

The way we work

The following section of this report looks at the way that we manage our business in the areas of human resources, health, safety and environment and supply chain management.

Our three key areas of focus continue to be:

Employees

p20

Key human resources issues include how we treat our employees and the provision of training and development opportunities for them. This sub-section also covers values, ethics and the standard of behaviour that we expect of our employees in their day-to-day work.



Health, safety and environmental management

p23

This sub-section identifies how we tackle health, safety and environmental (HSE) issues including details of our management and audit systems. We include details of training schemes for employees and sub-contractors, as well as our approach to issues such as waste, land remediation and biodiversity.



Supply chain management

p27

Key supply chain management issues include how we treat our suppliers and sub-contractors, as well as the standards that we expect of them in areas such as health, safety and environment. The text describes our approach to green procurement as well as supplier engagement and vetting practices.



Employees

What we do

We seek to develop our employees' potential and help them to progress through our Company.

Our homes and communities

The way we work

We strive to treat employees fairly and with respect, and to provide a safe place for them to work. We seek to identify and develop their skills and talents, further improving the already high calibre of our workforce.

Ethics and business practice

Our UK Taylor Wimpey Code of Conduct and Taylor Morrison's Team Handbooks set out our approach to our employees as well as the standard of behaviour that we expect of them.

We are reviewing the implications of the UK Bribery Act 2010 in order to ensure that all employees are aware of its requirements and that we have adequate anti-corruption procedures in place as required by the Act.

We have a human rights policy and support the United Nations' Universal Declaration of Human Rights. We have policies and processes in place to ensure equal opportunities and to cover issues such as grievance procedures and whistleblowing.

Employee engagement

We aim to listen to our employees and communicate effectively with them. During 2010, we undertook a mini UK corporate culture survey ahead of a full employee survey that is scheduled to take place in 2011. The survey formed part of a larger analysis

of what makes a good housebuilder, where Taylor Wimpey is now and what needs to be done to further improve our performance in a range of areas.

The corporate culture questionnaire asked respondents in seven of our UK business units to rank the importance they believe that Taylor Wimpey places on different aspects of our business. The survey identified key areas of strength for Taylor Wimpey, such as our focus on financial performance, customers, quality, and health and safety. It also identified a range of areas in which we can improve and we have developed a series of recommendations for the future.

In North America, Taylor Morrison will now undertake its employee survey every 18 months and the next survey will take place in 2011.

We keep employees informed about Company news and developments via emails and our Company intranets. We have formal processes in place for employee appraisals in the UK. In North America, we encourage our employees and Divisions to use our corporate intranet to post Facebook style messages about interesting initiatives and achievements.

Case Study

Focusing on business ethics

During 2009, all of our managers in North America undertook civil treatment training. In 2010, the managers took a follow-up course and we extended the training to all of our North American employees. The course is designed to help individuals to apply Taylor Morrison's cultural values in practice and to act in a manner that is consistent with our ethical values.



Employees continued

During 2010 our human resources team visited every UK business unit and ran 66 roadshows to help employees understand a new pension plan that we introduced this year. More than 200 employees who had previously not been part of the company pension scheme joined up.

Training and development

We continued to focus on the retention and development of our employees during 2010. All of our UK employees have a personal development plan and we are in the process of developing a coaching and mentoring system. We also introduced a performance management training course for all UK managers.

We introduced two new UK training programmes in 2010 that will further improve our succession planning. One is a high level leadership programme that we are running with Warwick University for our senior managers. The second, entitled The Circle, is a structured programme aimed at middle and senior managers that focuses on improving leadership skills. Participants attend a series of seven one-day training workshops over a series of months. Each module covers a key aspect of management and all of our managers have to complete this training before they can be promoted to director level.

We continue to operate an Associate Director career path that supports new appointees in their development for a concentrated 12 month period prior to appointment as a Regional Director. All managers and directors also receive performance management training.

We continue to support the UK construction industry's Construction Skills Certification Scheme (CSCS). At the end of 2010, 98.6% of our workforce, including sub-contractors, were carded. CSCS was set up to improve quality, reduce accidents and to provide evidence of the occupational competence of workers.

In North America, our latest employee survey identified that our employees are extremely keen to find opportunities to develop themselves and their careers. The current economic situation means that our employees are working extremely hard and have little time for further structured training programmes. We therefore decided to develop a Career Journeys Programme that provides a growing set of strategies, tools and resources that our employees can access as and when they wish. It also encourages employees to team up with a colleague, co-worker or friend for reciprocal coaching.

We continued to focus on the retention and development of our employees during 2010.

What we do

Our homes and communities

The way we work

Case study



During 2010 we recruited 40 new apprentices, eight new management trainees and six individuals for our intensive graduate training programme. As a result, at the end of 2010 we had a total of 92 apprentices and 54 management trainees as well as 14 individuals within our graduate programme.

UK training schemes

Employees continued

What we do

During 2010 we delivered an average of 1.3 days of training per monthly UK employee and 2 days of training per North American employee.

Our homes and communities

For more information



Further details of our ethics, human rights and other employee related policies are available at www.taylorwimpeyplc.com/CorporateResponsibility/Policies/

The way we work

During 2010 we delivered an average of 1.3 days of training per monthly UK employee and 2 days of training per North American employee.

Challenging our employees

During 2010, we continued to run a series of popular challenges for our North American employees. The Taylor Morrison Challenge ranks each of our Divisions on a series of 12 key metrics and encourages our Divisions to compete with one another to improve operational performance.

In addition, our Peak Performance programme is designed to help us develop and maintain a healthy and motivated workforce. The programme has four parts: champion for a cause, individual peak performance, social responsibility and volunteerism.

Champion for a cause encourages employees to form teams and take part in running races and other physical challenges, to raise money for charity. As part of the individual peak performance programme, we provide a Web site where employees can complete

health assessments, find on-line training programmes and activities or contact our helpline to speak to a nurse about health concerns.

The social responsibility aspect of the programme involves corporate support for a charitable cause. We continued our support of the Special Olympics in 2010. The final aspect of Peak Performance encourages volunteerism by selecting a Volunteer of the Quarter who receives a cheque for their charity of choice.

Targets

We aim to provide 2.5 days of training per UK employee and 2 days of training per North American employee in 2011. We will also undertake employee surveys in the UK and in North America in 2011. We will further develop the new UK coaching and mentoring scheme and the North American Career Journeys Programme.

Case Study

Battle of the Builders

In 2010 we launched Battle of the Builders, a wellness competition that gives individual employees and our Divisions the chance to win cash, prizes and 'bragging rights' for a series of health and fitness challenges. Part of our Peak Performance programme, the Battle of the Builders has a boxing theme and is designed to be entertaining and engaging. There are five rounds focusing on areas such as nutrition, exercise and stress reduction.

The concept won second place in the motivation or mentoring programme category of the 2010 Creative Excellence Awards.



Health, safety and environmental management

During 2010, we maintained our focus on health and safety and it continues to be a non-negotiable top priority for our Company. We also take environmental issues extremely seriously.

We have a comprehensive and fully integrated health, safety and environmental (HSE) management system in place in the UK. In North America, Taylor Morrison has a company-wide health and safety programme while environmental management is tackled at a Divisional level due to differences in regional legislation.

We continue to update our UK HSE management system regularly to encompass developing best practice and changes in legislation. Internal HSE advisors are employed to provide support and undertake in-depth audits of each UK regional business. Independent advisors are employed to carry out regular external audits and an inspection takes place at all sites at least once per month. We also have monthly reviews carried out by our production and management teams. Our UK operations are accredited by CHAS (the Contractors Health and Safety Assessment Scheme) and we are committed to best practice environmental control on site, particularly pollution prevention.

In North America, we update our procedures to maintain industry-leading standards of health and safety and to comply with new legislation. Taylor Morrison has twice yearly

independent third-party inspections of all sites, looking at all aspects of health and safety with specific focus on site conditions. During the 2010 audit process, our Divisions achieved an average score of 96% and each and every Division exceeded the target score of 92%.

In 2010 Taylor Morrison was named runner up in the prestigious National Association of Home Builders (NAHB) 2009 Safety Award for Excellence.

UK Training

During 2010 we delivered an average of 27 hours of formal HSE training to our site operational staff and 6.6 hours to other staff plus a range of informal on-site and on the job training. During 2010 we continued with our critical HSE update training that keeps our site management teams up-to-date with changes in legislation or our HSE procedures and ensures best practice is maintained on site. We also provided a similar awareness programme specifically for groundworkers. We continue to work with our smaller contractors to help them improve their risk assessments and other site-specific HSE documentation that we require before work commences on site.

We are committed to providing a safe place in which our employees and sub-contractors can work and to high standards of environmental management.

What we do

Our homes and communities

The way we work

Case Study



Each year, our North American Divisions focus on key areas of health and safety. In 2010 our North Florida Division instituted a Controlled Access Zone Program and High Risk Vendor Fall Protection Plan to ensure the safety of contractors who work above a specific height. Our Austin Division developed and implemented a new fall protection fence and a new fall protection cable barrier system.

Taylor Morrison health and safety initiatives

Health, safety and environmental management continued

What we do

All members of our Board and senior management teams are provided with a one-day management workshop on health and safety. The workshop integrates guidance published by the Health and Safety Executive and Institute of Directors.

We continue to work with our contractors to develop safe systems of work. For example, in 2010 we held a series of consultation workshops with our scaffolders to address new scaffolding standards and collective fall protection systems. We held similar workshops with our electrical contractors dealing with safe isolation procedures.

Each regional business is required to hold quarterly HSE Management Reviews. The reviews examine the progress of improvement in HSE management and identify any local trends or areas for further improvement. Each business is required to set an action plan that details the areas for improvement, in combination with any national initiatives, and target dates for close-out.

Our North American employees are required to complete an assigned curriculum of on-line health and safety courses every year according to their job responsibilities. Construction and field personnel are required to attend additional training programmes such as the OSHA (Occupational Safety and Health Administration) 10-hour course. During 2010, 100% of Taylor Morrison employees completed their on-line training requirements in full,

undertaking an average of 6.5 hours of on-line training per employee. In addition, 100% of relevant employees completed their OSHA 10-hour training course. Also in 2010, all Sales Associates were trained in Personal Security.

Our Divisions also hold safety and 'toolbox' talks with contractors and monitor their health and safety performance. We also provide the OSHA 10-hour course free of charge to our contractors.

Each of our Divisions produces an annual continuous improvement plan highlighting key areas of focus for employees or particular sites. Taylor Morrison also runs internal awards for Site of the Year and Most Improved Site.

Waste

Taylor Wimpey is committed to greater resource efficiency and to reducing waste throughout its business. Taylor Wimpey is a signatory to the WRAP (Waste Resources Action Programme) campaign to halve the amount of UK construction, demolition and excavation waste going to landfill by 2012. We have set waste reduction targets that contribute towards WRAP's overall target. The target we have set is a 20% reduction in construction waste in 2012 compared with 2007, when George Wimpey merged with Taylor Woodrow. Our waste targets for 2011 are to be set on tonnage per thousand square foot of build rather than tonnage per plot.

This will help to equalise the data across the different types of product (such as houses and apartments) and also help us to achieve improved internal benchmarking on waste.

Taylor Wimpey continues to collect detailed information on construction waste streams including plasterboard. We are also undertaking a major initiative to reduce other UK wastes such as soils from earthworks and excavations, which accounts for the largest proportion of our overall waste (see waste spotlight on page 26). We intend to obtain baseline data for this waste stream and will set annual reduction targets in due course to contribute to our overall goal of reducing waste to landfill. All of our UK sites have a Site Waste Management Plan in place where required.

During 2010 we introduced environmental criteria into our executive incentive scheme, which applies to all UK, divisional and regional management teams. In 2010 a significant element of a director's incentive payment related to tonnes of construction waste per plot built. This is designed to provide further encouragement to the regional businesses to reduce both waste volumes and cost.

We are keen to be involved in and promote further initiatives to reduce waste. During 2010, we worked with the National Community Wood Recycling Project to reuse or recycle 68 tonnes of waste wood while helping to support jobs and create

Our homes and communities

The way we work

Case Study

Poster campaign highlights safety

During 2010 we undertook a UK behavioural safety poster campaign to encourage our operatives to put safety first. The hard hitting campaign makes it clear to everyone working on our sites that poor safety practice puts their life and their family's happiness at risk as well as endangering their colleagues. We put up posters on every site in the UK and changed them every three months to reinforce the message.



Health, safety and environmental management continued

work placements for vulnerable people. See page 26 for details of how we are focusing on reducing waste in our supply chain.

Land remediation

During 2010, we built 63% of our UK homes on brownfield land. Regeneration remains a significant part of our UK business and we are proud to remediate and regenerate areas of derelict and contaminated land and transform them into desirable places to live.

We aim to manage soils sustainably and seek to maximise recycling while minimising disposal to landfill wherever possible. Taylor Wimpey engages extensively with a range of industry, governmental and non-governmental organisations to ensure and improve best practice in managing brownfield land.

Our UK Land Assessment and Management Process (LAMP) provides detailed technical guidance on remediation as well as a range of other issues such as geotechnics, flooding, ecology and archaeology.

Biodiversity

We have a responsibility to protect species and wildlife habitats in the areas in which we build. We also strive to enhance the ecological value of our sites where possible. In the UK, we require our design and technical teams to develop a Site Specific Environmental Action Plan (SSEAP) for all developments. This is supported by a series of comprehensive procedures

and checklists implemented on site by our site management teams. The checklists and action plans cover a wide range of environmental issues including biodiversity.

Our Birling Grange development in Kent provides an example of biodiversity protection. We are developing less than half of the 94 hectare site and the rest of the land will be park or woodland. We have conservation measures in place on site for the protection of bats, water voles, dormice, reptiles and slowworms as well as the preservation of around 20 hectares of ancient woodland.

In North America, many of our communities are designed to co-exist with the natural habitat. This is particularly the case in areas such as Florida where there are threatened species or fragile ecosystems that need protection.

Targets

During 2011 we will establish a system for measurement of soil waste to landfill with a view to gathering accurate data in 2012 and setting a reduction target in 2013. We will continue our collaborative work with WRAP on waste reduction.

We will continue to work with our contractors on improving our and their safe systems of work and will maintain strict control over operations on site to help minimise HSE related incidents on site.

During 2010 we recorded a RIDDOR (The Reporting of Injuries, Diseases, Dangerous Occurrences Regulations) incident rate of 540. This was 4% higher than our 2009 RIDDOR rate, although still a 21% reduction on our 2008 RIDDOR rate. An unusually large percentage of our reportable incidents in 2010 came from minor slips and trips. We will look at how to address this area in 2011 and have set ourselves a target for reducing our RIDDOR rate by 5% in 2011.

We plan to reduce general construction waste removed from site by a further 5% in 2011. As stated above, please note that the waste targets for 2011 will be set on tonnage per thousand square foot of build rather than tonnage per plot. Also in 2011, we aim to provide an average of 20 hours of HSE training for site operational staff and six hours for support staff such as office-based employees.

In North America we will once again strive to reduce the number of major and reportable incidents that occur each year. We also have targets of 100% of employees completing their on-line health and safety training in full as well as 100% of relevant employees completing their OSHA 10-hour training.

Case study



During 2010, we continued to work with the HBF on contractor health and safety standards. As part of this process, we are supporting the Safety Schemes in Procurement (SSIP) initiative. This is a pre-qualification scheme that accredits the safety standards of suppliers and contractors for competence. We will promote SSIP to our contractors in 2011.

Ensuring contractor competence

Spotlight on 

Waste and resource efficiency

During 2009 and 2010, we analysed all of our UK waste streams and resource use in order to better understand the cost, efficiency and environmental implications of our approach to waste management. WRAP provided funding and advice on tackling construction waste and we also looked at all other types of waste. We identified that a significant amount of our waste comes from demolition, remediation and infrastructure rather than just construction waste, with the bulk of the waste being soil.

The Taylor Wimpey Waste and Resources Group then developed a comprehensive Waste and Resources Strategy and Action Plan. The key objective of the strategy is to help our regional businesses to identify those areas where maximum cost savings and environmental benefits can be realised by better management of waste and resources.

The strategy includes a waste hierarchy modified for housebuilding to emphasise the importance of design and a commitment to examine resource use throughout the entire house building life cycle. It also aims to facilitate a cultural shift to ensure that all materials are considered as resources rather than waste. During 2011, all of our management teams will attend one day workshops on the strategy and we will run a road show throughout the UK.

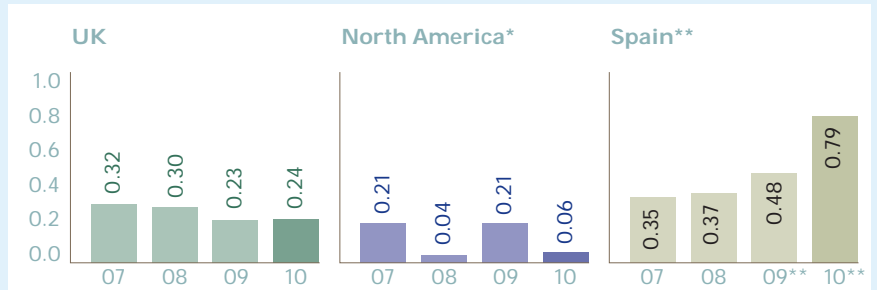
For more information



Further details of our health, safety and environmental policies are available at www.taylorwimpeyplc.com/CorporateResponsibility/Policies/

All reportable injuries

(Injury frequency rate per 100,000 hours worked)

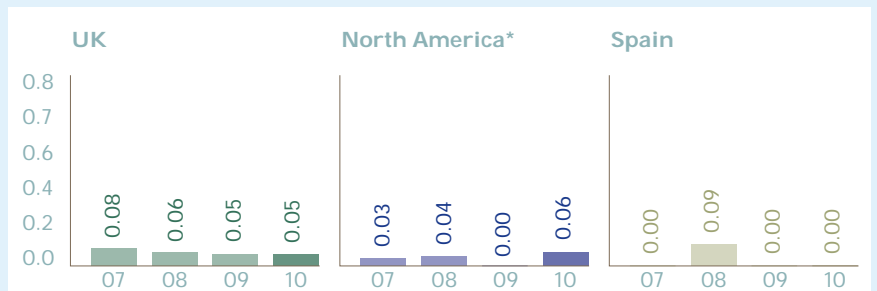


* Please note that the injury frequency rate for North America does not include sub-contractors

** Please note that the injury frequency rate for Spain equates to just three incidents in 2009 and a further three incidents in 2010

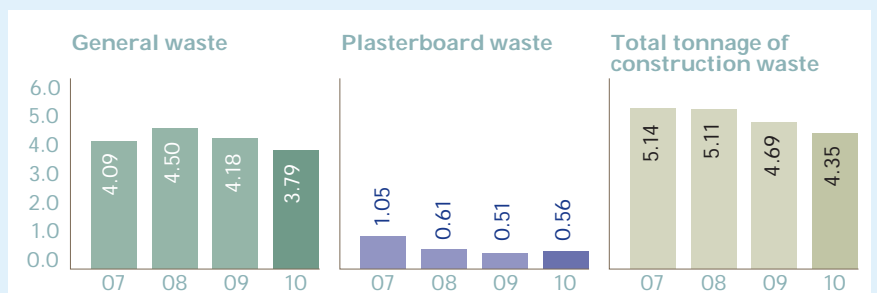
Major injuries

(Injury frequency rate per 100,000 hours worked)



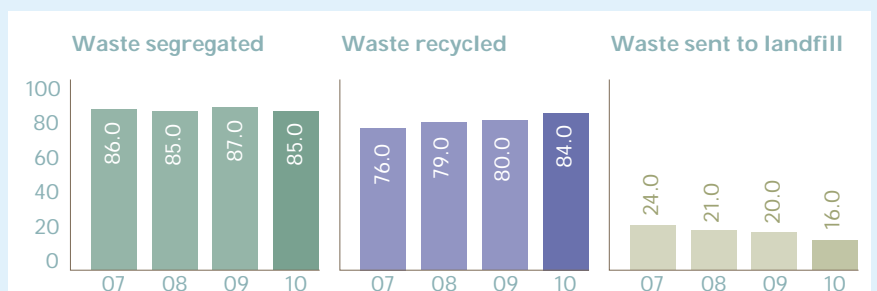
* Please note that the injury frequency rate for North America does not include sub-contractors

Tonnage of construction waste per UK housing unit (tonnes)*



* Please note waste targets for 2011 are to be set on tonnage per 1000ft² build, not tonnage per plot

Percentage of construction waste segregation on UK housing sites (%)



Supply chain management

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

We aim to do business with those who understand and aspire to our business aims and values. All of our UK suppliers and sub-contractors must provide extensive information on their approach to health, safety and environmental (HSE) management. They are required to enter into a framework agreement with Taylor Wimpey that includes specific provisions in respect of issues such as HSE. In addition, supplier agreements are vetted to ensure that purchases meet our health and safety requirements.

The vast majority of our sub-contractors are recruited from the areas around our offices and sites. We are committed to working with local businesses wherever it is practical to do so.

Green procurement

We have an Environmental Procurement Policy in the UK that states a preference for using materials and processes with a lower environmental impact. We also 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. Our UK Timber Procurement Policy states that we are 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 also worked with suppliers to develop new, higher specification products including boilers, water efficient fixtures, low energy lights and a stormwater management system.

Prestoplan, our UK timber frame housing business is registered to ISO14001 and uses sustainable building products with all components being either PEFC, SFI (Sustainable Forestry Initiative) or FSC certified.

Supplier engagement

We undertake regular engagement meetings with our key suppliers in the UK and North America. During 2010, we maintained our on-line supplier portals in the UK and North America.

In the UK, SOLVE (Supplier On-line Vetting Evaluation) is an internet based application process for suppliers and sub-contractors. SOLVE requires applicants to provide extensive information, including details of their health, safety and environmental management systems and performance; this enables us to identify the companies that achieve Taylor Wimpey's prequalification standards.

Suppliers and sub-contractors play a vital role in helping us to build high quality homes and communities for our customers.

What we do

Our homes and communities

The way we work

Case Study



We have extensive experience of sourcing environmentally preferable materials. For example, at our Birling Grange development in Kent we are using a range of construction materials with low embodied energy and toxicity. In addition, 30% of materials by value are coming from reclaimed or recycled sources while 40% of materials by weight are being sourced from within 30 miles of the development.

Sourcing green products

Supply chain management continued

What we do

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

Our homes and communities

The way we work

Taylor Morrison's Vendor Portal provides a wide range of information for our trade partners. We introduced full scheduling in 2010 and began to provide all of our construction superintendents (the equivalent of a UK site manager) with handheld mobile devices for scheduling. This has improved efficiency and keeps everyone up-to-date.

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.

Increasing efficiency and reducing waste

The majority of our sites use Taylor Wimpey Logistics (TWL) to source bulk materials directly from manufacturers and prepare 'just in time' delivery of buildpacks for each stage of the building process. TWL ensures that delivery vehicles are fully utilised and this reduces site traffic and transport emissions.

TWL reuses a number of items on site such as polythene covers and pallets. We are currently working with WRAP (Waste and Resources Action Programme) on reducing packaging

waste through the use of reverse logistics and increasing the proportion of reusable packaging used by TWL.

We continued to introduce our Lean Construction Process in North America. This process is a distilled version of a Six Sigma driven manufacturing process improvement methodology. It focuses on identifying and eliminating construction waste. We continue to work closely with all of our trade and supplier partners as part of this process. We introduced the process in our Denver Division in 2010 and will introduce it in our final Division, West Florida, during 2011.

Targets

In the UK in 2011, TWL will continue to work with WRAP on ways to reduce packaging waste and increase the use of reusable packaging. We will produce a Waste and Resources Strategy for our supply chain in 2011. In addition, we will work with our suppliers to identify specific packaging waste reduction projects, starting with our top 10 suppliers during 2011.

In North America, Taylor Morrison will focus on reducing and optimising the number of our home plans and customer options to increase build and supply chain efficiency. We will introduce our Lean Construction Process into West Florida in 2011.

For more information



Further details of our supply chain, environmental procurement and timber procurement policies are available at www.taylorwimpeyplc.com/CorporateResponsibility/Policies/

Case Study

Reducing packaging waste

During 2010, we entered into dialogue with our top 10 UK suppliers with regard to packaging waste. We are working with these suppliers to reduce the residual packaging produced during the manufacture, delivery and installation of their products. The aim of this initiative is to reduce waste packaging material on our sites and waste disposal costs. We will report further on this initiative in 2011.

