

Taylor Wimpey

Delivering sustainable quality

Sustainability Report 2017



+ We are committed to being a sustainable 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.

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More information

 www.taylorwimpey.co.uk/corporate/sustainability



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Our approach

+ We are committed to a sustainable future and want to leave a positive environmental, social and economic legacy that future generations can enjoy. For us, it's not about one-off projects or special initiatives but about the way we do business and the decisions that we make every day.

What do we mean by sustainable business?

We build homes and communities across the UK, with a small operation in Spain. Therefore our business touches many people's lives.

For our customers, the home they buy from us is often the biggest and most important purchase they will ever make. It's where they will spend most of their time, and where many of the important events in their lives will happen. So the way we design and build our homes and developments can have a significant influence on our customers' future happiness and wellbeing. Our aim is to help our customers make our houses their homes.

As a responsible homebuilder we aim to design and build our developments in the right way, so that they become thriving, inclusive and sustainable communities for generations to come.

Health and safety has always been a non-negotiable top priority for Taylor Wimpey. We continue to work with our stakeholders to improve both our own health and safety performance and that of our partners.

We directly employ around 5,000 people, with many thousands more on our sites and in our supply chain. We aim to treat everyone we work with fairly and provide support and development opportunities for our employees so that they can enjoy a satisfying career with Taylor Wimpey.

Reducing our impact on the environment is very important to us, so we consider it at every stage of our operations. We work with our partners in the supply chain to source sustainable materials, and with our contractors to minimise the impact of our construction sites. We also design homes to be energy and resource efficient to live in.

This report summarises our approach to sustainability and our performance in 2017. It shows how we seek to run our business in a way that adds value for all our stakeholders including customers, our people, investors, suppliers and communities.

Integrated reporting

Sustainability is part of the way we work so it's important that we report our progress in an integrated way. Sustainability performance information, including Q&As, is also included in our Annual Report and Accounts and on our website.



 Our Annual Report and Accounts 2017 can be downloaded from our website www.taylorwimpey.co.uk/corporate

Who we are

+ 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. We do much more than build homes – we aim to add social, economic and environmental value to the wider communities in which we operate.

Our vision and mission

Our vision and mission reflect Taylor Wimpey's culture today as well as aspirations for the future.

We believe that they resonate strongly with our customers as they recognise that we are building them more than just a house or apartment; we are building them a home.

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

The culture that we want to create at Taylor Wimpey is set out in our core values and cultural principles. Together with our mission and vision, these values and principles clearly set out our ambition for the future.

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

Where we operate

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

UK map key

- North Division regional offices
- Central and South West Division regional offices
- London and South East Division regional offices
- 📍 Head Office
- 🌐 London market



North Division

Our North Division covers our East and West Scotland, North East, North Yorkshire, Yorkshire, North West, Manchester, North Midlands, Midlands and West Midlands regional businesses.

£294.9m

Operating profit*



Central and South West Division

Our Central and South West Division covers our East Midlands, South Midlands, East Anglia, Oxfordshire, South Wales, Bristol, Southern Counties and Exeter regional businesses.

£318.0m

Operating profit*



London and South East Division including Central London

Our London and South East Division includes Central London and covers our East London, North Thames, South East, South Thames and West London regional businesses.

£271.4m

Operating profit*



Spain

We build high-quality homes in the popular locations of Costa Blanca, Costa del Sol and the islands of Mallorca and Ibiza.

£26.8m

Operating profit*

A sustainable business

+ We want to be a successful and, importantly, sustainable business for the long term. We achieve this by creating value for all our stakeholders; from our customers and the communities we work in, to our people, shareholders and society as a whole.



Pete Redfern, Chief Executive

“2017 was a year of strong financial performance for Taylor Wimpey, and I am pleased to report that we also made excellent progress against many of our sustainability targets.”

More homes delivered

One of the most significant challenges facing the UK is the shortage of affordable housing. We support efforts to tackle this challenge through the homes we build and by making these accessible for a range of buyers.

We increased the overall number of homes completed in the UK to 14,541 in 2017, up by nearly 5% in comparison to last year. Around 41% of our homes were sold to first time buyers. We also made a significant contribution to increasing the UK's stock of affordable housing with around 19% of completions designated affordable.

Customer satisfaction improved significantly

Over the last two years we have been focusing on embedding our culture, vision and values, and working to become a more customer-centric business.

We have made significant investments to deliver meaningful improvements in our customer journey; and it is really satisfying to see these investments starting to pay off, with our customer satisfaction averaging consistently above 90% in the last six months.

There are many different aspects that impact customer satisfaction, and we strive to address them through the improvements introduced across our customer service.

Build quality is critical, and we further increased our focus on this during 2017, including introducing additional independent quality inspections by the National House-Building Council (NHBC). Our research with customers at completed developments has highlighted the importance of good placemaking and its impact on long term customer satisfaction. So we strengthened our design team by appointing an expert urban designer and have introduced new training to help our teams learn from good practice in our business and beyond.

In 2017 we delivered significant progress with our Project 2020 research and innovation initiative, and are due to start a number of exciting pilots on our sites in 2018, to help us future-proof our product for the next generation of customers.

Investing in people and skills

Our sector faces a serious skills shortage, and we are taking action on several fronts to help address this. We recruited more entry-level positions this year, increasing our graduate and apprentice intake, and continued to develop our Academy training programmes. Collaboration is needed to address the skills shortage, and we are involved in several partnerships with educational establishments, suppliers, the UK Government and others in our sector.

“Health and safety is and will always be our number one priority. In 2017 our Annual Injury Incidence Rate for reportable injuries reduced and remains well below the industry average.”

We aim for our workforce to be reflective of the diversity in our customer base and the communities in which we operate. This makes for a more effective and creative business and can help us address skills shortages. Our Diversity Steering Committee continued to lead our work in this area in 2017.

We want all our employees to feel engaged in their work and to be able to share their views with us. A record 72% of our people completed our employee survey this year and their feedback demonstrates a high level of engagement. Based on the survey, our overall employee engagement score is 93%, well above the benchmark for UK companies, and we are taking action to address those areas where our employees have indicated improvement is needed.

We also introduced our National Employee Forum in 2017 to provide our people with an additional channel to share their views with our senior management. I am pleased to report that Taylor Wimpey is ahead of many businesses in ensuring that the voice of our employees is heard by the most senior leaders within our company.

Health and safety is and will always be our number one priority. In 2017 our Annual Injury Incidence Rate for reportable injuries reduced and remains well below the industry average.

Addressing our environmental footprint

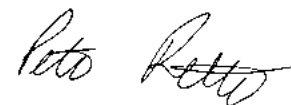
Climate change is a risk for all businesses and one we take very seriously. In 2017 we reached our carbon reduction target a year ahead of schedule, achieving a 38.7% reduction in direct carbon emissions intensity since 2013. We want to go further and have now set ourselves a goal of a 50% reduction in emissions intensity by 2023 against a 2013 baseline. We have also made significant progress in cutting our water use, though reducing waste on our sites remains a challenge.

The environmental impacts of our supply chain outweigh those of our direct business operations so it is essential we

collaborate with suppliers on these. We are working with the Supply Chain Sustainability School to help us engage our supply base and work with them on environmental, social and human rights issues.

We made excellent progress in 2017 across many areas but there is still much to do for us to achieve our goals. To help us do this, we reformed our Sustainability Steering Group in 2017, renaming it our Legacy, Engagement and Action for the Future (LEAF) committee to reflect its strategic role in governing our sustainability programme and engaging our people in our sustainability agenda over the coming years.

I look forward to updating you on our progress again in 2018. In the meantime 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

We are included in a number of leading benchmarks and indices for sustainability.



Highlights for 2017

+ We made progress on a number of our sustainability priorities in 2017. These are some of the highlights.



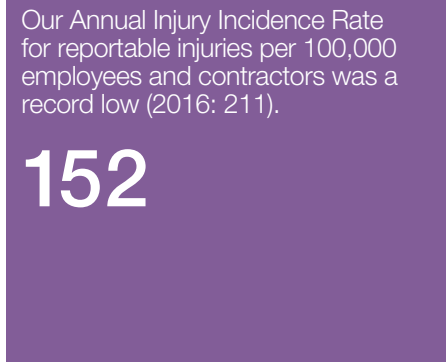
Total UK home completions (including JVs) increased by nearly 5% to 14,541 homes.

14,541



Almost one-fifth of our homes were designated affordable.

19%



Our Annual Injury Incidence Rate for reportable injuries per 100,000 employees and contractors was a record low (2016: 211).

152



We have reduced our carbon emissions intensity by 38.7% since 2013, meeting our target a year ahead of schedule.

38.7%



We have increased the proportion of women on our Board to 30% by February 2018.

30%



We achieved our highest employee engagement score in our annual staff survey.

93%

Our business model – an integrated approach

+ We achieve our vision of working together to build your dreams through our business model, where sustainability is integrated at every stage. We seek to maximise the positive benefits that our business brings to the various stakeholders that we work with, as well as the environment, where we strive to minimise any negative impacts. More information is included in our Annual Report and Accounts.

Our people

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

Strong employment policies and a focus on diversity help us combat the skills shortage in our industry. Health and safety is always our top priority.

i For more information see pages 47-52.

Selecting land

Our aim is to complete our transition from homebuilder to a value creating developer.

We integrate environmental and social considerations into our approach to buying and managing land from the start. This helps us to develop sustainable communities.

i For more information see pages 21-23.

Managing the planning and community engagement process

We aim to be the industry leader in all aspects of planning, enabling us to respond to a dynamic market and customer base and to deliver quality homes while meeting financial objectives.

Dialogue with local communities helps us to build desirable places to live that meet the needs of local people. It also helps us to ensure an efficient planning process.

i For more information see pages 23-24.

Getting the homebuilding basics right

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

Operating with respect for the environment reduces risks to our business, improves efficiency and supports engagement with our people and local communities.

i For more information see pages 31-46.

Delivering customer service

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

All of our homes should meet our quality standards, and we want every customer to receive excellent service that is positive, proactive and professional. We are increasing our focus on placemaking and design as this supports customer satisfaction.

i For more information see pages 26-30.

Optimising value

We look to optimise the value of each site, not only during the initial acquisition process, but throughout the lifetime of the development. This philosophy extends to our wider partnerships.

We aim to maximise the social, environmental and economic value we create for communities in which we build through the way we plan and build our developments and our commitment to responsible business practices.

i For more information see pages 17 and 53-56.

External trends affecting our business

+

Long term demographic, technological and environmental change will affect our business and how our customers live in their homes. We review these trends to understand the risks and opportunities and to prepare for their impact.

Demographic change

The UK population is growing and ageing. It is expected to reach 70 million by 2029 with the proportion of over 85s set to double in the next 25 years¹. The number of single person households is rising and younger people are living at home for longer. These trends mean more demand for housing overall and may also affect the type and design of housing needed.

Our response

Research and innovation will help us to meet the changing needs of our customers. Through our Project 2020 initiative, we are looking at house types that can be effectively adapted and customised to suit different customer demographics and living requirements. More information can be found on page 20.

Skills shortage

There is already a skills shortage in our industry and this looks set to increase. The Farmer Review of the UK Construction Labour Model in 2016 found, for example, that without action we could see a 20-25% decline in the available labour force for the construction industry within a decade.

Our response

We are working to bring more young people into our industry through our apprenticeship, trainee and graduate programmes and by collaborating with suppliers and peer companies, including through the Home Building Skills Partnership. Our focus on diversity will also help to increase our potential talent pool. Find out more about our people and diversity agenda on pages 47-52.

Climate change and resource scarcity

Climate change will affect homes and communities across the UK and has implications for where and how we design our homes. As well as an increased risk of flooding, rising temperatures will also increase risks associated with over heating in homes. Parts of the UK are already experiencing water scarcity and this will increase. Growing demand for natural resources may increase costs and could disrupt supply chains. There is likely to be increased regulation relating to climate change adaptation and mitigation.

Our response

We are working to reduce our climate impact and have achieved a 38.7% cut in our CO₂ emissions since 2013. We are also working with suppliers to reduce carbon emissions in our value chain. We have procedures in place to ensure we mitigate flood risk to the land we buy, factoring in climate change projections. See more on page 35.

Technological change

Technology has already transformed the way we live and work, and this will continue. Smart technology is starting to have an impact in our homes and this looks set to increase. Changes in other sectors can have an impact too. For example, a switch to driverless cars could affect how we plan our developments.

Our response

We are exploring opportunities associated with smart technology through Project 2020, and are also introducing tech-based solutions to our customer journey, enabling greater customisation and improved efficiency. Learn more about how technology is helping us to improve our customer experience on page 30.

¹: Data from the Office for National Statistics, National Population Projections: 2016-based statistical bulletin, www.ons.gov.uk

Our stakeholders

We work with many different stakeholders as we run our business. We strive to be open and honest about how we work and to listen and respond to our stakeholder views. This dialogue gives us access to new ideas and insights and helps us manage sustainability issues. Our main stakeholders are:

Customers

We strive to be a customer-centric company, building our customers high-quality homes and providing the best service. We engage directly with customers at our developments and monitor their views through satisfaction surveys and post-occupancy research.

i For more information about customer service, see page 26.

Communities

We engage with the local communities that we work with at every one of our schemes, from planning and throughout the build process. We believe that continuous engagement helps us create developments that reflect local needs and add value to the local areas.

i For more information about how we engage our communities, see page 23.

Employees

We are proud of our people and their commitment to the business. We strive to employ the best talent and invest in their development. We aim to be the employer of choice in our industry and offer attractive remuneration and focus on employee engagement that helps us recruit and retain skilled employees.

i For more information about how we attract, retain and develop our employees, see page 47.

Suppliers

Our suppliers play a major role in our business and we collaborate with them on many aspects of sustainability. We choose suppliers carefully, aiming to select partners who share our values and to work with them to achieve our goals.

i For more information about how we work with our suppliers, see page 42.

Investors

We regularly engage with our shareholders and provide them with timely communications around environmental, social and governance issues, be that through our reporting, participation in industry benchmarks or investor meetings.

i For more information about how we communicate with our shareholders, see page 59.

Local government

We engage with local government across the UK as part of the planning process for our developments. We place significant importance in engaging with local government as it helps us reflect local priorities in our plans.

i For more information about how we engage with local governments, see page 24.

Central government

We work with central government on issues connected to the UK housing and business agenda. And we use our industry expertise to give central government our views on proposed legislation and policy changes.

i For more information on how we work with central government, see page 24.

Experts and NGOs

We partner with NGOs (non-governmental organisations) and expert organisations in areas such as urban design, ecology and innovation to help us create sustainable communities across the UK.

i For examples of how we partner with NGOs and expert organisations, see pages 16 and 44.

Our materiality assessment

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

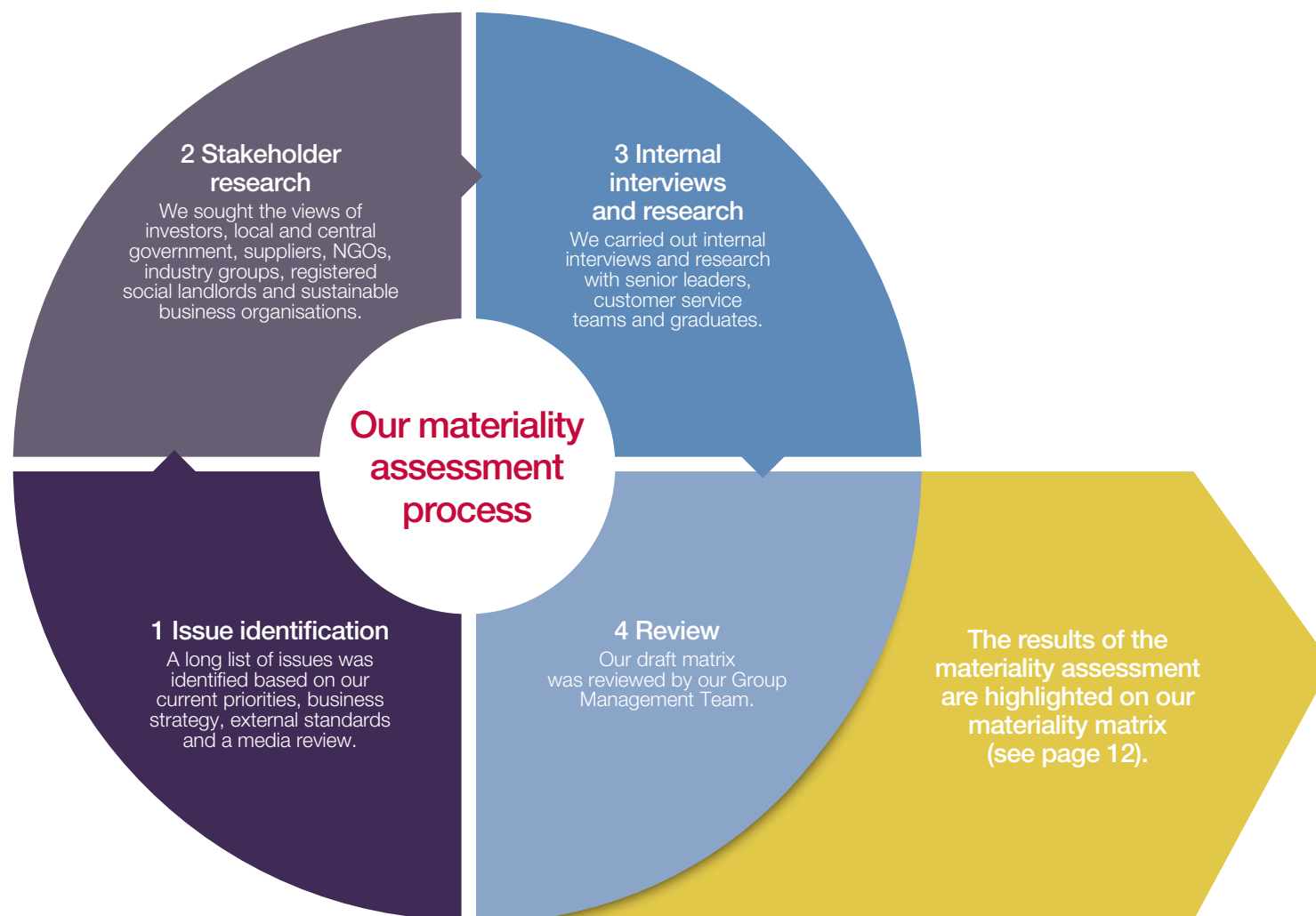
We carried out a formal materiality assessment during 2016 which reviewed and ranked a wide range of issues. It took account of how important each issue is to our business strategy; which issues could represent a significant risk or opportunity for the business; how important each issue is to our key stakeholders (see page 10); and whether our business operations could have a significant negative or positive impact on an issue. Details of the methodology are included on our website.

The results of the materiality assessment are highlighted on our materiality matrix (see page 12). The issues are grouped into nine themes: homes and communities; land, planning and engagement; customers; health, safety and wellbeing; environment; responsible sourcing; people and skills; charitable giving; and governance.

The issues of most importance to both the business and our external stakeholders are shown in the top right corner of the matrix.

The assessment showed that issues relating to the sustainability of our homes and developments – such as placemaking, affordability and efficiency of our homes – are among the key issues for our business.

We are using the outcomes from our materiality review to review and update our sustainability priorities, see page 14.



Our materiality matrix



- Sustainable homes and communities
- Land, planning and community engagement
- Customer service
- Health, safety and wellbeing
- Environment
- Responsible sourcing
- People and skills
- Charitable giving
- Governance and management

The UN Sustainable Development Goals

+ The United Nations 17 Sustainable Development Goals provide a framework for governments and businesses to work together to achieve environmentally, socially and economically sustainable growth. They provide a common definition for what a sustainable future looks like.

We have reviewed the Global Goals to better understand how they relate to our business and where we can make the biggest contribution. We have identified 11 that are particularly relevant to our business. We aim to support progress against these Goals through our work in areas such as environmental management, skills, diversity, responsible sourcing, placemaking and innovation and our investments in community infrastructure, affordable housing and charity partnerships.



We are proud of our record on developing female talent with women now accounting for 35% of our workforce and 30% of our Group Management Team.



We are working to improve operational water efficiency on our sites as well as providing water efficient homes to our customers. Our remediation processes ensure we protect local water quality near to our building sites, and we integrate green infrastructure to protect and enhance water-related ecosystems.



We support progress on this goal in a number of ways, including by investing in skills and apprenticeships for young people, prioritising health and safety, tackling supply chain standards and improving resource efficiency in our operations.



We make significant investments in community infrastructure on our sites such as roads, sanitation, and electricity. We are also exploring innovative new approaches to designing and building our homes and working with suppliers to reduce the environmental footprint of our supply chain, including through our Project 2020.



We support this goal through our work on affordable housing, sustainable transport, home energy efficiency, placemaking, managing flood risk, investing in green spaces and community infrastructure and protecting local cultural and natural heritage.



We focus on efficient use of natural resources in the homes we build and on our sites. We also work with suppliers to reduce environmental impacts in our operations and supply chain.



We are taking action on climate change through our carbon strategy and have set a carbon reduction target. We are also working with suppliers on this issue, and are monitoring and responding to climate change risks.



We support this goal through sustainable sourcing of natural resources like timber, and through the way we manage the biodiversity impacts of our sites. We actively promote biodiversity on our developments.



Lack of skills, housing costs and low wages or insecure employment all contribute towards poverty in the UK. We play a part in addressing these issues through our support for homelessness charities, by building affordable housing and community infrastructure on our sites, through investing in skills and education and through our work on supply chain standards.



The way we plan, design and build our homes and developments can influence the health and wellbeing of future residents. We are exploring this including through initiatives such as the NHS (National Health Service) Healthy New Towns. We focus on the health, safety and wellbeing of our people.



We support progress on this goal through our training programmes, our apprenticeships and the work we do with schools and further educational establishments in many of the areas where we build. A number of our developments also include investment in creating new or delivering improvements to existing school facilities.

Our sustainability framework

+ We strive to be a responsible business, and to design and build our developments in the right way, so they become thriving, inclusive and sustainable communities for generations to come.

Our priorities

Over the past year we have reviewed and updated our sustainability framework to make sure we are focusing on the issues that matter most for our customers, our business and our stakeholders.

We have increased our focus on sustainability issues such as placemaking, health and wellbeing and efficiency, reflecting our focus on delivering quality developments for our customers in the right way so that they benefit the wider community for the long term. We aim to be a customer-centric business, and we know that these issues can have a significant influence on customer satisfaction.

Our sustainability framework reflects our values and cultural principles, particularly our commitment to a sustainable future and to build a proud legacy. Innovation is also an important cultural principle for us, and we continue to explore new solutions to social and environmental challenges.

In developing our framework we have used the results of our materiality assessment (see page 12) and stakeholder engagement (see page 10) to help us define our priorities and focus areas. We have taken into account the long term social, economic and environmental trends that may affect our business and customers as well as external frameworks such as the United Nations Sustainable Development Goals (see page 13).

We will be working to develop our approach further, looking to set specific goals and targets in key areas as well as further integrating sustainability into our training and engagement with employees.

Our sustainability framework: working together to build a great future

A stronger, better business for customers, communities and our people

Creating great homes and places for our customers

Areas of focus:

- Availability and affordability
- Sense of place
- Efficient homes
- Health and wellbeing



Being a responsible business for our people and communities

Areas of focus:

- Health and safety
- People and skills
- Land, planning and engagement
- Environment
- Supply chain
- Governance



Investing in tomorrow

Areas of focus:

- Innovation and collaboration
- Stewardship
- Energy, transport and communication



+ Building sustainable homes and communities

Creating communities

We aim to create great places to live, work and play; designing our developments to become thriving and inclusive communities with a strong sense of place and character.

16-17

Investing in good placemaking

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Contributing to community infrastructure

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Affordable homes

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Defining high-quality, energy efficient homes

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Building safety review

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Developing our homes of the future



Research with our customers

How does design influence customer satisfaction? We are exploring the impact of placemaking and design through research at our completed developments.

Health and wellbeing

Our Whitehill and Bordon scheme is one of ten pilot Healthy New Towns which are bringing together homebuilders, local government, the NHS, universities, technology companies and other stakeholders to plan and build healthier places.

41%

of sales were to first time buyers in 2017.

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Managing land, engagement and planning

Delivering customer service

Operating safely

Protecting the environment

Sourcing responsibly

Investing in people and skills

Partnering with charities

Governance & management

Performance summary

Building sustainable homes and communities

+ **We aim to create great places to live, work and play; designing our developments to become thriving and inclusive communities with a strong sense of place and character. This contributes to customer satisfaction, can increase sales value and helps make us a developer of choice for customers, landowners and other stakeholders.**

At Taylor Wimpey we are increasingly focused on placemaking and urban design, and are exploring how our developments can contribute to the health and wellbeing of our customers and other local residents. We invest in community infrastructure and facilities as well as affordable housing on our developments through our planning contributions.

We design our homes to be energy efficient and cost-effective to run. We are investing in innovation to develop our range of house types to continue to meet customer needs into the future.

Investing in good placemaking

Placemaking is about how we design communities where our customers can enjoy a good quality of life and which will be socially and environmentally sustainable over the long term.

We have appointed an urban designer to work with our regional businesses on placemaking. We are continually developing our best practice criteria which summarise what good placemaking means to Taylor Wimpey. These integrate sustainability factors and reflect external standards such as Building for Life. Design proposals for all new developments are being reviewed against the criteria so we can identify opportunities to strengthen placemaking at an early stage.

The criteria reflect our placemaking guidance documents for employees. These include Our Approach to Placemaking, Our Approach to Sustainable Development, Our Approach to Planning, Preparing a Design and Access Statement, Our Guide to Green Infrastructure and Building for Life 12 guidance.

We want to learn from best practice, and we work with organisations such as the 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.

Design Academy training and workshops

Our Design Academy is helping to raise awareness and improve understanding of placemaking amongst our staff. Launched during 2017, this e-learning covers the core principles of urban design and how to create sustainable communities where people want to live. We are rolling out the e-learning modules to our design teams and senior managers, and around one third have fully completed the training so far.

We have launched layout design review workshops to increase focus on the importance of good placemaking. These interactive sessions bring teams together from different business units to share ideas, review design proposals and identify opportunities to improve the urban design of our schemes. Further workshops, training and a Placemaking Design Conference are planned for 2018.

“Sites with better green infrastructure and higher biodiversity levels also scored well against our placemaking criteria and had higher resident satisfaction.”

Post-occupancy research

During 2017, we carried out post-occupancy research with residents at 16 of our completed developments to better understand their views on placemaking (see page 17).

Working with the Wildlife Trust, we carried out research to understand the relationship between placemaking, green infrastructure, biodiversity and resident satisfaction. This research assessed nine sites, looking at the quality of green infrastructure and the quantity and diversity of wildlife and plant species. It found that sites with better green infrastructure and higher biodiversity levels also scored well against our placemaking criteria and for resident satisfaction. Access to quality green spaces was a priority for many residents, and the research identified opportunities to improve the design, implementation and maintenance of green infrastructure on our schemes. For more on green infrastructure, see page 40.

“We are exploring how we can reflect health and wellbeing priorities in our approach to placemaking and design.”

Designing healthy homes and neighbourhoods

The way we design our homes and neighbourhoods can influence the health and wellbeing of future residents. This includes, for example, planning our developments to encourage walking, cycling and other physical activity, creating shared spaces for community interaction and socialising and providing access to nature and green spaces. The layout inside our homes can also play a role as can factors such as noise levels and indoor and external air quality.

We are exploring how we can reflect health and wellbeing priorities in our approach to placemaking and design. We are involved in three pilot projects as part of the Healthy New Town initiative with the NHS (National Health Service), including at our Whitehill and Bordon scheme (see page 18).

Protecting local heritage

Historic buildings and other unique local heritage features can contribute to good placemaking, enhancing a site's character and sense of place. We aim to protect local heritage and incorporate it into our development plans. For example, at our Whitehill and Bordon development buildings of heritage value are to be renovated to enable them to be put into alternative sustainable uses such as restaurants, bars, a theatre and a hotel.

Contributing to community infrastructure

We invest in infrastructure and facilities that benefit the local community and help ensure the sustainability of our developments. The majority of this contribution is made

through our planning agreement obligations, known as Section 106 agreements in England and Wales, and Section 75 agreements in Scotland, and Community Infrastructure Levy (CIL) payments.

Our planning contributions include investment in affordable housing, community and leisure facilities, transport infrastructure, educational funding, jobs for local people, public art and green spaces. These are negotiated with local authorities and reflect local needs, council policy and feedback gained through community engagement. During 2017, we invested £413 million in local communities via planning obligations (2016: £363 million).

We support the development of local networks and seek to encourage a strong sense of community on our schemes. As well as our investment in new community facilities this can include organising events that provide networking opportunities for local residents and creating connections between community organisations. For example, at Great Western Park we are working with the Residents Association to help the new community organisations develop links and work together for the benefit of local people. This has included supporting the new secondary school in their work with the on-site care home and supermarket to promote healthy eating.

We establish Community Development Trusts on some of our schemes 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.

The value of good design

How does design influence customer satisfaction? What's the relationship between placemaking and the future success of our developments? These were the questions we sought to answer in research with residents at 16 of our completed developments.

The research considered factors such as layout and architectural design, distinctiveness and local character, the availability and quality of green spaces, the attractiveness of streets and public realm, ease of navigation and community spirit.

Through this research we found that developments which scored strongly against our placemaking criteria also received high scores for resident satisfaction.

The findings showed that residents value developments with character that are easy to navigate and where there is good landscaping and access to open and green spaces.

The research indicated that good design plays a role in the development of positive community relationships. For example, residents rated access to good parking facilities as a top priority both for convenience and because competition for parking spaces was found to be a source of friction between neighbours.



Affordable homes

There is a shortage of affordable, quality housing in the UK, for both purchase and rental, and this has a particular impact on younger generations. We play a role in addressing this challenge by maintaining a strong supply of quality new homes that suit different budgets and by integrating affordable housing into our developments.

Responding to continued high demand for housing, a growing number of our developments now include apartments. We are developing a range of standard apartment types. In 2017 the proportion of apartments in our private completions was 16% (2016: 14%).

In total we completed 14,541 new homes in the UK in 2017, including joint ventures (2016: 13,881). First time buyers accounted for 41% of total sales (2016: 38%). Around 43% of sales used the Government's Help to Buy equity loan scheme (2016: 39%), of which around 77% were to first time buyers (2016: 77%). Second time buyers accounted for 39% of sales (2016: 36%) and investors around 3% (2016: 3%).

We work with local authorities and housing associations to build affordable social housing (homes made available at below market rates) on our developments. The majority of our developments include an affordable housing element with the number of affordable homes on each site negotiated as part of our planning obligations. In 2017, around 19% of our completions were designated affordable housing (2016: 19%).

We are also looking at other opportunities that can help increase access to housing, including rental accommodation. For example, we completed our first private rental scheme (PRS) in London in 2017.

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 Government and others to explore solutions to this challenge.



A Healthy New Town at Whitehill and Bordon

The health of future residents is a top priority at Whitehill and Bordon, our joint venture that will transform 100 hectares of Ministry of Defence land in Hampshire into a new and vibrant community.

Whitehill and Bordon is one of 10 pilot Healthy New Towns where Taylor Wimpey is working with NHS England to help shape the way the site develops in terms of healthcare provisions. The initiative is bringing together homebuilders, local government, the NHS, universities, technology companies and other stakeholders to plan and build healthier places.

Together we are exploring options for improving health, preventing illness and encouraging healthy lifestyles at the development, while also enabling older people to remain independent for longer.

One of the central features of our scheme will be a health hub. This will bring together GP surgeries with other health and wellbeing services such as physiotherapy, fitness, occupational health and social care with the aim of providing an integrated service for the local community.

The plan for the new town layout is designed to encourage walking and cycling, as well as being accessible for elderly residents and those with disabilities or dementia.

New green spaces will play an important part in encouraging active lifestyles. For example, one of the first areas to be completed is the Hogmoor Enclosure – woodland previously used by the army. This green space is now accessible to the public with a series of new footpaths and cycle ways and a natural play area for children.

Designing high-quality, energy efficient homes

Our standard house types are designed to provide our customers with high-quality, energy efficient homes that are also straightforward, cost-effective and safe to build. They can be adapted externally to reflect local character and scheme design.

In line with the Nationally Described Space Standard, our standard house types include options for higher levels of accessibility.

We are increasing the proportion of homes built using timber frame, an alternative to traditional 'brick and block' construction techniques. Timber frame can have a lower environmental impact due to the choice of materials and because it enables greater use of off-site construction techniques. During 2018 we will introduce a variation of our standard house type for timber frame.

Energy and resource efficient homes

Our house types include a range of sustainable design features ranging from highly energy efficient walls and windows, to insulated loft space. This reduces running costs for our customers and helps cut carbon emissions.

Inside our homes we use energy efficient fixtures and fittings, including 100% low energy light fittings and LED recessed down lights. All appliances that we offer as standard options in our homes are at least A rated for energy efficiency. We now offer smart thermostats as options in some of our regional businesses, which can help customers to control and reduce home energy use.

We give our customers details on how to use and maintain the environmental features in their homes in our 'From House to Home' manual. This also includes advice on sustainable living, from energy efficiency tips, recycling and growing your own vegetables, to getting to know the neighbours and supporting local shops and services.

In some developments we integrate additional energy efficiency measures, reflecting local authority priorities. These can include systems for mechanical ventilation with heat recovery, wastewater heat recovery and flue gas heat recovery. We integrate low carbon and renewable technologies, such as photovoltaic panels, on some developments or include them as customer options.

It is important that our finished homes achieve the energy efficiency standards specified in our designs. We have made changes to our door thresholds and window installations to simplify the process and ensure a quality installation.

All new Taylor Wimpey homes have water meters fitted, as well as low flow taps and showers, and dual flush toilets. Some developments include additional water saving features such as rainwater harvesting, reflecting local authority priorities.

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 have introduced a new ducting product for our ventilation systems that is easier to install and provides more consistent performance.

Research and innovation

Research and innovation will help us to meet the changing needs and aspirations of our customers, improve efficiency in construction and reduce the environmental impact of the homes we build.

As part of our drive for innovation, we are exploring a range of new technologies and design approaches through Project 2020, our research initiative. This includes our Design Competition held with the RIBA (see page 20).

Plans for 2018

- Design Academy training to be completed by all senior managers and design professionals
- Continue our programme of interactive design workshops and masterclasses and hold our first design conference
- Launch our internal design competition and award scheme to identify and promote best practice among our regional businesses
- Conduct further post-occupancy research to assess customer views on our standard house types
- Increase the proportion of homes built using off-site construction techniques including timber frame
- Complete the build of our Project 2020 design prototypes and evaluate build costs, efficiency and customer views

Building safety review

Following the tragic fire at Grenfell Tower in London in June 2017, we conducted an internal review into our current and historic developments, working, as appropriate, with building owners, management companies, independent fire safety experts and local fire and rescue services. On sites where there are tall buildings with Aluminium Composite Material cladding, we have sought advice from independent fire safety experts, and, where required, have put in place additional measures to ensure that the buildings are fully compliant with the Government's guidance on interim fire safety measures.

We welcome the commissioning of the independent Hackitt Review on building regulations and fire safety, and look forward to working positively with Government and other agencies to ensure that the outcomes are effective and appropriate for the long term.



Developing our homes of the future

Research and innovation will help us to meet the changing needs and aspirations of our customers, improve efficiency in construction and reduce the environmental impact of the homes we build.

We ran our Design Competition with the RIBA in 2016 to inform the development of our future house types. We selected a winning design that can be easily adapted both internally and externally to suit different sites and customer demographics. Other expected benefits include more natural daylight inside the homes and improved cost efficiency in the construction process.

Throughout 2017 we worked with Openstudio Architects, the competition winners, to design a series of prototype homes. Once the designs are ready to be built, three of our regional businesses will take part in the prototype pilots, expected to start in 2018. We will be testing a number of sustainable build technologies including the use of timber frame to replace block work and cross-laminated panels with wood fibre insulation.

These techniques enable more off-site production which can improve efficiency as well as having lower embodied carbon. We also expect better thermal performance for the finished homes. We will also be testing a living roof system and measures designed to improve internal air quality. We are evaluating each step of the process to understand the benefits and any challenges during construction and post-occupancy.

Despite being only one – although significant – element of our Project 2020, the findings and lessons learnt from building the prototypes will be invaluable in informing our production strategy for the future.

+ Managing land, engagement and planning

The right location

We integrate environmental and social considerations into our approach to buying and managing land, and we engage with the local community throughout the life of our developments.

- 22 Our land pipeline
- 22 Sustainability and land-buying
- 23 Sustainable transport
- 23 Mitigating flood risk
- 23 Engaging with the local community
- 24 Engagement with local and central government
- 24 Developing successful planning applications
- 24 Local economic development

Engagement

Community engagement and feedback from local stakeholders help us create good places to live that meet the needs of residents and the wider community. Every one of our sites has a tailored planning and community engagement strategy.

100%



Managing land, engagement and planning

+ **Land is a valuable resource. Our ability to buy good land in the right places is very important to our business success. We look for locations where we can create great homes for our customers and generate strong returns for our business.**

We integrate environmental and social considerations into our approach to buying and managing land, and we engage with the local community throughout the life of our developments. This helps us to ensure an efficient planning process and to develop great places to live that meet local people's needs and will be sustainable for the long term.

We strive to be the land partner of choice and the industry leader in planning and community engagement. We want to be honest, professional and act with integrity in our dealings with landowners, communities and other stakeholders.

Our land pipeline

We take a number of approaches to making sure that we have sufficient supplies of the right land. We have around 75,000 plots in our short term landbank that have some form of planning permission. There are a further 117,000 plots with the potential for development in our strategic land pipeline. We work with landowners and local authorities and other stakeholders to secure planning permission for these sites.

We aim to increase the percentage of homes built on strategically sourced land. This helps us to plan for the longer term and gives us more influence over the quality of the developments we build because we are involved from an earlier stage.

In 2017, 53% of our completions were from strategically sourced land (2016: 51%). We have one of the largest strategic pipelines in the sector which we are actively managing and working with stakeholders to progress through the planning system.

Our Major Developments business works with government departments such as the Ministry of Defence and Homes England (previously called the Homes and Communities Agency) to progress large developments, often on public sector land. These developments are built over many years and can help to reduce cyclical risk to the business.

Where possible, we transform derelict or contaminated land into new communities, helping to support urban regeneration. Around 45% of our homes in 2017 were built on brownfield land (2016: 45%).

Sustainability and land-buying

Our land teams integrate sustainability into the land acquisition process from the start.

Every potential site undergoes a detailed review against the Government's National Planning Policy Framework (NPPF), which aims to ensure that developments are economically, socially and environmentally sustainable.

Each internal authorisation document (used to approve a site for purchase) must set out the social, economic and environmental factors considered in assessing the suitability of the land for purchase.

Our internal processes and guidance documents help our teams to identify and address relevant sustainability issues for each site. These include our Land Quality Assessment Process, our Land Assessment and Management Process (LAMP), our Approach to Sustainable Development and our Approach to Planning documents.

We use our Sustainable Development Checklist to assess a range of sustainability criteria including how well connected the site is to transport links, the potential impact on habitats and species, the risk of flooding and whether the development will support local economic activity. LAMP is used to identify and manage risks at site-level before and during construction, such as land remediation, flooding, ecology and archaeology.

In 2018, we will introduce our guidance on how to use green infrastructure to manage water on site, reduce risks to biodiversity and improve placemaking (see page 40).

Sustainable transport

In 2017, around 50% of our UK completions were within 500m of a public transport node and around 63% within 1,000m. We invest in roads, public and community transport, walkways and cycle paths as part of our obligations within the planning system (see page 17).

We encourage 'walkability' on our sites through investment in community infrastructure and by planning mixed use developments where residents have easy access to local shops, schools and facilities. Some of our schemes also include sustainable transport initiatives like car clubs and electric charging points.

Mitigating flood risk

We take the risk of flooding on our developments extremely seriously and identify potential flood risk as part of our site selection process. We use the Environment Agency's flood mapping tools and take account of their input during our planning consultations. We use measures such as sustainable drainage systems (SDS) that absorb rainfall and water run-off in ponds and swales to mitigate flood risk. We do not buy land unless we can mitigate any flood risk. We have a senior internal working group which oversees our approach.

Climate change is predicted to increase the risk of flooding in some areas. All of our sites are already subject to the appropriate level of Flood Risk Assessment. In addition, in 2016 we reviewed the Environment Agency's updated climate change projections at 47 of our sites across England to gain a detailed understanding of what this might mean for us in terms of risk to development area and flood mitigation costs. We found that in general this did not increase the level of flood risk to our business. During 2017 we have updated our land-buying processes to reflect the new climate change allowances. We also held a series of training webinars on flood risk for all our technical teams as well as colleagues in our land and planning departments.

Engaging with the local community

Every one of our sites has a tailored planning and community engagement strategy. We go beyond regulatory requirements, engaging with communities from early in the planning process and throughout development. We strive to use the local community's feedback to inform our design proposals.

We seek views from a wide range of stakeholders who have an interest in our schemes, from neighbouring residents and property owners to local authorities, businesses, schools and other groups. We aim to be open and transparent about how we work, providing a clear point of contact and making it easy for our stakeholders to share their views with us.

Our planning teams are trained on our approach to community engagement, and we share best practice through internal conferences, email updates and Yammer, our internal social media network. We use our Community Engagement toolkit to develop the right approach for each site. In 2017 we updated the Building Our Reputation toolkit that provides further guidance and practical tools to help our employees communicate honestly and openly with our customers and other stakeholder communities.

We use a range of methods to engage with local people, including meetings, exhibitions, workshops, newsletters and information boards. We publish information on all proposed developments on our website so anyone can see what we are planning in their area.

We have been trialling the use of social media, particularly Facebook and Twitter, to help us engage local stakeholders at three of our schemes. The trials showed that social media can be a useful tool for us to help capture and respond to feedback and to reach a wider target audience. We will be piloting use of social media at further sites during 2018.



Community engagement at Acorn Grove

Community engagement and feedback from local stakeholders help us to create good places to live that meet the needs of residents and the wider community.

In Fishbourne, West Sussex we worked with local authorities and the community over several years to secure planning permission and develop the plans for our Acorn Grove scheme. This led to the site being included in the Fishbourne Neighbourhood Plan, which identifies the community's preferred areas for new housing development.

Our proposed site layout was subject to extensive consultation, which resulted in the plan being updated to reflect the feedback received from local stakeholders. The final scheme includes 30% affordable housing as well as publicly accessible open space, ecological improvements and a development layout designed to encourage residents to walk or cycle to the train station and local schools.

30%
affordable housing

Engagement with local and central government

We engage with local authorities, parish councils, Homes England, 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 and Neighbourhood Plans, which consider broader development needs and enable local people to shape new development in their area. This is particularly important for land in our strategic pipeline, where preparation or review of the Development Plan is the first step in the planning process.

One example is Thame Park, our development of 79 homes in Thame, South Oxfordshire. This site was the first in England to be allocated for housing through a Neighbourhood Plan process, which included extensive consultation with local residents and other stakeholders. We worked closely with the local authority and community to develop our plans, and made planning contributions to fund affordable housing, local community facilities, green spaces and other amenities.

We work with central government to respond to consultations on changes to the planning and development process. In 2017, we responded to the Housing White Paper which set out the Government's plans to reform the housing market and boost the supply of new homes in England. We also responded to an associated consultation called 'Planning for the right homes in the right places' which considered issues raised in the Housing White Paper in more detail.

During 2018 we expect to respond to consultation on the revised National Planning Policy Framework (NPPF) and many local plans, including the Draft London Plan. We welcome the planned review of the Community Infrastructure Levy.

We are members of the Homes England five regional Delivery Partner Panels and a member of the GLA's London Development Panel (currently being re-tendered), which enables us to tender for potential sites on public sector land.

Developing successful planning applications

We use the results of our community engagement to help us develop planning proposals that are financially viable and meet local needs.

Each planning application 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 employees use the Our Approach to Planning toolkit, our Approach to Sustainable Development document and our Preparing a Design and Access Statement guide to help them in complying with regulatory requirements, including social and environmental criteria.

Compliance with planning requirements

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 (see page 17).

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 and new homes are delivered on time. As at 18 February 2018, we are building on 97% of sites with implementable planning.

Plans for 2018

- 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.6,000 plots per annum in the medium term (from the strategic pipeline to short term landbank)
- Continue to maintain best practice community engagement
- Update our LAMP process to make better use of environmental databases, interactive digital maps and field based technology

Local economic development

Our developments can provide a boost to the local economy through new housing, new jobs on site and in the supply chain, increased revenues for local businesses and investments in new infrastructure and amenities.

Our Economic Benefits Toolkit helps us understand and communicate these scheme-specific benefits to stakeholders during the planning process.

The toolkit estimates the 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 estimates how much new residents will spend with local businesses when moving in and then annually as they continue to live there.

In addition to boosting the local economy, we also provide support to various local and national charities. More information about our charity partnerships can be found on pages 53 to 56.



+ Spotlight

Boosting the local economy at Sherford

Economic development is a priority for our development at Sherford – a new county town for Devon with 5,500 homes. We are one of three partners in the Sherford Consortium with Bovis Homes and Linden Homes.

To improve skills, support local industry and promote youth employment, the Consortium has launched the Sherford Skills Training Scheme with City College Plymouth and South Devon College.

This includes an on-site construction skills training facility. Over 120 apprentices have been employed by the Consortium and contractors, including many former members of the Armed Forces.

Sherford town will create business and commercial opportunities worth an estimated £2 billion to the local economy.

Up to 400 construction jobs will be created during the build and many local businesses have been employed as contractors and consultants for the site.

After completion, around 5,000 jobs will become available within the shops, businesses, schools and community facilities of the new town.



The new town will provide a boost to the local economy worth

£2 billion

Dedicated to customers

+ Delivering customer service

We aim to put customer needs at the heart of our decision-making and encourage employees in every part of our business to have a customer-centric mindset.

- 27 Customer-centric culture
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Touchpoint

Our online customer portal 'Touchpoint' is helping to improve the information flow between our customer-facing teams and homebuyers at every stage of their contact with Taylor Wimpey.

2,000
customers registered



Customer satisfaction

The percentage of customers who would recommend us to a friend increased in 2017.

89%

Delivering customer service

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

We aim to put customer needs at the heart of our decision-making and encourage employees in every part of our business to have a customer-centric mindset. All of our homes should meet our quality standards, and we want every customer to receive excellent service that is positive, proactive and professional.

Customer-centric culture

Our four customer commitments guide our approach to customer service. These are:

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

Employees are given practical guidance through our Customer Journey Manual, Home Quality Inspection Guide and Customer Service Manual. We have a Head of Customer Service in each of our regional businesses who oversees our approach at the local level.

Every customer service employee has been trained in our customer journey process and this is included in the induction process for all new customer-facing staff.

We also offer more specialist training to develop the skills and capabilities of our teams through our Academies. These include our:

- **Academy of Customer Excellence:** designed to develop the skills of our customer service teams from induction to leadership level. Modules cover our product range and customer journey, consumer protection legislation, technical standards, and health, safety and the environment. We trialled the Academy in two of our businesses in 2017 and will now roll it out across our other regional businesses.
- **Production Academy:** designed to help our production teams deliver the high-quality homes our customers expect. Participants in the Academy complete NVQ and technical courses developed by the NHBC (National House-Building Council) in areas such as effective snagging and defects prevention. The courses also integrate sustainability and site environmental management, leadership skills, commercial awareness and project management.
- **Sales Academy:** a set of internal and external courses to build the skills, knowledge and expertise of our sales teams.
- **Marketing Academy:** launched in 2016, identifies the skills required by marketing staff and provides a manual of best practice and guidelines for all marketing activities.

“ We have clear Taylor Wimpey quality and finish standards, and we have been strengthening our monitoring processes to make sure we build our homes right first time.”

To reinforce our commitment to a customer-centric culture, we have made customer service one of the performance metrics in our corporate bonus scheme for all employees. Our senior leadership have additional performance targets.

Quality assurance

The quality of our finished homes has a huge impact on customer satisfaction. Build quality is also important from an environmental perspective as fewer mistakes mean less waste and homes perform to the energy efficiency standards we expect. We have clear Taylor Wimpey quality and finish standards, and we have been strengthening our monitoring processes to make sure we build our homes right first time.



"We want every customer to experience great service when they buy one of our homes. This is a team effort and encompasses all of our customer-facing staff – from our sales representatives and site teams on our developments to the customer service teams in our regional businesses.

Over the last two years we have been investing in our people and their training, our policies and technology and we are seeing results. Whilst we recognise there is more to do, we are particularly pleased to see a positive trend in customer satisfaction feedback, with scores in the last six months averaging over 90%."

Suzanne Byrne, Customer Director

We appointed a Head of Production in 2017, a newly created role, to help us achieve consistently high-quality build standards for our customers.

Our site production teams use our Build Quality Checklist (BQC) to assess quality during the build. All items must be completed to the required standard before the BQC is approved and the home is handed over to customer service. Our Consistent Quality Approach provides detailed guidance on the quality standards we expect and how to assess these.

Before a customer can move in, each home must pass the Home Quality Inspection (HQL), conducted by our customer relations managers. This looks at the finish of the home through the eyes of our customers.

In 2017, we introduced additional independent inspections by the NHBC to assess the standard of finish and construction quality of our homes. We are using the NHBC findings, our HQL pass rate and the results of our BQC assessments to identify areas for improvement and to work with our suppliers and subcontractors to ensure consistent quality standards in all Taylor Wimpey homes.

Communicating with customers

Good communication with customers is a priority at every point in the homebuying journey. We are a signatory to the UK Consumer Code for Home Builders that aims to improve information and protect the rights of buyers.

During 2017 we launched our online customer portal 'Touchpoint' which is helping to improve the information flow between our customer-facing teams and homebuyers at every stage of their contact with Taylor Wimpey. One of the most popular features of this interactive portal amongst our customers is the ability to follow the build progress of their individual homes. Once customers move in, they can also use Touchpoint to log any questions or problems.

Every customer receives a 'From House to Home' Manual, which includes our Customer Charter and our Customer Journey roadmap explaining what to expect at every stage as well as information on home features, systems and appliances.

Customers are invited to meet the site manager responsible for building their home, which provides an opportunity to ask questions, discuss layout and fittings options and review progress.

Our customer relations managers and sales executives lead our Home Aftercare process, completing follow up calls and visits to ensure new homeowners are settling in well.

We aim to resolve all aftercare issues promptly. Our goal is to always treat customers fairly and to be proactive, positive and professional in our response. We monitor the types of aftercare issues customers raise and the time taken to resolve them, to help us improve. If an issue is not resolved to our customers' satisfaction, they can escalate it through our complaints procedure, which is overseen by our Customer Director. We are evaluating our dispute resolution procedures with the aim of making the process more customer-centric and consistent across our regional businesses.

Ground rent review assistance scheme

During 2017 we carried out a review of historic lease structures and, in particular, ten-year doubling ground rent clauses, which we stopped using on new developments from late 2011. Whilst Taylor Wimpey implemented these leases in good faith and the terms were clearly set out in the relevant leases, it was clear from our review that the impact of these doubling rent review clauses was causing some of our customers understandable concern, particularly from a mortgageability and saleability perspective. We acknowledge that the introduction of these doubling clauses in 2007 was not consistent with our high standards of customer service and we have apologised to customers for the unintended consequences and concern that we caused.

We implemented, on a voluntary basis, the Taylor Wimpey Ground Rent Review Assistance Scheme, to enable us to work with the relevant freeholders who own the leases, in order to convert our customers' ten-year doubling ground rent clauses to leases based on RPI (the most commonly used index for price increases across the leasehold residential sector), should they elect to participate in the Scheme.

We have made good progress in securing agreements with freeholders representing over 90% of historic leases with a ten-year doubling ground rent clause. We continue to work with the remaining freeholders to address the remaining leases.

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 2017, there were no upheld complaints made to the UK's Advertising Standards about our advertising.

How we performed in 2017

We monitor customer satisfaction using our internal metrics and independent surveys by the National House-Building Council at eight weeks and nine months after completion.

The Home Builders Federation awarded us a four-star rating for 2017 (2016: four-star) based on the percentage of customers who would recommend us to a friend, which stood at 89.0% (2016: 86.2%), just below our target of 90%. The percentage of customers who are satisfied with the quality of their home has also improved to 87.9% (2016: 84.7%).

Our investment in quality assurance, communication, training and process improvements is helping us to improve our customer satisfaction scores in key areas. We are pleased to see a positive trend in customer satisfaction feedback, with scores in the last six months averaging over 90%.

In addition to satisfaction surveys, we also monitor customer views on the quality of our developments through our post-occupancy research (see page 17) and by monitoring feedback on social media.

Plans for 2018

- Achieve a five-star rating from the HBF
- Invest in a new Customer Relationship Management system to further improve the quality of our customer interactions
- Review and strengthen our complaint handling procedure
- Share best practice on customer service between our business units
- Review and update our customer journey process
- Improve our communication with customers online, including on social media

UK customer satisfaction – independent HBF survey

	2017 UK homebuilder average	Taylor Wimpey scores			
		2017	2016	2015	2014
Customers satisfied or very satisfied with the quality of their home	85.2%	87.9%	84.7%	86.3%	87.4%
Customers satisfied or very satisfied with the service provided before purchase	80.7%	84.1%	81.7%	84.0%	85.2%
Customers satisfied or very satisfied with the condition of their home	78.8%	84.4%	81.6%	82.3%	85.4%
Customers who would recommend us to a friend	86.2%	89.0%	86.2%	87.6%	88.8%

Note to table: The figures relate to Taylor Wimpey's survey scores based on completions during the HBF year, from 1 October 2016 to 30 September 2017. The UK Homebuilder average is supplied by the NHBC based on legal competitions between 1 October 2016 to 30 September 2017.



+ Spotlight

Improving customer service through technology

Technology is helping us improve our customer service by giving our customers more personalised information and support throughout the homebuying process.

We began to roll out our online customer portal 'Touchpoint' during 2017. Customers can log in when it is convenient for them to check the progress of their new home online and access a wide range of useful information. Once customers move in to their new home, they can log any issues or problems that arise via Touchpoint and track our response. Since its launch, around 2,000 customers have logged into the system.

Technology can improve efficiency for our customer teams too. We have introduced our 'M Care' and 'M Inspect' applications to enable our customer representatives to quickly log customer issues during home visits on their mobile devices so that we can respond more quickly and track progress. This gives us better quality data on our customer service and how quickly we are addressing any issues.

We will be further developing our use of technology to make our service more customer-centric. This will include greater use of social media and introducing new services to Touchpoint such as a facility to review and select home layout and fittings options.

2,000
customers registered

Prioritising safety

Health and safety is a non-negotiable top priority for everyone at Taylor Wimpey, from the most senior executives to all our employees and contractors.

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Keeping safety front-of-mind

There is always a risk to health and safety from using heavy machinery and equipment (plant) on site. That's why we have strict rules and procedures to safeguard plant operators and people on site.



152

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was a record low of 152 in 2017. It remains well below both the HBF Home Builder Average and the Health and Safety Executive Construction Industry Average.

Operating safely

+ **Health and safety is a non-negotiable top priority for everyone at Taylor Wimpey, from the most senior executives to all our employees and contractors. We work with suppliers, trade groups and associations, and others to improve both our own and our partners' health and safety performance.**

Our health, safety and environment (HSE) management system covers all business activities, and we have specific HSE plans for every site. 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.

Embedding a safety culture

We embed a safety culture through training, awareness and visible HSE leadership. Our HSE operational manuals and Site HSE Manual cover all relevant safety procedures. The manuals are reviewed annually, and in 2017 we updated the guidance on dust control, safer use of equipment such as dumper trucks and concrete pumps, and new requirements for suppliers to include weight alerts on items handled manually, such as doors and stairs.

Our production and site management teams complete HSE training and annual refresher training, supplemented by regular workshops and briefings. During 2017, our safety initiatives and updates focused on reinforcing our high standards for heavy machinery and equipment (plant) on site. We held training workshops on the procurement and use of telehandlers (machines with a telescopic arm) for all relevant operators, and our production management and commercial teams.

We use regular newsflash memos to highlight key issues as well as legal and best practice updates. During 2017, our safety memos covered a wide range of issues, including improvements in handling brick and block deliveries, scaffolding, gas safety checks and safer use of dumper trucks.

We monitor employee engagement on safety issues. In 2017, 98% of our employees said they believe we take health and safety seriously and 98% of employees told us they know how to deal with health and safety issues relevant to their work. In addition, 95% think their line manager is committed to ensuring health and safety is a key focus.

Senior oversight and audits

Directors from our regional businesses review health and safety during site visits and our production managers review performance monthly, including making unannounced spot-checks. Our external site HSE advisors carry out independent unannounced site audits at least monthly which include HSE.

Health and safety performance is the first item reviewed at monthly group management and operational team meetings as well as board meetings for our regional businesses. All new directors and managing directors are trained on health and safety. Regional and site HSE advisors assist new managers with understanding and implementing our standards. We develop Health and Safety Improvement Plans at both Group and regional business level.

During 2017, we held a series of interactive workshops to help directors in our regional businesses improve communication on HSE between managers, site staff and contractors during management team site visits.

Safety on site in Spain

In Spain, we have a comprehensive health and safety management system and internal audit process. Each site is visited at least quarterly by the relevant directors and regular site HSE inspections are carried out by our independent site HSE advisor. We provide health and safety induction training for all new contractors and subcontractors on our sites.

Working with contractors

Partnering with contractors on safety issues is critical to keeping everyone safe on site. Before we agree to work with a contractor, we require details of their risk assessment and safety management arrangements and procedures for their area of activity.

We clearly communicate critical safety messages to site operatives through our 'Operative's Journey' process, which starts with our HSE site induction. One of the key issues that we aim to address is preventing 'safety sign blindness', and keeping safety at the front of everyone's minds on site.

Our HSE induction is supported by regular poster campaigns and site safe briefings, which have recently been updated with the content designed to be clearer and more engaging for site operatives.

Our HSE site support teams work with management in maintaining safe sites. Members are nominated by the site manager and given a blue hat in recognition of their role and to make them visible on site. The site support teams participate in monitoring and improving site safety and operatives can talk to them about HSE issues, concerns or suggestions. During 2017 we ran a number of site support team training sessions and team building events.

We consulted with contractors on health and safety issues in 2017. For example, we ran a series of workshops for groundworks contractors to reinforce our HSE requirements and encourage our contractors to work together effectively. These covered: selection of machinery to suit ground conditions and gradients; the role of the green light seatbelt warning system on dumpers in positively influencing driver behaviour; and updated procedures for working near underground services. Training was completed by over 990 groundworks contractors working on our sites.

We aim to increase the use of timber frame construction on our sites (see page 19), and we are working with selected timber frame suppliers to agree common standards and best practice in areas such as safety, traffic management, lifting operations, working at height, using scaffolding and fire safety training for site management and operatives. We will host workshops during 2018.

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).

How we performed in 2017

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.

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was a record low of 152 in 2017 (2016: 211). Our AIIR for major injuries per 100,000 employees and contractors was 54 in 2017 (2016: 53). Our AIIR remains below both the HBF Home Builder Average and the Health and Safety Executive Construction Industry Average, and we are committed to reducing it further. There were no fatalities in 2017.

We received no enforcement notices from the UK's Health and Safety Executive in 2017. We received one Notification of Contravention relating to scaffolding; we addressed the issue immediately and no further action was needed.

In Spain, we received one Improvement Notice at Colonia de Sant Pere. This related to some minor issues identified during a routine inspection by the Labour Department which were resolved during the visit.

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.

Occupational health

We educate workers on health issues through our communication campaigns and health and safety training. We are working with the HBF and the Health and Safety Executive 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.

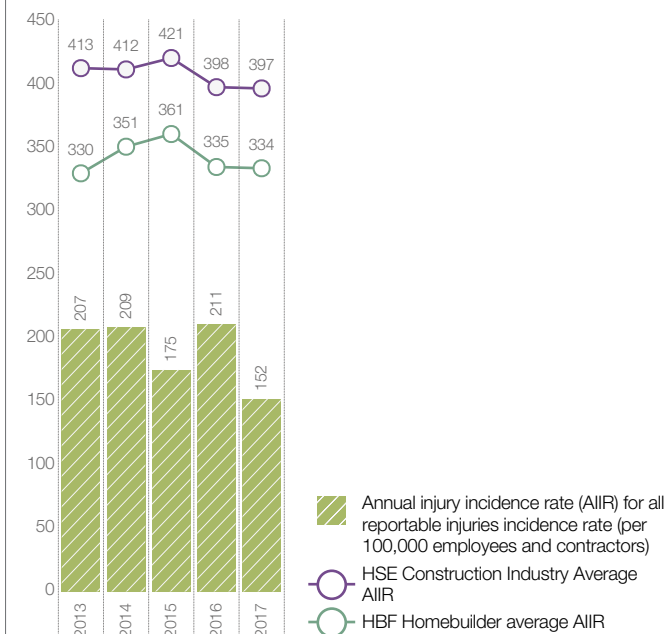
During 2017, health awareness campaigns and site briefings highlighted the risks relating to construction dust, staying hydrated during hot weather and preventing skin cancer. We are in the process of developing our employee health and wellbeing strategy (see page 51).

Plans for 2018

- Update our HSE Manual and refresh our HSE training for new site managers
- Improve safety and wellbeing for operatives working at height through the use of access staircases on all scaffolds to replace ladders
- Introduce best practice guidance for all timber frame suppliers and timber frame fire safety training for our design and site management teams
- Improve or, as a minimum, maintain the same Annual Injury Incidence Rate (AIIR) achieved in 2017

Annual Injury Incidence Rate

Reportable injuries incidence rate (per 100,000 employees and contractors)





+ Spotlight

Keeping safety front-of-mind

The health and safety of everyone involved with creating our homes and living in them is fundamental. We want to ensure that at every step of the way – from conception to completion and occupation – health and safety is at the forefront.

On our construction sites we acknowledge that there is always a risk to health and safety from using heavy machinery and equipment (plant). That is why we have strict rules and procedures to safeguard plant operators and people on site.

In 2017 we introduced ‘plant prompts’ to assist us in communicating critical safety messages to plant operators.

The prompts can be used on lanyards or key fobs and cover our most hazardous plant. They act as a quick and constant visual reminder of the actions plant operators must take to keep themselves and others safe.

The plant prompts have been dispatched to every one of our sites and we are monitoring their impact.

+ Protecting the environment

Reducing our impact

We use natural resources to build our homes, and we have an impact on the local environment during construction. We aim to use resources efficiently and to work with our supply chain to reduce our overall environmental impact.

36	Our environmental management system
37-39	Reducing our carbon emissions
39	Improving water efficiency
40	Waste and resources
40	Biodiversity and green infrastructure



Carbon emissions

We have reduced our carbon emissions intensity by 38.7% since 2013 and are now targeting a 50% reduction by 2023. Our progress to date has been achieved through improving efficiency and increasing our purchase of electricity from renewable sources.

38.7%



A-

We were rated A- by CDP Water and received their award for the most improved water management performance in the UK.

Protecting the environment

+ **We use natural resources to build our homes and we recognise that we have an impact on the local environment during construction. We aim to use resources efficiently and to work with our supply chain to reduce our overall environmental impact.**

Climate change will create new risks to our business as well as opportunities associated with a low carbon economy. Reducing our carbon footprint and ensuring we adapt our business to a changing climate is a priority.

Our research with Trucost in 2016 showed that the resource impacts of our supply chain from energy and water use, carbon emissions and waste significantly outweigh those of our direct operations, so it is important that we collaborate with suppliers on environmental issues.

Our environmental management system

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.

We update our HSE management system at least once a year. In 2017 we made minor updates to procedures on water quality, dust and recycling. The health and safety elements of our management system are described on page 32.

Our environmental management system (EMS) is based on (but not certified to) the environmental management standard ISO 14001. It requires all operational sites to carry out mandatory environmental checks and to have a Site Specific Environmental Action Plan (SSEAP).

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.

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.

Internal and external review and auditing

Our approach is subject to regular internal and external review and auditing. This includes: an 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 operational site at least once a month carried out by our external site HSE advisors; and regular external review of our EMS by our environmental advisors to ensure it reflects changes in regulation and best practice.

“Reducing our carbon footprint and ensuring that we adapt our business to a changing climate are important priorities.”

There were no prosecutions or fines relating to environmental or health and safety matters in 2017. We received a Dust Abatement Notice from an environmental health department issued to all members of a consortium we are part of. The notice concerned emissions of dust affecting residents close to the consortium's construction site. Action was taken immediately to address the matter. We received no enforcement notices for environmental issues in Spain in 2017.

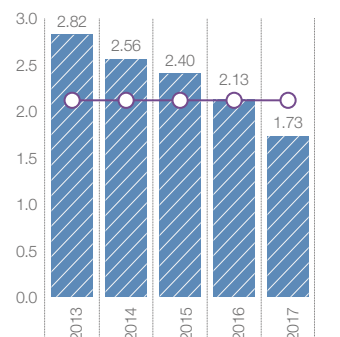
Championing resource efficiency

We will appoint a network of Resource Champions in our regional businesses during 2018, who will engage our employees on waste reduction and energy and water efficiency, identify areas for improvement and help us to implement best practices. The champions will use our new

Resource Portal to access data on their business unit's performance, assess the costs of resource use and waste disposal and track performance over time and against other parts of the business.

Our Waste and Resources Working Group oversees our approach to resource efficiency and includes senior managers from our health and safety, production, procurement and sustainability functions.

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



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

○ Target emissions by 2018

Reducing our carbon emissions

Climate change will have an impact on 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 and working with our suppliers to help bring about wider change.

Governance, strategy and risk management

Climate change has the potential to impact our business strategy in a number of ways. Physical changes such as rising temperatures and an increase in flood risk could

affect our customers and influence where and how we build our homes. Other risks include potential changes in regulation, taxation and prices introduced to help the UK reach its binding carbon targets.

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 59). For each climate-related risk and opportunity the register identifies: risk driver, description of risk, potential impact, timeframe, whether the risk or opportunity is direct or indirect, likelihood and magnitude of impact. Our LEAF committee, chaired by a member of

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

Category total emissions (tonnes CO ₂ e)	2017	2016	2015	2014	2013
Emissions from combustion of fuel (scope 1)	18,889	17,983	17,768	16,436	16,107
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (market-based method)*	4,794	10,827	12,947	13,326	14,229
Emissions from electricity, heat, steam and cooling purchased for own use (scope 2) (location-based method)*	8,236	10,417	11,159	11,885	10,526
Total scope 1 and 2 emissions (market-based method)	23,683	28,809	30,716	29,672	30,336
Emissions per 100sqm of completed homes (scope 1 and 2)	1.73	2.13	2.40	2.56	2.82
Percentage reduction in direct carbon emissions intensity (scope 1 and 2) since 2013	38.7%	24.5%	14.9%	9.2%	n/a
Indirect GHG emissions from supply chain (scope 3)	1,112,086	1,026,420	767,501	696,005	551,749
Total scope 1, 2 and 3	1,135,769	1,055,229	798,217	725,677	582,085
Emissions intensity scope 1, 2 and 3: Emissions per 100 sqm of completed homes	82.8	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) for 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 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.

our Group Management Team, is responsible for reviewing the register on a six-monthly basis. Ultimate responsibility for our approach to climate change resides with our Chief Executive.

Targets and performance

Our target was a 25% reduction in scope 1 and 2 greenhouse gas emissions per 100sq metres of completed homes by 2018 compared with 2013. We met and exceeded this goal in 2017, achieving a 38.7% reduction. We have also reduced absolute emissions by 21.9% since 2013.

We achieved our reduction in our carbon emissions intensity a year ahead of schedule thanks to an increase in the proportion of electricity we buy from renewable sources and an improvement in energy efficiency on our sites and offices. Our energy use intensity decreased by 4.3% over the last year and by 14% since 2013.

We worked with the Carbon Trust during 2017 to set a new target. Our goal is now to achieve a 50% reduction in our direct emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline.

We are also reviewing our approach to scope 3 emissions and exploring whether we can set a target aligned with climate science. We will be doing further work in this area internally and with the Carbon Trust during 2018. This will include developing a methodology for measuring the scope 3 emissions associated with our homes in use.

Our scope 3 emissions increased in 2017. This was primarily due to an increase in the number of homes built and changes to a number of scope 3 emissions factors.

We participate in the CDP climate change report and received a score of B in 2017 (2016: B). We have 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.

“Our energy use intensity has decreased by 4.3% over the last year and by 14% since 2013.”

We publish our CDP submission, carbon reporting methodology and the Carbon Trust verification letter on our website at <https://www.taylorwimpey.co.uk/corporate/sustainability/carbon-emissions-and-reporting>.

Reducing energy and carbon on our sites

We aim to reduce energy use and carbon emissions on our construction sites, focusing on site compounds, show homes and plots before sale, and also on our office buildings.

We have increased our purchase of green tariff electricity including for our sites during construction (Temporary Building Supplies).

Behaviour changes are important in reducing energy use. For example, we are engaging with our sales teams to make sure that thermostats in our show homes are programmed to switch off heating during the evenings. This can cut energy use by up to 40%. We encourage site workers to use natural ventilation methods rather than heating to dry out homes after construction.

We are reviewing specifications for our site portacabins and hope to introduce a more energy efficient design.



Reducing emissions in our value chain

The carbon emissions associated with our supply chain and the energy used by customers to run their new homes are many times greater than those from our direct operations. For example, the emissions from our direct operations constitute only about 2% of those in our supply chain for purchased goods and services. Emissions from homes in use will also be significant and in 2018 we will develop a method to calculate these.

We are working with suppliers to reduce the carbon impact of our value chain. This includes designing our homes to be energy efficient (see page 19), selecting materials with lower embodied carbon (see page 44) and piloting off-site construction techniques (see page 20).

Our goal to increase the proportion of homes built using timber frame will reduce greenhouse gas emissions as wood from renewable sources takes carbon from the atmosphere, and will replace more energy intensive materials.

Our Carbon Futures tool, developed with the New Energy Trust, enables us to assess the carbon impact of our developments on a whole site basis. It covers not just the carbon footprint of the homes we build, but also the contribution of landscaping and features that enable residents to lead a lower carbon lifestyle. It was used in the planning process for six of our strategic land sites and in the environmental impact assessment process for several developments.

The Carbon Trust is reviewing the tool with the goal of achieving independent certification and assurance to an applicable international standard. This work will be completed in 2018.

We are engaging our suppliers on sustainability issues including resource use and climate change through the Supply Chain Sustainability School (see page 44). During 2018 this will include workshops with our groundworks contractors to share best practices and solutions for reducing resource use and greenhouse gas emissions.

Improving water efficiency

In some parts of the UK, water scarcity is already a challenge and this is set to increase with climate change. We aim to reduce water use in our operations, to design our homes to be water efficient in line with building regulations (see page 19) and to protect water quality during construction and remediation on our sites. We integrate measures to manage surface water and reduce flood risk on our completed developments (see page 40).

In 2017, our total metered water consumption increased slightly year-on-year by 0.2%. However, the water intensity of our direct operations (the amount of water used per square metre of build) decreased by 1.8%. We have reduced the water intensity of our metered offices (the amount of water used per full time employee) by 42% since 2014 but our water intensity increased by 0.4% year-on-year so we did not meet our target of a 3% reduction on a 2016 baseline.

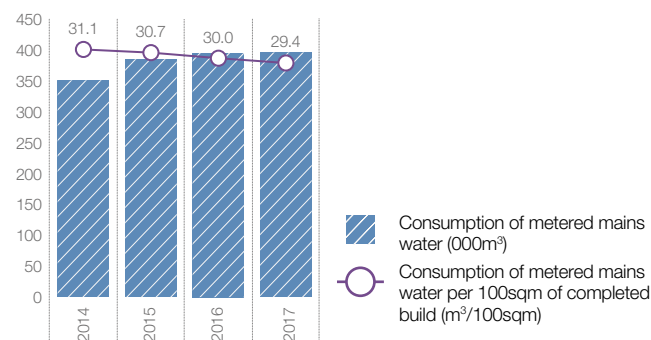
During 2018 we will review our water policy, strategy and targets. We will roll out our best practice guidance on water efficiency to production teams and water use will be one of the focus areas for our Resource Champions.

More water is used in our supply chain than in our own operations, particularly among material suppliers. We are engaging with suppliers on resource use, including water, through the Supply Chain Sustainability School.

We were pleased to receive an A- rating from CDP Water, an increase from B- the previous year. This puts us in the leadership category for water management and we received CDP Water's award for the most improved water management performance in the UK.

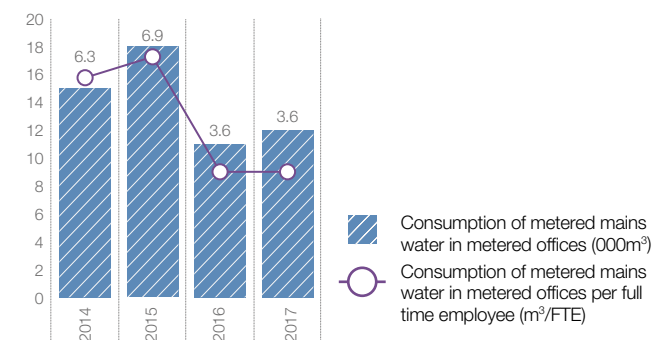


Operational water use
(‘000 cubic metres)



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

Water use – metered UK offices
(‘000 cubic metres)



Note to chart: Data is for UK and metered water only. Metered offices account for around half of total offices.

Waste and resources

Waste is a cost to our business and the environment. We aim to use resources efficiently, to reuse and recycle where possible and to treat waste materials as a potential resource. In 2017, 95% of the construction waste from our building sites was recycled off site.

Unfortunately the amount of waste produced on our sites per 100sqm of build increased in 2017 by 6.3% to 5.38 tonnes (2016: 5.06). We believe the skills shortage in our industry is contributing to this challenge as it results in more frequent turnover of staff and contractors on site. Nevertheless we want to do more to address this challenge and reverse the upwards trend. We reuse large volumes of soil and aggregates on our sites during the development process but we do not have comprehensive data for this.

Our planned appointment of a network of Resource Champions will help us promote the importance of resource efficiency, waste and recycling in our regional businesses.

We look for opportunities to work with suppliers to reduce waste. For example, we have worked with British Gypsum

to update our standard sizes of plasterboard so these are tailored to our construction needs, reducing waste from offcuts. We also use pre-cut decking and other materials.

We have been running a number of pilot initiatives with Reconomy, our waste contractor, to reduce waste from our offices and from packaging. We hope to extend this to further sites but more work is needed to improve segregation of different waste types.

We use a pallet repatriation service through which 67,798 pallets were picked up from our sites in 2017 (2016: 70,798). This represents 1,220 tonnes of wood (2016: 1,274). The pallets were dispatched to a consolidation centre and, whenever possible, taken back to their organisation of origin for reuse.

Biodiversity and green infrastructure

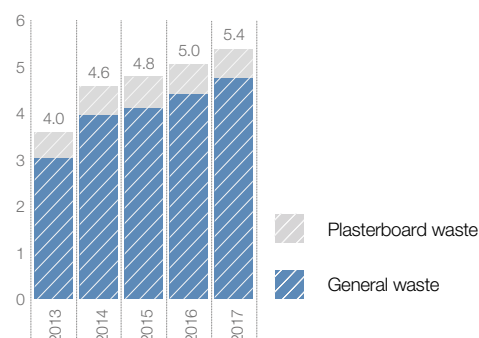
We want to protect and promote biodiversity on our sites. Access to green spaces, nature and wildlife can have a positive impact on residents' wellbeing and customer satisfaction. We explored this link through post-occupancy research with the Wildlife Trust during 2017 (see page 16).

We integrate green infrastructure into our sites including parks, playing fields, woodlands and gardens, sustainable drainage features and planting, alongside roads and streets. This helps create a strong sense of place, supports water management, reduces flood risk (see page 23) and helps to enhance biodiversity.

Our draft Guide to Green Infrastructure was reviewed by the Wildlife Trust during 2017 and updated to reflect their recommendations. It will be launched in early 2018 to help our teams successfully plan and implement effective 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.

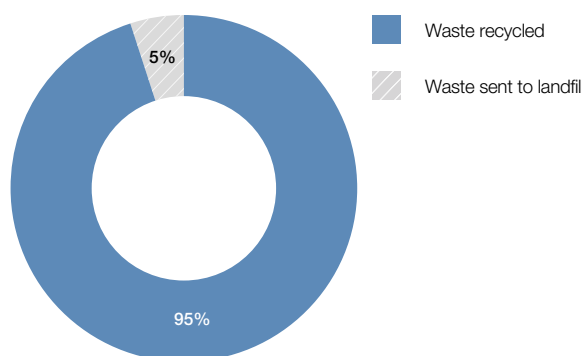
During the planning process, we assess the likely impact of construction and the finished development on biodiversity. We carry out an ecological impact assessment for all sites, including assessing any protected species or habitats. We use ecologist reports to identify measures needed and these recommendations are embedded into the Site Specific Environmental Action Plan, part of our environmental management system.

Construction waste
(tonnes per 100sq metres build)



Note to chart: Data is for UK only.

Construction waste recycled



Note to chart: Data is for UK only.

Plans for 2018

- Achieve a 50% reduction in our direct carbon emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline
- Work with the Carbon Trust to assess the feasibility of setting a Science Based Target
- Launch our Resource Champions network to improve resource management in our regional businesses
- Reduce our mains water consumption from our metered UK offices by 3% per full time employee on a 2017 baseline
- As a minimum, maintain construction waste at 2017 levels
- Publish our Guide to Green Infrastructure to help promote biodiversity on our developments

Spotlight

Benefiting biodiversity and residents at Frankfield Loch

Protecting and enhancing biodiversity is a priority for our site in Stepps, West Scotland, where the new homes are situated next to a glacial 'kettle' loch in an area of wetland. We have implemented a number of improvements to the local environment to benefit biodiversity and residents.

The site includes an area of marshland – an important habitat for local species. This has been improved with the creation of new ponds and channels and refuge areas for amphibians, as well as bird and bat boxes and a new butterfly meadow and bare ground areas.

Two nature trails have been added to encourage residents to get out and enjoy the natural environment. The improved marshland is expected to gain local nature reserve status and will become part of the new Seven Lochs Wetland Park, Scotland's largest urban nature park

During construction we partnered with the Froglife charity and installed amphibian tunnels under the new roads, enabling frogs, toads and newts to migrate safely from the marshland to the neighbouring loch.

The tunnels were monitored by Froglife and the University of Strathclyde which found they were being used by a range of amphibians.

+ Sourcing Responsibly

Building partnerships

We aim to establish long term partnerships with suppliers – this enables us to collaborate on issues like safety, skills and the environment, to reduce risks to the business and ensure a secure supply of essential materials and labour.



- 43 Our supplier standards
- 43 Human rights and modern slavery
- 44 Sustainable materials and construction techniques
- 45 Small suppliers
- 45 Prompt payment

Human rights and modern slavery

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

We are working with suppliers to identify and address any modern slavery risks.

3,000

We are working with the Supply Chain Sustainability School to raise awareness of sustainability issues and improve practices in our business, supply chain and the housebuilding sector as a whole.

94% of our national suppliers have now joined and accessed training and other resources over 3,000 times.

- Introduction
- Building sustainable communities
- Managing land, engagement and planning
- Delivering customer service
- Operating safely
- Protecting the environment
- Sourcing responsibly
- Investing in people and skills
- Partnering with charities
- Governance & management
- Performance summary

Sourcing responsibly

+ We aim to establish long term partnerships with suppliers – this enables us to collaborate on issues like safety, skills and the environment, to reduce risks to the business and ensure a secure supply of essential materials and labour.

We spend well over £1 billion each year with suppliers of goods and services, including contractors and material suppliers. Suppliers carry out the majority of construction work on our sites and we depend on them to build our homes.

Our supplier standards

We want to work with suppliers who meet high standards in areas such as safety, quality, ethics, human rights and the environment. Our standards are explained in our Supply Chain Policy and Supplier Code of Conduct which are embedded into our framework agreements (contracts) with suppliers.

Suppliers provide us with information on their approach to health, safety and environment and other sustainability issues via Constructionline, a UK Government certification service. More than 95% of our national suppliers – those with whom we have centrally negotiated contracts – and all service and material suppliers with a turnover of £1 million or over now use Constructionline.

We are also reviewing supplier standards through the Supply Chain Sustainability School (see page 44).

Human rights and modern slavery

We respect the human rights of our employees, workers in our supply chain, customers, people in the communities in which we operate and others affected by our business activities. We are guided in our approach by international standards such as the United Nations' Universal Declaration of Human Rights and the European Convention on Human Rights.

We respect the rights of our employees and those working on our behalf, including the rights to freedom of assembly and association and non-discrimination. Our work on issues such as health, safety, diversity and the environment supports our commitment to uphold human rights.

“We want to work with suppliers who meet high standards in areas such as safety, quality, ethics, human rights and the environment.”

We do not tolerate any form of slavery, forced labour, child labour or human trafficking in our business or supply chain. We have updated our supplier Framework Agreements to include contractual provisions requiring all suppliers to adhere to Anti-Slavery laws and our Anti-Slavery, Human Trafficking and Human Rights Policy and Supplier Code of Conduct, both of which are available on our website at www.taylorwimpey.co.uk/corporate/sustainability/our-policies.

During 2017 our Spanish business implemented their own Anti-Slavery, Human Trafficking and Human Rights Policy, and also included contractual provisions on modern slavery into all of their contracts.

We conducted a risk assessment covering our own operations and our suppliers. This enabled us to review and prioritise the suppliers with a potentially higher risk of modern slavery. We will be engaging with these suppliers to seek assurance that they have taken the appropriate measures to address the risks of modern slavery within their operations.

We have online training available for all employees. This gives them the practical knowledge to engage with suppliers and identify risk factors in our business and our supply chain and ensures they know the appropriate channels to report any suspected incidents of modern slavery. Modern slavery is one of the topics covered in the supplier resources available via the Supply Chain Sustainability School.

We operate an independent whistleblowing hotline, run by Safecall, which is available to all employees and subcontractors across the business.

Our Modern Slavery Act multidisciplinary working party, chaired by our Group Legal Director and Company Secretary, oversees our approach. We will publish our second Modern Slavery Act statement in March 2018.



Working with the Supply Chain Sustainability School

We are working with the Supply Chain Sustainability School (SCSS) to raise awareness of sustainability issues and improve practices in our business, supply chain and the housebuilding sector as a whole.

Over 94% of our national suppliers have now joined the SCSS and completed a sustainability self-assessment. This identifies their strengths and weaknesses in relation to issues such as human rights, resource use and sustainable sourcing and provides an action plan with resources and training materials to help address any gaps.

Our suppliers have used these resources over 3,000 times so far, helping to strengthen their approach in areas such as waste, water, community and climate change. We are also holding workshops for our commercial teams and local subcontractors to share case studies and best practices.

The SCSS brings together companies working in housebuilding, construction, facilities management and infrastructure, providing a platform for collaboration across our sector. We are involved in several working groups aiming to develop common approaches to key issues such as modern slavery, off-site construction and innovation.

Sustainable materials and construction techniques

The environmental footprint of our supply chain including energy and water use, carbon emissions and waste is many times greater than that of our direct operations. So we can have a big impact if we work with suppliers to use resources efficiently and to select sustainable materials with a lower environmental footprint. Often this can also reduce costs and improve the resilience of our supply chain to future resource shortages.

Where possible, we select materials with lower embodied carbon and energy. We are increasing the proportion of homes built using timber frame which can have a significantly lower carbon footprint than traditional 'brick and block' building techniques due to the materials and the use of off-site construction techniques. We will also be trialling the use of cross-laminated panels and timber frame through our Project 2020 pilots, as well as a living roof system and measures designed to improve internal air quality (see page 20).

Other examples of materials with lower embodied carbon or recycled content include our chipboard flooring, supplied by Egger, which contains 30% recycled wood and 70% wood sourced from Forest Stewardship Council (FSC) certified forestry.

Many of the products we buy have been independently assessed and certified to the BES 6001 standard for responsible sourcing of construction products.

We have started to map our supply chain so we have clearer information on where the goods we buy are sourced and manufactured. This will help us identify and manage business and sustainability risks. In 2017 we looked at many of the key products used in building our homes. This showed that the vast majority are manufactured within the UK or Western Europe.

“We are increasing the proportion of homes built using timber frame which can have a significantly lower carbon footprint than traditional ‘brick and block’ building techniques.”

Responsible timber sourcing

Taylor Wimpey recognises that deforestation and forest degradation account for significant global greenhouse gas emissions and biodiversity loss. Addressing deforestation is therefore important for meeting our environmental ambitions. In 2018 we will participate in the CDP Forests disclosure in relation to timber.

We use a lot of timber on our developments and we expect this will increase further. 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).

We reviewed compliance with our policy in 2017 and confirmed that chain of custody evidence is in place for all our key suppliers, accounting for around 95% of timber used on our sites. Our next step is to review compliance among suppliers using smaller quantities of timber, such as fencing suppliers.

We also reviewed our direct paper use, including sales and marketing and office paper. This confirmed that our paper is sourced in line with our policy and that our suppliers have good sustainability credentials. Paper use in our offices has already reduced significantly due to better print management, technology changes and working practices, and is likely to reduce further as digital technologies progress.

Small suppliers

Most of our procurement, particularly for materials, is through large national contracts. However, we also work with many smaller businesses providing labour and services, including suppliers that are local to our sites. This can boost the local economy and can also bring beneficial diversity into our supply chain.

Recent examples include our site at Alver village in Rowner, Gosport where we have employed a number of primary suppliers from the local area as well as local apprentices. At our Academy Central development in Essex, around 20% of labour on site was employed from local postcodes.

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.

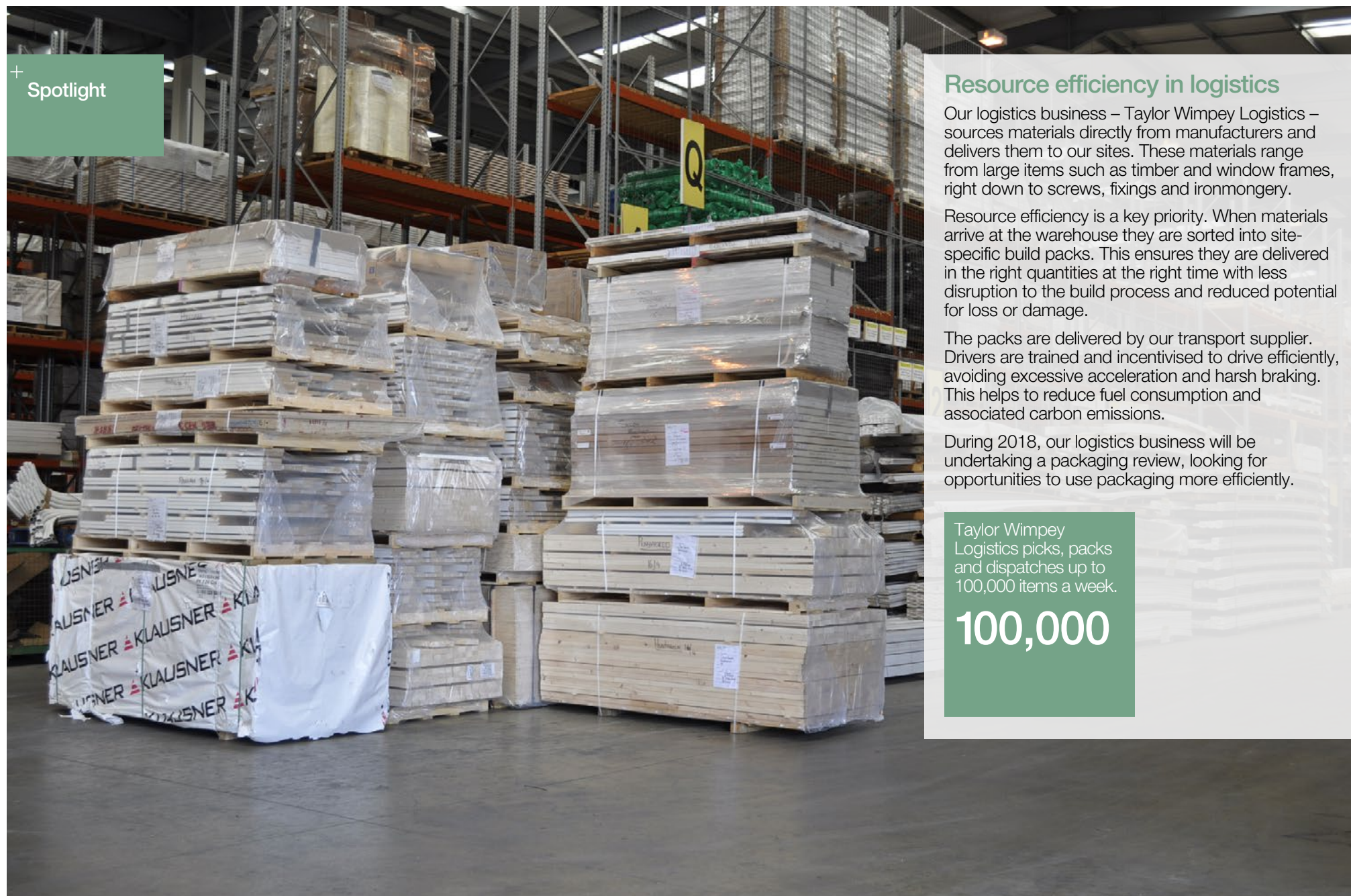
Prompt payment

We are committed to treating suppliers fairly and paying on time. Our standard payment terms for suppliers and contractors are 30 days. We have self-billing arrangements in place for many of our contracts which automates and speeds up the invoicing and payment process.

It is important to us that workers in our supply chain are paid fairly. The pay rates of weekly paid site operatives are governed by the industry-wide Construction Industry Joint Council (CIJC) Working Rule Agreement.

Plans for 2018

- Increase engagement with the Supply Chain Sustainability School through workshops in our regions and with our contractors
- Participate in the CDP Forests initiative
- Continue to review compliance with our timber policy
- Conduct a review of packaging used at our logistics business and identify opportunities for reduction
- Engage with suppliers identified as potentially higher risk in relation to modern slavery
- Conduct a modern slavery risk assessment of suppliers to our Spanish business
- Integrate our modern slavery e-learning modules in the induction process for all new employees and require all existing employees to complete them



+ Spotlight

Resource efficiency in logistics

Our logistics business – Taylor Wimpey Logistics – sources materials directly from manufacturers and delivers them to our sites. These materials range from large items such as timber and window frames, right down to screws, fixings and ironmongery.

Resource efficiency is a key priority. When materials arrive at the warehouse they are sorted into site-specific build packs. This ensures they are delivered in the right quantities at the right time with less disruption to the build process and reduced potential for loss or damage.

The packs are delivered by our transport supplier. Drivers are trained and incentivised to drive efficiently, avoiding excessive acceleration and harsh braking. This helps to reduce fuel consumption and associated carbon emissions.

During 2018, our logistics business will be undertaking a packaging review, looking for opportunities to use packaging more efficiently.

Taylor Wimpey Logistics picks, packs and dispatches up to 100,000 items a week.

100,000

Developing talent

+ Investing in people and skills

We want to be the employer of choice in our sector – attracting and retaining a skilled, diverse and engaged workforce committed to going the extra mile for our customers.

48	Culture and ethics
48	Skills and recruitment
49	Succession planning
49	Learning and development
50	Diversity, inclusion and gender balance
51	Health and wellbeing
51	Reward and remuneration
51	Employee engagement and feedback



Academies

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

650

People have enrolled or completed courses to date.



“To prevent a future skills shortage we’re expanding and strengthening our apprenticeship, management trainee and graduate programmes. These enable young people to gain business experience and professional qualifications, giving them the training and support they need to pursue a successful career with us.”

Investing in people and skills

+ **We want to be the employer of choice in our sector – attracting and retaining a skilled, diverse and engaged workforce committed to going the extra mile for our customers. We invest in training and development, offer attractive remuneration and benefits and provide opportunities for progression.**

There is a significant skills shortage in our industry and we aim to address this through our apprenticeships and entry-level positions, and our work with educational organisations and others in our sector.

During 2017 we directly employed, on average, 4,999 people across the UK (2016: 4,697) and provided opportunities for a further 13,422 operatives on our sites. Our voluntary employee turnover remained low at 14% (2016: 14%).

We are delighted to announce that Taylor Wimpey has been named in the top 20 places to work in the UK by Glassdoor, based on employee feedback. Glassdoor is now the top ratings site for employers globally and is one of the fastest growing online communities in the UK, receiving millions of visits each month. Glassdoor's ranking is an important landmark for the business as we are the only commercial homebuilder to make the top 50, which we believe will help us stand out in what is a very competitive recruitment market.

Culture and ethics

The culture we want to create at Taylor Wimpey is set out in our core values and cultural principles. All employees are now appraised against our values as part of our performance review process.

We will be launching our new Code of Conduct in 2018, setting out how we do business and our expectations of

employees. It will summarise our key policies and our commitment to meet high standards of integrity and conduct in our work.

We encourage employees to share any concerns, breaches of our policies 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. This includes any form of harassment or bullying or if any employee has reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future. We operate an independent confidential reporting hotline, Safecall, which is available to all employees and subcontractors across the business.

Skills and recruitment

The skills shortage is a major challenge for the housebuilding sector and wider construction industry and the Brexit process may exacerbate this. It is essential that we invest in entry-level talent as well as developing the skills of our existing workforce.

Developing new talent

We offer a range of entry-level positions to attract talented young people and address specific skills gaps. During 2017 we recruited 263 new people into our apprenticeship, management trainee and graduate programmes (2016: 197). Entry-level positions now make

up around 11% of our total workforce. We appointed a Future Talent Manager to help us further develop our approach and work more closely with relevant schools and colleges.

Our site management and trade apprenticeships are paid positions which last three to five years, with participants qualifying with a Level 2 or 3 Diploma in a construction related discipline. In 2017 we increased the number of apprenticeships, with a focus on bricklaying, scaffolding and carpentry skills, all areas with a skills shortage.

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. We increased the number of graduates recruited in 2017 and launched a graduate scheme for our strategic land division with participants able to gain a Royal Institute of Chartered Surveyors certified qualification. Each year our graduates complete a project with one of our charity partners which not only benefits our charities but also helps our graduates to hone their project management and networking skills (see page 55).

We will relaunch our management trainee programme in 2018 and aim to increase the number of positions. This will offer three-year development programmes and an opportunity to gain professional qualifications for trainee site manager, civil engineer, quantity surveyor, buyer and design and planning manager roles.

Recruiting skilled workers

We use a wide range of recruitment channels, including our website, online job boards, recruitment agencies, LinkedIn and careers events. Our Employee Referral Incentive encourages staff to recommend potential new employees to the business.

We are piloting a new approach to hiring trades professionals in five regions, increasing the number we employ directly rather than via subcontractors. Results so far suggest this approach is beneficial and can increase the diversity of candidates we reach.

Partnering to close the skills gap

We partner with other homebuilders, suppliers, government and educational establishments to promote careers in the construction industry. We are active members of the Home Building Skills Partnership which aims to train 45,000 new housebuilding workers by 2019. During 2017, we participated in a national campaign to raise the profile of careers in the housebuilding industry aimed at school leavers and their parents. We also piloted a work experience scheme for construction college students and collaborated on training standards and participated in the What Careers Live event in London and Birmingham. We sponsor Buckinghamshire University Technical College (Bucks UTC) and many of our employees give talks and run workshops for students.

We are also developing links at the local level. Taylor Wimpey South Thames, for example, has hired 22 apprentices from Crawley College, while in the North Midlands we are working with City of Wolverhampton College to train and hire apprentices.

Working with schools

Our regional businesses work with local schools to promote careers in the housebuilding industry. For example, our Southern Counties business works with several local schools on a homebuilding challenge exercise to teach children in years 10-11 about the end-to-end process of building a house. We visited around 30 schools in 2017. Our school resource packs include interactive projects with information on how homes are built, career opportunities, safety on live construction sites, building materials and eco-friendly homes.

Succession planning

We have succession plans in place for key roles to make sure we identify and develop our potential future leaders. We carry out a Talent Review every six months to provide our leaders with an update on succession strengths, gaps 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 focused on increasing the number of potential successors to our managing directors and regional directors through external recruitment, both within and outside our sector and through our development programmes for potential internal candidates.

Learning and development

Our learning and development programmes help to build our skills base, raise quality standards and develop our future leaders. Good quality training also supports employee engagement and retention.

Our employees completed over 10,100 training days in 2017 (2016: 11,000) and 88% of participants in our employee survey feel they have had the training they need to do their job well.

Our Academy training programmes provide structured career and skills development in key parts of the business. They enable employees to develop specific technical skills and business breadth and, in some cases, gain a formal qualification (see page 27). Over 650 employees have enrolled on or completed Academy courses.

Our Inspiring Leadership programme is aimed at developing our managing directors and potential successors. It focuses on developing leadership skills with an emphasis on emotional intelligence, business breadth, strategic thinking and change management. Our Chief Executive attends each programme to share his experiences and participants also get the chance to hear from members of our senior management team. Five former participants have since gone on to more senior roles in the business. For managers, we have three programmes – Transition to Management, Managing for

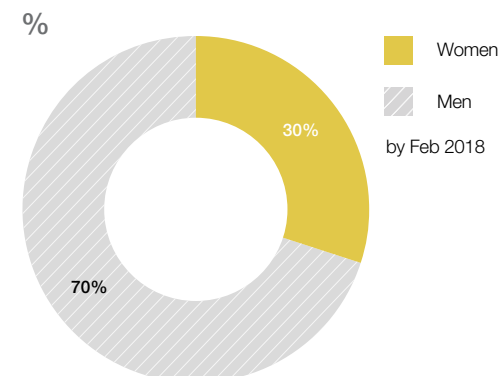
Success and Realising Leadership Potential. These focus on preparing our people to excel in line manager positions.

In 2018 we will be offering courses on a broader variety of topics as well as introducing an online resource with articles, videos, podcasts, e-learning courses and recommended reading.

We developed a series of induction e-learning modules for new joiners in 2017 covering key topics such as our customer journey, our commitment to diversity and inclusion and our ways of working and cultural principles. This is being piloted in two of our regional businesses and is available to everyone including site based employees.

We are strengthening our performance appraisal and development process for all employees, moving towards having at least two formal appraisal meetings each year. Line managers now use our cultural principles in reviewing employee performance, and we are piloting an online performance management system that will enable employees and managers to monitor progress against objectives throughout the year.

Gender balance in leadership (Group Management Team)



Diversity, inclusion and gender balance

We value diversity and aim to be an inclusive employer attracting, retaining and promoting employees from all backgrounds. This contributes to creativity and innovation in our workforce, widens our talent pool, boosts employee engagement, helps us to better reflect our customer base and ultimately improves decision-making. The construction sector has traditionally been a male-dominated industry, with a workforce that does not reflect the diversity of the UK population and we aim to address this.



“A broad range of opinions, backgrounds and experiences are always beneficial in business. So the more we can encourage and embrace diversity, the better.

As one of three women on our leadership team, it’s important that we share our experiences with colleagues and help mentor and encourage the next generation to achieve their goals.

As leaders we have a critical role to play in creating the right culture and leading by example. I want people to know that I use flexible working options, so that they feel able to do the same. By treating people as individuals and working together, we build trust and that positively impacts engagement and productivity.”

Ingrid Osborne, Divisional Managing Director, Central and East London is a member of our Group Management Team. She was included in the Cranfield School of Management’s 100 Women to Watch 2017.

Our Diversity Steering Committee, chaired by one of our managing directors, meets quarterly to oversee our approach. It focuses on three areas:

- Leadership – making sure our leaders understand their role in developing a diverse and inclusive culture and have the right training and support
- Employer of choice – having the right policies, procedures and development opportunities to support diversity and inclusion
- Expanding our reach – developing a broader range of recruitment and communication channels to reach a diverse audience

We established a BAME (Black, Asian and Minority Ethnic) working group in 2017 to help us ensure that we attract and develop employees from a wider and more inclusive talent pool.

Training, awareness and engagement

All our senior leaders have completed our ‘Open Minds’ one day course which explores the business case for diversity and helps leaders to identify and address unconscious bias. We are following up with all previous participants to assess how they are progressing on their diversity and inclusion commitments. All new directors and senior leaders will complete the Open Minds training. From 2018 all employees will complete an e-learning module on diversity and inclusion as part of their induction. More detailed training has been developed for line managers.

We held networking sessions for senior women in our business to meet with our Group Management Team (GMT) members and share their experience and insights.

Diversity in recruitment

We have updated our careers pages including case studies that illustrate our commitment to diversity to help encourage candidates from all backgrounds to consider a career with us.

We are broadening our recruitment channels and the educational partners we work with to help us reach a more diverse range of candidates for our graduate, management trainee and apprentice programmes. 48% of our graduate recruits in 2017 were women.

We also partner with specialist diversity organisations. For example, we are working with Building Heroes in our Southern Counties business to recruit former members of the armed forces. In 2017 we continued our partnership with Change 100 and recruited six undergraduate candidates with disabilities to complete internships with us. There are also various initiatives taking place at a local level. For example, Taylor Wimpey South Thames has partnered with Crawley Open House to provide employment opportunities to people experiencing homelessness.

Flexible working

Flexible working can help us retain talented employees and can be particularly beneficial for working parents. Our Flexible Working Policy encourages these arrangements where appropriate, and we are reviewing how we can improve flexibility for site teams while meeting health and safety requirements. Several of our regional businesses now operate core hours which enable employees to adjust their start and finish times to meet personal commitments.

External engagement

We participated in the Hampton Alexander Review which aims to increase the number of women on UK boards and executive roles to 33% by 2020. We also participated in the Parker Review which highlighted the lack of ethnic representation across UK businesses in all sectors.

We are working with the Centre for Accessible Environments to audit the accessibility of our sales areas, show homes and offices for employees and customers.

Our performance

Overall we have a gender mix of 65% male and 35% female across the Company, with 30% female on the Board (from February 2018) and 30% female on our GMT.

Women in our workforce

	2017	2016
All employees	35%	32%
Junior managers	48%	48%
All managers	26%	25%
Group Management Team ¹	30%	30%
Board ¹	30%	22%

Note: Includes Gwyn Burr who joined on 1 February 2018.

We also monitor progress through questions in our employee survey. In 2017 this showed that 94% of our employees believe that we are committed to becoming a more inclusive organisation with a more diverse workforce, up from 92% in 2015. Our leaders have undertaken unconscious bias tests and we will repeat these during 2018 to help us assess progress over the last two years.

We are working to improve our data so we can track progress on a wider range of metrics including ethnicity, age and disability status. We will be writing to employees in 2018 to ask them to provide diversity data through our HR system.

We will publish our Gender Pay Report during 2018 in line with The Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

Health and wellbeing

We are developing our health and wellbeing strategy with a goal to work together to enable our employees to be healthier, fitter and have a better quality of life. This will focus on providing support and advice on physical and mental health and wellbeing and on adopting healthy behaviours. It is being led by the managing director for our East Midlands business and will focus on awareness raising, training and support for employees and their managers.

Our core benefits package includes healthcare for all employees, 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. Our Employee Assistance Programme (EAP) offers counselling and a support line for our staff.

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 choice, and we regularly benchmark our approach against others in our sector. In our recent employee survey, 86% of respondents reported being satisfied with the benefits package we provide.

We encourage employee share ownership and are pleased to successfully operate two all-employee share plans – 57% of our eligible employees participate in one or both plans or are otherwise already shareholders of the Company.

Employees can benefit from our house purchase discount scheme which enables them to buy one of our homes at a 5% or 20% discount and benefit from other savings on white goods, options and supplier rates. Over 190 employees have used the scheme in the last two years.

We offer pension benefits for both monthly and weekly paid employees.

Employee engagement and feedback

We monitor employee views through regular surveys. We track our scores over time and compare them to the scores for a benchmark group of other UK companies. We worked hard to increase participation in our survey this year and achieved a 72% response rate, including 62% of site-based employees, compared with 55% and 18% for the previous survey. Our overall employee engagement score was 93%, well above the benchmark group of 83%.

The survey highlighted a number of high scoring areas. For example, 98% of employees believe that Taylor Wimpey is committed to being an ethical and responsible company; 98% believe that Taylor Wimpey takes health and safety in the workplace seriously; and 93% would recommend Taylor Wimpey as a good place to work to friends and family.

It also highlighted a number of areas where our employees think we have room for improvement. These included the performance review and development process, access to

tools, technology and resources and cross departmental working. We have developed action plans at the national and local level to respond to this feedback.

Employee forum and consultation

We launched our National Employee Forum (NEF) in 2017 to provide more opportunities for our Board and senior management team to engage with employees and hear their feedback. The NEF has nine members (three from each of our regional divisions) including site and office staff and regional directors. Its members are drawn from our active Employee Consultation Committees in our regional businesses.

We keep employees updated with company news via our half-yearly teamTALK employee magazine, fortnightly 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.

Plans for 2018

- Develop an apprenticeship best practice framework to ensure consistency across our regional businesses
- Relaunch and expand our management trainee programme
- All new employees to complete our e-learning module on diversity and inclusion as part of their induction
- Carry out unconscious bias testing and compare progress against previous results
- Launch a wellbeing campaign focusing on mental health

+ Spotlight

Skilling up the next generation

We can't build quality homes for our customers without skilled people. Yet research shows that more people are leaving the construction industry¹ than joining.

To prevent a future skills shortage we are expanding and strengthening our apprenticeship, management trainee and graduate programmes. These enable young people to gain business experience and professional qualifications, giving them the training and support they need to pursue a successful career with us.

We are also investing in site skills through our Production Academy. Participants complete NVQ courses aligned to assistant site manager, site manager and production manager roles as well as technical courses developed by the NHBC.

Since its launch in 2016, well over 200 of our site management colleagues have enrolled in the Production Academy. The Academy saw its first graduates complete their diplomas in 2017. They were invited by our Chief Executive Pete Redfern to our head office for a celebratory lunch and to receive their awards.

240

Employees are enrolled on or have completed our Production Academy since 2016.

We increased the number of entry level roles in 2017 to 11% of our workforce.

11%

1. The Farmer Review of the UK Construction Labour Model 2016

+ Partnering with charities

Giving back

We use our time, energy and expertise to help charities and local community groups in the areas where we operate, in addition to providing financial support. This is an important part of being a responsible business.

- 54 Charity and local support
- 54 What we gave in 2017
- 54 Volunteering



Over the edge for St Mungo's

Our brave colleagues completed the UK's largest free fall abseil at London's famous ArcelorMittal Orbit in the Queen Elizabeth Olympic Park to raise money for homeless charity St Mungo's, raising almost £14,900.

£14,900



What we gave

During 2017, we supported our six national charity partners as well as many local charities across the UK. We donated and fundraised over £1 million for registered charities in 2017 (2016: £875k), in addition to c.£90k for other organisations such as local community causes and scout groups (2016: c.£159k).

400

400 employees took part in the Taylor Wimpey challenge raising £170,000 for charity.

Partnering with charities

+ We use our time, energy and expertise to help charities and local community groups in the areas where we operate, in addition to providing financial support. This is an important part of being a responsible business.

We focus on organisations and issues that are relevant to our business, communities, partners and people and where we can have a big impact. Where possible, we aim to get our people involved in our work with charities as fundraisers and volunteers.

Our support for charities is in addition to the community contributions we make through our Section 106 and Section 75 planning obligations (see page 17).

Charity and local support

We focus on charitable initiatives that support:

- **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

We focus on smaller national charities, regional and local organisations where we can have the most impact and our employees can get involved to make a difference.

We have six national charity partners: Youth Adventure Trust, which helps young people fulfill their potential; End Youth Homelessness, a Centrepoin-led partnership; Crisis, the 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 regional businesses also support many further organisations at the local level.

Our national charitable donations are overseen and prioritised by our Charity Committee. The Charity Committee members include senior leaders such as our Group Legal Director and Company Secretary and Group HR Director, and a variety of other staff including land managers, personal assistants and graduate trainees.

What we gave in 2017

We donated and fundraised over £1 million for registered charities in 2017 (2016: £875k), in addition to c.£90k for other organisations such as local community causes and scout groups (2016: c.£159k). These figures do not include investments made as a result of our Section 106 and Section 75 obligations.

“We donated and fundraised over £1 million for registered charities in 2017 (2016: £875k).”

In addition to our national charities, our regional businesses supported many local charities and initiatives, for instance by providing Community Chest grants. Every regional business has a discretionary charity budget.

We want to understand the difference we are making to our charity partners and how we can increase our impact. We carried out a number of site visits to our partners during the year and used their feedback to help direct our future donations. For example, following a visit to St Mungo's, we are now covering the cost of them employing a trainer to improve the skills and expertise of their staff.

Volunteering

We encourage our employees to use their professional expertise and personal initiative to help support our charity partners in their own way. Our employees regularly donate their time as fundraisers and volunteers. Charities benefit from our people's expertise and enthusiasm, and it is good for our business as it supports personal and professional development for our people and increases overall employee engagement.

Our Volunteering Policy, launched in 2016, enables employees to take two full days or four half days paid time off to volunteer with our charity partners each year.



Graduates lead the way in celebrating 15 years of partnership with CRASH

Our employees get motivated when they can put their skills and energy to use for charity. Our annual graduate challenge gives some of our younger colleagues the opportunity to do just that.

This year our graduates helped celebrate 15 years of working with CRASH, the construction industry charity, by creating an innovative fundraising event – the CRASH Wildgoose Chase. Developing the event helped hone our graduates' project management and business skills, while making new contacts and raising funds and awareness for CRASH.

Teams from across the housebuilding industry took part in the Wildgoose Chase, using an iPad to navigate around London and complete fun challenges, from dancing on the streets to fashioning an outfit out of newspaper.

Over 30 teams participated, raising £15,000 for CRASH, which will be used to help homelessness and hospice charities across the UK with their building projects. CRASH plan to run the event again in 2018.

"We're so grateful to Taylor Wimpey for developing this unique event for CRASH and to those teams who took part. It was wonderful to see the industry come together and embrace their inner-goose in support of their charity. We hope this will develop to be a regular event in CRASH's fundraising calendar."

Francesca Roberts, Chief Executive, CRASH

We developed a new section on our intranet to promote volunteering opportunities and are also using email and our Yammer social media network to raise awareness of the various volunteering opportunities available. We are starting to track the number of hours and value of our employee volunteering.

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 left).

400

Employees took part in the Taylor Wimpey Challenge in 2017

2 days

Our employees can take as paid leave to volunteer for charity

Plans for 2018

- Organise another Company-wide fundraising challenge for our employees
- Create volunteering opportunities for employees at all levels and parts of the business



+ Spotlight

24 in 24 – the Taylor Wimpey Challenge 2017

Climb 24 peaks in just 24 hours – this was the task undertaken by Taylor Wimpey employees in our latest charity challenge. The two-day event saw more than 400 staff in 63 teams come together in the Lake District to battle the elements and collectively raise more than £170,000 for charity.

The Taylor Wimpey Challenge is our annual Company-wide fundraising effort. This year's funds were split between the Youth Adventure Trust that helps vulnerable young people from difficult backgrounds to gain confidence and fulfil their potential, and a range of charities selected by our regional businesses.

Teams could also take part in an 'It's a Knockout' competition on day one, going head-to-head in zorb football, monster volleyball and Segway racing, before joining their colleagues to climb 14 peaks on day two. They were supported by many more colleagues who helped organise the events or donated money.

Almost £650,000 has been raised for charity partners since the first Challenge four years ago.

+ Governance, management and performance

Transparent operations

We have clear governance procedures to help us manage sustainability issues and integrate social and environmental factors into the way we work. We aim to be open and transparent in reporting progress through our Sustainability Report and a range of external benchmarks.

58	Roles and responsibilities
58	Sustainability framework
58	Engaging our people on sustainability
59	Awards, ratings and indices
59	Materiality
59	Corporate governance
59	Risk management
60	Public policy
60	Reporting, data and external assurance

Engaging our people on sustainability

We integrate sustainability issues into our training where relevant. For example, our Sales, Design and Production Academies all cover aspects of sustainability. All employees are trained on our approach to health and safety. Our induction e-learning programme includes topics such as diversity and inclusion and staff have received training on modern slavery.



Industry benchmarks

We are a constituent of the Dow Jones Sustainability Europe Index and the FTSE4Good Index series, the leading responsible investment indices. We participate in CDP Climate and CDP Water and we are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders.

Governance, management and performance

+ We have clear governance procedures to help us manage sustainability issues and integrate social and environmental factors into the way we work. We aim to be open and transparent in reporting progress through our Sustainability Report and a range of external benchmarks.

Roles and responsibilities

Our Chief Executive is the most senior company executive with ultimate accountability for sustainability issues. 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.

At an operational level, sustainability activities are co-ordinated by our Legacy, Engagement and Action for the Future (LEAF) committee, previously called the Sustainability Steering Group. The group was renamed and its membership was updated in 2017 to reflect its broader and more strategic role in governing our sustainability programme and engaging our people in our sustainability agenda over the coming years.

Members of the LEAF committee include senior executives from our procurement, production, design and sustainability functions and our regional businesses. It also includes a number of younger colleagues to represent the views of our future workforce. It is chaired by Lee Bishop, our Major Developments Director, who is a representative of the GMT and our Director of Sustainability Ian Heasman also sits on the group. During 2017, the LEAF met four times to discuss a range of issues, including our sustainability strategy, development of our new carbon target, customer health and wellbeing, the UN Sustainable Development Goals, innovation and placemaking.

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. Project team members then have responsibility for ensuring that the appropriate sustainability measures 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.

We interact with a wide range of stakeholders in the course of running our business and we value stakeholder input (see page 10).

Sustainability framework

Our sustainability framework sets out our sustainability priorities and focus areas. It has been developed taking into account the long term social, economic and environmental trends that affect our business and customers, the results of our materiality assessment and external frameworks such as the United Nations Sustainable Development Goals (see page 13).

It is supported by our sustainability principles (see page 60). We will be working to develop our approach further in 2018.

Engaging our people on sustainability

We integrate sustainability issues into our training where relevant. For example, our Sales, Design and Production Academies all cover aspects of sustainability. All employees are trained on our approach to health and safety. Our induction e-learning programme, launched in 2017, includes topics such as diversity and inclusion and staff have also received training on modern slavery.

During 2018, we will be reviewing our training provision and identifying further opportunities to embed sustainability into our learning and development programmes. We will also be increasing our focus on communicating on sustainability with our people through our internal publications, intranet and social media channels.

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.

Awards, sustainability indices and ratings



We are a constituent of the Dow Jones Sustainability Europe Index and the FTSE4Good Index series, the leading responsible investment indices.

We participate in the CDP Climate report and received a score of B in 2017 (2016: B), which is an above average score for our sector and industry. This reflects our progress on reducing the carbon intensity of our own operations.

We participate in CDP Water, which assesses companies' corporate water stewardship practices and performance. We won the 2017 CDP award for most improved water response, achieving a score of A- in 2017, compared with B- in 2016. The improved score reflects the actions we have taken to manage water and mitigate water risk, both in our own operations and beyond, and we are now placed in the leadership category for this benchmark.

We are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders. In 2017 we were ranked fifth out of 25 in the benchmark with a score of 70% and achieved a Silver Award (2016: 66%, Silver Award, sixth position).

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 pages 11 to 12. Our materiality assessment methodology is explained on our website, www.taylorwimpey.co.uk/sustainability.

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 2017, 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.

Anti-bribery and corruption

We do not tolerate bribery or corruption and we are committed to conducting our business activities in an ethical and transparent way. The Audit Committee of our Board oversees our approach and regularly reviews and approves our Anti-Corruption, Business Conduct and Whistleblowing and Disclosure policies. We provide annual training on our Anti-Corruption Policy and on our Competition Law Guidelines to all business units.

We expect the same standards from our suppliers and anti-corruption provisions are included in our supplier contracts.

We expect and encourage employees to report any suspected business wrongdoing. This can be done via our confidential whistleblowing and reporting hotline Safecall or directly to our Anti-Corruption Compliance Officer, who is the Group Legal Director and Company Secretary. Employees raising concerns are protected by our Whistleblowing Policy.

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 LEAF committee 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. See our Annual Report and Accounts for more information about our Sustainability and Climate Change Risk and Opportunity Register.

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 (for example, financial, reputational, HSE), 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. More information is included in our Annual Report and Accounts.

Our established systems and procedures – such as our comprehensive health, safety and environmental management system – contribute to effective risk management.

Public policy

Regulation has an impact on our business and we think it is important to share our views with policy makers at the local, regional and national level. This includes direct engagement such as responding to Government consultations and engagement through our membership of trade associations such as the Home Builders Federation and the National House-Building Council (see page 24).

We also work closely with local authorities, parish councils, Homes England, the Greater London Authority (GLA) and other public sector organisations to plan our developments (see page 24). 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 engage and participate with the 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 external assurance

This is our 11th Sustainability Report as Taylor Wimpey. It covers our performance and data for the period between 1 January to 31 December 2017. Information on our sustainability performance and key non-financial performance metrics are also integrated into our Annual Report and Accounts.

We collect a wide range of social and environmental data from our regional businesses through our COMBINE (Co-ordinated Measurement of Business Information) system. This covers health and safety, environment, sustainable construction resource efficiency, planning and community engagement, employee and customer data. This data is used to measure, monitor and improve our performance.

We have achieved certification to the Carbon Trust Standard which includes independent verification of our greenhouse gas data (scope 1 and 2). Their statement is published on our website at www.taylorwimpey.co.uk/corporate/sustainability.

Taylor Wimpey's sustainability principles

Our six sustainability principles 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.

Governance, management and performance continued

Progress against targets

Targets 2017	Performance	Summary	Targets 2018
Building sustainable homes and communities			
Launch our Design Academy training to further embed our placemaking approach	Achieved	We launched our Design Academy training which covers the core principles of urban design and how to create sustainable communities where people want to live. We are rolling it out to our design teams and senior managers and around one third have completed the training so far.	Design Academy training to be completed by all senior managers and design professionals
Carry out post-occupancy research on completed developments to help us understand customer views on placemaking	Achieved	We carried out post-occupancy research with residents at 16 of our completed developments. This showed that good placemaking has an impact on customer satisfaction.	Continue our programme of interactive design workshops and masterclasses and hold our first design conference
Launch our range of standard apartment types	In progress	A growing number of our developments include apartments which can be more affordable and enable us to offer a mix of product on site. We continue to develop our range of standard apartment types.	Launch our internal design competition and award scheme to identify and promote best practice among our regional businesses
Work with our Design Competition winner to enhance and improve our existing typology	In progress	We are using the winning entry from our Design Competition to create a series of prototype homes on three of our developments. Planning consent has been negotiated for all three sites and construction will begin in 2018.	Conduct further post-occupancy research to assess customer views on our standard house types
Continue our Project 2020 pilot projects and integrate successful new approaches into our developments	In progress	We will be testing a number of more sustainable build technologies in the prototype homes as part of our ongoing Project 2020 research initiative. This includes the use of timber frame to replace block work and cross-laminated panels with wood fibre insulation.	Increase the proportion of homes built using off-site construction techniques including timber frame
Managing land, engagement and planning			
Continue to focus on selecting the right land and developing it in a sustainable manner	Achieved	Our land teams integrate sustainability into the land acquisition process from the start. Every potential site undergoes a detailed review against the Government's National Planning Policy Framework which aims to ensure developments are economically, socially and environmentally sustainable. Our internal processes and guidance documents help our teams to identify and address relevant sustainability issues for each site.	Complete the build of our 2020 pilot projects and evaluate build costs, efficiency and customer views
Continue to source more than 40% of completions from the strategic pipeline in the medium term	Achieved	In 2017, 53% of our completions were from strategically sourced land (2016: 51%). We have one of the largest strategic pipelines in the sector.	Continue to focus on selecting the right land and developing it in a sustainable manner
Convert on average c.6,000 plots per annum in the medium term	Achieved	We converted 7,863 plots from the strategic pipeline to short-term landbank.	Continue to source more than 40% of completions from the strategic pipeline in the medium term
Continue to maintain best practice community engagement	Achieved	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.	Convert on average c.6,000 plots per annum in the medium term
Continue to investigate ways to engage with a wider and more diverse range of people within local communities	Achieved	We continued to trial the use of social media, particularly Facebook and Twitter, to help us engage local stakeholders at three of our sites. The trials showed that social media can be a useful tool to capture and respond to feedback and to reach a wider audience. We will be using social media at further sites during 2018.	Continue to maintain best practice community engagement
			Update our LAMP process to make better use of environmental data

Targets 2017	Performance	Summary	Targets 2018
Delivering customer service			
Launch our Touchpoint customer portal to strengthen customer communication and interaction	Achieved	We began to roll out our Touchpoint system in 2017 and 2,000 customers have registered so far. Customers can log into Touchpoint when convenient for them, to check the progress of their new home and access a wide range of useful information. Once a customer moves in they can log any issues or problems that arise via Touchpoint and track our response.	Achieve a five star rating from the HBF Invest in a Customer Relationship Management system to further improve the quality of our customer interactions by 2019
Launch our Academy of Customer Excellence training programme	Achieved	Our Academy of Customer Excellence is designed to develop the skills of our customer service teams. We trialled the Academy in two of our businesses in 2017 and will now roll it out across our other regional businesses.	Review and strengthen our complaint handling procedures to be more customer-centric Share best practice on customer service between our business units Review and update our customer journey process Increase our use of social media and improve our communication with customers online
Operating safely			
Introduce a one-day HSE Update Training session for our contractors' groundworks supervisors	Achieved	We ran a series of workshops for groundworks contractors to reinforce our HSE requirements and encourage our contractors to work together effectively. Training was completed by over 990 groundworks contractors working on our sites.	Improve safety and wellbeing for operatives working at height through the use of access staircases on all scaffolds to replace ladders
Introduce an improved safety system for ground assessment and selection of plant and working near underground services for our groundworks contractors	Achieved	We developed a safety system, in consultation with our groundworks contractors, and communicated this via a series of contractor workshops. We are working together to implement and further develop the system.	Introduce best practice guidance for all timber frame suppliers and timber frame fire safety training for our design and site management teams
Carry out HSE Training sessions for all our Site Support Teams (Blue Hats)	Achieved	Our Site Support Teams support management in maintaining safe sites. During 2017 we ran training sessions and team building events for Site Support Team members.	Update our HSE Manual and refresh our HSE training for new site managers
Improve or, as a minimum, maintain the same Annual Injury Incidence Rate (AIIR) achieved in 2016	Achieved	Our Annual Injury Incidence Rate (AIIR) for reportable injuries (per 100,000 employees and contractors) decreased to 152 in 2017 (2016: 211).	Improve or, as a minimum, maintain the same Annual Injury Incidence Rate (AIIR) achieved in 2017

Targets 2017	Performance	Summary	Targets 2018
Protecting the environment			
Reduce our scope 1 and 2 greenhouse gas emissions by 25% per 100 sq metres of completed homes by 2018 compared with 2013	Achieved	We met our target a year early, achieving a 38.7% reduction.	Achieve a 50% reduction in our direct emissions (scope 1 and 2) intensity by 2023 against our 2013 baseline
Launch a network of sustainability champions to improve our data and encourage colleagues to use resources efficiently	In progress	We will appoint a network of Resource Champions in our regional businesses during 2018, who will engage our employees on waste reduction and energy and water efficiency, identify areas for improvement and help us to implement best practices.	Work with the Carbon Trust to assess the feasibility of setting a Science Based Target
Continue to identify and implement opportunities to reduce energy use and carbon emissions from our show homes, offices and site compound buildings	In progress	We have increased our purchase of green tariff electricity including for our sites during construction (Temporary Building Supplies). We are engaging with our sales teams to make sure that thermostats in our show homes are programmed to switch off heating during the evenings. We encourage site workers to use natural ventilation methods rather than heating to dry out homes after construction. We are reviewing specifications for our site portacabins and hope to introduce a more energy efficient design.	Launch our Resource Champions network to improve resource management in our regional businesses Reduce our mains water consumption from our metered UK offices by 3% per full time employee on a 2017 baseline As a minimum, maintain construction waste to 2017 levels
Continue to participate in the CDP Water benchmark	Achieved	We were pleased to receive an A- rating from CDP Water, an increase from B- the previous year. This puts us in the leadership category for water management and we received their award for the most improved water management performance in the UK.	Publish our Guide to Green Infrastructure to help promote biodiversity on our developments
Reduce our mains water consumption from our metered UK offices by 3% per full time employee on a 2016 baseline	Not achieved	Water use increased slightly year-on-year (0.2%). However, the water intensity of our direct operations (the amount of water used per square metre of build) decreased by 1.8%. We have reduced the water intensity of our metered offices (the amount of water used per full time equivalent employee) by 42% since 2014 but our water intensity increased by 0.4% year-on-year so we did not meet our target of a 3% reduction on a 2016 baseline.	
As a minimum, maintain construction waste at 2016 levels	Not achieved	Unfortunately the amount of waste produced on our sites per 100 sqm of build increased in 2017 by 6.3%. We recycled 95% of UK construction waste.	
Continue to review our biodiversity practices and focus on green infrastructure	In progress	Our draft Guide to Green Infrastructure was reviewed by the Wildlife Trust during 2017 and updated to reflect their recommendations. It will be launched in early 2018 to help our teams successfully plan and implement effective green infrastructure.	

Targets 2017	Performance	Summary	Targets 2018
Sourcing responsibly			
Integrate anti-slavery clauses into our supplier framework agreements and contracts	Achieved	We have updated our supplier framework agreements to include contractual provisions requiring all suppliers to adhere to anti-slavery laws and our Anti-Slavery, Human Trafficking and Human Rights Policy and Supplier Code of Conduct.	Engage with suppliers identified as potentially higher risk in relation to modern slavery
Train Commercial, Production and Technical Directors and Procurement staff on our approach to preventing modern slavery in our supply chain	In progress	We have online training available for all employees. This gives them the practical knowledge to engage with suppliers and identify risk factors in our business and our supply chain and ensures they know the appropriate channels to report any suspected incidents of modern slavery.	Conduct a modern slavery risk assessment of suppliers to our Spanish business
Work with the Supply Chain Sustainability School on sustainability and resource efficiency in our supply chain	In progress	We've joined with the Supply Chain Sustainability School (SCSS) to raise awareness of sustainability issues and improve practices in our business, supply chain and sector. Over 94% of our national suppliers have now joined the SCSS and completed a sustainability self-assessment.	Integrate our modern slavery e-learning modules in the induction process for all new employees and require all existing employees to complete them
Review supplier compliance with our timber policy	In progress	We reviewed compliance with our policy in 2017 and confirmed that chain of custody evidence is in place for all our key suppliers, accounting for around 95% of timber used on our sites. Our next step is to review compliance among suppliers using smaller quantities of timber.	Increase engagement with the Supply Chain Sustainability School through workshops in our regions and with our contractors
Map our main materials by country of origin and publish the results	In progress	We have started to map our supply chain so we have clearer information on where the goods we buy are sourced and manufactured. This will help us identify and manage business and sustainability risks. In 2017 we looked at many of the key products used in building our homes. This showed that the vast majority are manufactured within the UK or Western Europe.	Participate in the CDP Forests initiative
			Continue to review compliance with our timber policy
			Conduct a review of packaging used at our logistics centre and identify opportunities for reduction

Targets 2017	Performance	Summary	Targets 2018
Investing in people and skills			
Launch our diversity and inclusion e-learning module for all employees	In progress	From 2018 all employees will complete an e-learning module on diversity and inclusion as part of their induction. More detailed training has been developed for line managers.	Develop an apprenticeship best practice framework to ensure consistency across our regional businesses
Update our appraisal framework to assess employees on how they live our values	Achieved	The culture we want to create at Taylor Wimpey is summarised in our values and cultural principles. All employees are now appraised against our values as part of our performance review process.	Relaunch and expand our Management Trainee Programme All new employees to complete our e-learning module on diversity and inclusion as part of their induction
Launch 'Manager as Coach' to help managers integrate coaching into their role as team leaders	Achieved	We piloted our Manager as Coach programme with two of our regional businesses and are now integrating elements of the programme into a one day course for Line Managers encompassing coaching, giving feedback, developing team members and performance management.	Carry out unconscious bias testing and compare progress against previous results
Expand our succession planning to focus on successors to Regional Directors and 'Heads of' roles, high potential emerging talent and high potential graduates	Achieved	During 2017 we focused on increasing the number of potential successors to our Managing Directors and Regional Directors through external recruitment both within and outside our sector and through our development programmes for potential internal candidates.	Launch a wellbeing campaign focusing on mental health
Launch our Code of Conduct	In progress	We will launch our new Code of Conduct in 2018 setting out how we do business and our expectations of employees. It summarises our key policies and our commitment to meet high standards of integrity and conduct in our work.	
Launch our induction e-learning programme for new employees	Achieved	We developed a series of induction modules for new joiners in 2017 covering key topics such as our customer journey, our commitment to diversity and inclusion and our ways of working and cultural principles. This is being piloted in two of our regional businesses.	
Update and enhance our Management Trainee Programme	In progress	We will relaunch our Management Trainee Programme in summer 2018, offering three-year development programmes and an opportunity to gain professional qualifications for Trainee Site Manager, Civil Engineer, Quantity Surveyor, Buyer and Design and Planning Manager roles. We will also significantly increase the overall number of trainee positions.	
Partnering with charities			
Roll out our volunteering framework	Achieved	Our volunteering policy enables employees to take two full days or four half-days paid time off to volunteer with our charity partners each year. During 2017, we worked to promote volunteering opportunities via our intranet, email and our Yammer social media network. We are starting to track the number of hours and value of our employee volunteering, though our data is not yet complete.	Create volunteering opportunities for employees at all levels and parts of the business Organise another Company-wide fundraising challenge for our employees
Organise another Company-wide fundraising challenge for our employees	Achieved	Our 2017 Taylor Wimpey Challenge was a two-day event that saw more than 400 staff in 63 teams come together in the Lake District to collectively raise more than £170,000 for the Youth Adventure Trust and a range of charities selected by our regional businesses.	

Key Performance Indicators (KPIs) and other relevant sustainability data

	Coverage	Unit	2017	2016	2015	2014	2013
Revenue	Group	£m	3,965.2	3,676.2	3,139.8	2,686.1	2,295.5
Operating profit ¹	Group	£m	841.2	764.3	637.0	480.7	312.9
Number of completions (including joint ventures)	UK	Number	14,541	13,881	13,341	12,454	11,696
Number of completions (excluding joint ventures)	UK	Number	14,387	13,808	13,219	12,294	11,547
Number of completions	Spain	Number	301	301	251	164	118
Sustainable homes and communities							
Placemaking and design²							
Participation in Design Academy training	UK	Number of employees	151	-	-	-	-
Affordability							
Completions designated as affordable ³	UK	%	19.3	19.4	18.9	17.6	18.3
Number of affordable homes ³	UK	Units	2,809	2,690	2,527	2,198	2,138
First time buyers – % of sales	UK	%	41	38	36	36	na
Help to Buy – % of sales	UK	%	43	39	37	35	na
Percentage of sales through Help to Buy from first time buyers	UK	%	77	77	77	73	na
Efficient homes							
Code level 3 homes ⁴	UK	Number	2,451	3,676	3,968	3,268	3,067
Code level 4 homes ⁴	UK	Number	906	1,282	944	756	350
Planning obligations							
Value of Section 106 (England and Wales) and Section 75 (Scotland) and CIL agreements delivered	UK	£m	413	363	336	300	227
Land, planning and engagement							
Plots owned or with planning consent (short term landbank)	UK	Number	74,849	76,234	75,710	75,136	70,628
Short term landbank – number of plots converted from strategic land pipeline	UK	Number	7,863	9,519	8,660	10,779	9,210
Strategic pipeline – number of potential plots	UK	Number	c.117,000	c.108,000	c.107,000	c.110,000	c.110,000
Completions sourced from strategic pipeline	UK	%	53	51	47	39	29
Homes built on brownfield land	UK	%	45	45	52	55	55
Sustainable transport – customers							
Completions within 500 meters of a public transport node	UK	%	50	49	na	na	na

	Coverage	Unit	2017	2016	2015	2014	2013
Customer satisfaction							
Customers satisfied or very satisfied with quality of their home ⁵	UK	%	87.9	84.7	86.3	87.4	90.0
Customers satisfied or very satisfied with the service provided before purchase ⁵	UK	%	84.1	81.7	84.0	85.2	87.7
Customers satisfied or very satisfied with the condition of their home ⁵	UK	%	84.4	81.6	82.3	85.4	88.6
Customers who would recommend us to a friend ⁵	UK	%	89.0	86.2	87.6	88.8	92.0
Homebuilder average – Customers who would recommend us to a friend ⁶	UK	%	86.2	84.3	85.0	84.9	na
Customers who would recommend TW to a friend	Spain	%	100	93	100	100	100
Health and safety							
Number of reportable RIDDOR injuries per year	UK	Number	28	36	29	32	31
Annual Injury Incidence Rate (AIIR) for all reportable injuries (incidence rate per 100,000 employees and contractors)	UK	Incidence rate	152	211	175	209	207
Annual Injury Incidence Rate (AIIR) for all major injuries (incidence rate per 100,000 employees and contractors)	UK	Incidence rate	54	53	18	26	60
HBF Homebuilder average AIIR	UK		334	335	361	351	330
Fatalities – employees and contractors	Group	Number	0	0	0	0	0
HSE training days – site management and operational staff	UK	per employee	4.5	4.8	5.2	5.3	4.3
HSE training days – support staff (office based)	UK	per employee	0.1	0.2	0.2	0.2	0.2
Number of reported workplace injuries per year	Spain	Number	4	5	6	6	0
Annual injury incidence rate for reported workplace injuries (incidence rate per 100,000 employees and contractors) ⁷	Spain	Incidence rate	361	577	722	894	0
Annual Injury Incidence Rate (AIIR) for all major injuries (incidence rate per 100,000 employees and contractors)	Spain	Incidence rate	0	0	0	0	0
Construction site operatives (including sub-contractors) with a CSCS card or trade equivalent	UK	%	94	94	92	na	na

	Coverage	Unit	2017	2016	2015	2014	2013
Environment							
Energy and climate change							
Scope 1 GHG emissions – combustion of fuel	Group	tonnes CO ₂ e	18,889	17,983	17,768	16,436	16,107
Scope 2 GHG emissions – market based	Group	tonnes CO ₂ e	4,794	10,827	12,947	13,326	14,229
Scope 2 GHG emissions – location based	Group	tonnes CO ₂ e	8,236	10,417	11,159	11,885	10,526
Total scope 1 and 2 – market based	Group	tonnes CO ₂ e	23,683	28,809	30,716	29,672	30,336
Emmissions per 100sqm completed homes (scope 1 and 2)	Group	tonnes CO ₂ e/100sqm	1.73	2.13	2.40	2.56	2.82
Scope 3 emissions from supply chain	Group	tonnes CO ₂ e	1,112,086	1,026,420	767,501	696,005	551,749
Total scope 1, 2 and 3	Group	tonnes CO ₂ e	1,135,769	1,055,229	798,217	725,677	582,085
Emissions per 100sqm completed homes (scope 1, 2 and 3)	Group	tonnes CO ₂ e/100sqm	82.8	78.2	62.2	62.7	54.2
CDP Carbon rating		Score	B	B	97:D	88:C	72:D
Energy use							
Operational energy use (fuel and electricity consumption from sites and offices) ⁸	UK	MWh	89,550	92,236	90,524	81,679	81,800
Operational energy intensity (site and office fuel and electricity intensity)	UK	MWh/100sqm	6.50	6.80	7.10	7.00	7.60
Waste and resources							
Construction waste per 100sqm build – general	UK	Tonnes/100sqm	4.74	4.40	4.11	3.94	3.02
Construction waste per 100sqm build – plasterboard	UK	Tonnes/100sqm	0.64	0.66	0.67	0.64	0.57
Construction waste per 100sqm build – total	UK	Tonnes/100sqm	5.38	5.06	4.78	4.58	3.59
Construction waste recycled	UK	%	95	93	93	94	92
Construction waste landfilled	UK	%	5%	7%	7%	6%	8%
Water							
Consumption of metered mains water	UK	m ³	394,558	393,846	384,137	350,482	na
Consumption of metered mains water per 100sqm build	UK	m ³ /100sqm	29.41	29.95	30.66	31.05	na
Consumption of metered mains water in metered offices	UK	m ³	11,563	11,305	18,359	15,059	na
Consumption of metered mains water in metered offices per full time employee	UK	m ³ /FTE	3.64	3.62	6.85	6.28	na
CDP Water rating		Score	A-	B-	B-	na	na

	Coverage	Unit	2017	2016	2015	2014	2013
Biodiversity and ecology							
Biodiversity risks assessed at % of sites	UK	%	100	100	100	100	100
Biodiversity management plans implemented at % of sites identified as being exposed to biodiversity risks	UK	%	100	100	100	100	100
People							
Average number of employees (weekly and monthly)	UK	Number	4,999	4,697	4,299	3,916	3,900
Average number of employees	Spain	Number	85	98	89	75	72
Average number of employees (weekly and monthly)	Group	Number	5,084	4,795	4,388	3,991	3,972
Site operatives	UK	Number	13,422	12,390	12,273	11,450	11,380
Annual voluntary employee turnover	UK	%	14	14	13	na	na
Skills, learning and development							
Graduates programme – number recruited during the year	UK	Number	31	20	19	19	11
Management trainees – number recruited during the year	UK	Number	28	30	22	50	23
Trades apprentices – number recruited during the year	UK	Number	137	93	69	70	43
Site management apprentices – number recruited during the year	UK	Number	67	54	29	29	6
Total apprentices, graduates and trainees recruited during the year	UK	Number	263	197	139	168	83
Training days per monthly salaried employee (including H&S training) ⁹	UK	Number	2.9	2.2	2.3	3	2.7
Training days completed	UK	Number	10,100	11,000	9,113	na	na
Diversity							
Women in workforce – all employees	UK	%	35	32	32	33	32
Women in junior management	UK	%	48	48	48	51	46
Women in management	UK	%	26	25	19	17	12
Women in GMT	Group	%	30	30	30	33	17
Women on the board ¹⁰	Group	%	30	22	22	25	22

Governance, management and performance continued

	Coverage	Unit	2017	2016	2015	2014	2013
Charitable donations and volunteering							
Donations to registered charities	Group	£	737,000	604,744	449,000	284,000	242,000
Donations to local community causes	Group	£	79,000	158,330	110,211	21,136	112,390
Amounts raised by employee fundraising	Group	£	295,000	270,753	298,654	257,889	88,485
Total donations (cash and fundraising)	Group	£	1,111,000	1,033,827	858,078	563,065	443,233

na – Data not available

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

2. Course introduced in 2017

3. Includes joint ventures

4. 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.

5. Figures relate to the HBF year of 01.10.16 to 30.09.17

6. The homebuilder average data is supplied by the NHBC based on legal completions between 01/10/16 and 30/09/17

7. 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).

8. Data is for the UK. It includes all site and office energy (electricity, gas and other fuels), but excludes fleet.

9. Monthly employees account for around 70% of our total.

10. The 30% of women on the board is at February 2018. Gwyn Burr was appointed 1 February 2018.

+ We value
your feedback

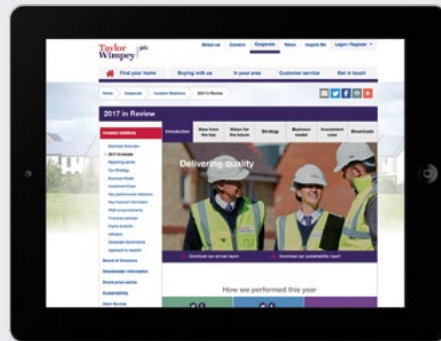
Get in
touch

Taylor Wimpey

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 our Annual Report and Accounts 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