors.

Our Sustainability Steering Group (SSG) co-ordinates our sustainability activities at the operational level. It includes our Director of Sustainability Ian Heasman

and is chaired by Lee Bishop, our Major Developments Director, who is a representative of the GMT. During 2016, the SSG met three times and discussed a range of issues, including our work on energy reduction at our sites, sustainable procurement, biodiversity and our materiality assessment.

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

At a project level, the sustainability aspects of a development are initially the responsibility of the Land and Planning departments with the involvement of the Design Teams. When planning permission has been obtained, Project Team members have responsibility for ensuring that the appropriate sustainability issues are introduced as planned. Once work has begun on site, the Production Management Team, including the Site Manager and contractors, takes on responsibility for ensuring that a wide range of site-specific sustainability issues are addressed and monitored.

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.

TAYLOR WIMPEY'S SUSTAINABILITY PRINCIPLES

Our sustainability strategy sets out six sustainability principles that apply to all of our business operations:

- We try to understand the communities, the environments and the economies in which we operate.
- We understand the consequences of our business activities and work to improve the positive social, economic and environmental outcomes while reducing any negative impacts.
- 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.
- We treat the communities in which we build as we would like to be treated if development was taking place near our own homes.
- 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.
- 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.

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 change report and received a score of B in 2016 (2015: D). This improvement reflects our progress at reducing the carbon intensity of our direct operations.

We also participate in the CDP water benchmark that assesses companies' corporate water stewardship practices and performance. CDP gave us a score of B- slightly below the overall CDP average score of B.

We are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders. In 2016 we were ranked sixth out of 25 in the benchmark with a score of 66% and achieved a Silver Award (2015: 67%, Silver Award, seventh position).



We train employees on aspects of sustainability that are relevant to their role. For example, site environmental management is integrated into our Production Academy for site staff (see page 34). Topics such as diversity and inclusion are integrated into our new induction e-learning programme due for launch in 2017 (see page 35). All employees are trained on our approach to health and safety.

Stakeholder engagement

Through our business activities we interact with and have an impact on a wide range of stakeholders.

We aim to build positive relationships with our stakeholders through clear, open and accurate communication, and be responsive to their views and concerns. Dialogue with our stakeholders can help us to improve how we work, run a more efficient and effective business and address the social, economic and environmental impacts of our operations.

Our stakeholders include: investors, customers, local communities, employees, suppliers, subcontractors and other business partners, local government, UK Government, landowners and land agents, housing associations, trade associations and industry bodies, charities, NGOs and other groups interested in sustainable homes and communities.

Examples of stakeholder engagement are included throughout this report. We also engaged with a wide range of stakeholders this year through our materiality assessment (see page 6).

RISK AND OPPORTUNITY MANAGEMENT

As with any business, Taylor Wimpey faces a number of risks and uncertainties in the course of day to day operations.

Materiality

We want to make sure that we prioritise the sustainability issues that are most important and relevant to our business and our stakeholders. We carried out a detailed materiality assessment during 2016 to review our current priorities, get stakeholder feedback on our approach and identify emerging issues or trends. The results are explained on page 6.

Corporate governance

Good corporate governance is essential and enables us to successfully deliver our business plans and objectives. We fully support the UK Corporate Governance Code and, for 2016, the Board has reviewed and is compliant with the Code. See our Annual Report and Accounts for more details on our approach to corporate governance.

Risk management

Our risk management systems incorporate both financial and non-financial risks to the business.

Our Sustainability and Climate Change Risk and Opportunity Register highlights the material risks and opportunities facing the Company in relation to sustainability and climate change and forms part of our Corporate Risk Management Framework. Our Sustainability Steering Group is responsible for reviewing the register on a six-monthly basis.

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.

MATERIALITY ASSESSMENT PROCESS

Our materiality assessment, conducted by an external consultant, included a number of stages:

Issue identification

A long list of issues was identified based on our current priorities and business strategy, the approach taken by our peers, external standards and guidelines and the results of additional research and a media review.



Stakeholder research

Interviews were carried out with a wide range of external stakeholders to discuss their views on the priority issues for Taylor Wimpey and to gather feedback on our current approach. Stakeholders included investors, local and central government, suppliers, NGOs, industry groups, registered social landlords and sustainable business organisations. It also looked at the results of customer research and the outcomes from community engagement processes conducted by our regional businesses.



Review

The research findings were used to create a draft materiality matrix that was reviewed by our Senior Management Team.



Internal interviews

Internal views were assessed through interviews with senior managers in our corporate centre and regional businesses, supplemented by research with a number of our Heads of Customer Service and graduate recruits.

Our risk management framework consists of risk registers that are maintained at all organisational levels, which detail the risks faced by the Group, its operating companies and the central teams that support the business and a wider stakeholder group. These registers identify key operational, financial and strategic risks to the business, with strategic risks identified as part of the business planning process. Our risk registers take into account the significance of health, safety and environmental issues, together with social and governance matters of the Group and use a standardised methodology for the assessment of risk.

The standard methodology used in risk management requires each identified risk to be assessed and measured according to a risk matrix. This matrix considers the potential impact of each risk (whether financial, reputational, HSE etc), the likelihood of the event occurring, together with mitigating actions and hence the remaining or residual risk.

Our Audit Committee participates in reviewing financial and non-financial risks included in the Group's Consolidated Risk Register. These risks are detailed in the Board's annual assessment of the risks affecting the Group as well as in the ensuing plans for effective management of these risks, including the supporting internal control framework.

Our established systems and procedures – such as our comprehensive Health, Safety and Environmental Management System – contribute to effective risk management.

Human rights

We strive to treat our employees fairly and with respect and to uphold the human rights of employees, workers in our supply chain, people in the communities in which we operate and others affected by our business activities.

We are guided by international standards such as the United Nations' Universal Declaration of Human Rights. During 2016, we have been particularly focused on reviewing and strengthening our approach in relation to the important requirements of the Modern Slavery Act 2015 (see page 28).

Public policy

We engage with policy makers at the local, regional and national level to share our views on proposed legislative changes that affect our business and the wider housebuilding industry. This includes direct engagement such as responding to Government consultations and engagement through our membership of trade associations such as the Home Builders Federation and the National House-Building Council.

We also work closely with local authorities, parish councils, the Homes and Communities Agency (HCA), the Greater London Authority (GLA) and other public sector organisations to plan our developments (see page 21). We encourage members of our Senior Management Team to represent the Company on a wide range of Government, industry and other committees and steering groups.

We also engage and participate with government and other organisations on corporate governance initiatives and consultations including on diversity and inclusivity related matters.

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.

Reporting, data and assurance

This is our 10th sustainability report as Taylor Wimpey. It covers our performance and data for the period between 1 January to 31 December 2016. 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.

In 2016 we achieved certification to the Carbon Trust Standard which includes independent verification of our greenhouse gas data (scope 1 and 2) by the Carbon Trust.



More information on risk management is included in our Annual Report and Accounts on pages 42 to 47

PROGRESS AGAINST TARGETS



DELIVERING CUSTOMER SERVICE

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Customers			
Customer service to continue to be a key priority for Taylor Wimpey in 2016	●	Customer service remained a key priority during 2016. This is reflected in our new 'Working Together' approach. A proportion of our senior management bonus relates to customer service. We received a four-star rating from the Home Builders Federation (HBF) customer satisfaction survey in March 2016.	<p>Launch our TouchPoint customer portal to strengthen customer communication and interaction</p> <p>Launch our Academy of Customer Excellence training programme</p>
Finish introducing and start to embed our new customer approach	●	We continued to embed our customer approach through training and guidance for employees such as our Customer Journey Manual, Home Quality Inspection Guide and Customer Service Manual.	
Continue training for all our customer-facing roles	●	All employees working in our Customer Service Teams have been trained on our customer journey process. We have launched a series of training Academies to help further develop the skills and capabilities of our customer-facing teams.	
Launch our Marketing Academy and continue with our Sales Academy	●	We launched our Marketing Academy that identifies the skills required by marketing staff and provides a manual of best practice and guidelines for all marketing activities. We continued with our Sales Academy which includes internal and external courses to build the skills, knowledge and expertise of our Sales Teams.	

PROGRESS AGAINST TARGETS CONTINUED



DELIVERING CUSTOMER SERVICE

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Placemaking and design			
Continue to focus on placemaking including green infrastructure	●	We used our Guide to Placemaking, Our Approach to Sustainable Development, Our Approach to Planning and Preparing a Design and Access Statement to embed a placemaking approach and commissioned an independent review of our performance by an expert in urban design.	Launch our Design Academy training to further embed our placemaking approach Carry out post-occupancy research on completed developments to help us understand customer views on placemaking
Continue to develop a standard range of apartments	●	Development continued during 2016 and we will be introducing a range of standard apartment types in 2017. This will help us to increase the number of units per site and offer a variety of properties to suit different budgets.	Launch our range of standard apartment types Work with our Design Competition winner to enhance and improve our existing typology
Develop a range of houses that meet the new UK Government technical housing standards and security standard	●	Following the government's Housing Standards Review, a range of our house types now comply with the new Nationally Described Space Standard and the optional higher level of accessibility in the building regulations. These can be used by our regional businesses in cases where local authorities have requested homes built to space standards or with enhanced accessibility.	

PROGRESS AGAINST TARGETS CONTINUED



SELECTING LAND

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Land			
Continue to focus on selecting the right land and developing it in a sustainable manner	●	Our Land Teams continued to integrate social, economic and environmental considerations into the land acquisition process. Our teams continued to use our Land Quality Assessment process and our Approach to Sustainable Development and Our Approach to Planning documents to help them identify and address relevant sustainability factors. We updated LAMP in 2016 and strengthened its provisions in relation to flooding as well as adding information and updates on dealing with asbestos in soil, fracking, sustainable drainage and the Cleaner Construction Machinery for London initiative.	Continue to focus on selecting the right land and developing it in a sustainable manner Continue to source more than 40% of completions from the strategic pipeline in the medium term Convert on average c.6000 plots per annum in the medium term
Continue to source more than 40% of completions from the strategic pipeline in the medium term	●	A record 51% of our completions were sourced from the strategic pipeline. This enables us to plan for the longer term and, because we are involved from an earlier stage, to have more influence over the quality of the places we create.	
Convert on average c.6,000 plots per annum in the medium term	●	We converted 9,519 plots from the strategic pipeline to the short term landbank.	

PROGRESS AGAINST TARGETS CONTINUED



MANAGING THE PLANNING AND COMMUNITY ENGAGEMENT PROCESS

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Planning and community engagement			
Continue to maintain best practice community engagement	●	We create a tailored planning and community engagement strategy for each site that reflects local circumstances using our Community Engagement toolkit. Our approach goes beyond regulatory requirements, with engagement starting before we submit a planning application and continuing throughout the development process.	Continue to maintain best practice community engagement Continue to investigate ways to engage with a wider and more diverse range of people within local communities
Embed the Building our Reputation employee guidance	●	The Building our Reputation toolkit provides information and practical tools to help our employees communicate honestly and openly with communities and customers through the development process. We are developing an online, interactive version of the toolkit that will be launched in 2017.	
Continue to investigate ways to engage with a wider and more diverse range of people within local communities	●	We trialled the use of social media updates via Facebook and Twitter to reach a wider range of stakeholders who may not participate in traditional engagement techniques.	

PROGRESS AGAINST TARGETS CONTINUED



GETTING THE HOMEBUILDING BASICS RIGHT

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Environment			
Continue with our energy construction detail audit and develop action plans from our findings	●	We completed our audits of the energy efficiency performance of completed homes. This identified a number of areas for improvement including inconsistencies in the way that doors and windows are installed. To address this, we are trialling a simpler approach to constructing door thresholds and working with suppliers to make it easier for window frames to be installed correctly.	Reduce our scope 1 and 2 greenhouse gas emissions by 25% per 100 sq metres of completed homes by 2018 compared with 2013
Continue to investigate smart home and renewable technologies as part of Project 2020	●	We continued piloting smart and intelligent home technologies which can make it easier for customers to control and reduce home energy use and save money on their energy bills. We are rolling out smart thermostats that allow customers to control their heating and hot water remotely in six regional businesses as an option in new homes.	Launch a network of sustainability champions to improve our data and encourage colleagues to use resources efficiently
Continue to regularly revise and update our environmental management system and procedures to ensure best practice in environmental management	●	Our environmental management system is regularly reviewed by our HSE advisors and by our external environmental advisors to ensure it reflects changes in regulation and best practice.	Continue to identify and implement opportunities to reduce energy use and carbon emissions from our show homes, offices and site compound buildings
Continue to progress towards our carbon intensity reduction target of 25% by 2018	●	We have reduced scope 1 and 2 carbon emissions intensity by 24% since 2013. We are close to meeting our target of 25% intensity reduction by 2018.	

PROGRESS AGAINST TARGETS CONTINUED



GETTING THE HOMEBUILDING BASICS RIGHT

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Environment (Continued)			
Continue with our energy reduction programme on sites, in sales areas and in offices	●	We reviewed the specification for our site compound buildings to reduce the overall amount of space we need to heat in each building and reduce heat loss from people coming in and out. We engaged with Sales Executives at many of our show homes to show how adjusting the thermostat timer can save energy and money. This could reduce energy use by around 40% in show homes, resulting in around a 1% reduction in our carbon footprint.	Continue to participate in the CDP water benchmark Reduce our mains water consumption from our metered UK offices by 3% per full time employee on a 2016 baseline
Reduce our mains water consumption from our metered UK offices by 6% per full time employee on a 2014 baseline	●	We achieved a 42% reduction in the water intensity of our metered offices (per full time employee) far exceeding our target of a 6% reduction on a 2014 baseline. The reduction is due to a combination of moving into more water efficient offices, addressing water leaks, implementing efficiency measures and an increase in the number of employees in these locations which affects the intensity measurement.	
Continue to participate in the CDP water benchmark	●	We participated in the CDP water benchmark for the second time in 2016. This assesses companies' corporate water stewardship practices and performance. CDP gave us a score of B-, slightly below the overall CDP average score of B.	
Tighten reporting processes for all leaks and prepare best practice guidance for water management on sites	●	We added best practice guidance on water management to our intranet, including information on resolving leaks from pipes and taps. This will be promoted to Production Teams in 2017.	

Key ● Achieved ● In progress ● Not achieved

PROGRESS AGAINST TARGETS CONTINUED



GETTING THE HOMEBUILDING BASICS RIGHT

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Environment (Continued)			
Develop and implement action plans for reducing construction waste	●	Following waste audits of a number of our regional businesses, we have identified areas for improvement including materials storage areas to reduce breakages, waste storage areas, making colour coding for waste sorting more consistent and more training for employees and suppliers.	As a minimum, maintain construction waste to 2016 levels Continue to review our biodiversity practises and focus on green infrastructure
As a minimum maintain construction waste to 2015 levels	●	We missed this target with waste intensity increasing by 5.9%. The increase in waste in our business is reflected across our industry. We believe this is mainly due to skills shortages and more staff and subcontractor turnover on site resulting from continued growth in the sector, making it more challenging to embed our waste reduction strategy.	
Continue to review our biodiversity practices and focus on green infrastructure	●	Our Guide to Green Infrastructure will be launched in 2017 to help our teams successfully plan and implement green infrastructure. We launched a new partnership with the Wildlife Trust to help us support biodiversity on our sites and to engage residents on the wildlife and natural environment around their homes.	

PROGRESS AGAINST TARGETS CONTINUED



GETTING THE HOMEBUILDING BASICS RIGHT

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Supply chain			
Start to implement new sustainable procurement practices	●	We commissioned an external review of our approach to sustainable procurement during 2016. This identified a number of opportunities to strengthen our approach in areas such as supplier criteria and engagement that we will be reviewing during 2017. We joined the Supply Chain Sustainability School to help us develop our approach and share information with suppliers. We produced our first Statement and strengthened our procedures in a number of areas in line with the requirements of the Modern Slavery Act.	<p>Integrate anti-slavery clauses into our supplier framework agreements and contracts</p> <p>Train Commercial, Production and Technical Directors and procurement staff on our approach to preventing modern slavery in our supply chain</p>
Continue to engage with our suppliers with regards to Project 2020	●	We worked with a number of suppliers to test new approaches to design, technology, materials and construction techniques through Project 2020. We will be using the results of our research to integrate new approaches into our future developments.	<p>Work with the Supply Chain Sustainability School on sustainability and resource efficiency in our supply chain</p> <p>Review supplier compliance with our timber policy</p> <p>Map our main materials by country of origin and publish the results</p> <p>Continue our Project 2020 pilot projects and integrate successful new approaches into our developments</p>

PROGRESS AGAINST TARGETS CONTINUED



GETTING THE HOMEBUILDING BASICS RIGHT

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Health and safety			
Continue to embed The Operatives' Journey HSE Theme initiative and provide training for our Site Support Teams	●	<p>We continued to embed the Operatives' Journey process to prevent an overload of safety messages, avoid 'safety sign blindness' and engage site workers on safety.</p> <p>Each site now has a Site Support Team, with representatives from both Taylor Wimpey and our contractor staff. During 2016 we have been running training sessions and team building events for our Site Support Team members.</p>	<p>Introduce a one-day HSE Update Training session for our contractors' groundworks supervisors</p> <p>Introduce an improved safety system for ground assessment and selection of plant and working near underground services for our groundworks contractors</p>
Improve or, as a minimum, maintain the same Annual Injury Incidence Rate achieved in 2015	●	<p>In 2016 there was an increase in reportable and major injuries reflecting an increase in accidents involving slips, trips and falls and material handling. During 2017, there will be an increased focus on housekeeping on site to reduce slips, trips and falls and we will be working with our suppliers on manual handling of bulky items such as doors and staircases.</p>	<p>Carry out HSE Training sessions for all our Site-Based Support Teams (Blue Hats)</p> <p>Improve or, as a minimum, maintain the same Annual Injury Incidence Rate (AIIR) achieved in 2016</p>

PROGRESS AGAINST TARGETS CONTINUED



OUR PEOPLE

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Our people			
Produce a diversity and inclusion strategy and action plan	●	We developed a diversity and inclusion strategy during 2016 focusing on the impact of leadership on creating and maintaining a diverse and inclusive culture; improving how this is embedded into our policies and procedures; and reflecting our commitment to diversity in our customer interactions. We established a Diversity and Inclusion Strategy Committee, chaired by one of our Divisional Managing Directors to help us implement our new approach.	Launch our diversity and inclusion e-learning module for all employees Update our appraisal framework to assess employees on how they live our values
Continue to develop our new talent and succession process and competency framework	●	We have succession plans in place for the position of regional director and above. Managers use our succession competency framework to provide feedback on employees' performance in relation to their current role and future roles they may aspire to move in to. We carry out a talent review every six months to provide our leaders with an update on succession strengths and risks.	Launch 'Manager as Coach' to help managers integrate coaching into their role as team leaders Expand our succession planning to focus on successors to Regional Directors and 'Heads of' roles, high potential emerging talent and high potential graduates
Introduce our new Senior Management Development programme and continue to update and enhance our current management development programme	●	We continued to develop our training for our senior managers including our Realising Leadership Potential and Inspirational Leadership courses.	
Launch our Production Academy	●	We launched the Taylor Wimpey Production Academy, a year-long training programme through which our employees can develop their skills and complete an NVQ Diploma in Residential Site Supervision or Management. Over 160 employees have enrolled in the NVQ element of the programme to date, with many others completing the technical and management modules.	

PROGRESS AGAINST TARGETS CONTINUED



OUR PEOPLE

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Our people (Continued)			
Review our apprentice and management trainee programmes	●	We recruited 147 apprentices (including 54 site management apprentices), 30 management trainees and 20 graduates in 2016, whilst improving our apprenticeship schemes across a number of areas.	Launch our Code of Conduct Launch our induction e-learning programme for new employees
Continue to improve employee benefits	●	We offer a range of benefits to give employees choice and flexibility and continued to develop these during 2016. This included updating our benefits for new parents including increasing pay for employees on maternity and paternity leave.	Update and enhance our Management Trainee Programme

PROGRESS AGAINST TARGETS CONTINUED



OPTIMISING VALUE

2016 target	Performance	Summary of progress in 2016	2017 targets and plans
Optimising value			
Continue to add social, economic and environmental value to the wider communities in which we operate and continue to report on progress	●	We made a major contribution to communities across the UK through our planning agreement obligations (Section 106 agreements and Section 75 agreements) which were worth £363 million (2015: £335 million) in 2016 and supported the provision of affordable housing, community and leisure facilities, educational funding, jobs for local people, public art and green spaces.	Continue to add social, economic and environmental value to the wider communities in which we operate and continue to report on progress
Explore further ways to have a major impact on charities through partnership as well as donations	●	At the end of 2016 we introduced a new framework which provides employees with two full days or four half-days paid time off to support one of our charities or local community projects as volunteers. This will benefit our charity partners and provide development opportunities for our people.	Roll out our volunteering framework
Organise another company-wide fundraising challenge for our employees	●	Hundreds of our colleagues took part in this year's Taylor Wimpey Challenge, raising more than £180,000 for charity. Over half the money raised is being used to support the Youth Adventure Trust which helps vulnerable young people from difficult backgrounds to gain confidence and fulfil their potential.	Organise another company-wide fundraising challenge for our employees

Key Performance Indicators (KPIs) and other relevant non-financial and sustainability data

General		2016	2015	2014	2013
Revenue (£m)		£3,676.2	£3,139.8	£2,686.1	£2,295.5
Operating profit ^a (£m)		£764.3	£637.0	£480.7	£312.9
Number of completions ^b	UK	13,808	13,219	12,294	11,547
	Spain	304	251	164	118
	Group	14,112	13,470	12,458	11,665
Delivering customer service		2016	2015	2014	2013
Customers satisfied or very satisfied with the quality of their home	UK	84.7%	86.3%	87.4%	90.0%
Would you recommend a Taylor Wimpey house to a friend	Spain	93.0%	100.0%	100.0%	100.0%
Percentage of completions designated as affordable (%) ^b	UK	19.3%	19.0%	17.7%	18.4%
Number of affordable home completions ^b	UK	2,663	2,509	2,178	2,124
Selecting land/Managing the planning and community engagement process		2016	2015	2014	2013
% of Completions sourced from the strategic pipeline	UK	51%	47%	39%	29%
Total number of plots that we either own or control with some form of planning consent	UK	76,234	75,710	75,136	70,628
Number of plots converted from strategic pipeline to short term landbank	UK	9,519	8,660	10,779	9,210
Getting the homebuilding basics right		2016	2015	2014	2013
Climate change – greenhouse gas emissions (tonnes CO ₂ e)					
Emissions from combustion of fuel (scope 1)		17,983	17,768	16,436	16,107
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (market-based method)*		10,827	12,947	13,326	14,229
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)*		10,417	11,159	11,885	10,526
Total scope 1 and 2 emissions (market-based method)		28,809	30,716	29,672	30,336
Emissions per 100sqm of completed homes (scope 1 and 2)		2.13	2.40	2.56	2.82
Percentage reduction in direct carbon emissions intensity (scope 1 and 2) since 2013		24.5%	14.9%	9.2%	n/a [#]
Indirect GHG emissions from supply chain (scope 3)		1,026,420	767,501	696,005	551,749
Total scope 1, 2 and 3		1,055,229	798,217	725,677	582,085
Emissions intensity scope 1, 2 and 3: Emissions per 100sqm of completed homes		78.2	62.2	62.7	54.2

Getting the homebuilding basics right continued

		2016	2015	2014	2013
Resource use					
Tonnage of construction waste per 100sqm build	General waste	4.40	4.11	3.94	3.02
	Plasterboard waste	0.66	0.67	0.64	0.57
	Total construction waste	5.06	4.78	4.58	3.59
Construction waste recycled or sent to landfill (%)	Waste recycled	93%	93%	94%	92%
	Waste sent to landfill	7%	7%	6%	8%
Consumption of metered mains water in the UK (m ³)		393,846	384,137	350,482	n/a
Consumption of metered mains water in the UK per 100sqm of completed build (m ³ /100sqm)		29.95	30.66	31.05	n/a
Consumption of metered mains water in metered UK offices (m ³)		11,305	18,359	15,059	n/a
Consumption of metered mains water in metered UK offices per full time employee (m ³ /FTE)		3.62	6.85	6.28	n/a
Operational (site and office) fuel and electricity consumption (MWh)**		92,236	90,524	81,679	81,800
Health and safety					
Number of reportable RIDDOR injuries per year	UK	36	29	32	31
Number of reported workplace injuries per year	Spain	5	6	6	0
Annual Injury Incidence Rate (AIIR) for all reportable injuries (incidence rate per 100,000 employees and contractors)	UK	211	175	209	207
Annual injury incidence rate for reported workplace injuries (incidence rate per 100,000 employees and contractors)***	Spain	577	722	894	0
Annual Injury Incidence Rate (AIIR) for all major injuries (incidence rate per 100,000 employees and contractors)	UK	53	18	26	60
	Spain	0	0	0	0
Fatalities of employees or contractors	UK & Spain	0	0	0	0
Health, safety and environmental training days per UK employee	Site management and operational staff	4.8	5.2	5.3	4.3
	Support staff (office based)	0.2	0.2	0.2	0.2

Our employees		2016	2015	2014	2013
Average number of employees	UK (inc weekly and monthly)	4,697	4,299	3,916	3,900
	Spain	98	89	75	72
	Group	4,795	4,388	3,991	3,972
Annual voluntary employee turnover (%)	UK	13.9%	13.3%	13.6%	n/a
	Spain	2.04%	3.4%	2.7%	2.8%
	Group	13.7%	13.0%	7.0%	7.4%
Operatives on UK sites	UK	12,390	12,273	11,450	11,380
Average days training per monthly salaried UK employee	UK (including health and safety training)	2.2	2.3	3.0	2.7
Number of individuals recruited for the Taylor Wimpey graduate programme		20	19	19	11
Number of UK management trainees recruited		30	22	50	23
Number of UK trades apprentices recruited		93	69	70	43
Number of UK site management apprentices recruited		54	29	29	6

Optimising value				
Donations to registered charities	£604,744	£297,197	£254,731	£87,703
Amounts raised by employees through fundraising for registered charities	£270,543	£449,213	£284,040	£242,358
Value of Section 106 (England and Wales) and Section 75 (Scotland) Agreements in the UK (£'000s)	£362,926	£335,501	£299,614	£226,997

(a) Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.

(b) Excludes joint ventures.

* We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), 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 recalculated our data for previous years to reflect this. We have also included our scope 2 emissions calculated using the location-based method for transparency. See our Carbon Reporting Methodology Statement at www.taylorwimpey.com/corporate/sustainability for more detail on our calculations.

** This figure includes the consumption of electricity, natural gas and other fuels (gas, oil, diesel etc.) but excludes car fleet emissions.

*** For Spain, our injuries data and annual injury incidence rate include all reported workplace injuries to employees and contractors. This is similar but not directly comparable to our data for the UK which is collected under the UK's Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR).

Not available due to using a new emissions measurement methodology in 2013 due to the introduction of Mandatory Carbon Reporting. This means that 2013 data is not entirely comparable to previous years.

GLOSSARY

AIIR	Annual Injury Incidence Rate.
Built for Life	Built for Life schemes satisfy a 12 point criteria for design quality, safety and community developed by the Home Builders Federation, Cabe at the Design Council and Design for Homes.
CDP	Carbon Disclosure Project. An international, not-for-profit organisation providing a global system for companies and cities to measure, disclose, manage and share environmental information.
CDT	A Community Development Trust is a community group set up to ensure the long term management of a development for generations to come.
CfSH	The Code for Sustainable Homes was previously the national standard for the sustainable design and construction of new homes.
CIL	The Community Infrastructure Levy is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area.
COMBINE	Taylor Wimpey's Co-ordinated Measurement of Business Information System.
Constructionline	UK Government's certification service for supplier vetting.
Dow Jones Sustainability Index	The Dow Jones Sustainability Indices serve as benchmarks for investors who integrate sustainability considerations into their portfolios.
FTE	Full time employee.
FTSE4Good	The FTSE4Good Index Series objectively measures the performance of companies that meet globally recognised corporate responsibility standards.
GHG	Greenhouse gas.
GLA	The Greater London Authority is the local authority responsible for Greater London.
GMT	Group Management Team, the most senior executive committee and in effect the Operational Board of Taylor Wimpey UK, our main subsidiary through which we conduct virtually all of our business.
GOT	Group Operations Team, which comprises the GMT and our Divisional Managing Directors.

HBF	Home Builders Federation.
HCA	The Homes and Communities Agency is the national housing and regeneration agency for England.
HSE	Taylor Wimpey's term for health, safety and environment.
HSE	UK Government's Health and Safety Executive.
ISO 14001	Environmental management standard from the International Organization for Standardization.
Localism Act	The Localism Act was introduced in November 2011. The Act covers a wide range of issues related to local public services, with a particular focus on the general power of competence, community rights, neighbourhood planning and housing.
NextGeneration	NextGeneration is an annual membership based benchmark of the sustainability performance of the UK's largest homebuilders.
NHBC	National House-Building Council.
NPPF	The National Planning Policy Framework acts as guidance for local planning authorities and decision-takers, both in drawing up plans and making decisions about planning applications.
OHSAS 18001	An international occupational health and safety management system specification.
ReUSE	Taylor Wimpey soil sharing programme.
RIBA	Royal Institute of British Architects.
RIDDOR	RIDDOR is the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995.
Section 106 / Section 75	Planning obligations under Section 106 of the Town and Country Planning Act 1990, commonly known as Section 106 agreements, are a mechanism which makes a development proposal acceptable in planning terms in England and Wales. Section 75 agreements are the equivalent planning obligations in Scotland.
SSEAPs	Taylor Wimpey Site Specific Environmental Action Plans.
SSG	Taylor Wimpey Sustainability Steering Group.
UTC	University Technical College.

WE VALUE YOUR FEEDBACK

We welcome comments on this report or any aspect of our approach to sustainability.

Please email us at:
sustainabilityreport@taylorwimpey.com

For more information visit
www.taylorwimpey.co.uk/corporate



If there is a proposed development in your area, please get involved. At Taylor Wimpey, we firmly believe that the more thoroughly we engage with the local community and local stakeholders the better and more rounded our development designs will be.

Please see www.taylorwimpey.co.uk/corporate and our Annual Report and Accounts 2016 for further information on who our stakeholders are and how we go about engaging with each of them.



Write to us:

Group Legal Director
and Company Secretary
Taylor Wimpey plc
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR