

OUR APPROACH

Corporate responsibility is an essential part of good governance and makes sound business sense.



**Corporate Responsibility
Committee members:**

Katherine Innes Ker
Independent Non Executive Director
(Committee Chairman)

Pete Redfern
Group Chief Executive

Norman Askew
Chairman

Sheryl Palmer
President and CEO of Taylor Morrison

Baroness Dean of Thornton-le-Fylde
Independent Non Executive Director

Andrew Dougal
Independent Non Executive Director

We have continued to take our corporate responsibilities extremely seriously throughout the economic downturn. This report demonstrates our work and achievements during the period from 1 January to 31 December 2009. It is our third annual Corporate Responsibility (CR) report as Taylor Wimpey plc following the merger between Taylor Woodrow and George Wimpey in July 2007.

Corporate governance remains a top priority for the Group and the Board considers that it has continued to comply with all the provisions of the Combined Code on Corporate Governance during 2009. The Board is regularly kept informed of relevant initiatives and developments that relate to corporate governance, which is always important and particularly so at present during a time of increased scrutiny and changes in this area following the recent 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.

James Jordan, the Group Company Secretary and General Counsel, attends all meetings. In addition key operational management are invited to attend most meetings.

- Corporate governance remains a top priority for our Company.
- Our Board-level Corporate Responsibility Committee oversees our approach to corporate responsibility and sustainability issues.
- We developed a comprehensive Sustainability and Climate Change Risk and Opportunity Register during 2009.
- A Group Charity Committee has also been established.

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. Representing a wide range of disciplines across the Corporate and UK business, the workshop attendees debated the strengths, weaknesses, opportunities and threats of Taylor Wimpey UK's approach to sustainability. Breakout sessions addressed corporate, technical and people issues. The workshop was facilitated by NextGeneration, an independent organisation that focuses on sustainable housing and benchmarks the sustainability performance of UK housebuilders.

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 Steering Group will be supported by a series of working groups.

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. Consequently, we will focus on the following key areas:

- Increasing profitability by using resources more efficiently.
- Making the business more robust by planning for future changes (including regulatory changes).
- Securing opportunities through the use of more sustainable products and more sustainable ways of working.
- Maintaining our corporate reputation by addressing corporate responsibility issues.
- Managing energy use by the business more effectively.

Workshop attendees agreed that the first priority must be for us to measure and report on carbon dioxide and

What we do OUR APPROACH CONTINUED

Primary 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

greenhouse gas emissions from our UK operations.


 **For more information**
see page 28

Risk management

Our new Sustainability and Climate Change Risk and Opportunity Register has strengthened our approach to addressing financial and non-financial risk. The Corporate Responsibility Committee will ensure that these risks are highlighted for the attention of the plc Board.

Taylor Wimpey plc's Audit Committee is also responsible for identifying financial and non-financial risks. These risks are included in the Board's annual assessment of the risks affecting the Group as well as in the ensuing plans for effective management of those risks including internal controls. Our established systems and procedures – such as our comprehensive Health, Safety and Environmental Management System – also contribute to effective risk management.

During 2009, the UK Management Team and a working group of senior managers from every function completed a detailed review of all systems and procedures. The revised Operating Framework is being launched to the business in 2010 and will support operational efficiency, consistency and control. For more information on the Company's approach to risk management, please see the principal risks and uncertainties section of our 2009 Annual Report and Accounts.

 **For more information**
see pages 11 and 12 of our
2009 Annual Report & Accounts

Stakeholder engagement

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

We regularly and proactively engage with our primary stakeholder groups and maintain an extremely thorough investor relations programme. Members of our senior management team represent the Company on a wide range of government, industry and other committees and steering groups.

In addition, we work with charities, non-governmental and other organisations on specific projects or at particular developments. Examples include working extensively with the

National Trust and Leeds Metropolitan University, along with our other consortium partners, at our Stamford Brook development in Altrincham.

During 2009 a Group Charity Committee was established comprising of employees from the Corporate, UK and North American businesses. Our charitable giving focuses on causes linked to our business, the communities we operate within, our business partners and our employees. We will support a number of national charities each year and our regional businesses also choose to get involved with particular charities and charitable initiatives in their local areas. In 2009, we supported children's charity Banardos in the UK. In 2010, we will fund and encourage our employees to fundraise for a homelessness charity, Macmillan Cancer Support and the Go4It initiative in the UK. Our national charity in North America is the Special Olympics, which provides opportunities for athletes with intellectual disabilities.

 **For more information**
see pages 9 and 25

We continue to be a member of NextGeneration (which represents investors, non-governmental organisations (NGOs) and the affordable housing sector) and to participate in the organisation's sustainability benchmarks. In 2009, Taylor Wimpey was ranked in sixth place among the top 25 UK housebuilders in terms of overall sustainability performance.

2009 reporting approach

This 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 how we support and engage with local communities from community consultation to schools programmes and charitable initiatives.

 **For more information**
see page 9

Design

The design of our homes and communities has a major impact on a wide range of issues from

our customers' quality of life to sustainability. The text describes how we approach design and includes details of 2009 awards.

 For more information
see page 10

Environmental sustainability

This includes details of our approach to energy and water efficiency, renewable energy, the UK Government's Code for Sustainable Homes and other environmental issues that we take into account when designing communities.

 For more information
see pages 11 to 14

Enhancing economic growth

This covers the contributions we make to local economies including affordable housing, local employment and training as well as financial contributions to local infrastructure and services.

 For more information
see page 15

Customer care

This sub-section highlights how we approach customer care, including customer communication and surveys. It also looks at how we measure and improve performance.

 For more information
see page 16 and 17

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

 For more information
see page 18 to 21

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, health, safety and environment and supply chain management.

Employees

This sub-section looks at how we treat our employees and what we expect of them. It covers priorities such as business ethics, employee engagement, training and development opportunities.

 For more information
see pages 23 to 25

Health, safety and environmental (HSE) management

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

 For more information
see pages 26 to 29

Supply chain management

The final sub-section of the report describes how we work in partnership with suppliers and sub-contractors as well as our approach to green procurement issues.

 For more information
see pages 30 and 31

At the end of the report is a data table providing key performance indicators and other performance measures that demonstrate our actions and progress in terms of corporate responsibility.

 For more information
see page 32 and 33

Further details of our corporate responsibility and corporate governance policies, including Terms of Reference for our CR Committee and further details of stakeholder engagement, are available on-line.

 For more information
visit www.taylorwimpeyplc.com/CorporateResponsibility/Policies

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