

Directors' Report: Business Review

Our Corporate Responsibility Approach



Katherine Innes Ker
Corporate Responsibility Committee Chairman

We believe corporate responsibility is an essential part of good governance and makes sound business sense as well as being crucial for risk and opportunity management.

We have continued to take our corporate responsibilities extremely seriously throughout the economic downturn. Operationally, health and safety continues to be the non-negotiable top priority in all regions in which we operate.

Taylor Wimpey plc maintained its listing in the FTSE4Good index during 2009. We were also named as one of the 2010 Corporate Knights Global 100 Most Sustainable Corporations. Each year, Corporate Knights produces a list of the most sustainable large corporations in the world. Taylor Wimpey plc was ranked as number 32 in the list.

Corporate responsibility management

We acknowledge the global threat of climate change and the necessity of sustainable development. We have a duty to address environmental, social, ethical and economic issues when conducting our business. We also have a responsibility to do so in a way that makes sound long term business sense for our Company, investors, business partners and customers.

Our Board-level Corporate Responsibility Committee normally meets at least three times per year and recommends the Company's corporate responsibility strategy, policies, reporting and performance monitoring to the plc Board. The Committee is made up of Independent Non Executive and Executive Directors. James Jordan, the Group Company Secretary and General Counsel, attends all meetings. In addition key operational management are invited to attend most meetings.

Stakeholder engagement

Taylor Wimpey aims to be a responsive company that listens to and learns from a wide range of internal and external stakeholders. Our primary stakeholders are:

- Investors
- Customers
- Employees
- Residents and other groups in the communities in which we operate
- Suppliers, sub-contractors and other business partners
- Local, regional and national government
- Landowners and land agents
- Planners and regulators
- Housing associations
- Trade associations and industry bodies
- Charities, NGOs and other groups interested in sustainable homes and communities

Further information

Visit our Web site for further information
www.taylorwimpeyplc.com/CorporateResponsibility/CRreports

We value feedback and welcome comments on our Corporate Responsibility Report or any aspect of our approach to corporate responsibility.

Please e-mail us at:
CRreport@taylorwimpey.com

or write to:
The Group Company Secretary
Taylor Wimpey plc
80 New Bond Street
London
W1S 1SB

Highlights from the 2009 Corporate Responsibility Report

Identifying risks and opportunities

Our UK business developed an extensive Sustainability and Climate Change Risk and Opportunity Register.

Building highly energy-efficient homes

A Taylor Wimpey UK home built to current building regulations requires around one fifth of the energy needed to heat the same type of home built to 1930s building standards.

New house type range launched

We introduced our new house type range of high quality, energy efficient, sustainable homes.

Best customer care in the US

Taylor Morrison West Florida won the 2009 AVID Award for Best Customer Experience by a large homebuilder in the United States.

Green builder of the year

Monarch was named low-rise Green Builder of the Year in the Building Industry and Land Development Awards for the Greater Toronto Area.

Scottish award-winner

Our Raploch, Stirling development won Social Regeneration Project of the Year at the Regeneration and Renewal Awards 2009 and was recognised by the Scottish Government as a low-carbon exemplar community.

Commended for contributions to American design

Taylor Morrison was inducted into the Best of American Living Award Hall of Fame for making a significant contribution to American design.

Recognition for our graduate programme

Taylor Wimpey has been included in the Cambridge 25 – a select group of 25 employers recommended to University of Cambridge graduates and included in the University's recruitment initiatives.

Sustainability

Sustainability has been a key area of focus for Taylor Wimpey during 2009. In September we ran a one day sustainability workshop attended by 16 senior personnel and specialist advisors.

The conclusions of the workshop were used to develop our Sustainability and Climate Change Risk and Opportunity Register. This detailed and extensive register will be reviewed and updated regularly by our Sustainability Steering Group, a collection of senior personnel from relevant disciplines across our UK business.

The register will inform our strategy and our short, medium and long term priorities in terms of tackling sustainability and climate change issues. It will help us to identify and manage the threats to and opportunities for our business in the years ahead. It is vital that our approach to sustainability is aligned and integrated with our business needs and aims.

Our first priority is to measure and report on carbon dioxide and greenhouse gas emissions from our UK operations.

2009 reporting approach

Our 2009 report is divided into two main sections and takes the same approach as our 2008 Corporate Responsibility Report. The first section focuses on 'Our homes and communities' and looks at five different aspects of creating sustainable communities, as follows:

Supporting local communities

This sub-section looks at our approach to community consultation and engagement as well as charitable and fundraising initiatives.

Design

In 2009 we launched our new UK house type range that meets current and future regulatory and sustainability requirements. We also won a series of design awards.

Environmental sustainability

Here we describe our approach to the wide range of environmental issues that we take into account when designing homes and communities. We also continue to undertake research and engage with Government and industry with regard to the feasibility of upcoming sustainability driven regulation in the UK.

Enhancing economic growth

We make an important contribution to the local economies of the areas in which we build through the provision of affordable

housing and local employment. We also provide substantial financial and in kind contributions through UK planning obligations.

Customer care

This sub-section highlights how we approach customer care, including details of customer surveys and communication. It also highlights a series of sales, marketing and quality awards.

The report also includes four case studies of developments that provide a range of social and environmental benefits. The case studies are Academy Central in East London; Rowner in Gosport, Hampshire; Leybourne Grange near Maidstone, Kent; and Steiner Ranch in Austin, Texas.

The second section of the report addresses 'The way we work'. This focuses on our management systems and our approach to the key areas of employees, HSE and supply chain management.

Employees

This sub-section identifies key employee issues including ethics and employee engagement as well as training and development. It also includes details of Taylor Morrison's Peak Performance programme, which helps us develop and maintain a healthy and motivated workforce.

Health, safety and environmental management

Here we describe our comprehensive HSE management systems and our approach to key issues such as health and safety training, climate change, waste management, land remediation and biodiversity.

Supply chain management

This sub-section describes our approach to green procurement and provides examples of how we engage with suppliers and work with them to develop environmentally preferable products.

The report also includes a data table providing key performance indicators and other performance measures. Details of performance against the 2009 targets published in our 2008 Corporate Responsibility Report are available on our Web site.



Katherine Innes Ker
Corporate Responsibility
Committee Chairman