

Responsible sourcing

Suppliers and subcontractors play a vital role in our business providing the materials and products we use to build our homes and many of the operatives who work on our sites. We aim to work with suppliers on sustainability to improve standards and achieve our targets for quality, safety and the environment.



Embedding our supply chain standards

Our Supply Chain Policy summarises our supplier standards for safety, quality, ethics, human rights and the environment. We also have a Supplier Code of Conduct, which is embedded into our Framework Agreements (contracts) with key central suppliers. In 2020, we relaunched our Sustainable Procurement Working Group to further develop our approach to engaging suppliers on sustainability issues.

We are launching a new digital tender system for Group suppliers (those managed by our Group procurement team which have a framework agreement). This will include a requirement for these suppliers to confirm compliance with our standards on the environment and modern slavery during the tender process.

We will also be integrating more detailed questions on climate change, waste and modern slavery for some suppliers, to help us work together to achieve improvements. We will be focusing on national partner suppliers who provide strategically important products and materials such as bricks, doors, sanitary ware and kitchens. All partner suppliers will have quarterly review meetings, which will cover issues relating to H&S, sustainability and quality.

Suppliers also provide us with information on their approach to health, safety and environment via Constructionline, a UK Government certification service. Around 90% of our central suppliers and material suppliers with a turnover of at least £1 million now use Constructionline. Around 10% of suppliers are accredited to Constructionline Gold standard.

2020 highlights

- Added questions on climate change, waste and modern slavery to our digital tender system for key suppliers
- Increased our score to B in CDP Forests for our approach to timber sourcing
- Provided advance payments to support self-employed subcontractors who lost their income due to the lockdown

Plans and targets

- Roll-out our sustainability questions to national partner suppliers
- Launch new digital tender system for Group suppliers and integrate sustainability compliance into the tender process
- Increase the proportion of homes built using timber frame to 20%



UN SDG: Goal 15 – Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

We can support this goal through sustainable sourcing of natural resources like timber, as well as our new biodiversity targets (see page 19).

Training and engagement

We use the Supply Chain Sustainability School (SCSS), an industry collaboration, to help engage our suppliers on sustainability.

Through the SCSS, suppliers can complete a sustainability self-assessment, create an action plan and use free resources to address gaps in their approach. 28 of our suppliers re-assessed themselves during 2020, achieving an average 19% improvement in their score. Suppliers also used the online resources over 1,100 times during 2020 covering topics such as materials, modern slavery, Building information modeling (BIM), carbon reduction, science-based targets, sustainable procurement, and circular economy. They attended over 150 hours of CPD virtual training.

Our group procurement team also completed a day of training with the SCSS, focusing on carbon, waste and modern slavery.

We received a Supplier Engagement score of A- from CDP for our approach to engaging suppliers on climate change.

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 do not tolerate any form of slavery, forced labour, child labour or human trafficking in our business or supply chain. We have established our Modern Slavery Act multidisciplinary working party, to oversee our approach to due diligence and our work with suppliers to reduce modern slavery risks.

 More information is available in our Modern Slavery Act Statement, www.taylorwimpey.co.uk/corporate/sustainability/modern-slavery-act

Responsible timber sourcing

We use a lot of timber in our developments and want to make sure it comes from sustainably managed forests and that our sourcing does not contribute to deforestation.

We require all suppliers to provide timber from legally logged sources in line with our Supply Chain Policy and the EU Timber Regulation. Our tender documents and trade specifications state that we require all suppliers to supply timber from responsibly managed forests certified by recognised schemes such as the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or Sustainable Forestry Initiative (SFI).

We survey suppliers to identify supply chain risks. We require any companies sourcing from higher risk countries to carry out due diligence to ensure timber meets our standards.

Around 93.5% of timber supplied by Group suppliers is FSC or PEFC certified. We have followed up with the suppliers for the remaining 6.5%, and established that in the majority of cases the products contain a mixture of wood from both the PEFC and FSC certification schemes. This means they do not meet the thresholds needed to achieve certification to either scheme.

We recognise the importance of transparency and participate in CDP Forests, the investor-led disclosure initiative. We increased our score to B in 2020 (2019: C).

Prompt payment

We are committed to treating suppliers fairly and paying on time. Our standard payment terms for suppliers and contractors are to pay by the end of the following month after receipt of invoice. The payment terms for contractors are 37 days. We have self-billing arrangements in place for subcontractors which automate and speed up the invoicing and payment process.

Small and local suppliers

We work with many small and medium sized (SME) businesses which provide labour, trades and services to our construction sites. Many of our partners are local and family-run businesses and working with them supports the local economy around our sites.

During the first stages of the COVID-19 pandemic we introduced our 'Taylor Wimpey Pay it Forward Scheme', providing advance payments for future work done by subcontractors where we have a long-term relationship. This was aimed at self-employed individuals who either did not benefit from the Government's Self-employment Income Support Scheme or may have experienced significant hardship before that scheme started to make payments. Our aim was to maintain strong links with our subcontractors and to be able to quickly begin working with them again once the crisis eased.

We also made our employee helpline available so subcontractors could get support and guidance on topics including finances, budgeting, stress and anxiety, or use our mental health and wellbeing app.

We hold regular subcontractor engagement sessions in our regional businesses to help local SMEs do business with us. 'Meet the Buyer' events enable local SME businesses to meet our commercial team and learn how to apply through our tender processes.

We provide advice and help to small and medium-sized businesses including: support with training; a review of their health, safety and environment management; and help with the site-specific procedures that they need to prepare in order to work with us.

Progress against targets

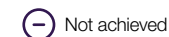
Target	Progress	Achieved?
Establish our Sustainable Procurement Working Group and develop an action plan	We relaunched our Sustainable Procurement Working Group to further develop our approach to engaging suppliers on sustainability issues. The group developed a sustainability questionnaire for integration into supplier engagement processes.	
Increase the proportion of homes built using timber frame to 20% by 2020	18.6% of homes were built using timber frame, narrowly missing our target. We established a Timber Frame Working Group to provide guidance and support to our regional businesses in adopting timber frame techniques.	



Achieved



In progress



Not achieved