

The way we work

SUPPLY CHAIN MANAGEMENT

We strive to work in partnership with suppliers and sub-contractors, treating them fairly and with respect.

- We aim to build and maintain long term relationships with suppliers and sub-contractors.
- Health, safety and environmental issues are taken into account in the selection of our suppliers and sub-contractors.
- We have extensive experience of sourcing environmentally preferable materials and we work with suppliers to develop new, higher specification products.
- Sub-contractors must ensure that their employees comply with all relevant health, safety and employment legislation.

We aim to build and maintain long term relationships with suppliers and sub-contractors, some of whom have worked with us for one or more decades. They are vital to the success of our business.

We take HSE issues into account in the selection of suppliers and sub-contractors and we aim to do business with those who understand and aspire to our business aims and values.

In the UK, we have predominantly national agreements with our key materials suppliers due to the size and geographic spread of our business, but we generally source sub-contractors regionally. North American suppliers tend to be chosen at a Divisional level. The vast majority of sub-contractors in the UK, Spain and North America come from the areas around our offices and sites. We are committed to working with local businesses as far as possible.

Green procurement

Our Environmental Procurement Policy sets out how we approach procurement issues in the UK. We have a preference for using materials and processes with a lower environmental impact and seek to use locally sourced, recycled and reclaimed materials where available and cost effective.

All appliances used in UK homes are A-rated for energy efficiency. We are also committed to procuring timber from sustainable sources through approved schemes such as the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC).

We have extensive experience of sourcing environmentally preferable materials. We also regularly work with suppliers to develop new, higher specification products. Examples include working with Twyford Bathrooms on Eco-baths and low flush toilets, with Deta Electrical Company on low energy light fittings and Ideal Standard on boilers as well as water efficient taps and showers. We also worked with Wavin to develop the Garastor stormwater management system and continue to work with them in promoting the product.

Our UK timber frame housing business, Prestoplan, is certified to environmental management standard ISO14001 and uses exclusively FSC, SFI (Sustainable Forestry Initiative) or PEFC timber. It has PEFC Chain of Custody Accreditation.

Taylor Wimpey Logistics (TWL) continues to supply products to a range of Taylor Wimpey sites throughout the UK as well as to other customers. TWL sources



DEVELOPING GREEN BUILDING PLANS

During 2009, Taylor Morrison drew up energy efficiency and green building preparedness plans to address existing and future market and legislative trends and opportunities. We are working in partnership with two major timber suppliers, ProBuild and I Level, on understanding best value approaches to the wide range of environmental issues that relate to green building.

bulk materials from manufacturers and prepares 'just in time' deliveries of buildpacks to sites throughout the build process. This approach reduces site traffic and transport emissions.

Supplier engagement

We continue to maintain our on-line supplier portals in the UK and North America. SOLVE (Supplier On-line Vetting Evaluation) allows prospective UK suppliers and sub-contractors to register and fill in or update vetting forms. SOLVE requires applicants to provide extensive information, including approach to and performance in terms of HSE. SOLVE also identifies whether companies reach our UK prequalification standards to ensure that we only work with high quality suppliers.

In North America, Taylor Morrison's Vendor Portal provides a wide range of information for trade partners. This includes the current status of their work, purchase orders, accounts payable and scheduling information. The Vendor Portal simplifies and improves supplier communication and our trade partners find it extremely helpful.

During 2009, Taylor Morrison continued to introduce its Lean Construction Process to further Divisions. This process, which is a distilled version of

a Six Sigma driven manufacturing process improvement methodology, focuses on identifying and eliminating construction waste. We work closely with all of our trade and supplier partners as part of this process.

Our contractual agreements in all regions in which we operate require sub-contractors to ensure that their employment practices comply with all relevant health, safety and employment legislation. We also require sub-contractors to ensure that their employees have a legal right to work in the country.

Targets

In the UK in 2010, we will continue to focus on reducing waste at source. We will be working closely with our suppliers to identify ways in which they can help us to reduce or eliminate different types of waste on sites.

Taylor Morrison will introduce the Lean Construction Process in two remaining Divisions. We will also continue to strengthen and improve electronic supplier communication through our Vendor Portal.

Further details of our supply chain management, environmental procurement and timber policies are available on-line.

100%

of appliances used in UK homes are A-rated in terms of energy efficiency.

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

REDUCING PACKAGING WASTE

During 2009, we worked with Twyford Bathrooms to find environmentally preferable packaging for the basins, baths and other products that they deliver to our sites. Instead of wrapping products in plastic and cardboard that is then discarded, Twyford Bathrooms now deliver sanitary ware to us in a flexible plastic netting. This is easy to remove and return to the supplier for re-use in future deliveries.

