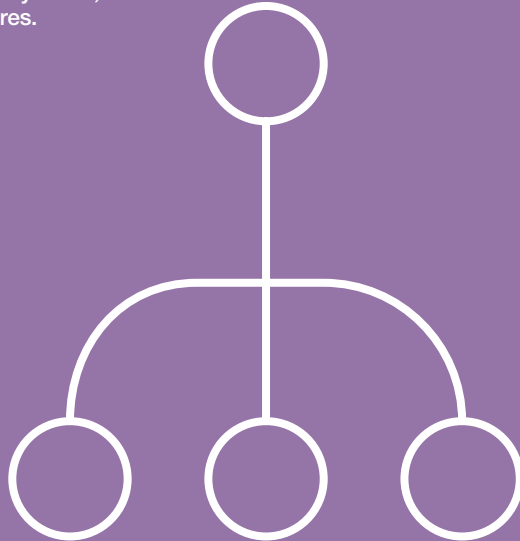


# Governance and management

We have integrated sustainability into our management systems, policies and procedures.



## Roles and responsibilities

Our Chief Executive has ultimate executive accountability for sustainability issues. Our plc Board and Group Management Team (GMT), our most senior executive committee, regularly discuss sustainability issues and review performance, and have approved our updated environment strategy. The GMT receives a monthly update on our progress against sustainability targets.

At an operational level, sustainability activities are coordinated by our Legacy, Engagement and Action for the Future (LEAF) committee. LEAF is chaired by Ingrid Osborne, Divisional Chair, London and South East, who is a representative of the GMT. Members of the LEAF committee include senior executives from our procurement, technical, production, and design functions, our regional businesses, our Director of Sustainability and our external sustainability consultant.

During 2020, the LEAF committee met three times to discuss issues, including our environment strategy, regulatory changes, biodiversity, waste and resource efficiency, and customer communication on sustainability. The committee reviews our Climate Change and Sustainability Risk and Opportunity Register, see page 18.

Reflecting our increased focus on environmental performance, our Director of Sustainability now reports directly to our CEO. The LEAF Chair and Director of Sustainability attend Board meetings at appropriate times during the year, either to discuss strategic direction, request specific approvals, or to update on progress being made.

To improve oversight of environmental performance, we are introducing energy, carbon and waste KPIs into the performance dashboard used by Managing Directors and their teams.

We also have committees and working groups to oversee particular aspects of sustainability, such as our Environment Strategy Working Group, Charity Committee, Waste and Resources Group, Timber Frame 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 and design teams. Once work has begun on site, the production management team, including the Site Manager and contractors, ensures that a wide range of site-specific sustainability issues are addressed and monitored.

We have a Sustainability Champion in every regional business, read more on page 17.

## Engaging our people on sustainability

We need to make sure colleagues have the information, tools and motivation to implement our sustainability policies and programmes. Awareness of our commitment to sustainability can also support employee engagement. We have a sustainability training plan for relevant functions to support the roll out of our environment strategy.

In 2020, we ran two masterclasses on sustainability open to all colleagues. Our induction e-learning programme includes topics such as diversity and inclusion and modern slavery. Functional training, such as our Design and Production Academies, also cover aspects of sustainability and we have more detailed training for our Sustainability Champions network. All employees are trained on our approach to health and safety.

We use our internal communications channels to engage our people on sustainability. For example, teamTALK, our internal magazine, included articles on biodiversity and our environment strategy in 2020. Over 4,500 copies were distributed to our regional businesses.

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, see page 13.



MEMBER OF  
**Dow Jones Sustainability Indices**  
In Collaboration with RobecoSAM



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**Sustainability Yearbook**  
Member 2021

**S&P Global**



“Our Director of Sustainability now reports directly to our CEO.”



FTSE4Good



REDUCING CO2 YEAR ON YEAR

## 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 are also included in the S&P Sustainability Yearbook.

We are a member of Next Generation, a rigorous and detailed sustainability performance benchmark of the UK's largest homebuilders. In 2020 we were ranked fourth out of 25 companies in the benchmark with a score of 69% and received a Silver Award (2019: 60%, silver, fifth position).

We participate in CDP and received the following scores: CDP Climate B (2019: B); CDP Water B (2019: B); CDP Forests (in relation to timber sourcing) B (2019: C); and Supplier Engagement A- for our approach to engaging suppliers on climate change.

Our Annual Report includes disclosures reflecting the recommendations of the Task Force on Climate-related Financial Disclosures. We are also working to align our reporting with the Sustainability Accounting Standards Board recommended disclosures for our sector, see pages 36 to 40.

## HSE compliance

There was one prosecution in 2020 from South Staffordshire Water. This related to one of our sites in the Midlands which was found to have incorrectly fitted a pipe to the water main. We received a caution. There were no other prosecutions and no fines in relation to environmental matters.

There were no health and safety prosecutions or improvement notices from the Health and Safety Executive. We were required to pay a fee for intervention of £123.20 in relation to some scaffolding at a site in East Anglia which did not include the required mid-rail and toe board, breaching the Work at Height Regulation.

## Risk management

Our Risk Management and Internal Control Framework defines our procedures to identify, mitigate and monitor risks, both financial and non-financial, facing the Group.

Risk registers are maintained throughout the Group at a business unit and function level, are formally reviewed twice a year as part of our financial planning cycle by GMT members and updated throughout the year to recognise new or changed risks or mitigations. The registers document the risks faced by each business unit, including significant site-level and functional risks, arising from factors both internal and external to the Group as well as risks to and from the delivery of our strategy.

A standard methodology is applied to the assessment of identified risks, which requires each risk to be measured according to specified likelihood (based on probability of occurrence) and impact (based on financial, reputation, customer, health and safety, employees, environment, operational, legal and regulatory and IT) criteria.

After consideration of appropriate mitigations against each risk, a residual risk is determined to identify those considered to be the most significant.

A consolidated view of the risk environment, including potential Emerging Risks, is discussed and approved by the GMT, Audit Committee and Board, ensuring all key risks to the Group are known and are being actively mitigated and monitored and ensuring the correct identification of the Principal Risks and Uncertainties facing the Group.

## Sustainability risk

Sustainability risks are integrated into our corporate risk management framework.

Health and safety, quality and people risks are included in our Principal Risks. Climate change is included as a key risk on our consolidated Group Risk Register and is considered as part of our Emerging Risk process. Sustainability risks are also monitored via function risk registers and our Climate Change and Sustainability Risk and Opportunity Register.

Our Climate Change and Sustainability Risk and Opportunity Register is maintained by our LEAF committee and reviewed at each meeting. 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.

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

 See our Annual Report and Accounts 2020 for more on risk management.

## 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 Board oversees our approach and regularly reviews and approves our Anti-Corruption and Business Conduct policies.

The Board also oversees our independent whistleblowing service, Safecall and Whistleblowing Policy. Employees can use Safecall confidentially and anonymously, if required, to report any concerns. We raise awareness about the service through posters in our offices and via our intranet. All calls to the hotline are followed up and investigated where necessary. Employees raising concerns are protected by our Whistleblowing Policy.

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.

## 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, engagement with local and regional government through the planning process and engagement via our membership of trade associations.

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. It is our policy not to make donations to political parties.

Our main trade association memberships are the HBF, the NHBC, the Confederation of British Industry and the British Property Federation. Regional businesses are also members of trade associations, for example our Scottish businesses are members of Homes for Scotland.

 For examples of engagement see page 12.

## Reporting, data and external assurance

This is our 14th Sustainability Report as Taylor Wimpey. It covers our performance and data for the period 1 January to 31 December 2020.

We are moving towards integrated reporting. We have increased disclosure of ESG topics in our Annual Report and Accounts this year. In 2022, our goal is to publish an integrated report supported by our sustainability website and an ESG Addendum for social and environmental performance data.

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) and energy data. Their statement is published on our website at [www.taylorwimpey.co.uk/corporate/sustainability](http://www.taylorwimpey.co.uk/corporate/sustainability).

We publish our key Company policies on our website, including those relating to business ethics, human rights, health, safety and environmental management and community investment.

 See [www.taylorwimpey.co.uk/corporate/our-company/governance/our-policies](http://www.taylorwimpey.co.uk/corporate/our-company/governance/our-policies)