Taylor Wimpey plc

Built on resilience

Annual Report and Accounts 2022

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Our reporting suite

Our Annual Report and Accounts 2022 can be viewed at www.taylorwimpey.co.uk/corporate along with our Notice of Annual General Meeting 2023.

The Annual Report covers key sustainability and financial disclosures.

More information on our materiality process, sustainability activities and policies can be found in our Sustainability Supplement and ESG Addendum 2022.

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Built on resilience

We delivered a strong financial and operational performance in 2022.

During 2022, UK housing market conditions changed at pace, with significantly higher interest rates and rising cost of living impacting customer affordability and confidence.

Our purpose does not change – we will continue to build great homes and create thriving communities.

We have taken a proactive approach, with early decisive action to increase operational efficiency and drive financial performance to protect and strengthen the business.

We are differentiated by our high-quality landbank, strong balance sheet, experienced management team, and an unwavering focus on operational execution.

Our resilience positions us well to continue to deliver value in all market conditions.

At a glance

A national housebuilder operating at a local level

We are one of the UK's leading residential developers, operating across five divisions and at a local level from 22 regional businesses across the UK. We also have operations in Spain.

We have a clear purpose to build great homes and create thriving communities.

As a responsible developer, we are committed to working with local people and making a positive contribution to the communities in which we operate.

We are committed to operating responsibly and delivering value for all our stakeholders.

A national housebuilder operating at a local level

Taylor Wimpey was established from the merger of George Wimpey and Taylor Woodrow in 2007, companies that date back over 100 years:

- Health and safety is Taylor Wimpey's number one priority, with a strong culture focused on doing the right thing
- Continue to lead the volume industry in quality, as independently measured by the NHBC construction quality score
- Five-star housebuilder, focused on delivering quality homes and great customer service
- Only housebuilder with its own logistics business, Taylor Wimpey Logistics (TWL)
- Highly engaged workforce employing over 5,000 people in the UK and providing employment for a further 11.1k subcontractors on our sites in 2022
- Strong and long-standing relationships with charity partnerships donating c.£1 million annually
- Only volume housebuilder to hold the Carbon Trust Standard for our approach to carbon management
- Adopted science-based targets to help reduce greenhouse gas emissions with net zero target of 2045, five years ahead of regulation
- Differentiated Dividend Policy with priority to maintain a strong balance sheet and continue to pay ordinary dividends through a normal cycle

For more information on customers and employees please see our Operational review on pages 49 to 51

Where we operate

Scotland, North East and North Yorkshire

4 regional businesses

North West and Yorkshire

3 regional businesses

London and South East

5 regional businesses

Midlands and Wales

5 regional businesses

Central, South West and Spain

5 UK regional businesses and 1 Spanish regional business

UK map key

● Head office ● Regional offices

Five-star

HBF customer satisfaction rating (2021: five-star)

14,154

Group completions incl. joint ventures (2021: 14,302)

232

average UK outlets (2021: 225)

Spain map key

● Regional offices

Our approach to ESG

Our purpose is to build great homes and create thriving communities. This has always been an important part of working for Taylor Wimpey with ESG threaded through all our stakeholder interactions. Our teams see the social and governance aspects of ESG as 'business as usual', including our strong culture and contributions to, and involvement in, local communities. The importance we place on ESG was formalised through the creation of our Environment Strategy and with the addition of Sustainability as a strategic cornerstone with specific key performance indicators. More detail on this can be found on pages 26 to 27 and on page 33.

We explain more about our approach in the following sections:

Environment

Climate and environment within the Operational review	Pages 52 to 53
TCFD	Pages 54 to 69

Social

Stakeholders	Pages 40 to 43
Customers and employees within the Operational review	Pages 49 to 51

Governance

Board Leadership and Company purpose	Pages 100 to 102
Anti-bribery and anti-corruption	Page 101
Modern slavery	Page 150
Succession planning	Page 108
Employee engagement	Pages 104 to 105

Read more in our Sustainability Supplement and ESG Addendum 2022

2022 highlights

Group financial highlights

Group completions including joint ventures

14,154

Revenue

£4,419.9m

Operating profit*

£923.4m

Profit before tax

£827.9m

Total dividend per share paid in the year

9.06p

Year end net cash*

£863.8m

Tangible net assets per share*

126.5p

Operating profit margin*

20.9%

Return on net operating assets*

26.1%

Our Operational review focuses on the UK (unless stated otherwise) as the majority of metrics are not comparable in our Spanish business. There is a short summary of the Spanish business in the Group financial review. The Group financial review is presented at Group level, which includes Spain, unless otherwise indicated.

Joint ventures are excluded from the Operational review and are separated out in the Group financial review, unless stated otherwise.

*** Alternative Performance Measures**

The Group uses Alternative Performance Measures (APMs), such as those indicated above with a footnote symbol, as important financial performance indicators to assess underlying performance of the Group. The Group's two financial targets are operating profit margin and return on net operating assets. Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

UK operational highlights

Customer satisfaction 8-week score

90%

(2021: 92%)

Customer satisfaction 9-month recommend score

78%

(2021: 79%)

Construction Quality Review average score (out of 6)

4.81

(2021: 4.67)

New outlets opened in the year

104

(2021: 84)

Average selling price on private completions

£352k

(2021: £332k)

Plots in short term landbank

c.83k

(2021: c.85k)

Read more about our operations on pages 46 to 53

ESG (environmental, social, governance) highlights

Reduction in direct CO_2 emissions intensity since 2013

51%

(2021: 50%)

Employee engagement score

93%

(2021: 91%)

Annual Injury Incidence Rate (per 100,000 employees and contractors)

166

(2021: 214)

Affordable homes as % of total UK completions

21%

(2021: 18%)

Contributions to local communities, via planning obligations

£455m

(2021: £418m)

Construction waste recycled

98%

(2021: 97%)

Read more about our approach to ESG on pages 26 to 27 and 54 to 69

We participate in various benchmarks and have been awarded a number of industry accreditations

Read more in our Sustainability Supplement and ESG Addendum 2022

Accreditations

Awards

Chair's statement

Delivering strong results in a changing market

We have delivered an excellent performance in 2022 against a changing market backdrop, particularly in the second half of the year and are well positioned with a strong balance sheet, highly experienced management team and a clear strategy to continue to deliver for stakeholders.

Irene Dorner
Chair

Built on resilience

We delivered a strong financial and operational performance in 2022. The UK, along with much of the global economy, has faced a number of challenges this year, and in my last letter to you as Taylor Wimpey Chair, I'd like to acknowledge the hard work and dedication of our teams in navigating this changing landscape and delivering strong results.

'Built on resilience' is an apt theme for this year's report because we have spent several years enhancing the strength and sustainability of Taylor Wimpey. In addition to presenting our 2022 performance, this report will demonstrate we are a business able to navigate different market backdrops and well positioned for changing market conditions. The strength and sustainability of our business, and the strategy we have in place to achieve this, are clearly of vital importance to all our stakeholders and are addressed throughout this report.

The business has a strong balance sheet, excellent landbank and strategic pipeline, highly experienced management, and engaged and dedicated employees. We have always accepted that we operate in a cyclical industry and, running the business with the cycle in mind, means we are well placed to weather current conditions and emerge stronger on the other side. Ultimately, our market benefits from strong underlying customer demand for new homes and, notwithstanding short term conditions, we continue to see good levels of interest in our homes and are confident that the medium to long term fundamentals of our business remain highly attractive.

Although I will be stepping down from the role of Chair for personal family reasons following the Annual General Meeting (AGM) on 27 April 2023, I look forward to continuing to play an active role on the Board as a Non Executive Director. I leave the role of Taylor Wimpey Chair in extremely capable hands with Robert Noel, along with the benefit of continuity of leadership in a changing market environment.

2022 performance

We delivered excellent progress against our strategy despite a more challenging second half of 2022. Total Group completions (including joint ventures) were 14,154 (2021: 14,302). We increased our operating profit margin* to 20.9% (2021: 19.3%) thanks to strong operational cost discipline and focus on price optimisation and ended the year with an operating profit* of £923.4 million (2021: £828.6 million). This resulted in a profit before tax of £827.9 million (2021: £679.6 million). Despite a difficult planning backdrop we increased our UK sales outlets as guided, to end the year with 259 outlets (2021: 228).

We ended the year with an order book valued at £1,941 million (31 December 2021: £2,550 million), excluding joint ventures, which represents 7,499 homes (31 December 2021: 10,009 homes).

We continue to focus on providing a reliable return to our shareholders through our Ordinary Dividend Policy to return 7.5% of net assets or at least c.£250 million per year. In 2022, we returned £474 million to shareholders by way of dividends and the share buyback programme amounting to £150 million.

Subject to shareholder approval at the AGM scheduled for 27 April 2023, the 2022 final ordinary dividend of 4.78 pence per share will be paid on 12 May 2023 to shareholders on the register at the close of business on 31 March 2023 (2021

final dividend: 4.44 pence per share). In combination with the 2022 interim dividend of 4.62 pence per share this gives total ordinary dividends for the year of 9.40 pence per share (2021 ordinary dividend: 8.58 pence per share).

We see Health and Safety as business as usual in the very best sense, but I am nonetheless pleased that we have continued our very high standards, where our Annual Injury Incidence Rate (AIIR) per 100,000 employees of 166 (2021: 214) is significantly below the industry benchmark. The health and wellbeing of our employees and subcontractors must remain our number one priority and we will continue to strive for improvement.

We have retained our focus on build quality and are once again the highest rated major housebuilder in the independently measured 2022 NHBC Construction Quality Review (CQR). We are pleased to remain a five-star builder in the HBF survey for customer satisfaction but recognise there are areas we need to improve and, building on our volume industry-leading quality, we have a plan in place to drive higher customer service standards.

More information on our 2022 trading and operational performance can be found within our Operating review on pages 46 to 53 and our Group financial review on pages 80 to 83.

A changing market environment

Along with much of the world, the UK economy has entered a more challenging market environment compared to recent years. Just as we were beginning to emerge from the huge human and economic costs of COVID-19, throughout 2022 the UK had to absorb a number of political and economic shocks, in particular in relation to the impact of the war in Ukraine. The energy price crisis, disruption of food supply and the residual effect of COVID-19 led to generally high inflation, causing central banks to substantially and rapidly increase interest rates. In the UK, the mini budget of 23 September preceded a sudden spike in mortgage rates for our customers. Together with cost of living challenges, more expensive mortgage borrowing had an immediate and tangible impact on our sales from the third quarter of 2022.

These are difficult times for the UK economy at large and, given reduced market demand, we expect our 2023 completions to be lower than 2022. However, we have always known we operate in a cyclical industry and have run the business with the cycle in mind so are well prepared. Read more in our market review on pages 14 to 19.

Management experience more important than ever

Inevitably, it is in more challenging times that the strength, diversity, skills and experience of the management team are most called upon. I am pleased to say we not only have a vastly experienced team in place but one that has operated in most market conditions. This is an important strength and differentiator when you consider that, aside from the significant disruption owing to COVID-19, the market has been largely supportive in the 14 years since the global financial crisis. Our senior executive committee, the Group Management Team (GMT) has a total of c.150 years' service at Taylor Wimpey and even longer experience in the building sector.

Providing a reliable return to our shareholders

In line with our Ordinary Dividend Policy to return 7.5% of net assets or at least £250 million to shareholders throughout the cycle, we announced a final ordinary dividend of 4.78 pence per share, which is subject to shareholder approval at the Annual General meeting (AGM).

Together with the 2022 interim dividend of 4.62 pence per share this gives total ordinary dividends for the year of 9.40 pence per share (2021: 8.58 pence per share).

In addition, the Group returned £150 million in capital by way of a share buyback in the year, which increases both earnings per share and dividend per share for our shareholders.

Given the current levels of market uncertainty the Board is not proposing any return of excess capital at this time but will continue to review this position throughout the year.

Details of our resolutions for the 2022 AGM can be found on pages 210 to 211.

2022 final ordinary dividend per share

4.78p

(2021: 4.44p)

2022 ordinary dividend for year

9.40p

(2021: 8.58p)

2022 was also a year of transition for our executive management. Jennie Daly took on the role of Chief Executive following the AGM in April. Jennie has a wealth of experience in the housing sector and has moved quickly to put her stamp on our business. At an investor event in May, Jennie launched a clear vision to the market, laying out the strategic cornerstones which feature prominently in this report: land, operational excellence, sustainability and capital allocation (read more on pages 21 to 29).

As someone with a deep understanding of the business and wider industry and passionate about our long term success, Jennie has been able to have an immediate impact and her tightened operational focus has set us up well for a changing market.

The Board has met frequently to discuss the challenges and we have continued to engage with our stakeholders as we weighed key decisions. The Board uses a number of indicators both current and forward looking to regularly determine the outlook for our marketplace. As a consequence, we have been able to move quickly to protect value. Jennie talks more about our actions to prepare for changing market conditions in her statement on page 11.

Stakeholder engagement

The Board is responsible for ensuring our business is sustainable in the long term by respecting and taking account of the needs and views of all our stakeholders in our decision-making process. We continue to recognise the vital importance of effective stakeholder engagement and in this respect 2022 was a busy year.

On behalf of the Board, I conducted a number of meetings in late 2021 and early 2022 with major investors to hear their views on our Chief Executive succession process. I also met with investors to discuss wider themes relating to strategy and ESG.

In 2022, following the easing of COVID-19 restrictions, the Board was pleased to be able to invite shareholders in person to the AGM in April. This AGM saw Pete Redfern step down from the Board and Jennie Daly take up her appointment as Chief Executive. I am pleased that she moved quickly to introduce her vision to the market in May 2022, only a month after taking up the role, via an in-person meeting in central London. This event was attended by a number of major investors and our covering analysts, and was also made available online shortly after the meeting. Following the meeting we received positive feedback for the clarity of the strategy and messaging.

This year the Board and I visited a number of our regional businesses and sites across the country and I continue to be impressed with our operational progress and the culture throughout the Taylor Wimpey business.

In addition to their regular visits around our business, both Jennie and Group Finance Director Chris Carney, together with members of our GMT, hold regular live video conference updates that are accessible to all of our employees.

We conducted an employee survey in the year which returned an excellent engagement score of 93%. There remain areas employees would like us to improve such as communication between regional businesses and functions, workloads, and ensuring all employees have a regular performance discussion with their Line Manager. Following the survey, each regional business and department is charged with taking the results and implementing tangible actions in the areas identified as in need of improvement.

Employee engagement score

93%

(2021: 91%)

Mean gender pay gap (in favour of women)

-2%

(2021: -6% in favour of women)

Board changes

It has been a privilege to serve as Chair of Taylor Wimpey and I know I leave the business in extremely capable hands as I step down from the role of Chair following the 2023 AGM in April. I have been impressed with the talent and culture at Taylor Wimpey during my three years as Chair.

I would like to thank my Board colleagues, the GMT and all of our employees across the business for their dedication, commitment and hard work over the last three years. I have prioritised engaging with the full range of Taylor Wimpey stakeholders during my tenure as Chair and I would like to thank all of you for your constructive dialogue. I know this is something that Rob Noel will continue to build on when he succeeds me.

Rob will succeed me as Chair following the AGM on 27 April and his appointment represents excellent continuity for the business. Rob joined the Board as an Independent Non Executive Director in October 2019 and subsequently became the Senior Independent Director in April 2020 and for the last year has been the Board's Employee Champion, responsible for championing the employee voice in the boardroom and strengthening the link between the Board and employees. His appointment follows a thorough search process involving external advisers which considered both internal and external candidates. He has over 30 years' experience in the property sector, including eight years as the CEO of Land Securities Group PLC. Rob is also Chair of Hammerson plc and brings deep commercial experience and continuity of leadership as we face a dynamic market environment.

This year the Board was also pleased to welcome Mark Castle and Clodagh Moriarty as new Non Executive Directors. Mark has significant operational experience in all aspects of the construction sector and Clodagh has 20 years of varied customer-focused experience across retail, strategy, digital transformation and e-commerce.

Diversity and inclusion

Diversity and inclusion continues to be a focus for Taylor Wimpey and I am pleased to see tangible progress with our Equality, Diversity and Inclusion Strategy. We realise we have further to go and in 2023 we are pleased to be publishing the Company's first Diversity Report, ahead of regulation. We have also set ourselves a number of stretching diversity targets, which are focused on increasing our female and ethnic minority representation at various levels of the business, and which build on our important early entry programmes. We have established support structures such as our system of employee networks sponsored by senior management, to support employees and actively promote diversity. We have made changes to our recruitment processes and are training our managers to be aware of issues such as cultural bias, inclusive leadership and creating a respectful workplace.

Our 2022 mean gender pay gap was 2% still in favour of women (2021: 6% in favour of women) and the median pay gap was also small at 1% in favour of men (2021: 5% in favour of women).

You can read more about our approach throughout this report and in our Diversity Report on our website.

Building a sustainable future

Our ESG strategy will continue to be aligned to our purpose, ensuring that we play our part in creating a sustainable future for everyone. In 2022, we built upon the work of our Environment Strategy to advance our Net Zero Transition Plan which will support the UK's commitment to reach net zero carbon by 2050 and submitted our net zero targets to the Science Based Targets initiative (SBTi) for independent assessment. The process involved comprehensive engagement with external and internal stakeholders and you can read more about this throughout this integrated report.

We will add an environmental measure to the long-term incentive plan available for the Executive Directors and other eligible employees.

We were awarded a number of industry accreditations, including being named in Sustainalytics's newly released 2023 Top-Rated ESG Companies List. In addition, Taylor Wimpey ranked seventh out of the FTSE 100 and was the highest scoring housebuilder in the Responsibility 100 Index Walk Score that assesses companies on their commitment to key social, environmental, and ethical objectives.

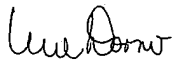
2023 AGM

This year's AGM will take place in person at the Crowne Plaza Hotel Gerrards Cross, and we are very much looking forward to the opportunity to once again meet many of our shareholders in person. To further encourage shareholder engagement and accessibility, a live audiocast of our AGM will be available to qualifying shareholders. As has been the case in our previous AGMs, shareholders will also be able to submit their vote in advance by proxy and email questions in advance of the meeting.

Looking forward

Whilst still very early in the year, current trading shows signs of improvement but remains at lower levels than in recent years. Our management team has been quick to protect the long term interests of our business and retains close scrutiny on our cost base, while retaining the flexibility to respond to market opportunities as they emerge. We will continue to manage all of the aspects within our control to protect stakeholder interests and we remain confident in the medium to long term outlook for our business.

On a personal note, I would like to thank our shareholders and all our stakeholders for their engagement throughout my tenure as Chair. I would also like to end by thanking the Board and Taylor Wimpey colleagues for their commitment and support. It has been my absolute pleasure and a privilege to be Chair of the Taylor Wimpey Board and I look forward to continuing to work with them and for you all as a Non Executive Director.



Irene Dorner
Chair

Chair Designate Robert Noel

I would first like to thank Irene for her excellent stewardship over the last few years. I and the rest of the Board are delighted that she has agreed to continue to serve on the Board, so we may continue to benefit from her deep experience and wise counsel.

It is an honour and a privilege to take on the role of Chair at Taylor Wimpey. The Company has a clear purpose and strong culture, and this will be key in navigating changing market conditions. We exist to build great homes and thriving communities, creating value for all our stakeholders and I look forward to maintaining our strong relationships with both shareholders and key stakeholders.

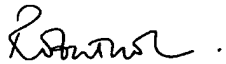
Currently, the UK economy is stuttering and demand for housing has weakened. Having been in the wider property sector for over three decades, I am used to the cyclical nature of demand and in my time at Taylor Wimpey I have witnessed the focus the management team has put into ensuring the business is well prepared for a changing market.

Along with ensuring good governance, it is the Board's responsibility to establish the strategy. I am confident that the Board has the breadth and depth of experience required to do this given the industry experience represented, along with the external perspectives of different industries. In addition, our Group Management Team has extensive experience in housebuilding, including dealing with all market conditions.

Taylor Wimpey is an excellent business with a strong record of good long term decision making. Key priorities, such as maintaining a strong balance sheet and establishing a high-quality landbank and strategic pipeline over decades, give us robustness and flexibility for all market conditions.

I look forward to working with my Board colleagues and the wider teams in supporting the business through this more challenging time and know that Taylor Wimpey will emerge strongly.

The need for UK housing is unquestionable and our market fundamentals remain very attractive over the medium to longer term.



Robert Noel
Chair Designate

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Chief Executive's statement

Focusing on operational excellence and efficiency

We are an excellent business benefiting from a high-quality and well located landbank, a strong balance sheet and unwavering focus on operational execution.

Jennie Daly
Chief Executive

Revenue

£4,419.9m

(2021: £4,284.9m)

Group operating profit*

£923.4m

(2021: £828.6m)

Group operating profit margin*

20.9%

(2021: 19.3%)

New UK outlets opened

104

(2021: 84)

Dear shareholders

I am delighted to be writing my first letter to you as Chief Executive of Taylor Wimpey. Whilst I took up the role of Chief Executive in April 2022, I know Taylor Wimpey well from my eight years with the Company as Land and Planning Director, Group Operations Director and Divisional Chair. Starting out as a planning officer in a local authority, I have 30 years' experience in land, planning and housing which has given me detailed insights into the operational areas that generate the most value and will help drive our future successes which is particularly important in a changing market.

2022 strong operational and financial performance

I am very pleased to report that 2022 demonstrated that we continue to be a strong business, delivering an excellent set of 2022 full year results in line with expectations. In 2022 we delivered an increase in revenue to £4,419.9 million (2021: £4,284.9 million) and delivered a record operating profit* of £923.4 million (2021: £828.6 million) and increased operating profit margin* to 20.9% (2021:19.3%). We continue to be highly cash generative, ending the year with net cash* of £863.8 million, after returning £473.8 million to investors by way of dividends and share buybacks. Despite a difficult planning backdrop, we also increased our outlet numbers as planned following the accelerated landbuying of prior years.

We are a resilient business and because of this continued to perform well in changing market conditions with a proactive response and a clear focus on execution, cost control and operational efficiency. Importantly, we are a business well positioned for the future.

> **"Taylor Wimpey delivered an excellent 2022 performance and is continuing to perform well in changing conditions, with a proactive response and clear focus on execution, cost control and operational efficiency."**

Proactive management of changing market conditions

Taylor Wimpey delivered an excellent financial performance in a year of two distinct halves. In the first half of the year, trading conditions continued to be resilient despite inflationary pressures in the wider economy and rises in the Bank of England base rate. Following the mini budget of 23 September, there was a sharp and significant increase in mortgage rates, significantly reducing customer affordability and confidence which inevitably impacted the new home sales environment and the housebuilding sector.

Throughout 2022 we closely monitored the market and lead indicators, and moved early to best position the business for changing market conditions and to mitigate risk through the levers available to us. We further tightened all areas of operations, including work in progress control, discretionary spend and recruitment and significantly reduced landbuying, leaving us well placed going into more challenging markets.

We continue to operate with tight cost discipline across the business. Given the difficult planning backdrop, we are pleased to have delivered our planned increase in outlet numbers following the accelerated landbuying of prior years, which gives us flexibility and choices that will be of significant value. We have aligned our build schedules to reflect the lower anticipated sales rates in the near term. Our teams are aligned and engaged in adapting to the changing market and we have trained our Sales Executives to operate in a tougher selling environment.

We have also had to make some difficult decisions and I don't want to shy away from those. In January 2023, as part of our focus on maximising the efficiency of all our operations, we began a consultation on a series of proposed changes which are expected to generate annualised savings of around £20 million, with the costs to achieve these of c.£8 million.

The consultation process across the regional businesses have now either closed or are anticipated to conclude in the near future. This process has unfortunately resulted in some redundancies and where this has been the outcome, we have put additional support in place for the individuals concerned and the wider teams.

This has also resulted in changes to our business structure, with the closure of our Oxfordshire business and the migration of land and outlets to neighbouring businesses. The proposed changes will not affect our existing market coverage or ability to deliver volumes from our landbank, nor our ability to deliver high-quality product and service to our customers.

During this time, it has been a clear priority that everyone was treated respectfully and in line with Taylor Wimpey values.

A clear strategy built on resilience

Our purpose is to build great homes and create thriving communities. The renewed focus of the business is doing this in a way that creates, enhances, and protects value through our high-quality landbank and efficient operations.

We have a clear strategy, outlined at our Investor and Analyst Update on 25 May 2022 to build a stronger and more resilient business and deliver superior returns, by focusing on four strategic cornerstones: land, operational excellence, sustainability and capital allocation which are discussed on pages 21 to 29. As the economic backdrop evolved, this focus on driving operational excellence throughout the business positioned us well to increase the pace of implementation, remain agile and adapt amidst changing market conditions and mitigate risk through the levers available to us.

Challenging times create opportunities and magnify what we do not have right. A good example of this is that while we are extremely proud to be the top rated volume housebuilder for quality and we remain a five star housebuilder, we are disappointed that our customer satisfaction scores have slightly reduced to 90% from 92%. I am confident that there is more we can do to ensure each and every customer's experience is a great one and this will be an area of focus for our teams in 2023.

We are a responsible business and run our business for the long term

We are a leader in sustainability. We are ambitious in our goals, and challenging of ourselves, and our focus is on backing these ambitions up with deliverable actionable plans. I'm really pleased that we have set out our target to become net zero by 2045, five years ahead of regulation and more importantly have a credible plan to get there. Many environmental issues for our sector are systemic. Achieving net zero in housebuilding will require system-level

Our path to net zero

We are committed to act on climate change and in 2022 we developed our net zero target to achieve net zero emissions by 2045

- **2025** — Roll out of zero carbon ready homes begins
- **2030** — All homes zero carbon ready
- **2035** — Net zero in our operations (Scopes 1 and 2)
- **2040** — Absolute emissions reduced by 75%
- **2045** — **Net zero across our value chain (Scopes 1, 2 and 3)**

Read more about our path to net zero on pages 56 and 57

Q&A with Jennie Daly

What are your personal highlights on your first year as Chief Executive?

I want to say thank you to all Taylor Wimpey employees on behalf of the Board. Our teams have worked incredibly hard to deliver a great set of results. We maintained strong operational focus during 2022 and delivered an excellent financial performance in line with expectations with Group operating profit* of £923.4 million (2021: £828.6 million), and an operating profit margin* up 160bps to 20.9% (2021: 19.3%) as a result of tight operational controls and price discipline. Pricing discipline was a core focus for the Group throughout the year, especially given the inflationary backdrop and continuing planning constraints, and we saw continued pricing strength in the second half with average selling prices on private completions in the UK at £367k. I am particularly pleased that we maintained our industry-leading position on quality and have delivered the planned increase in outlet numbers, following the accelerated landbuying of prior years as this gives us flexibility and choices that will be of significant value.

What are your priorities for 2023?

Health and safety is always our non negotiable top priority. While our health and safety performance always compares very favourably to the industry, we are not complacent and will continue to drive further improvement.

We will continue to develop and evolve our customer offering to ensure an appropriate balance between sales rate and price in all our markets, whilst also working to further improve our customer service.

Given prevailing build cost inflation of 9-10%, we will continue to ensure tight cost management and WIP control, aligning build to sales rates on a site-by-site basis.

Our focus on building a strong order book will allow us to optimise price going into 2024, and as a result, not all reservations taken between now and the end of September will be for completion in 2023.

Having announced our net zero target backed by a detailed transition plan, we will further step up our efforts and focus on its implementation and communication across our business.

What is your view on the proposed planning changes?

The planning environment continues to be challenging with delays and resource pressures impacting housing land supply. Proposed amendments to the National Planning Policy Framework announced by the Government in December 2022 include positive measures to support improved quality of design and placemaking.

However, other changes including amendments to the approach to housing numbers locally, a relaxation of the soundness test for plan-making and the removal of the need for planning authorities to maintain a five-year supply of deliverable housing sites could result in further delays and a shortfall in the supply of sites.

In addition, the transitional arrangements proposed are likely to result in a meaningful hiatus in plan-making which is likely to further constrain the availability of land for housing. We welcome proposed amendments to the Levelling Up and Regeneration Bill to help address Nutrient Neutrality constraints that affect more than 74 local authorities in England.

We are engaging with industry, water authorities and central and local government on the issue of Nutrient Neutrality. We have established our internal Nutrient Working Group to help our regional businesses develop effective responses to this issue.

With the introduction of Biodiversity Net Gain requirements in England later this year, we have published guidance and run training sessions for our regional businesses and land teams to support them to manage the risks, costs and opportunities associated with net gain. An internal working group with representatives from strategic land, planning, sustainability and technical functions is helping to guide our approach and we are collaborating with others in the sector through the Future Homes Hub.

Overall we anticipate that the planning environment will remain difficult for the foreseeable future. Our strong landbank and pipeline of sites already in planning is a key competitive advantage in this challenging planning environment.

Why did you significantly reduce land spend in 2022?

As you know, the housing market changed markedly in Q3 of 2022, and with this came increased risk.

Our business is underpinned by a strong balance sheet and a high-quality, well located landbank and our scale and quality has given us more choices than most. It has allowed us to be very selective with land acquisitions throughout 2022, something we expect to continue given current market conditions. 2022 approvals for new land totalled around 7,000 plots, similar to our half year position.

Will Taylor Wimpey still open new sites?

Yes. New outlets give customers more choice, whilst providing the business with the opportunity to adapt more rapidly to the market conditions in front of us.

We are confident in the locational quality of our landbank. Our outlets are in areas customers want to live, which is what we and our customers see as primary locations, which gives a greater resilience.

Our teams are focused on driving value from our excellent landbank by progressing planning to open outlets.

changes and coordinated action by multiple parties, from suppliers to government, and at all points along the value chain.

Our target was developed with the Carbon Trust in line with the requirements of the SBTi Corporate Net Zero Standard and has been submitted to the SBTi for independent validation. We are also working to align our transition plan with the Transition Plan Taskforce Disclosure Framework, which was released for consultation in November 2022.

Our approach to climate change aims to both reduce emissions from our business and value chain and to prepare for the future impacts of climate change on our business, supply chain and customers. We take a science-based approach and aim to continually review and improve performance.

We were one of the first UK homebuilders to set science-based targets across our value chain, including a target consistent with reductions required to keep warming to 1.5°C for our operational emissions and are the only volume homebuilder to hold the Carbon Trust Standard for our approach to carbon management.

Despite short term pressures, we will continue to invest in what matters and what will yield value in the future. This includes opening a timber frame production facility to drive efficiency and environmental benefits, and improve process and logistics efficiencies whilst aiding security of supply. Timber frame has clear environmental benefits and is a low risk supporting approach to our net zero goal. More information can be found on page 25.

Fire safety

It is our long held view that leaseholders should not have to pay for the cost of remediation and our priority has always been to ensure that customers in Taylor Wimpey buildings have a solution to cladding remediation. We took early and proactive actions, first committing funds to remediation of ACM cladding in 2017. Having already committed £165 million to remediation work, we voluntarily signed the Government's Building Safety Pledge for Developers in April 2022, and made an additional £80 million provision, bringing our total financial commitment to £245 million.

We are in final discussions with Department for Levelling Up, Housing and Communities (DLUHC) with a view to signing the Long Form Agreement which makes the principles of the Building Safety Pledge legally binding. Throughout recent industry negotiations with Government regarding the contract, we have continued to remediate affected buildings as planned and we will continue to progress our remediation schedule in line with the terms of the final contract.

A total of 207 buildings are within the scope of our existing provision, around a quarter of which require only the replacement of wooden balcony beams, which are relatively inexpensive to replace. The £245 million we have provided remains our best estimate of the cost of our commitments to bring these buildings into compliance with current fire safety standards.

We have a dedicated team in place to manage our remediation programme and while we are progressing this as quickly as possible our programme will take several years to complete given the availability of qualified advisors and contractors.

Current trading and outlook

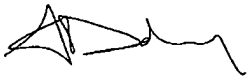
Whilst still early in the year at the start of the Spring selling season, current trading shows some signs of improvement from the fourth quarter of 2022. The year-to-date net private sales rate (w/e 26 February 2023) is 0.62 per outlet per week (2022 equivalent period: 1.02) with the four week average running at 0.66 per outlet per week. This improved sales rate follows recent reductions in mortgage rates, early signs of stabilised customer confidence, usual seasonal trading patterns and the benefit of our focused promotional activity. The cancellations rate was 17% (2022 equivalent period: 14%). The level of down valuations remains low.

While it is encouraging to see an uptick in sales and ongoing robust customer interest in our homes, as previously announced, our reservation rate is significantly lower than in recent years as affordability concerns weigh, particularly for first time buyers, and we have reflected this in our build programmes for the year.

As at 26 February, our total order book excluding joint ventures was £2,154 million (2022 equivalent period: £2,899 million), comprising 8,078 homes (2022 equivalent period: 10,934 homes). Accordingly, assuming prevailing market conditions continue and given a challenging planning backdrop, we currently expect 2023 completions to be in the range of 9,000 to 10,500, broadly equivalent to a net sales rate assumption of 0.5 to 0.7, with completions more weighted to the second half, reflecting the lower sales rate since Q3 2022.

Based on the quality of our order book we expect average pricing for private completions in the first half of 2023 to be at a similar level to the £367k achieved on completions in H2 2022. We remain focused on building a strong order book to optimise value as we look ahead.

Looking forward, our business is well positioned with a clear strategy focused on operational excellence, delivering value from our high-quality landbank and strong financial position. While we remain highly selective in our land acquisition and focused on continued tight cost and work in progress management, we remain agile and ready to respond quickly to changing market conditions.



Jennie Daly
Chief Executive

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Our investment case

As I set out in my first update to analysts and investors in May 2022, we are a great business. We have a high-quality landbank, backed by a strong balance sheet, and experienced management team. This strong starting position gives us the opportunity to differentiate ourselves further. Throughout 2022, we have demonstrated that we are agile and well prepared and positioned to seize opportunities that the uncertain environment may bring.

Read more in relation to our key strengths and resources on page 34

Strong business well positioned for all market conditions

Focused on operational excellence to optimise margin and deliver attractive long term returns

Differentiated by landbank

High-quality landbank with significant strategic land pipeline providing optionality throughout the cycle

Sustainable and responsible

ESG embedded throughout the business for the benefit of all our stakeholders

Reliable shareholder returns

Committed to paying an annual ordinary dividend through the cycle and returning surplus capital at the appropriate time

Our market environment

Operating in a changing environment

10 year estimated growth in households (England)

c.1.6m

2018-2028

Source: UK Census 2021, ONS

A cyclical industry

2022 began strongly for the housing market with double digit year-on-year house price growth (albeit at slightly lower levels for new builds) before conditions changed rapidly in the second half. For the remainder of 2022, and in line with the wider economy, the UK housing market weakened with month-on-month house price declines and significantly lower levels of transactions.

According to Nationwide, annual house price growth was 2.8% in December 2022, after the fourth monthly decline in growth rate. On a month-on-month basis December saw a small reduction of 0.1% while November pricing was down 1.4%.

At Taylor Wimpey we have managed the business with the cycle in mind, maintaining a strong balance sheet, tight operational controls and an agile approach, and we enter this changing market from a position of strength.

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A dynamic backdrop

As a housebuilder we are exposed to the level of overall market demand, which is influenced by affordability and sentiment. Market pricing is generally led by transactions of second-hand homes which account for 80-85% of total housing transactions, while industry costs are a result of supply and demand for labour and materials and are impacted by industry volumes as well as other input costs such as energy and global commodity prices.

Movement in house price and volume are generally met with changes in our input costs, over time. Some costs such as the price at which we have bought land are more permanent, given that the land we build on today was typically purchased several years ago. Costs in relation to the build itself are generally more variable and have historically responded to prevailing market conditions, although there can be time lags. Market land prices will also generally respond over time which means there is the potential, for example in market downturns, to acquire cheaper land that will offer margin benefits in future years.

Throughout this report we outline the proactive management actions we have taken in response to the changed market to protect stakeholder value (see pages 11 to 12 and 49). In this section, we focus on the macroeconomic and political factors that affect affordability and sentiment towards our industry:

- Interest rates, mortgage rates and mortgage availability
- House price growth relative to wage growth
- Inflation
- Employment rates
- Consumer confidence – in the economy in general as well as specific to borrowing such as interest rates expectations, house price rises or declines

Undersupplied market: long term demographics remain highly supportive to housebuilding

Underlying our sector's cyclicality, we continue to believe that the medium to long term fundamentals of the market remain strong. Data on UK population growth and changing demographics continue to underpin household formations and long term demand. There is a recognised housing shortage in the UK with new home completions running at significantly below the UK Government's desired levels. Government planning amendments suggest a move away from a specific top-down target, but continue to suggest that 300k new homes per year are needed to fulfil UK housing demand, a level last achieved in1977 (source: Statista). According to the UK Government's English Housing Survey, the average age of a first time buyer in England is 34 and the UK home ownership rate is 64%. Therefore, having peaked at 73% in 2007 (source: Statista), the current level of home ownership is below the aspirations of the Conservative Government and the Labour Opposition.

House price growth: moving on from a history of boom and bust?

There was strong house price growth up until the third quarter before prices plateaued as mortgage rates spiked in late September. We therefore entered 2023 with pricing marginally weaker on a month-by-month basis.

Along with the UK economy, the history of the UK housing market is marked by periods of strong growth followed by corrections. The last notable correction was during the global financial crisis (GFC) 2007-2009 that saw the worst contraction in the UK economy since the great depression of the 1920s. Prior to the financial crisis there was a meaningful correction in UK housing at the start of the 1990s.

These downturns followed periods of strong growth in house prices. For example, prices increased by c.59% in the five years preceding the financial crisis (up to the September 2007 peak), after which house prices fell by c.19%. In comparison, whilst still strong, house price growth of c.31% in the five years to December 2022, was around half that of the five years preceding the GFC.

Prior to the financial crisis there was a meaningful correction in UK housing at the start of the 1990s. These downturns followed periods of strong growth in house prices, including over 100% growth in house prices in the five years preceding the financial crisis, where house prices fell by around 18%. In comparison, while house price growth in the last five years of around 34% has been strong, it is less pronounced than in the years preceding the 2007-2009 downturn. As previously stated, house prices have declined on a month-by-month basis since October 2022 and the Office of Budgetary Responsibility (OBR) expects further house price weakness in 2023, coinciding with high interest rates and a squeeze on overall affordability for customers.

England net additional dwellings (quarterly) recovered in 2022 first half prior to the change in market conditions

Source: Nationwide, Bank of England

Continued growth in UK households (millions) projected for next three decades

Source: ONS

New build share of UK housing transactions

c.15%

12 months to March 2022

Source: ONS

Interest rates

Whilst there are a number of variables which make the length or magnitude of any correction uncertain, such as wage growth, employment and general inflation, the biggest direct influence is likely to be interest rates.

The Bank of England (BoE) base rate rose from 0.25% in December 2021 to 3.5% in December 2022. As at February 2023, the rate stands at 4.0%, with the expectation of further rises in 2023. Capital Economics estimates that the base rate will peak at 4.5% in 2023. Following the mini budget of 23 September, two and five year rates for 75% loan to value (LTV) mortgages moved to well over 5%, suggesting that lenders were factoring in interest rates of greater than 4.5%. As the market became more confident that rates will not exceed the BoE guidance mortgage rates have reduced from last year's highs of over 6% (for a 75% LTV mortgage). As at 21 February 2023, Halifax and Nationwide are offering rates of 4.48% and 4.74% for a two-year fixed rate mortgage at a 75% LTV and 4.13% and 4.19% for a five-year fixed rate mortgage at a 75% LTV.

Mortgage rates have come down from their peaks

Source: BoE, Threshold Mortgage Advice

Household finances come under pressure but are expected to trough in 2022-23 before recovering

Source: Trajectory, OBR

Affordability concerns

Affordability is a combination of factors. Interest/mortgage rates are key but house price movement relative to wage growth, the general level of inflation and employment levels also have an influence on affordability and sentiment. The cost and availability of alternative rental properties is also relevant.

Rising interest rates coupled with the cost of living crisis mean that affordability is the most stretched it has been since the GFC. While mortgage rates have eased back from the post-23 September spike, the cost of a mortgage as a proportion of disposable income remains at historically high levels.

However, interest rates are not the only factor that can help improve affordability. According to Capital Economics, the interplay between wage growth and house prices will play a significant role in the level at which house prices can be considered affordable. For example, affordability should improve if, as widely expected, wage growth exceeds the level of house price inflation. This may not in itself protect house prices but does reduce the level of house price movement necessary to restore affordability to prior levels, at prevailing interest rates.

However, while all of the factors outlined determine overall affordability, interest rates will generally have the greatest impact. Therefore, any rate decreases will offer the greatest benefit to our sector.

Consumer service Which estimates that a 0.5% points rise in rates is likely to add around £61 per month to the average mortgage cost on the basis of a 25-year mortgage with a £250k loan. Of course, the cost is dependent on the homeowner's loan to value ratio with the increase higher for a high loan to value (low deposit) mortgage and lower for those with more equity, meaning that first time buyers with lower deposits are most impacted.

Customer confidence

Up until August 2022, there was a mandatory mortgage stress test in place to ensure customers seeking a mortgage would be able to afford payments in the event of a 3% rise over the standard variable rate. Accordingly, there is good reason to believe that there should be relatively low levels of financial stress amongst homeowners and lower numbers of forced sellers than in previous downturns.

While many customers may continue to be able to afford to proceed at current interest rates, such a substantial shift in mortgage costs in a short period of time has undoubtedly affected sentiment and is, understandably, a major factor in decision making. Uncertainty over house prices, the economic outlook, employment prospects and future interest rates are all areas of concern for consumers and will impact upon their buying decisions.

Rising mortgage costs and the cost of living crisis mean that first time buyers are likely to be the weakest part of the market in the short term. This not only impacts this part of our customer base but has knock-on effects to chains, impacting the overall health of the market.

Opinion on the interest rate outlook varies and ultimately the rate is dependent on how quickly inflation reacts to BoE intervention. However, following signalling from the BoE, some economists now expect the base rate will peak at around 4.5%. In February 2023 many lenders are offering rates of under 5% (less than 50 basis points from the expected peak). This may suggest lenders see greater likelihood of rates reducing than rising once they hit 4.5%.

Inflation, employment and wages outlook

As stated, the inflation outlook is key to determining the shape of future interest rates. The BoE is mandated to target 2% inflation, with the

January 2023 rate around 10.1%, according to ONS data, clearly significantly above target. Inflation peaked in October at 11.1% (source: ONS) and, as we enter 2023, the BoE expects UK inflation to reduce sharply to end the year at 4%, citing the halving of European wholesale energy prices, an expected sharp fall in the cost of imported goods, and less demand for goods and services in the UK. Whilst, in itself, this does not improve affordability, expected wage growth would help if it outstripped either the level of general inflation or house price growth or both.

As at January 2023, Capital Economics expects average UK wage growth of 5.8% in 2023. This means that even if rates remain at current levels and house prices remained flat, affordability could improve all else being equal.

UK unemployment remains historically low at 3.7% as at December 2022. With around 630k fewer people in the workforce than in 2020, according to The Sunday Times, there is limited spare labour capacity which is one of the factors considered by the Government to have hampered recent growth potential and contributed to inflation. However, while the OBR expects unemployment to rise to 4.9% in Q2 2024, this remains well below the 8.5% recorded in 2011 in the wake of the GFC. High unemployment has historically led to greater stress in the housing market, with reduced buying and a higher number of forced sellers. The expectation of a less severe rise in unemployment than in previous recessions offers some comfort for the housing market.

Part of a larger market

As a new housebuilder we are a part of a much larger market. According to the Office of National Statistics (ONS) there were 1.4 million UK housing transactions in the 12 months to March 2022. In the same time period, the ONS estimates 205k new UK dwellings were completed, suggesting new build had a c.15% share of the total market. Given UK housing transactions are heavily weighted to second hand home sales accounting for around 85% of the total, second hand homes set pricing for the market as a whole.

Rental market

With low interest rates over recent years, monthly mortgage costs have generally been either cheaper or broadly comparable to the average cost of rental, despite rising house prices. This changed when rates spiked in September 2023, with renting now on average cheaper than servicing a new mortgage. However, strong growth in rental costs and limited rental accommodation mean that this could quickly change.

Government policy

The Government's Autumn Statement reaffirmed the commitment to stamp duty changes which are supportive, particularly for first time buyers. The planning environment continued to be difficult in 2022 (read more about land and planning on page 47). Whilst these changes are not sufficient to offset rising mortgage costs, this could be important stimulus further down the line as mortgage rates ease back and affordability improves.

The Help to Buy (HTB) scheme, which supported first time buyers since 2014, closed in Scotland in 2021 and ended for reservations in England in 2022, while it will be extended in Wales until 2025. Therefore HTB will not be available for the majority of our 2023 reservations. The Government and industry have introduced schemes aimed at supporting first time buyers, and there is also the availability of high 95% LTV mortgages although there are fewer products available than a year ago.

Competition and Markets Authority

The Competition and Markets Authority (CMA) has confirmed that it is to launch an independent market study of housebuilding. We look forward to engaging constructively with the CMA as the study progresses.

Market trends, opportunities and risks

Key drivers	2022 backdrop
Interest rates and mortgage availability Interest rates and mortgage availability are the main factors determining housing affordability and accessibility for our customers. The Bank of England (BoE) is mandated by the Government to maintain a 2% inflation target and altering the interest rate is its main tool in managing economic demand and inflation. Mortgage rates factor in interest rates and expectations of future interest rates, on top of which lenders add a margin (which varies according to their capacity and appetite to provide mortgage lending). **Links to Principal Risks** B: Mortgage availability and housing demand **Material issues** ● Customer service and quality ● Responsible sourcing	UK Consumer Price Index (CPI) inflation rose from 5.5% in January 2022 to end the year at 10.5% (having peaked at 11.1% in October) as global factors such as the war in Ukraine impacted energy prices, food prices and general inflation. The 23 September mini budget preceded a spike in mortgage rates as the market anticipated further rises in the BoE base rate. In response to persistent inflation, the BoE raised interest rates from historically low levels of 0.5% in December 2021 to 3.5% by December 2022 and the Office of Budgetary Responsibility (OBR) predicts it is likely to peak at 4.8% in Q3 2023, whilst Capital Economics predicts the rate will peak at 4.5%. As a result of BoE action on interest rates and expectations of future rises, mortgage rates rose from c.1.4% in January to peak at c.5.9% in November before easing back to just under 4.65% by February 2023 (Source: BoE, based on a 2-year fixed / 85% LTV mortgage). In August, with mortgage rates rising, the stress test that required customers to be able to withstand a 3% increase in interest rates over the standard variable rate, was removed.
Employment, skills and labour availability The UK employment rate has implications on consumer confidence and our customers' desire and ability to buy homes. A healthy employment outlook is important for general consumer confidence in the housing market and the wider economy. In previous cycles, higher unemployment has been considered a contributory factor to a weaker housing market. **Links to Principal Risks** D: Attract and retain high-calibre employees **Material issues** ● People and skills	UK unemployment was 3.7% in the three months to December 2022 (2021 comparable: 4.0%). Labour market remained tight and with pressure on both public and private sector wages. According to Capital Economics, UK annual wage growth was 6.1% in December 2022 and was a large contributor to general inflation given that services represent c.40% of CPI. The Times reports a net 630k people of working age have left the UK workforce since the impact of COVID-19 in 2020. Despite six consecutive quarterly falls, UK job vacancies remained at historically high levels at just under 1.2 million in December 2022 (source: ONS). Construction labour availability improved from 2021 and, while there were still areas of tightness, industry labour cost inflation was more moderate than materials cost inflation.
Climate change The Future Homes Standard (FHS) outlines new regulations aimed at making new homes more energy-efficient and will come into effect in 2025 when gas central heating systems will no longer be allowed in new developments. **Links to Principal Risks** A: Government policies, regulations and planning H: Natural resources and climate change **Material issues** ● Sustainable homes and communities	Parts L&F regulations requiring 31% savings in carbon emissions (from a 2013 baseline) for the homes we produce came into effect in 2022, with a one-year transitional period up until June 2023 for existing sites. The Government released the Standard Assessment Procedure software, into which we successfully modelled our enhanced material standards and technological solutions to meet new requirements. We also launched our new house types, which are designed to accommodate the upcoming changes in regulation. Whilst continuing to progress our Environmental Strategy, we developed our Net Zero Transition Plan and submitted our science-based targets for net zero to the Science Based Targets initiative for independent assessment. Given Biodiversity Net Gain (BNG) requirements in England later in 2023, we published guidance and ran training sessions to support our teams to manage the risks, costs and opportunities associated with BNG.
Land and planning Land is the key component for a housebuilder so the availability of land suitable for development and the effectiveness of the planning system have a major effect on the medium to long term development of the industry and the supply of homes. **Links to Principal Risks** A: Government policies, regulations and planning **Material issues** ● Responsible sourcing	The land market was extremely tight in the first half of the year with increased demand for available land driving price inflation. The planning environment continued to be challenging with delays and resource pressures impacting the supply of land for housing. Uncertainty over the application of Nutrient Neutrality legislation began to impact planning for future sites across the industry. We reduced our land spend from the third quarter given the tightness in the land market and rising land prices, and continued to be highly selective in our landbuying in the second half as the market outlook deteriorated. The Government has changed its proposals for planning reforms, which if adopted seem likely to lead to less availability of land for planning.

Read more about our Principal Risks on pages 75 to 79.

Read more about key issues for our stakeholders on pages 36 to 39.

Drivers, short term opportunities and risks	Drivers, long term opportunities and risks
UK inflation remains high and the BoE raised rates a further 0.5% in February to 4.0%, and is widely expected to continue to raise interest rates this year, with expectations of a 4.5% and 4.8% peak (source: OBR, Capital Economics). Mortgages rates may have already peaked, having factored in expected interest rate rises with the average now well below the 2022 peak. Some lenders are offering longer term mortgages to improve monthly affordability. Ultimately, the inflation outlook is likely to continue to be the key driver of future interest rate policy. Inflationary pressure expected to lessen with prices having already adjusted to substantial hikes in energy, food and other prices last year. Outlook for affordability could improve if wage growth exceeds house price growth and if mortgage rates continue to reduce. The removal of the Government's longstanding Help to Buy scheme that provided top up deposit loans for first time buyers has the potential to impact certain customers. However, there are signs of growing interest in the housebuilding industry's Deposit Unlock scheme from major lenders.	Interest rates are expected to peak and then moderate gradually downwards, albeit at higher levels than they had been over the previous decade. The expense of monthly mortgage costs is likely to remain higher than during the last decade of historically low interest rates. With an ongoing supply/demand imbalance (with far fewer homes built than the Government guidance of 300k per year), underlying demand for housing is likely to remain strong. There may be a reset for the market and some shift in the type of product that will be affordable for some customers (smaller houses and apartments for first time buyers).
Considerable pressure on the public and private sector to facilitate above-inflation wage increases for their employees. Private sector is facing a fall in income as the economy contracts and tax rises, and the public sector is facing difficulties given the budget deficit and high debt, built up as a result of the COVID-19 pandemic. Unemployment is predicted to rise in response to weak economic conditions. However, the Office for National Statistics (ONS) predicts that unemployment will remaining at historically modest levels peaking at c.4.9% in the second quarter of 2024, compared to a high of c.8.5% in 2011 following the global financial crisis.	A long term healthy employment outlook is important for housing as well as the rest of the economy. A potential long term skills shortage could impact the industry - attracting and retaining skilled workers to construction is key to the long term health of the industry. Many major housebuilders, including Taylor Wimpey where early talent is a key focus, have strategies aimed at attracting new talent to the industry.
We are making our Net Zero Transition Plan publically available in 2023 and will continue to work towards our science-based targets. We are taking the opportunity to produce more energy-efficient homes for our customers with our new house types and to meet new regulations. We are piloting five new homes that will test various solutions well ahead of the Future Homes Standards (FHS) regulation that will require a 75% reduction in carbon emissions from 2025. An internal working group with representatives from strategic land, planning, sustainability and technical functions is helping to guide our approach to BNG and we are collaborating with others in the sector through the Future Homes Hub.	Potential competitive advantage and premium for new, more energy-efficient homes. For example, we have already seen cheaper 'green mortgages' making new homes comparably cheaper to buy than less energy-efficient second-hand stock. From 2025 we will be rolling out zero carbon ready homes following the implementation of the Future Homes Standard, and we expect to reach 100% zero carbon ready homes on or before 2030. For our homes in use to become truly net zero will require the UK's energy grid to shift from its reliance on gas. Future regulation will mean that rental properties will need to meet an average Energy Performance Certificate (EPC) C rating by 2035, compared to the current average rating of E, which could mean costly retrofits for private landlords.
Proposed amendments to the National Planning Policy Framework announced by the Government in December 2022 include positive measures to support improved quality of design and placemaking. A relaxation of the soundness test for plan-making and the removal of the need for Planning Authorities to maintain a five-year supply of deliverable housing sites could result in further delays and a shortfall in the supply of sites. Transitional arrangements proposed are likely to result in a meaningful hiatus in plan-making which is likely to further constrain the availability of land for housing. Proposed amendments to the Levelling Up and Regeneration Bill could help address Nutrient Neutrality constraints that affect more than 74 local authorities in England.	The long term backdrop is uncertain and it is unclear whether resources will be allocated to enable the planning system to function better. However, current proposed changes have the potential to reduce medium to long term land supply. Following the next general election (currently scheduled for January 2025) there is potential for further changes to the planning regime by whichever party forms the next Government.

Culture and values

Built on a strong culture of doing the right thing

Respectful and fair

Take responsibility

Better tomorrow

Be proud

Read more on how the Board monitors culture on page 102

Key areas from our 2022 employee survey

93%

Overall employee engagement score

98%

Health and safety score

95%

Diversity and inclusion score

90%

Sustainability and Governance score

Strategy framework

We are defined by our purpose

We have a clear purpose to build great homes and create thriving communities

To deliver superior returns for shareholders through our high-quality landbank and enhance value through sharper operational focus

Implemented through our strategic cornerstones

Land

An agile approach to optimising value

- Focused on progressing land through the planning system and will continue to open outlets
- Strong landbank position supports highly selective approach to new land acquisition and positions us well in a challenging planning environment
- Remain agile and closely monitor conditions in the land market for any opportunities

Read more on pages 22 to 23

Operational excellence

Driving efficiency and execution

- Continued focus on driving performance
- Efficient business structure refined through change programme
- Investing in the long term through new timber frame facility
- Advanced preparation for changing regulation and trialling technology ahead of Future Homes Standard

Read more on pages 24 to 25

Sustainability

Investing to protect long term value for all stakeholders

- Continue to develop thriving communities with excellent placemaking
- Continue to advance environment strategy with ambitious targets in climate, nature and waste
- Launching Net Zero Transition Plan to be net zero by 2045, five years ahead of regulation

Read more on pages 26 to 27

Capital allocation

A clear and disciplined approach

- Maintain a strong balance sheet
- Focus on funding business needs, including land investment and WIP
- Clear and sustainable ordinary dividend to provide visibility to shareholders, and keep decision on return of excess cash under review

Read more on pages 28 to 29

Strategic cornerstones

Land

An agile approach to optimising value

Optimising value from our high-quality owned and controlled landbank and strategic land pipeline

Land is the key driver of value for any housebuilder, and we are confident we have a high-quality landbank. We measure this by length, weight, shape, efficiency and quality. Our strategic pipeline is a competitive advantage in its own right, giving increased optionality and opportunities to protect value.

Agile response to market

We have a strong short term landbank of c.83k plots and are confident in the locational quality of our landbank in areas customers want to live, giving us a greater resilience. Importantly, it has also allowed us to be very selective with land acquisitions throughout 2022 and reduce our spend as the land market became more competitive and demand weakened. This is something we expect to continue given current market conditions. We retain the ability to be opportunistic if it is the right thing to do. The optionality and flexibility provided by our strategic land portfolio will remain a key differentiator.

We anticipate that the planning environment will remain difficult for the foreseeable future with a shortage of resources and delays in both the strategic and development management areas of the planning system. Proposed changes to the National Planning Policy Framework announced by the Government in December 2022 are likely to lead to a reduced land supply and less homebuilding in future years. Our strong landbank and pipeline of sites already in planning is a key competitive advantage in this challenging planning environment.

Our focus is on progressing planning to open new, quality outlets and securing delivery from our mature strategic land pipeline and transferring assets to the operational business.

Our key performance indicators are linked to our four strategic cornerstones - read more on pages 30 to 33

Net land added (incl. strategic conversions)

Key highlights

c.6.0

landbank years

(2021: c.6.1)

52%

of completions from strategically sourced land

(2021: 50%)

104

new outlets opened

(2021: 84)

Strategic cornerstones

Operational excellence

Driving efficiency and execution

Building greater discipline through our business model to improve efficiency, protect value and ensure Taylor Wimpey is fit for the future

While land is ultimately the key driver of value, an efficient business model is needed to minimise risk, manage headwinds and protect value. This is particularly important in challenging market conditions.

We are taking a future-focused approach to modernisation of construction methods and build innovation including expanding our use of timber frame, and driving standardisation and efficiencies.

We are extremely proud to be the top rated volume housebuilder for quality but we know that there is more we can do to ensure each and every customer's experience is consistently a great one, including forming a better understanding of our customer combined with a clear focus on increasing customer service scores.

Agile response to market

We have a very clear focus on operational improvement, cost management and execution and have taken a proactive response to changing market conditions.

As market conditions changed at pace in the third quarter we acted quickly and decisively implementing even tighter cost scrutiny, significantly reducing land commitments, and closely controlling the release of investment in work in progress. As announced in our January 2023 trading update, we entered into consultation on a series of business changes to optimise our performance and in response to market conditions, targeting annualised savings of around £20 million, with an anticipated cost to achieve these of c.£8 million.

Our key performance indicators are linked to our four strategic cornerstones - read more on pages 30 to 33

Timber frame production facility

We are opening our own timber frame production facility in Peterborough, that will help fulfil our goals to increase timber frame usage on our sites, improve visibility of supply and offer operational and environmental benefits.

We view timber frame as a low risk approach to supporting our environmental aims and our timber frame factory will support our work to achieve our net zero target. The facility is future-proofed to allow for both volume and product expansion.

This is a cost effective solution for establishing internal control and visibility and security of supply and will improve process and logistics efficiencies. This will also slightly reduce our reliance on bricklaying resources and build timeline, with early commencement of all follow-on trades.

Strategic cornerstones

Sustainability

Investing to protect long term value for all stakeholders

Continuing to evolve and embed ESG throughout the business for the benefit of all our stakeholders

We build quality homes and design communities to enable customers to enjoy a good quality of life while protecting the environment and ensuring development brings economic growth and skilled employment. Our new homes, with energy efficiency built in, can play a critical role in helping the UK meet its decarbonisation targets, and reduce the cost of living for customers.

Agile response to market

Our approach to sustainability encompasses environmental, social, economic and governance aspects including our contributions to, and involvement in, local communities, our focus on customer service and build quality, our commitment to health and safety, our strong culture, as well as how we tackle our environmental footprint and enable customers to live sustainably. We set clear standards on these issues and work closely with our colleagues, subcontractors, suppliers and other partners to deliver on our commitments.

Our Environment Strategy sets out how we will play our part in tackling the environmental crisis, create a greener, healthier future for our customers, colleagues and communities, and reduce and mitigate environmental risks to our business, with ambitious targets up to 2030.

Our key performance indicators are linked to our four strategic cornerstones - read more on pages 30 to 33

Read more about our Environment Strategy in our 2022 Sustainability Supplement

The three priorities in our Environment Strategy are:

1

Climate change

Protect our planet and our future by playing our part in the global fight to stop climate change.

2

Nature

Improve access to and enable enjoyment of nature for customers and communities by regenerating the natural environment on our developments.

3

Resources and waste

Protect the environment and improve efficiency for our business and our customers by using fewer and more sustainable resources.

Net zero by 2045

We are committed to acting on climate change and in 2022 we developed our net zero target to reduce our climate footprint ahead of the UK's 2050 target.

The two key commitments in our strategy are to achieve:

- Net zero emissions in our operations by 2035 (Scopes 1 and 2)
- Net zero emissions across our value chain by 2045 (Scopes 1, 2 and 3)

Our targets are being independently validated by the Science Based Targets initiative. More detail is included on pages 55 to 57.

Strategic cornerstones

Capital allocation

A clear and disciplined approach

A clear and disciplined framework balancing investment for future value creation with returning value to shareholders

We have a clear and disciplined framework that balances investment for future value creation with sustainable annual dividends and excess cash returns for investors as appropriate through the cycle.

Every day we make capital allocation decisions when we buy land. Our investment criteria is subject to a rigorous process and includes detailed land assessment against numerous financial metrics, subject to sign off by senior management levels including Chief Executive.

Our Dividend Policy has been set up to provide shareholders with a reliable dividend and surplus cash return via special dividend or buyback at the appropriate time in the cycle.

Agile response to market

We continue to be highly selective in the land market, given the near term uncertainty and higher risk and are able to do so because of our strong landbank.

Our Ordinary Dividend Policy has been set up to operate through the cycle and is stress tested to withstand a reduction in prices of 20% and volumes of 30%.

Our key performance indicators are linked to our four strategic cornerstones – read more on pages 30 to 33

Key highlights

£863.8m

net cash*

(2021: £837.0m)

£725.6m

land creditors

(2021: £806.4m)

9.40p

total ordinary dividend per share

(2021: 8.58p)

Our capital allocation priorities

1. Maintain a strong balance sheet

Maintain low adjusted gearing to reflect cyclical nature of the industry

2. Investment in land and WIP to drive future growth

Focus on funding business needs, including land investment and WIP to drive growth

3. Sustainable ordinary dividend

Ordinary Dividend Policy of 7.5% of net assets or at least £250 million annually

4. Return excess cash

Excess cash returned after funding land investment, working capital, taxation and the ordinary dividend. The method of return (share buyback or special dividend) will be considered at the appropriate time

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Our key performance indicators

Aligned to our strategic cornerstones, our key performance indicators drive value for all of our stakeholders.

How we measure our performance - our key performance indicators

The whole business is focused on our key performance indicators, and in 2022 we simplified these and aligned them to our strategic cornerstones. Our key performance indicators are focused on driving value where it matters and for all of our stakeholders.

Capital allocation

The focus on our key performance indicators enables the business to be in a strong operational and financial position to create and return value to shareholders in line with our capital allocation policy.

More information can be found on page 29

1. Land

Performance in 2022

- With the benefit of a strong landbank, and as the land market became increasingly competitive throughout the year, we were able to be selective in our landbuying in the first half of 2022. We became highly selective in the second half, significantly reduced land investment as we proactively responded to changing market conditions.
- Our teams have worked hard to progress land through the planning stages and we opened a number of new outlets, ending the year with 259 outlets (2021: 228).
- Land cost as a percentage of average selling price on approvals increased slightly in the year due to geographical mix and increased competitiveness in the land market, though it remains within a normal range in a historical context.
- Our percentage of completions from strategically sourced land has remained above our target of 40% in the year. However, we expect the pace of strategic land conversions to be impacted by the current planning backdrop.

Priorities going forward

- Our strong landbank continues to be a key differentiator for us, and allows us to be highly selective in land acquisition.
- Continue to utilise our strategic land pipeline to support the short term landbank.
- Although we are cautious given the current market dynamics, we retain the ability to be opportunistic if it is the right thing to do.
- Our focus is on progressing planning in our short term landbank to open new, quality outlets and securing delivery from our mature strategic land pipeline and transferring assets to the operational business.

KPI

Land cost as % of average selling price on approvals

Objective: To maintain at current levels or reduce our average land cost.

Definition: Cost of land as a percentage of average selling price on approvals.

Why it is key to our strategy: Maintaining a sustainable land cost percentage increases value for our shareholders.

Landbank years

Objective: To run an efficient landbank being mindful of the external environment such as planning environment.

Definition: The years of land supply in our short term landbank based at current completion levels.

Why it is key to our strategy: We seek to use our high-quality landbank more efficiently to deliver growth, both in the number and quality of homes built for a wider range of customers.

% of completions from strategically sourced land

Objective: We aim to source more than 40% of our completions from the strategic pipeline per annum in the medium term.

Definition: Number of completions on land which originally did not have a residential planning permission when we acquired a commercial interest in it, expressed as a percentage of total completions.

Why it is key to our strategy: The strategic pipeline enhances our ability to increase the contribution per legal completion because of the inherent margin uplift from strategic plots. It also allows us to take a long term view of sites.

2. Operational excellence

Performance in 2022

- Health and safety is the number one priority at Taylor Wimpey and we will never compromise on this commitment to our people and everyone who works on or visits a Taylor Wimpey site.
- Our Annual Injury Incidence Rate (AIIR) remains well below both the Home Builders Federation Home Builder Average AIIR of 239 and Health and Safety Executive construction industry average AIIR of 333. We are pleased with our progress this year in reducing the rate, and we are continuing to focus on training to continue to improve this.
- We are proud that we continue to lead the volume industry in construction quality, as measured by the NHBC.
- We continue to benefit from a talented and engaged workforce and are pleased to see high engagement scores from employees.
- Our Future Skills Group has been exploring the skills profile our business will need over the medium to long term.
- In 2022 we benchmarked our policies and practices against the Stonewall Diversity Benchmark.

Priorities going forward

- We continue to focus on improving health and safety on our sites.
- Continue to maintain our high CQR scores and improve quality further by ensuring our quality assurance processes are embedded at every stage of the build.
- Continue to work closely with subcontractors, suppliers, industry associates and educational organisations to identify and address skill gaps and upskill our workforce.
- Publish our Diversity Report including clear goals to help accelerate measurable change and to drive accountability.

KPI

Construction Quality Review (average score/6)

Objective: To achieve an average score of four out of six across Taylor Wimpey.

Definition: The average score, out of six, achieved during an in-depth annual review of construction quality on a site-specific basis.

Why it is key to our strategy: Right first time continues to be a key priority within our customer-focused approach. CQRs focus on construction quality and understanding 'why or how' given levels of quality have resulted.

2022 remuneration measure. Read more on page 138.

Average reportable items per inspection

Objective: Reduce defects found during build stages.

Definition: The average number of defects found per plot during NHBC inspections at key stages of the build.

Why it is key to our strategy: Reducing the number of defects per plot is crucial to ensuring we deliver consistently high-quality homes for our customers, whilst also minimising the cost of rectifications.

Health and Safety Injury Incidence Rate (per 100,000 employees and contractors) rolling 12 months*

Objective: We are committed to providing a safe place in which our employees and subcontractors can work and our customers can live.

Definition: Reportable (all reportable) injury frequency rate per 100,000 employees and contractors (Annual Injury Incidence Rate).

Why it is key to our strategy: Health and safety is our non-negotiable top priority. As well as having a moral duty to maintain safety on site, accidents and injuries can have a detrimental impact on the business through additional costs, delays and/or reputational damage.

Employee engagement (annual survey)

Objective: We aim to maintain a high level of overall employee engagement.

Definition: Our employee engagement score measures a range of factors in terms of employees sense of belonging, how proud they are to work for Taylor Wimpey along with their willingness to go the extra mile for the business.

Why it is key to our strategy: As a key part of our employee engagement strategy, the survey provides an opportunity for employees to provide feedback on all aspects of working at Taylor Wimpey. This leads to clear action plans at both a national and local level where improvements can continue to be made. Ensuring that the employee voice continues to be heard remains an important part of our overall engagement strategy.

3. Sustainability

Performance in 2022

- In 2022 we welcomed the introduction of the New Homes Ombudsman and we aligned our processes.
- 90% of customers in the 8-week survey would recommend us to a friend, this means we met our target to maintain a five-star rating.
- Conducted customer research to understand customers' views on perceptions of homebuilders, to understand what our customers want from us and customer perception of the sustainability of new homes.
- Developed a Net Zero Transition Plan and proud to announce that from 2045 Taylor Wimpey will be a net zero business.
- Reduced operational carbon intensity by 51% since 2013, and by 15% since 2019, our science based target baseline year.
- Committed to net zero emissions from operations from 2035.
- Undertook quantitative scenario analysis on business risks from the low carbon transition, and on physical risks from a changing climate.
- Linked our executive bonus scheme to emissions reduction and development of our net zero strategy.

Priorities going forward

- Our three key areas of focus are the quality of the service we provide both before and after completion, the standard of finish of completed homes and our speed at resolving customers' settling in defects.
- Disseminate and use customer research across the business to respond to customer feedback and drive progress.
- Publish our Net Zero Transition Plan in 2023.
- Prepare for regulation on embodied carbon through supply chain analysis, engagement and support.
- Reduce emissions from our own diesel use on our building sites.
- Industry wide collaboration on the net zero transition through NHBC, Future Homes Hub and other industry bodies.

KPI

Customer satisfaction 8-week score 'Would you recommend?'

Objective: We strive to achieve 90% or above in this question, which equates to a five-star rating.

Definition: Percentage of customers who would recommend Taylor Wimpey to a friend as measured by the National New Homes Survey undertaken by the NHBC on behalf of the HBF eight weeks after legal completion.

Why it is key to our strategy: Identifying and serving the needs of our customers by delivering a high-quality product is key to our ambition to become a customer-focused homebuilder.

2022 remuneration measure. Read more on page 138.

Customer satisfaction 9-month score 'Would you recommend?'

Objective: We strive to improve this score and understand the reasons behind and underlying drivers of this customer feedback.

Definition: Percentage of customers who would recommend Taylor Wimpey to a friend as measured by the National New Homes Survey undertaken by the NHBC nine months after legal completion.

Why it is key to our strategy: We think about how customers live in the homes and places we build for longer than the first few months after they move in. Ensuring our customer satisfaction remains high in the months following completion is important.

Reduction in operational carbon emissions intensity (measured at end of year)

Objective: Reduce operational carbon emissions intensity by 36% by 2025 from a 2019 baseline.

Definition: Our science-based carbon reduction target for Scopes 1 and 2 emissions intensity tracks tonnes of emissions per 100 sq metres of completed build. The target has been verified by the Science Based Targets initiative, and the data assured by the Carbon Trust.

Why it is key to our strategy: These are the emissions directly from our own business operations and as such are an indicator of our own performance and commitment.

2022 remuneration measure. Read more on page 138.

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Business model

Built on resilience

We are defined by our purpose...

To build great homes and create thriving communities

...benefiting from our key strengths and resources...

- High-quality short term landbank and strategic land pipeline
- Clear focus on operational excellence
- Top rated in build quality and five-star customer service
- Talented and highly-engaged local teams and an experienced management team
- A culture of doing the right thing
- Data-driven decision making capabilities
- A clear capital allocation policy
- A strong balance sheet

...with flexibility to perform well in all market conditions...

Our business model is built on resilience

Each stage of our business model is aligned to value.

This approach ensures we instil a performance culture and a clear, shared focus on operational excellence across our processes to optimise value for our stakeholders.

... creating value at every stage of the cycle...

1 Creating

Making the right land investments

Ensuring long term sustainability of the business through securing a quality land pipeline, located in places people want to live, with good planning prospects at the right price and at the right time in the cycle to support target margins. We take account of sustainability issues from the start of the landbuying process, including placemaking, biodiversity net gain, flood risk, infrastructure and services, sustainable transport, community wellbeing and local economic development. Read more on page 47.

2 Enhancing

Managing the planning process

Progressing land through the planning system is the key way we add value to the land we acquire. Accurate budgeting, active management and optimising our benefits of scale helps to ensure our sites are set up to deliver in line with our expectations. We design and plot the right houses in an efficient manner to generate strong returns while maximising available land resources and creating attractive places to live. Read more on pages 47 and 48.

3 Protecting

Managing the regulatory environment

We engage extensively with local authorities and communities, before and during the lifetime of each development. We work to advance the standard of our homes in advance of upcoming regulation to ensure our homes are regulatory compliant and are sustainable for our communities. Read more on pages 51 and 52.

4 Optimising

Development and procurement

We work closely with our supply chain and our central logistics function, TW Logistics, to maximise the benefits of scale. We work with suppliers to reduce energy use and waste, improve resource efficiency and increase our use of recycled materials and to adopt materials with lower embodied carbon. Read more on pages 48 and 49.

5 Realising

Delivering high-quality homes and customer service

We consistently manage our sites to ensure they are safe and align to our high quality standards, and focus on service execution to ensure we are delivering for our stakeholders. We have rigorous policies and procedures in place to address health and safety risks, supported by training, communication and visible leadership. Read more on pages 48 and 49.

6 Reinvesting and returning

For growth at the right time in the cycle

We have a clearly defined capital returns policy to provide visibility of a reliable income stream to our shareholders whilst enabling us to reinvest in the long term sustainability of the business. Read more on pages 28 and 29.

...for continuous business improvement...

...and delivering though our four strategic cornerstones...

Land

Operational excellence

Sustainability

Capital allocation

Read more about our strategic cornerstones on pages 21 to 29

...to drive value for all our stakeholders

Customers:

c.14.2k

homes delivered (2021: c.14.3k)

Employees:

5.1k

directly employed on average (2021: 5.4k)

Partners:

11.1k

subcontractors on average (2021: 11.1k)

Investors:

£473.8m

cash returned via dividends and share buybacks in 2022 (2021: £301.5m)

Contributed:

£454.6m

to local communities via our planning obligations (2021: £417.7m)

Material issues and targets

Understanding what matters most to our stakeholders

We conduct a regular materiality assessment to make sure we focus on the sustainability issues (environmental, social and economic) of most importance to our business and our stakeholders.

To determine materiality, we look at the impact or potential impact of an issue on our business strategy from a performance, cost or risk perspective. We also consider the impact of our business on the issue and the importance of the issue to our stakeholders such as colleagues, customers, investors and communities. This is sometimes known as a 'double materiality' approach.

We use the results of our assessment to inform our reporting and disclosure, development of our Environment Strategy and our approach to ESG governance and risk management.

We are in the process of updating our materiality assessment and will publish the results in 2023.

Read more about our materiality assessment methodology at www.taylorwimpey.co.uk/corporate/sustainability

United Nations Sustainable Development Goals

We support the United Nations Sustainable Development Goals (SDGs), which aim to unite governments, businesses and the third sector to end poverty, fight inequality and address climate change.

By delivering on our purpose, we will contribute, in particular, to delivering UN Sustainable Development Goal 11: 'making cities and human settlements inclusive, safe, resilient and sustainable'.

Our Legacy, Engagement and Action for the Future (LEAF) Committee has reviewed the goals and their relevance to our business. We used this analysis to inform our materiality process and in the development of our Environment Strategy. An index is included on our website, showing how we can support the goals.

Highlights in delivering on stakeholder priorities

- Sustainable homes and communities

£455m

contributed to local communities via planning obligations

- Environment

51%

reduction in our direct CO_2 emissions intensity since 2013

- People and skills

97%

employees see all cultures and backgrounds being respected and valued at Taylor Wimpey

- Charitable giving

£1.2m

donated and fundraised for charities and local community causes

- Land, planning and community engagement

17%

of our homes were built on brownfield land

- Customer service and quality

90%

customer satisfaction 8-week score

- Health, safety and wellbeing

166

Annual Injury Incidence Rate (per 100,000 employees and contractors)

- Responsible sourcing

87%

of priority suppliers registered with the Supply Chain Sustainability School

Our materiality assessment methodology

1. Issue identification

A long list of issues was identified based on our current priorities, our previous materiality assessment, business strategy, our main impacts and risks, long term and market trends, the UN Sustainable Development Goals and other external frameworks.

2. Stakeholder research

We sought the views of investors, local government, non-governmental organisations (NGOs), academics, registered social landlords and sustainable business organisations. We also drew on consumer research, a Government policy review and a media scan.

3. Internal interviews and research

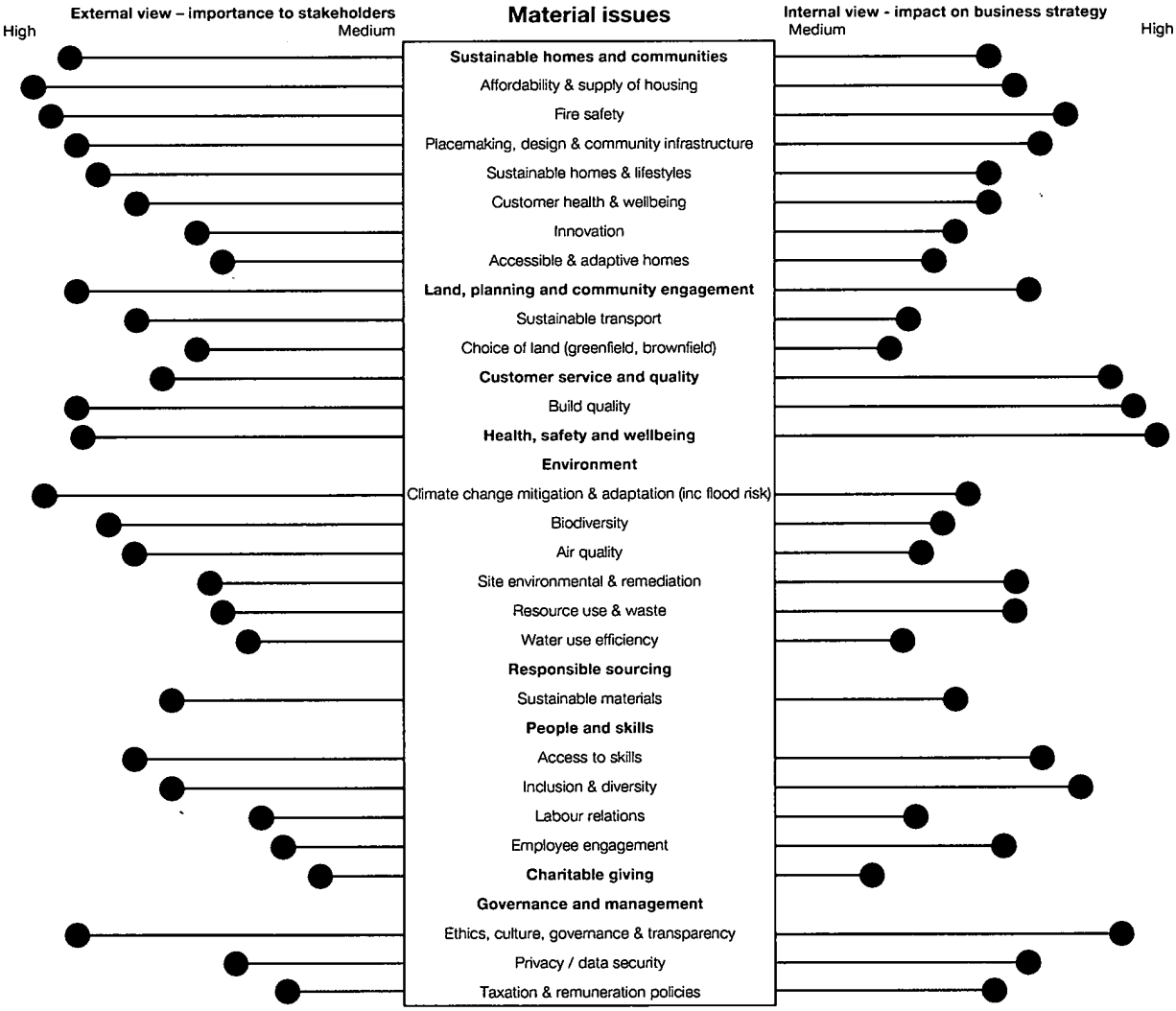
We carried out internal interviews and research with senior leaders, functional leads, and graduates.

4. Review

The long list of issues were grouped and plotted on our materiality matrix. This was then reviewed and refined, including through meetings with our Chief Executive and members of our Group Management Team.

Our materiality assessment

The issues identified in our materiality matrix have been grouped to create a list of nine material issues. Corresponding colours have been used to show how the issues have been grouped.



Material issues and targets *continued*

We focus on the sustainability issues that are most material for our business and the areas where we can have a positive impact through the homes we build, how we develop our people and our approach to the environment.

We set targets for each of our material issues to help focus our efforts and drive progress. This includes the targets which are part of our Environment Strategy.

During 2022 we made good progress across many of our target areas, including those which have ongoing targets, such as for sustainable homes and communities.

A full list of our existing and new targets can be found in our Sustainability Supplement 2022.

In recognising the important link between the Company's material issues and risk management, our material issues have been aligned to our Principal Risks, as set out on pages 75 to 79.

Key to material issues

✓ Achieved	⊖ Not achieved
◎ In progress	

Sustainable homes and communities

Targets	Progress	Status
Make it easier for close to 40,000 customers to work from home and enable more sustainable transport choices through 36,000 EV charging points and 3,000 additional bike stands by the mid 2020s	We are rolling out our new standard house types which include at least one study area with space for a desk and easy access to broadband and electricity sockets, to enable working from home. We increased the number of EV charging points installed in 2022.	◎
Help 20,000 customers to increase recycling at home by 2025	Our new standard house types include integrating recycling bins. We expect to collect data for this target from 2023.	◎
Make it easier for 20,000 customer households in water stressed regions to install a water butt by 2025	We design our homes to be water-efficient and integrate water saving features. We are reviewing our plotting for house types to understand the best locations for water butt installation and expect to add water butts to our customer option portal in 2023 to support more customers to save water in their gardens.	◎
Help customers engage with nature and create 20,000 more nature-friendly gardens by 2025	We have begun trialling home welcome packs with wildflower seeds, bug hotels and other nature friendly products. We distributed 2,195 in 2022.	◎
Update our Placemaking Guide and Guide to Design and Access Statement to reflect the latest Government guidance and best practice	We are reviewing our current Guide and expect to update it in 2023.	⊖
Update our Green Infrastructure Guide and issue new guidance on biodiversity net gain and layout, and using street trees in our developments	We are reviewing our current guide and awaiting further guidance on Biodiversity Net Gain requirements before updating it.	◎
Conduct a review of our land use efficiency and develop typologies that maximise opportunities for compact development	Our new standard house types will allow us to achieve greater land use efficiency.	◎
Develop our technical specification for zero carbon ready homes during 2022 and 2023	We developed our technical specification for compliance with the new Parts L&F requirements and launched plot trials for compliance with the FHS zero carbon ready homes.	◎

Land, planning and community engagement

Targets	Progress	Status
Update our policies and processes to reflect the risks and opportunities from a changing climate in 2022	We conducted scenario analysis in 2022 and are using the results to inform our Transition Plan and risk management processes. We will publish an updated Environment Policy in 2023 and further embed climate risks into our environmental management system.	◎
Establish our Engagement Academy to support land and planning teams to utilise best practice in online and in-person community engagement	We rolled-out our new Engagement Academy in early 2023 for our land and planning and technical teams. This included an online module for all land and planning teams, followed by a one-day in-person training session for around 125 colleagues who are involved in setting up or attending public engagement events.	✓

Customer service and quality

Targets	Progress	Status
Achieve a CQR score of at least 4.1 in each of our regional businesses and at least 75% of build stages to score 4 or above in all regional businesses	In 2022, our average score was 4.81 (2021: 4.67) compared to an industry benchmark group average of 4.6 (2021: 4.43).	✓
Resolve at least 70% of customer issues within 28 days	In 2022, we achieved 58% (2021: 53%). Although we are making progress, we are still short of our target and are seeking to improve this.	⊖
Resolve all complaints or have agreed an action plan within 8 weeks	We achieved this for 70% of complaints in 2022 (2021: 76%).	⊖
Maintain a recommend score of at least 90% in the HBF 8-week survey, which equates to a five-star rating	In 2022, 90% of customers in the 8-week survey would recommend us to a friend (2021: 92%). This means we achieved our target to maintain a five-star rating.	✓
Improve our 9-month customer satisfaction survey score	Our score for 2022 was 78% (2021: 79%).	⊖

Health, safety and wellbeing

Targets	Progress	Status
Maintain or lower our Annual Injury Incident Rate (AIIR), compared with 2021	Our AIIR decreased to 166 in 2022 (2021: 214) and remains well below the HBF industry average of 239.	✓
Regional businesses to conduct monthly audits of Construction Design and Management and Environmental Management Systems and report results to the GMT	Audits have started and will continue in 2023.	⟲
Run three HSE awareness campaigns during 2022 covering traffic management, preventing falls from height and preventing dermatitis	We ran awareness campaigns on traffic management and preventing falls from height. We held a toolbox talk on preventing dermatitis and produced a poster for use on our sites.	✓

Environment

Targets	Progress	Status
Achieve our science-based carbon reduction target: reduce operational carbon emissions intensity by 36% by 2025; reduce carbon emissions intensity from our supply chain and customer homes by 24% by 2030	Our operational emissions intensity (Scopes 1 and 2), has decreased by 15% against our 2019 baseline with absolute operational emissions falling by 26% over the same period.	⟲
Increase natural habitats by 10% on new sites from 2023 and include our priority wildlife enhancements from 2021	Some of our sites are already integrating a biodiversity net gain approach and this will be rolled out to all new sites in England and Wales from late 2023. We are now integrating hedgehog highways and bug hotels on new sites. We have prepared guidance on bat boxes and bird boxes for launch in 2023.	⟲
Cut our waste intensity by 15% by 2025 and use more recycled materials. By 2022, publish a 'Towards Zero Waste' strategy for our sites	We have reduced waste intensity by 12% against our 2019 baseline, on track to meet our target of 15% reduction by 2025. We have developed our Towards Zero Waste Strategy and Action Plan and have published more details in our Sustainability Supplement. This includes a plan for capturing data on use of recycled materials.	✓

Responsible sourcing

Targets	Progress	Status
Set improvement targets in relation to embodied carbon and waste for key supplier categories	We deepened our understanding of embodied carbon and waste impacts in our supply chain during 2022. We will be using what we have learnt to identify higher impact categories and suppliers and to establish improvement targets.	⟲

People and skills

Targets	Progress	Status
Benchmark our policies and practices against the Stonewall Diversity Benchmark	We completed the benchmark and are reviewing the findings.	✓
Extend our respectful workplace training to site management teams in nine more regional businesses to ensure every site provides an inclusive work environment	We have now rolled-out our training to 13 of our regional businesses.	✓
Review and update our Paternity Policy	We expect to review the policy in the near future.	⊖

Charitable giving

Targets	Progress	Status
Support St Mungo's to establish a new skills training hub	The new skills training hub opened at St Mungo's new Recovery Centre in Leicester.	✓
Review how we can increase the impact of our 'Community Chest' giving at our development sites	We are in the process of reviewing how we make charity donations at site level to ensure consistency across our developments.	⟲

We do not set targets for governance and management. Read more about our approach in our Sustainability Supplement and ESG Addendum.

Read more about stakeholder engagement and climate change on page 58 to 59

Stakeholder engagement and priorities

We believe that by engaging regularly with all of our stakeholders and responding to feedback we support the long term sustainability of our business.

Our customers

Customer engagement is vitally important for ensuring we are providing the products and services they expect; we engage with them using many different channels.

How we engage

- We engage directly with customers at our developments, over the phone, via our customer portal (Touchpoint), through emails, letters and meetings and through social media.
- We monitor customer views through focus groups, satisfaction surveys, Trustpilot reviews and post-occupancy research.
- Our website is updated with relevant information.
- Our customer Hub receives all initial customer calls.

Key challenges

- Increasing customer satisfaction.
- Aligning our processes to customer expectations.

Read more about our customers in our Operational review on page 49

Our employees

Engaging with our employees, hearing their feedback and responding to it is essential for ensuring our employees feel valued, supported and have a voice.

How we engage

- We engage with our employees and gather feedback through meetings, appraisals, employee surveys, our intranet site, our internal magazine and newsletter, Company-wide emails, our National Employee Forum, Local Employee Forums and National Young Persons Forum.
- Our Chief Executive regularly holds open calls accessible to all employees to discuss any pertinent issues and invites questions on and in advance of the calls.
- We encourage employees to share feedback and this can be sent to the Chief Executive via email, members of the Group Management Team and regional business Managing Directors.
- We have a system of employee networks sponsored by senior management, to support employees and actively promote diversity.
- A member of the Board is an Employee Champion. They attend National Employee Forum meetings and meet with small groups of employees in a more informal setting to gather feedback. They are responsible for championing the employee voice in the boardroom and strengthening the link between the Board and employees.
- We engage with employees on the financial performance of the Company via employee emails following the release of the Company's trading updates, full year and half year results.

Key challenges

- Attracting and retaining the best people in the industry.
- Driving high engagement with site-based employees.

Read more about our employees in our Operational review on pages 49 to 51
Read more about our diversity disclosure on page 50

Key to strategic cornerstones

- L Land
- O Operational excellence
- S Sustainability
- C Capital allocation

Engagement performance metrics and highlights in 2022

- In 2022, 90% of customers in the 8-week survey would recommend us to a friend (2021: 92%). This means we met our target to maintain a five-star rating. However, we are focused on improving this further, consistently across all our regional businesses.
- Our 9-month satisfaction scores give us insight into how customers feel about the homes and places we build over the longer term. Our score for 2022 was 78% (2021: 79%).
- We have prioritised supporting our customers during the changing market conditions and focused on understanding their needs.
- We signed up to the New Homes Quality Code in November 2022 and aligned our processes to its requirements. These include enabling customers to complete a pre-completion inspection and providing a statement of any incomplete works at move-in as well as details about service charges and likely maintenance costs for their new home.

Priorities for 2023

- Continue to learn and evolve our service offering in response to feedback from the New Homes Ombudsman.
- Focus on the quality of the service we provide both before and after completion, the standard of finish of completed homes and our speed at resolving customers' settling in defects.
- Continue to work on implementing our Environment Strategy and developing even more energy-efficient homes.

Material issues

- Sustainable homes and communities
- Environment
- Health, safety and wellbeing
- Customer service and quality
- Land, planning and community engagement

Relevant KPIs

- Customer satisfaction 8-week score 'Would you recommend?'
- Customer satisfaction 9-month score 'Would you recommend?'
- Construction Quality Review
- Average reportable items per inspection

Strategic cornerstones

L O S

Engagement performance metrics and highlights in 2022

- Health and safety is our number one priority. In 2022 our AIIR for reportable injuries per 100,000 employees and contractors was 166 (2021: 214).
- Continue to benefit from a talented and engaged workforce, as reflected in our 2022 employee survey with an overall employee engagement score of 93%, with a 54% response rate.
- Our voluntary employee turnover rate was 17.7% (2021: 19.0%).
- In the NHBC Pride in the Job Awards, achieved a total of 62 Quality Awards (2021: 72), 15 Seal of Excellence Awards (2021: 25) and three Regional Awards in 2022 (2021: three).
- During 2022, our Future Skills Group has been exploring the skills profile our business will need over the medium to long term, as well as developing a demographic profile for our key trades to identify any potential gaps in the skills available to meet our strategic objectives.
- As at 31 December 2022, we had a gender mix of 67% male (2021: 68%) and 33% female (2021: 32%) across the Company. Our GMT was 38% female (2021: 36%) and we also had 44% women on our Board of Directors (2021: 50%).

Priorities for 2023

- Continue to work to improve health and safety scores even further.
- Publish our Diversity Report including clear goals to help accelerate measurable change and to drive accountability.
- Move from a bi-annual all employee engagement survey to an annual survey.
- Continue to offer a number of engagement and communication channels including direct access to senior management.

Material issues

- People and skills
- Customer service and quality
- Health, safety and wellbeing

Relevant KPIs

- Health and Safety Injury Incidence Rate
- Employee engagement

Strategic cornerstones

O S

Our partners

Homebuilding is far reaching and as a result we collaborate with a wide range of partners; each partnership is very important to us.

How we engage

- We engage with our subcontractors and suppliers on a wide range of matters and initiatives through meetings, workshops, working groups, engagement sessions and our membership of the Supply Chain Sustainability School (SCSS).
- Our engagement with our local and national charity partners is overseen by our Charity Committee.
- We engage with local authorities, parish councils, Homes England, the Greater London Authority, the Department for Levelling Up, Housing and Communities and other public sector organisations to understand their priorities and share our views. We engage directly and through our membership of industry organisations such as the HBF and the British Property Federation.
- We aim to work constructively with planning authorities to agree the details of our planning obligations for each development, including affordable housing, local infrastructure, and facilities.

Key challenges

- Understanding and highlighting risk across whole supply chain.

Read more about our partners in our Operational review on pages 47 and 51

Our investors

Engaging with our investors at regular intervals ensures they are well informed of our progress in the year and allows them to share any feedback.

How we engage

- We engage with investors throughout the year through results presentations, meetings, roadshows, conferences, telephone and video calls.
- We engage via our regulatory reporting including the Annual Report and Accounts, our full year results, half year results, trading updates and our Annual General Meeting.
- When possible, we conduct visits to our sites and we participate in benchmarks and disclosure initiatives.

Key challenges

- Ensuring investors understand our business model, strategy and key differentiators.

Our communities

We engage with both new and existing communities throughout the entire lifecycle of the development to share the positive contribution we can make.

How we engage

- We engage with local communities at every development, from planning and throughout construction, including through meetings, exhibitions, workshops, newsletters, information boards, social media and our website.
- We collaborate with non-governmental organisations (NGOs), academia and expert organisations to learn from their insights.
- Our Community Communications Plan guides teams on actions they can take throughout the development process to help foster a sense of community among new residents.
- We use the results of our community engagement to help us develop planning proposals that are financially viable and meet local needs.
- Our placemaking standards, training and design reviews are in place to support our teams to plan, design and deliver schemes that create successful and sustainable new communities.

Key challenges

- Helping communities to become established quickly.
- Ensuring communities understand the positive contribution that development can bring to their area.

Read more about our communities in our Operational review on pages 51

Key to strategic cornerstones

- L Land
- O Operational excellence
- S Sustainability
- C Capital allocation

Engagement performance metrics and highlights in 2022

- Continued our partnership with our national charities as well as local charity partners across the UK including the Youth Adventure Trust, End Youth Homelessness, Crisis, CRASH and St Mungo's. In total, during 2022, we donated and fundraised c.£1 million for registered charities (2021: c.£1 million). In addition, we contributed and fundraised over £196k to local organisations, such as scout groups, local football teams and various community causes (2021: £104k).
- In 2022, we developed a more accurate methodology for measuring Scope 3 Supply Chain Emissions.

Priorities for 2023

- Work with our suppliers to support our Net Zero Transition Plan.
- Engaging with suppliers through the Supply Chain Sustainability School and initiatives such as the Future Homes Hub.
- Continue to engage with industry, water authorities and central and local government on the issue of Nutrient Neutrality.
- Continue to engage with Government on a range of business, planning and sustainability issues.
- Extend our partnership with Magic Breakfast to support schools within the areas we operate.

Material issues

- Governance and management
- Environment
- Responsible sourcing
- Health, safety and wellbeing
- Sustainable homes and communities
- Land, planning and community engagement

Relevant KPIs

- Health and Safety Injury Incidence Rate
- Reduction in operational carbon emissions intensity

Strategic cornerstones

L O S

Engagement performance metrics and highlights in 2022

- Continued to hold ad hoc meetings with investors throughout the year.
- Held results presentations that were recorded and made available on our website.
- Held an Investor and Analyst Update on 25 May 2022 setting out a clear strategy to build a stronger and more resilient business and deliver superior returns, by focusing on four strategic cornerstones: land, operational excellence, sustainability and capital allocation.
- Held investor roadshows which included both face-to-face meetings and virtual meetings.

Priorities for 2023

- Continue to demonstrate best in class disclosure.
- Conduct visits of our Future Homes Standard trial homes.
- Continue to engage regularly through investor roadshows and meetings.
- Continue to participate in benchmarks, including on our ESG performance.

Material issues

- Environment
- Customer service and quality
- People and skills
- Health, safety and wellbeing
- Sustainable homes and communities
- Governance and management

Relevant KPIs

- Land cost as % of average selling price on approvals
- Landbank years
- % of completions from strategically sourced land
- Customer satisfaction 8-week score 'Would you recommend?'
- Customer satisfaction 9-month score 'Would you recommend?'
- Employee engagement
- Construction Quality Review
- Average reportable items per inspection
- Reduction in operational carbon emissions intensity

Strategic cornerstones

L O S C

Engagement performance metrics and highlights in 2022

- Contributed £455 million to local communities in which we build across the UK via planning obligations (2021: £418 million). This funded a range of infrastructure and facilities including affordable housing, green space, community, commercial and leisure facilities, transport infrastructure, heritage buildings and public art. We aim to install infrastructure at an early stage of the build process to enhance our schemes and help the new community become established quickly.
- We also invest in public and community transport, walkways and cycle paths. In 2022, 67% of our UK completions were within 500 metres of a public transport node and 90% were within 1,000 metres.
- In early 2023 we rolled-out our Engagement Academy to give land and planning and technical teams the skills, knowledge and confidence to run best practice engagement processes.

Priorities for 2023

- Remain focused on strong placemaking.
- Continue to engage with local communities and organisations.
- Continue to foster a sense of community among new residents using our Community Communications Plan.

Material issues

- Governance and management
- Environment
- Responsible sourcing
- Health, safety and wellbeing
- Sustainable homes and communities
- Land, planning and community engagement

Relevant KPIs

- Customer satisfaction 8-week score 'Would you recommend?'
- Customer satisfaction 9-month score 'Would you recommend?'
- Reduction in operational carbon emissions intensity

Strategic cornerstones

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Section 172 (1) statement

How the Board considered stakeholders during the year

Setting our culture, values and strategy

The Board sets our strategic direction, culture and values; and these are key to how we do business and how we achieve our purpose.

Diverse set of skills, knowledge and experience

The Directors collectively have a diverse set of skills, knowledge, experience and stakeholder expertise which assists the Board in making decisions. This contributes to their ability to make well informed decisions which promote our long term sustainable success for all stakeholders.

As part of a Director's induction, they receive a detailed briefing on their duties as a Director.

Board information

The Board receives detailed papers from Management which provide details on the likely long term impact of a decision and how stakeholders have been considered in the development of the proposal, including any relevant engagement.

The Board also has an annual schedule of 'teach-ins' where the Heads of Functions deliver updates on key activities during the year which feeds into the decision making process.

Board discussion and decision

As part of its discussion, the Board provides rigorous evaluation, risk management and challenge to ensure a decision promotes long term sustainable success. The Board uses the stakeholder engagement summarised on pages 40 to 43 to inform their decision making process.

Monitoring

The Board receives regular updates on key decisions and the actions taken in respect of them.

This is done through regular reports submitted by Management to each Board meeting and verbal updates as necessary.

Section 172 (1) Statement

Our Directors are bound by their duties under the Companies Act 2006 (the Act) to promote the success of the Company for the benefit of our shareholders as a whole, having regard to our other key stakeholders.

We believe that in order to progress our strategy and achieve long term sustainable success, the Board must consider all stakeholders relevant to a decision and satisfy themselves that any decision upholds our culture of 'doing the right thing'.

Our values, as set out on page 20, are key to how we do business and are closely aligned to the matters the Directors must consider as part of their Section 172 duties.

The Board recognises that stakeholder engagement is essential to understand what matters most to our stakeholders and the likely impact of any key decisions. We have a long history of engaging with all of our stakeholders and the Board continues to highly value the feedback that this engagement provides. Details of how we engaged with our different groups of stakeholders during 2022 and how this informed what the Board considers matters to them most can be found on pages 40 to 43.

The Board receives an update from the Executive Directors at each Board meeting which details any substantial engagement since the last meeting. In addition, there are standing agenda items at each meeting to ensure that the Board receive relevant updates on all of our key stakeholders; such as the regular reports from Customer Service, HR, Investor Relations and the Divisional Chairs. The Board has an annual schedule of 'teach-in' sessions with our key Heads of Function (such as Sales and Marketing, Land and Planning, Customer Service, Investor Relations, Sustainability and Supply Chain) where they will receive in-depth updates about each group of stakeholders. In addition, the Board regularly engages directly with our investors and employees, and further information around the direct engagement that took place in 2022 can be found on pages 103 and 104.

The Board is aware that in some situations, stakeholders' interests will be conflicted and they may have to prioritise interests. The Board, led by the Chair, ensures that as part of its decision making process, the Directors assess the impact of the decision on our stakeholders and the likely consequences of any decision in the long term. The diagram to the left shows how the Board approaches its decision making.

On the next page, we have set out examples of key decisions made by the Board and provided further details about the decision making process.

Further information on the Board's activities during 2022 can be found on pages 98 to 99

Chair succession

Following Irene Dorner's decision to step down as Chair due to personal family reasons, Robert Noel was announced as our next Chair in December 2022.

Criteria considered

A, B, C, D, E, F

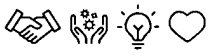
Relevant stakeholders

- Customers
- Employees
- Investors
- Communities
- Partners

Decision making process

- The Chair is responsible for leading the Board and ensuring its overall effectiveness in directing the Company.
- Following Irene Dorner's decision to step down as the Chair for personal family reasons, the Nomination and Governance Committee led the search for our new Chair, supported by a well-reputed executive search firm in order to assess both internal and external candidates.
- Early on in the search process our Senior Independent Director indicated that he wished to be considered for the role, therefore Jitesh Gadhia led the Committee in its search.
- The key selection criteria included in the role profile developed by the Committee was to identify an individual who is a former commercial business leader with broad industrial and customer-facing experience in a cyclical industry. In addition, the individual would have a strong franchise amongst key stakeholders.
- Following a thorough recruitment and selection process which considered both internal and external candidates, the Board was delighted to announce that Rob would succeed Irene as Chair.
- Rob is considered the ideal candidate to promote the long term success of the Company for the benefit of all our stakeholders as he is well-respected by stakeholders, has a long track record in the property sector and will provide excellent commercial experience and continuity of leadership as we face a changing market environment.
- Further information can be found on page 108.

Our values



Net Zero Transition Plan

The Board reviewed and approved our Net Zero Transition plan which will support the UK's commitment to reach net zero carbon by 2050.

Criteria considered

A, B, C, D, E, F

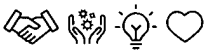
Relevant stakeholders

- Customers
- Employees
- Investors
- Communities
- Partners

Decision making process

- As a business, we want to play our part in creating a sustainable future for everyone and to support the UK's commitment to reach net zero carbon by 2050.
- During the year the Board received regular updates on the work undertaken to develop our Net Zero Transition Plan (the Plan), including information on the comprehensive engagement that had taken place with external and internal stakeholders and the modelling of the costs and investment required to reach our targets.
- In December 2022 the Board reviewed and approved the Plan, which sets out how we will develop our strategy to decarbonise our business, including value chain, by 2045.
- The Board is confident that the Plan, and the challenging targets contained within it, will positively impact all of our stakeholder groups, particularly the local environment and communities in which we build.
- The Board believes that the Plan will enable our customers to lead greener and more sustainable lives.
- Like many of our stakeholders, our employees want to work for a business which takes its environmental responsibilities seriously.
- Environmental factors have become increasingly more material issues for investors when making investment decisions.
- The Board recognises that our partners will be required to play their part in us achieving our target, and the target will allow time for the business and supply chain to adapt.
- Further information can be found on pages 54 to 57.

Our values



Share buyback programme

The Board approved the implementation of a share buyback programme to return £150 million in excess cash to shareholders in 2022.

Criteria considered

A, B, E, F

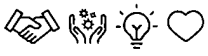
Relevant stakeholders

- Employees
- Investors

Decision making process

- We are committed to our strategy of actively managing the housing market cycle, in particular with respect to the Group's capital structure.
- Our approach to managing capital during the housing market cycle is intended to balance the capital requirements of the business and returning excess capital to shareholders, whilst at all times maintaining balance sheet strength and flexibility.
- We continue to believe that our Dividend Policy should comprise an ordinary dividend to be paid throughout all stages of the housing cycle and additional significant surplus cash returns to be made at appropriate times in the cycle.
- In March 2022, the Board approved the implementation of a share buyback programme to return up to £150 million of excess cash in 2022.
- When considering whether to approve the distribution, the Board took into account stakeholders' needs and all relevant circumstances, including the capital requirements of the business to support stakeholder initiatives.
- The Board considered that the share buyback would benefit shareholders specifically through the opportunity for increased future dividends per share on the remaining shares and will also result in an increase in earnings per share.
- Feedback from large shareholders was positive, however some smaller retail shareholders expressed the desire for future excess capital returns to be made by way of a special dividend.
- The Board was also aware that many of our employees are shareholders in the business and would also benefit from the opportunity for future dividends.
- The Board will keep the mechanism of how excess cash is returned to shareholders in the future under review.

Our values



Key to decision criteria

A: The likely consequences of any decision in the long term

B: The interests of our employees

C: The need to foster our business relationships with suppliers, customers and others

D: The impact of our operations on the community and the environment

E: The desirability of maintaining a reputation for high standards of business conduct

F: The need to act fairly as between members

Key to our values

- Respectful and fair
- Take responsibility
- Better tomorrow
- Be proud

Operational review

In a year marked by two distinct halves, Taylor Wimpey demonstrated that it is a strong and agile business as we acted quickly and decisively to address rapidly changing market conditions in the second half of the year and we continued to actively maximise efficiency.

This section outlines our performance and key activities in relation to:

- **Operational performance**
- **Customers and employees**
- **Sustainable building**
- **Climate and environment**

Construction Quality Review average score (out of 6)

4.81

(2021: 4.67)

Group operating profit margin*

20.9%

(2021: 19.3%)

Reduction in operational carbon emissions intensity since 2019

15%

(2021: 13%)

Operational performance

Our Operational review focuses on the UK (unless stated otherwise) as the majority of metrics are not comparable in our Spanish business. There is a short summary of the Spanish business in the Group financial review on page 81. Joint ventures are excluded from the Operational review, unless stated otherwise.

2022 sales, completions and pricing

Total Group completions (including joint ventures) were 14,154 (2021: 14,302). UK home completions (including joint ventures) were 13,773 (2021: 14,087), which included 2,920 affordable homes (2021: 2,501) equating to 21% of total completions (2021: 18%). Our net private reservation rate for 2022 was 0.68 homes per outlet per week (2021: 0.91). The cancellation rate for the full year was 18% (2021: 14%).

UK average selling prices on private completions increased by 6% to £352k (2021: £332k) with the overall average selling price increasing by 4% to £313k (2021: £300k).

We estimate that market-led house price growth for our regional mix was c.8% for completions in the 12 months to 31 December 2022 (2021: c.4%).

During 2022, approximately 12% of total sales used the Help to Buy scheme (2021: 19%) at an average price of £319k (2021: £283k).

Help to buy closed for applications in England in the period, however in Wales the scheme will be extended up to March 2025, with a new price cap of £300k from April 2023.

We ended the year with an order book valued at £1,941 million (31 December 2021: £2,550 million), excluding joint ventures, which represents 7,499 homes (31 December 2021: 10,009 homes). In the UK, we traded from an average of 232 outlets in 2022 (2021: 225). As guided, we increased our total number of outlets to end the year with 259 (31 December 2021: 228).

Underlying build cost inflation in 2022 was c.8% (2021: c.4%). At the start of 2023 prevailing build cost inflation is running at around 9-10%.

Land

Land prices have not yet moved to reflect current market conditions. We benefit from a high-quality land position of c.83k plots as at 31 December 2022 (31 December 2021: c.85k) located in quality and resilient locations and a strategic pipeline of c.144k potential plots (31 December 2021: c.145k). Therefore, we can continue to be highly selective in our landbuying.

As a result of our highly selective landbuying in the second half of the year, 2022 approvals were c.7k plots, in line with the half year 2022 position as we reduced our land commitments in light of market conditions.

A total of 50% of our short term landbank has been strategically sourced (2021: 49%). During 2022 we acquired 7,716 plots (2021: 14,450). As at 31 December 2022, we were building on or are due to start in the first quarter of 2023 on 98% of sites with implementable planning.

The average cost of land as a proportion of average selling price within the short term owned landbank remains low at 14.0% (2021: 14.6%). The average selling price in the short term owned landbank in 2022 increased by 6.6% to £322k (2021: £302k).

During 2022, we added a net c.3k new potential plots to the strategic pipeline (2021: c.14k) and we converted a further c.4k plots from the strategic pipeline to the short term landbank (2021: c.8k plots).

Our focus is on progressing planning in our short term landbank to open new outlets and securing delivery from our strategic land pipeline, transferring assets to the operational business.

Given the difficult planning backdrop, we are pleased to have delivered our planned increase in outlet numbers following the accelerated landbuying of prior years, which gives us flexibility and choices that will be of significant value. We have aligned our build schedules to reflect the lower anticipated sales rates in the near term. Our teams are aligned and engaged in adapting to the changing market and we have trained our Sales Executives to operate in a tougher selling environment.

In the year, 52% of our completions were sourced from the strategic pipeline (2021: 50%). Despite continuing delays in plan-making across the country, our high-quality strategic land pipeline remains a key strength both as an important input to the short term landbank and in providing an enhanced supply of land with greater control over the planning permissions we receive. However, we expect the pace of strategic land conversions to be impacted by the current planning backdrop.

Central and local government

We engage with local authorities, parish councils, Homes England, the Greater London Authority (GLA), the Department for Levelling Up, Housing and Communities (DLUHC) and other public sector organisations to understand their priorities and share our views.

We aim to work constructively with planning authorities to agree the details of our planning obligations for each development, including affordable housing, local infrastructure, and facilities. We use the results of our community engagement to help us develop planning proposals that are financially viable and meet local needs. Each planning application integrates a clear development plan, enabling planning authorities to monitor progress.

The planning environment continues to be challenging with delays and resource pressures impacting housing land supply. Proposed amendments to the National Planning Policy Framework announced by the Government in December 2022 include positive measures to support improved quality of design and placemaking.

However, other changes including amendments to the approach to housing numbers locally, a relaxation of the soundness test for plan-making and the removal of the need for planning authorities to maintain a five-year supply of deliverable housing sites could result in further delays and a shortfall in the supply of sites.

In addition, the transitional arrangements proposed are likely to result in a meaningful hiatus in plan-making which is likely to further constrain the availability of land for housing. We welcome proposed amendments to the Levelling Up and Regeneration Bill to help address Nutrient Neutrality constraints that affect more than 74 local authorities in England.

We anticipate that the planning environment will remain difficult for the foreseeable future with a shortage of resources and delays in both the strategic and development management areas of the planning system. Proposed changes to the National Planning Policy Framework announced by the Government in December 2022 are likely to lead to a reduced land supply and less homebuilding in future years. Our strong landbank and pipeline of sites already in planning is a key competitive advantage in this challenging planning environment.

We are engaging with industry, water authorities and central and local government on the issue of Nutrient Neutrality. We have established our internal Nutrient Working Group to help our regional businesses develop effective responses to this issue.

With the introduction of Biodiversity Net Gain requirements in England later this year, we have published guidance and run training sessions for our regional businesses and land teams to support them to manage the risks, costs and opportunities associated with net gain. An internal working group with representatives from strategic land, planning, sustainability and technical functions is helping to guide our approach and we are collaborating with others in the sector through the Future Homes Hub.

Build quality

Since the introduction of the measure we have led the volume housebuilders in build quality as measured by the NHBC CQR, which measures build quality at key build stages. In 2022, we scored an average of 4.81 (2021: 4.67) from a possible score of six, once again the highest score for a volume housebuilder. This compares with an industry benchmark group average score of 4.6.

We aim to improve this further by ensuring our quality assurance processes are embedded at every stage of the build. We invest in training and process improvements to ensure consistently high standards and we prevent quality issues through inspections throughout the build process.

We set a quality improvement plan for any sites not reaching our quality targets and work with commercial, technical and production teams to implement the actions. To drive continual improvement we regularly raise the minimum threshold at which an improvement plan is required. Progress on each plan is reviewed monthly by our GMT.

Quality is incentivised from the top of the organisation with a proportion of our Executive Incentive Scheme linked to customer service and build quality, and this is also one of our Principal Risks. We also integrate customer service and quality into our all employee bonus scheme.

A robust onboarding process for new products

Our Procurement, Technical and R&D functions have been assessing the wider market place, specific technologies and suppliers, which includes gaining a detailed understanding of potential suppliers' approaches to ramping up production to meet future volumes as well as understanding warranty provisions and preventative care regimes of some of the more fledgling technologies.

Taylor Wimpey Logistics (TWL)

TWL provides value added services to our regional businesses, by primarily providing pre-kitted build packs of products when they are needed at each build stage of production on site.

This aids production, improves speed of build and significantly reduces site traffic.

Over the last 20 years, the TWL business has grown to become much more than an internal distribution business. In addition to delivery of pre-kitted products to site, it provides services that support our regional businesses including:

- Take off and scheduling services.
- Strategic stock holding with annual pricing to safeguard against fluctuating supplier performance and price volatility.
- Ensuring adherence and alignment to our standardisation/stock keeping unit (SKU) reduction procurement strategy.

Managing supply chain risk

We have worked on improving our supplier risk process for a number of years and as a result our visibility and understanding of our supply chain has increased considerably. This encompasses risks across the whole supply chain, rather than just our first-tier suppliers.

Supplier risk is measured as instability in the supply chain and can cover any number of scenarios such as, global or national shortages of products, supplier insecurity such as financial issues or supplier quality and delivery problems. Our supply chain strategy is to understand the risks at the various stages of the supply chain and put in place accordant strategies.

This work has resulted in a change to a number of our supply chain routes to improve material availability.

We are also developing our approach to environmental and social risks in our supply chain, integrating disclosure requirements into our tender processes for key group suppliers.

Customers and employees

Our customer proposition is closely tied to our purpose to build great homes and create thriving communities. In a more challenging market, understanding our customer is more important than ever.

We track customer satisfaction using the Home Builders Federation (HBF) 8-week and 9-month survey results.

In 2022, 90% of customers in the 8-week survey would recommend us to a friend (2021: 92%). This means we met our target to maintain a five-star rating. We recognise that our score was slightly lower than last year, and customer service will continue to be an area of focus for our teams.

We believe that a wider range of customer care and quality measures are necessary to ensure we are delivering for our customers. Our 9-month satisfaction scores give us insight into how customers feel about the homes and places we build over the longer term. Our score for 2022 was 78% (2021: 79%).

Construction Quality Review scores (out of 6)

We encourage customers to leave reviews on Trustpilot. At the end of 2022, with 7,669 reviews, we had a 4 out of 5 star rating (end of 2021: 4 out of 5) with a trust score of 3.9 out of 5 (2021: 3.9 out of 5).

We have stepped up our sales training and increased our marketing spend in light of the weaker demand environment. This includes targeted and personalised incentives for our customers such as help with deposit or energy bills and more normal option upgrades.

Our Dynamics customer relationship management system is fully integrated into our business, allowing us more data insights than ever to better support and align to the needs of our customers. The improved data capture is giving us increased insight allowing us to better target our marketing and have more informed conversations with our customers.

A typical Taylor Wimpey customer will visit our website a number of times and is likely to visit the sales centre several times before reserving a property.

We estimate that in 2022, our first time buyers had an average joint income of c.£66k and second time buyers of c.£89k. We also estimate, average loan to value for first time buyers was c.78% without Help to Buy and c.68% for second time buyers and the majority of our customers were choosing five-year fixed mortgage products in 2022.

New Homes Ombudsman

We signed up to the New Homes Quality Code in November 2022 and aligned our processes to its requirements. These include enabling customers to complete a pre-completion inspection and providing a statement of any incomplete works at move-in as well as details about service charges and likely maintenance costs for their new home.

Health and safety

Health and safety is the number one priority at Taylor Wimpey and we will never compromise on this commitment to our people and everyone who works on and visits a Taylor Wimpey site. We embed a safety culture through training, awareness and visible health and safety leadership and we work closely with our subcontractors on this.

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 166 in 2022 (2021: 214), remaining well below both the HBF Home Builder Average AIIR of 239 and the Health and Safety Executive construction industry average AIIR of 333. However, we will continue to seek to improve this. Around 31% of accidents are slips, trips and falls. Our AIIR for major injuries per 100,000 employees and contractors was 68 in 2022 (2021: 73).

To support further engagement on safety, in 2022, we rolled-out a digital 'safety observation' system which our senior leaders and managers are using when visiting our sites to recognise good safety behaviour as well as to identify areas that may need improvement.

Culture and people

We have a very strong culture at Taylor Wimpey at every level of the business, with the core principle to 'do the right thing'. We continue to benefit from a talented and engaged workforce, as reflected in our 2022 employee survey with an overall employee engagement score of over 93% (2021:91%), with a 54% response rate. Our voluntary employee turnover rate was 17.7% (2021: 19.0%).

We are pleased to report that Taylor Wimpey was once again recognised in the NHBC Pride in the Job Awards, achieving a total of 62 Quality Awards (2021: 72), 15 Seal of Excellence Awards (2021: 25) and three Regional Awards in 2022 (2021: three).

During 2022, we directly employed, on average, 5,140 people across the UK (2021: 5,271) and provided opportunities for on average a further 11.1k operatives (2021: 11.1k) on our sites.

We are proud that in 2022, 62 of our Site Managers won NHBC 'Pride in the Job' Quality Awards

Consultation process

As announced in our January 2023 trading update, we entered into consultation on a series of business changes to optimise our performance and in response to market conditions, targeting annualised savings of around £20 million, with an anticipated cost to achieve these of c.£8 million.

The consultation process across the regional businesses have now either closed or are anticipated to conclude in the near future. This process has unfortunately resulted in some redundancies and where this has been the outcome, we have put additional support in place for the individuals concerned and the wider teams.

This has also resulted in changes to our business structure, with the closure of our Oxfordshire business and the migration of land and outlets to neighbouring businesses. The proposed changes will not affect our existing market coverage or ability to deliver volumes from our landbank, nor our ability to deliver high-quality product and service to our customers.

Skills

Building the skills of our current and future workforce is essential to address current and potential future skills gaps in our industry and subcontractor base. We are working closely with subcontractors, suppliers, peer companies, industry associations and educational organisations to identify and address skills gaps and upskill our workforce.

During 2022, our Future Skills Group has been exploring the skills profile our business will need over the medium to long term, as well as developing a demographic profile for our key trades to identify any potential gaps in the skills available to meet our strategic objectives.

We offer a range of entry-level roles such as apprenticeships, traineeships and graduate programmes to encourage people into our business, with these positions making up c.9% of our workforce (2021: 9%). We support our regional businesses to develop local links with colleges, universities and schools and encourage a diverse range of candidates to consider careers in housebuilding. We currently directly employ 675 key trades including apprentices (2021: 743).

Our technical academies cover production, sales and customer service, providing structured career and skills development, which often enable employees to gain a formal qualification. We also run online masterclass sessions for employees to hear from internal and external experts.

Equality, diversity and inclusion (ED&I)

Equality, diversity and inclusion (ED&I) continues to be a focus for Taylor Wimpey and we made tangible progress with our Equality, Diversity and Inclusion Strategy in 2022. We recognise we have further to go and in 2023 will be publishing the Company's first Diversity Report, ahead of regulation.

Our aim is to create a workplace where colleagues feel championed and supported regardless of their background and identity. By truly embracing our colleagues' diverse perspectives we can deepen our understanding of our customers and stakeholders, enhance innovation and creative thinking and continue to drive the business forward and achieve success.

We have established support structures such as our system of employee networks sponsored by senior management, to support employees and actively promote diversity. We have made changes to our recruitment processes and are training our managers to be aware of issues such as cultural bias, inclusive leadership and creating a respectful workplace.

However, although good progress has been made, we and the housebuilding industry, can and need to do more. We have set ourselves a number of stretching diversity targets, which are focused on increasing our female and ethnic representation at various levels of the business, and which build on our important early entry programmes. These will help accelerate measurable change and drive accountability, and will be included in our Diversity Report.

Our workforce is not yet reflective of the UK's ethnic diversity with 5% of our employees from a Black, Asian or other minority ethnic background (2021: 5%) and 2% at regional business management level. Progress has been made at entry level, with 21% of new management trainees and 20% of our graduate recruits in 2022 from a Black, Asian or other minority ethnic background. Our Equality, Diversity, and Inclusion strategy focuses on three key areas:

- 21st Century Leadership: Ensuring that our line managers understand their role and responsibility in developing a more diverse and inclusive culture. This year our approach included inclusive leadership coaching for Managing Directors and inclusive hiring training for regional directors and managers.
- Employer of Choice: Ensuring that our working environment and culture, polices, development and progression opportunities support greater equality, diversity, and inclusivity.
- Expanding our Reach: Continue to develop broader recruitment channels and take positive action to expand the diversity of candidates we attract to the Group.

Gender pay gap

In line with the Gender Pay Gap regulations, we calculated our 2022 gender pay gap based on data at the 'snapshot date' of 5 April 2022 and bonuses paid over the preceding 12 months. The calculations cover all staff employed by Taylor Wimpey UK Ltd plus the Executive Directors employed by Taylor Wimpey plc as at 5 April 2022. Our mean gender pay gap was 2% still in favour of women (5 April 2021: 6% in favour of women), and the median pay gap also remains small at 1% in favour of men (5 April 2021: 5% in favour of women).

As at 31 December 2022, we had a gender mix of 67% male (2021: 68%) and 33% female (2021: 32%) across the Company. Our GMT was 38% female (2021: 36%) and our Board of Directors was 44% female (2021: 50%).

While we are nearing gender balance at Board and GMT level, we have more work to do in our regional business management teams. Women made up 31% of these roles in 2022 (2021: 24%). Our pipeline is strong with females accounting for 64% of graduate recruits (2021: 46%) and 38% of management trainees in 2022 (2021: 34%).

More information on the programmes and our road map to further improvement can be found in our Diversity Report on our website.

Employee engagement

We are proud of how committed our employees are to the long term success of the Company and we seek feedback from and engagement with all employees. This includes regular email updates from the Chief Executive as well as updates from the GMT and other senior management. It is important that management is accessible and visible so in addition to regular visits to the regional businesses we operate a National Employee Forum (NEF) and Local Employee Forums (LEF) in our regional businesses where employee representatives are able to feedback to and ask questions of members of the Board and other senior management directly.

Senior Independent Director and Chair Designate Robert Noel has acted as the Board's Employee Champion over the last year. Read more on pages 97, 102 and 104.

Charity partnerships

We focus on three priorities that are connected to our business: aspiration and education in disadvantaged areas, tackling homelessness and local projects that have a direct link to our regional businesses and developments.

During 2022, we continued our partnership with our national charities as well as local charity partners across the UK including The Youth Adventure Trust, End Youth Homelessness, Crisis, CRASH, and St Mungo's. In total, during 2022, we donated and fundraised c.£1 million for registered charities (2021: c.£1 million). This included supporting St Mungo's Construction Skills

Training Centres to help people recovering from homelessness to gain new skills and find employment in the construction industry.

Our teams across the business also get involved in local life, through activities such as organising competitions with primary schools, supporting local events and sponsoring local sports clubs. In addition, we contributed and fundraised over £196k to local organisations, such as scout groups, local football teams and various community causes (2021: £104k).

Sustainable building

Our purpose is to build great homes and create thriving communities. We will do so sustainably, making sure those communities are themselves sustainable for the future.

Placemaking

Good placemaking ensures our teams plan, design, layout and deliver schemes that become successful and sustainable new communities, where our customers can enjoy a good quality of life.

We have clear placemaking standards based on Building for a Healthy Life and aligned with the National Design Guide and National Model Code. All new schemes are reviewed during design development and then signed off by our Director of Design (a qualified architect and urban designer) before they can proceed to planning application to ensure consistent design quality.

In 2022, we contributed £455 million to local communities in which we build across the UK via planning obligations (2021: £418 million). This funded a range of infrastructure and facilities including affordable housing, green space, community, commercial and leisure facilities, transport infrastructure, heritage buildings and public art. We aim to install infrastructure at an early stage of the build process to enhance our schemes and help the new community become established quickly. We also invest in public and community transport, walkways and cycle paths. In 2022, 67% of our UK completions were within 500 metres of a public transport node and 90% were within 1,000 metres.

Opportunities in green building

Over the next five years there will be significant changes to new build homes in the UK reflecting the UK's climate change targets. Our target is to reduce emissions from customer homes in use by 75% by 2030, and we are testing a range of technologies and enhanced fabric standards to achieve this.

With the phasing in of the new Part L, F and O regulations in England from June 2022, Parts L&F in late summer 2022 for Wales and Section 6 in Scotland from October 2022, our homes will have enhanced fabric standards with additional features that may include wastewater heat recovery systems, triple glazing and PV panels. Collectively, this will achieve a 31% reduction in carbon emissions compared with our previous specification.

We are also preparing for the phase-out of gas central heating systems from 2025 in England and Wales (2024 in Scotland) and, in 2023, will complete five pilot plots to Future Homes Standard (FHS) at our site in Sudbury to better understand the challenges and opportunities presented by the FHS.

We will continue to test and trial sustainable new technologies. Our Head of Research and Technical Innovation coordinates our research efforts and chairs our Functional Interface Group that tests and trials new, innovative and alternative products.

Investing in the long term through expansion of timber frame activities

Timber frame can have a lower carbon footprint than traditional 'brick and block' building techniques due to the materials and use of off site manufacture (OSM) techniques. Other potential benefits include less waste, improved transport efficiency, and more airtight components. We have an internal target to increase our use of timber frame.

We are opening our own timber frame production facility in Peterborough, that will help fulfil our goals to increase timber frame usage on our sites, improve visibility of supply and offer operational and environmental benefits.

We view timber frame as a low risk approach to supporting our environmental aims and our own timber frame factory will support our work to achieve our net zero target. The first delivery from the factory is expected in late 2023. The facility is future proofed to allow for both volume and product expansion.

This is a cost effective solution for establishing internal control and visibility and security of supply and will improve process and logistics efficiencies. This will also slightly reduce our reliance on bricklaying resources and build timeline, with early commencement of all follow-on trades.

Nature and resource efficiency

Integrating green spaces, nature and wildlife into our developments makes them more attractive places to live and can have a positive impact on residents' wellbeing and customer satisfaction.

Our Environment Strategy targets include Biodiversity Net Gain requirements and go beyond regulation to deliver priority wildlife enhancements, including hedgehog highways, bug hotels, bird boxes and wildlife-friendly planting.

In 2022, we worked with Hedgehog Street, a campaign by the British Hedgehog Preservation Society and People's Trust for Endangered Species to integrate hedgehog highways across new sites. We also worked with Buglife – The Invertebrate Conservation Trust to install bee bricks and bug hotels and ensure planting is pollinator-friendly.

Climate and environment

Sustainability goals

We believe that by delivering on our purpose we can contribute to UN Sustainable Development Goal 11: 'making cities and human settlements inclusive, safe, resilient and sustainable'.

Our approach to sustainability encompasses environmental, social, economic and governance aspects including our contributions to, and involvement in, local communities, our focus on customer service and build quality, our commitment to health and safety, our strong culture, as well as how we tackle our environmental footprint and enable customers to live sustainably. We set clear standards on these issues and work closely with our colleagues, subcontractors, suppliers and other partners to deliver on our commitments.

Progressing our Environment Strategy

Our Environment Strategy is our response to the environmental crisis and the physical and transition risks posed by climate change. It sets out how we will play our part in creating a greener, healthier future for our customers, colleagues and communities, with ambitious targets up to 2030 focusing on climate change, increasing nature on our developments, cutting waste and improving resource efficiency.

Climate change and net zero

We are proud to announce that from 2045 Taylor Wimpey will be a net zero business.

Our approach to climate change aims to reduce emissions from our business and value chain, to manage the business risk, and to prepare for the future impacts of climate change on our business, supply chain and customers. We take a science-based approach and aim to continually review and improve performance.

We were one of the first UK homebuilders to set science-based targets across our value chain, including a target for our operational emissions that is consistent with reductions required to keep warming to 1.5°C. We are the only volume homebuilder to hold the Carbon Trust Standard for our approach to carbon management.

In 2022 we went further to develop our short and long term science-based targets, net zero dates and Net Zero Transition Plan committing to reduce our climate footprint ahead of the UK's 2050 target. The two key commitments in our strategy are to achieve:

- Net zero emissions in our operations by 2035 (Scopes 1 and 2)
- Net zero emissions across our value chain by 2045 (Scopes 1, 2 and 3) (comprising at least a 90% reduction and neutralising residual emissions)

Our target was developed with the Carbon Trust in line with the requirements of the SBTi Corporate Net Zero Standard. It has been submitted for validation by the Science Based Targets initiative and we expect to receive this during 2023.

Our Transition Plan comprises a four-stage roadmap detailing the actions we will take to achieve our overall commitment and supporting targets, incorporating both new and existing workstreams such as the construction of low and zero carbon homes, increasing the use of low carbon construction materials including timber frame, transitioning to 100% renewable electricity, reducing or replacing fossil fuels and decarbonising our fleet.

Our net zero target and roadmap will enable us to reduce emissions in line with the 1.5°C ambition of the Paris Agreement. It will support the wider transition to a low carbon economy through the changes we are making to our homes, enabling customers to reduce their emissions, and through our collaboration with suppliers to reduce embodied carbon in the homes and developments we build.

Other actions in 2022 included:

- Reduced operational emissions intensity (scope 1 and 2), by 15% against our 2019 baseline with absolute operational emissions falling by 26% over the same period
- Undertook detailed scenario analysis to inform our Transition Plan which considered our level of exposure to 15 transition risks in a low carbon economy as well as modelling the physical impacts of climate change on our assets and supply chain
- Linked our executive bonus scheme to our emissions reduction target and development of our net zero strategy

Many environmental issues for our sector are systemic. Achieving net zero in housebuilding will require system-level changes and coordinated action by multiple parties, from suppliers to governments, and at all points along the value chain. We work with others to tackle industry-wide challenges directly and through industry organisations, including being active participants in the Future Homes Hub.

We are committed to transparent disclosure of our ESG performance and report against the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We also publish a Sustainability Supplement and ESG Addendum with additional data and performance information, including the Sustainability Accounting Standards Board (SASB) recommended disclosures for our sector, among other standards.

To reduce our operational emissions we purchase 100% renewable electricity for new sites during construction (including temporary building supplies), offices, show homes, sales areas and plots before sale. Our green electricity is REGO-backed, confirming it comes from genuine renewable energy. We are working on a range of projects to reduce energy use on our sites including a project to improve the energy-efficiency of our portakabins and trials of hybrid diesel generators. Our flexible car benefit scheme 'MyDrive' enables employees to have access to a new low emission car.

Towards Zero Waste

We developed our Towards Zero Waste Strategy in 2022, which sets out a three-year programme of action and capacity building in relation to resource use and waste across all stages of development. We are working with our suppliers to reduce waste from packaging, increase recycling and identify opportunities to increase use of sustainable and recycled materials.

ESG credentials

We participate in several global and sectoral benchmarks. We are a constituent of the Dow Jones Sustainability Europe Index and are included in the S&P Sustainability Yearbook 2022. We are a part of FTSE4Good, have an AA rating from MSCI and have received an ESG Risk Rating of Low from Sustainalytics and are included in its 2023 Top-Rated ESG Companies List. We are a member of Next Generation, the sustainability benchmark for UK housebuilders, and ranked fourth in 2022. We disclose our performance to CDP and received the following scores: CDP Climate Change A- (2021: A-), CDP Water B (2021: B), and CDP Forests B- for deforestation and forest risk commodities (2021: B-). We were also included on the Financial Times European Climate Leaders list 2022.

Environment Strategy performance update

Our strategic objectives	Performance update
Climate change Achieve our science-based carbon reduction target: – Reduce operational carbon emissions intensity by 36% by 2025 from a 2019 baseline. – Reduce Scope 3 emissions by 52.8% per 100sqm of completed floor area from a 2019 base year (based on a reduction of 46.2% in absolute emissions against the base year).	Our operational emissions intensity (Scopes 1 and 2), has decreased by 15% against our 2019 baseline. In 2022, emissions intensity was 1.37 tonnes of CO_2e (Scopes 1 and 2) per 100sqm of completed homes (2021: 1.41). The Scope 3 element of our target was updated this year as part of the development of our net zero commitment. It has been submitted for validation to the Science Based Targets initiative. We will report progress against our Scope 3 target from next year.
Nature Increase natural habitats by 10% on new sites from 2023 and include our priority wildlife enhancements from 2021.	Some of our sites are already integrating a biodiversity net gain approach and this will be rolled out to all new sites in England and Wales from late 2023. We are now integrating hedgehog highways and bug hotels or bee bricks on new sites. We have prepared guidance on bee hives, bat boxes and bird boxes for launch in 2023.
Resources and waste Cut our waste intensity by 15% by 2025 and use more recycled materials. By 2022, publish a 'Towards Zero Waste' strategy for our sites.	98% of construction waste recycled (2021: 97%). We have reduced waste intensity by 12% against our 2019 baseline, on track to meet our target of 15% reduction by 2025. We have developed our Towards Zero Waste Strategy and Action Plan and will publish more details in our Sustainability Supplement. This includes a plan for capturing data on use of recycled materials.

Future Homes Standard trial

We are nearing completion on a five-plot trial at a live development site in Sudbury to test a range of technologies compliant with the Future Homes Standard. The homes feature an array of low carbon technologies, renewables, and energy storage, combined with an enhanced, highly-efficient building fabric.

We have held a number of valuable workshops during the design and implementation of the FHS trial homes with suppliers, design teams, and subcontractors. We have gathered vital feedback to help us adapt more efficiently to the new regulations.

During the year we will measure the performance of the new technologies to help inform our future approach.

A visitor centre on the site will act as an educational display area, with cut-through sections of the new technologies such as mechanical ventilation heat recovery (MHVR) and air source heat pump demonstration units.

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Task Force on Climate-related Financial Disclosures

Climate change risks and opportunities

Climate change is one of the most significant global challenges, threatening the future of today's young people and generations to come. We are already seeing the physical effects of a changing climate as well as the impacts of the transition to a low carbon economy including increased regulation, additional planning requirements and changing stakeholder expectations.

We need to understand and address the impacts of climate change on our business in order to achieve our strategy and fulfil our purpose to build great homes and create thriving communities.

Our Environment Strategy, Building a Better World, is our response to the environmental crisis and the physical and transition risks posed by climate change. It sets out how we will play our part in creating a greener, healthier future for our customers, colleagues and communities, with ambitious targets up to 2030. We were one of the first UK homebuilders to set science-based targets across our value chain, including a target consistent with reductions to keep warming to 1.5°C for our operational emissions, and we are now further strengthening our approach by committing to achieve net zero emissions by 2045, five years ahead of regulation.

Responding to the Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) is a framework for companies to report climate-related risks and opportunities. The Financial Conduct Authority (FCA) requires UK premium listed companies to report against the TCFD framework in Listing Rule 9.8.6R.

The framework consists of four themes – governance, risk management, strategy, and metrics and targets, and has 11 disclosure recommendations for reporting on the financial impact of climate change.

We believe our disclosures in this section are consistent with the four recommendations and 11 recommended disclosures set out in the TCFD report "Recommendations of the Task Force on Climate-related Financial Disclosures". We have taken into account the TCFD Guidance for All Sectors and the Supplemental Guidance for Non-Financial Groups in relation to the Materials and Buildings Group. We have summarised our approach on pages 66 and 67.

When determining which information to include in our disclosures on climate change we have referred to the TCFD recommendations and guidance, and drawn on the outcomes of our regular materiality process, our risk assessment process, the climate scenario analysis we have undertaken and stakeholder feedback. We keep our disclosure under continual review and look for opportunities to improve it year-on-year to meet the needs of shareholders and other stakeholders.

We integrate sustainability into the way we work, to create a stronger business for the long term and generate value for all our stakeholders.

Our climate focus areas

We are focusing on the following areas in relation to climate change, seeking both to mitigate our impact on climate change and to prepare for the future impacts of climate change on our business, supply chain and customers. We take a science-based approach and aim to continually review and improve performance. Many environmental issues for our sector are systemic. Achieving net zero in housebuilding will require system-level changes and coordinated action by multiple parties, from suppliers to governments, and at all points along the value chain. We work with others to tackle industry-wide challenges directly and through industry organisations.

Operations
Energy efficiency and carbon reductions on our construction sites, fleet and offices, supporting a sustainable business culture and business practices

Supply chain
Working with suppliers and others to address embodied carbon in the materials, services and products we use and prepare for the impact of climate change on our supply chain

Customer homes
Working towards zero carbon homes for customers and supporting sustainable lifestyles

Collaboration and engagement
Working with government, industry associations, investors, peer companies and others to catalyse change in our industry

Skills
Building our knowledge base and ensuring our colleagues and trade subcontractors have the skills needed for the transition to a low carbon economy

Disclosure
We are committed to transparent disclosure of our climate performance and approach to climate risks and opportunities, aligning with numerous external benchmarks and standards

Highlights for 2022

Developed our net zero target and submitted it for validation by the Science Based Targets initiative

Reduced operational emissions intensity by 15% against a 2019 baseline

Undertook detailed scenario analysis exploring transition and physical risks

Linked our executive bonus scheme to development of our net zero strategy and carbon reduction

Committed to net zero

During 2022, we developed our commitment to reach net zero emissions across our value chain ahead of UK regulation.

Our target states that:

By 2045 we will reach net zero greenhouse gas (GHG) emissions (Scopes 1, 2 and 3) across our value chain on a 2019 base year (comprising at least a 90% reduction and neutralising residual emissions).

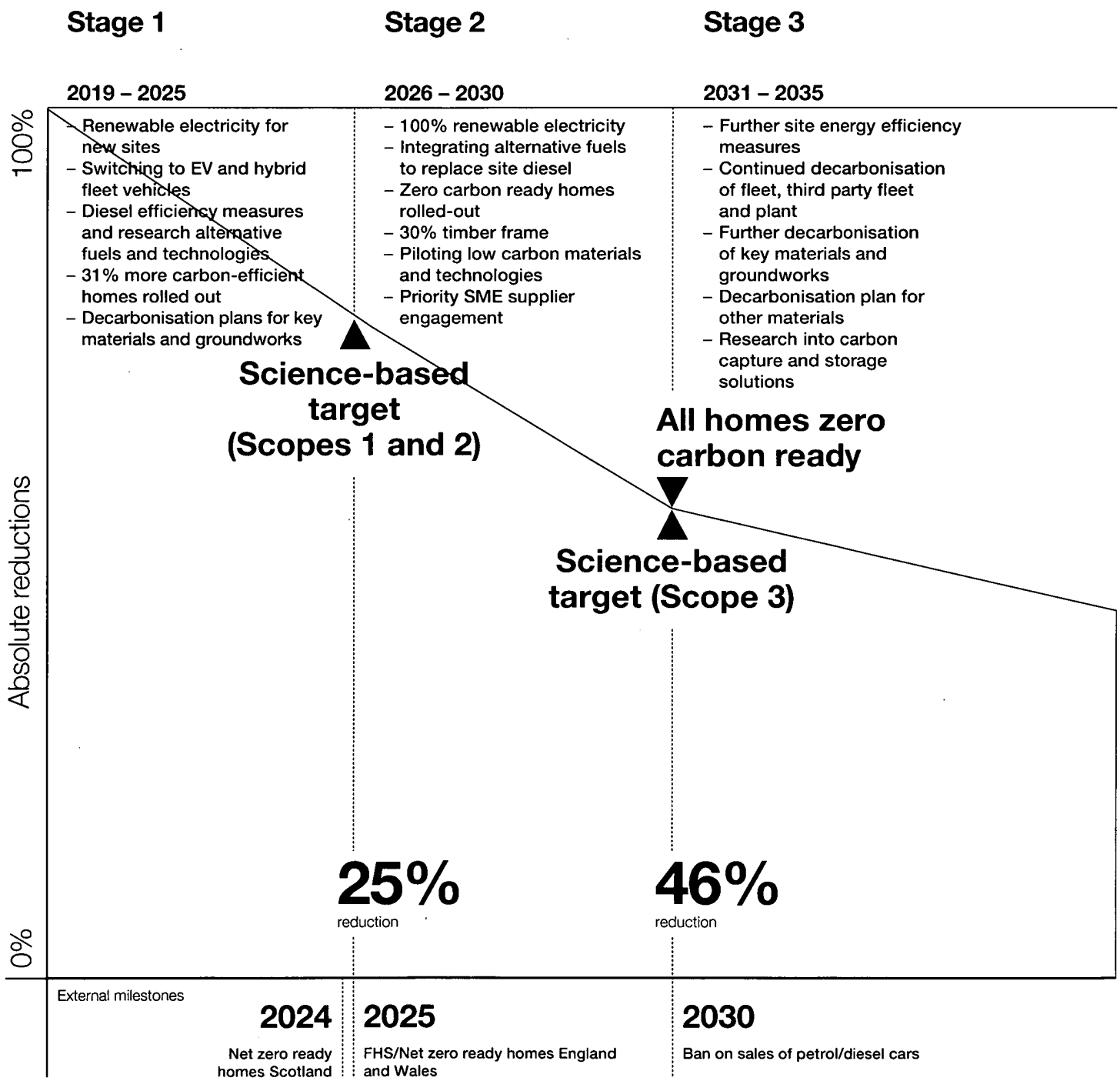
We also have the following supporting targets:

- By 2025 Scopes 1 and 2 GHG emissions will be reduced by 36% per 100m² of completed floor area against a 2019 base year
- By 2035 Scopes 1 and 2 GHG emissions will be net zero
- By 2030 all our homes will be zero carbon ready (becoming true net zero on decarbonisation of the electricity grid)
- By 2030 Scope 3 GHG emissions will be reduced by 52.8% per 100m² of completed floor area from a 2019 base year (based on a reduction of 46.2% in absolute emissions)

Our target was developed with the Carbon Trust in line with the requirements of the SBTi Corporate Net Zero Standard. We have submitted our target for validation by the SBTi and expect to receive this during 2023. In developing our target we have also taken into account the 'Metrics, Targets, and Transition Plans' guidance issued by TCFD. We have modelled the costs and investment required to reach our goals as well as our approach to neutralising residual emissions.

More detail and a summary of our roadmap is included in our Net Zero Transition Plan on pages 56 and 57.

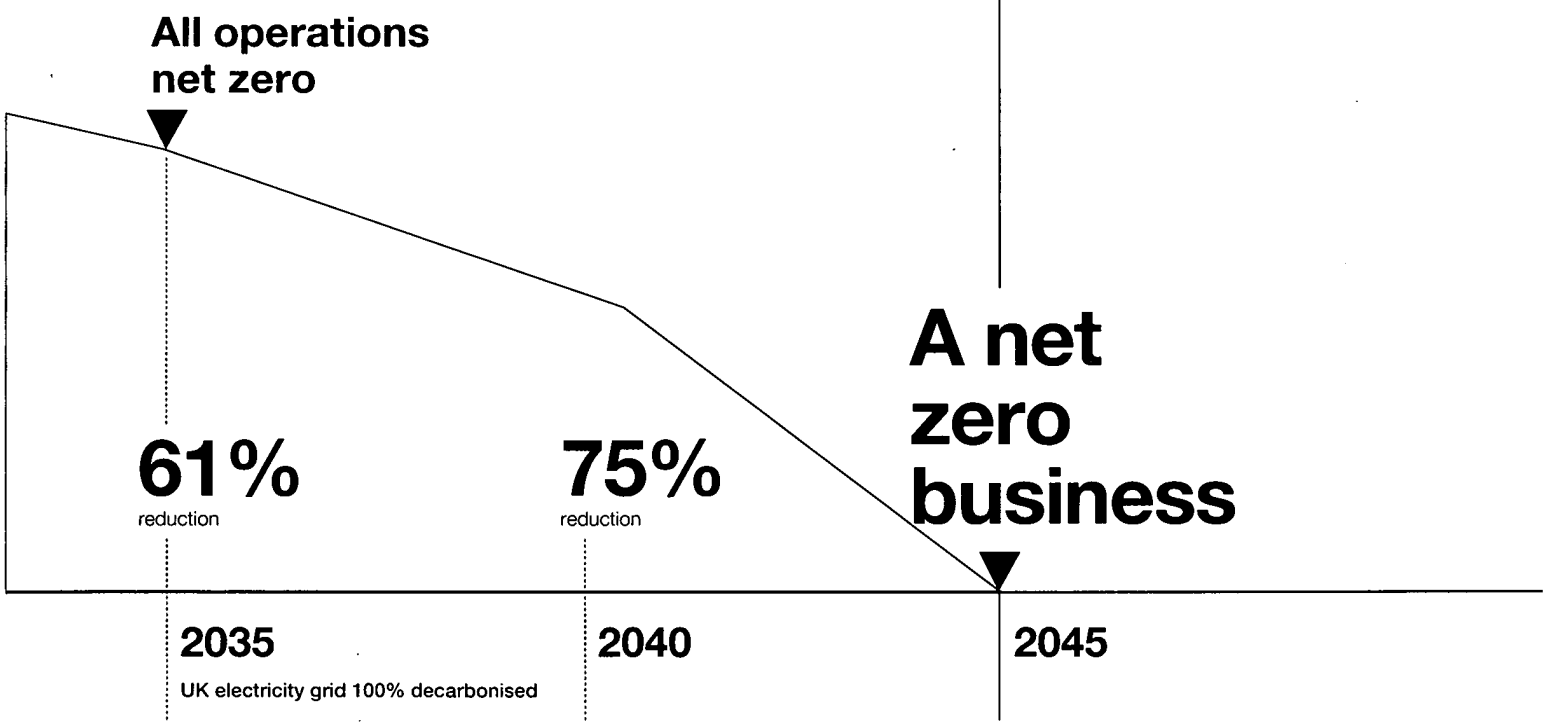
Our path to net zero



Stage 4

2036 – 2045

- Operating net zero building sites and offices
- Fully decarbonise fleet, third party fleet, employee commuting and plant
- Further decarbonisation of materials and research into alternative technologies
- Homes are now net zero emissions in use due to decarbonised grid
- Neutralising residual operational emissions from 2035 and up to 10% residual value chain emissions from 2045



Governance

Board of Directors

Oversight of the business response to climate risks and opportunities

Group Management Team

Review and approve climate strategy, scrutinise performance, review progress on climate strategy and targets

LEAF Committee (functional oversight)

Analyse climate risk and opportunities and develop the business response, monitor progress

Managing Directors (operational implementation)

Drive implementation at local level

Cross-functional working groups

Environment Strategy Working Group

Road to Net Zero Carbon Working Group

Waste and Resources Working Group

Governance for climate change

Board level: Our Board of Directors is responsible for oversight of our environmental, social and governance (ESG) initiatives and this includes climate-related risks and opportunities. They receive an ESG update twice a year, which includes progress made towards climate change targets during the period. The Chair of the Legacy, Engagement and Action for the Future (LEAF) Committee and our Director of Sustainability also attend the Board on at least one other occasion during the year. The Board has conducted a mapping exercise to ensure that all ESG matters are considered by the Board or one of its Committees. During 2022, the Board reviewed and approved our net zero strategy, transition plan and targets. Board ESG competencies are indicated on page 110.

Executive level: Our Chief Executive has ultimate responsibility for achieving our climate targets. Sustainability (including climate change) is a standing agenda item for GMT meetings and members receive a monthly update from the Director of Sustainability. The GMT members have received briefings on climate change risks and opportunities to deepen their understanding of this topic. During 2022, members of the GMT participated in and reviewed our climate scenario analysis. In 2022, 10% of the bonus in our Executive Incentive Scheme was linked to progress on developing our Net Zero Transition Plan and achieving a reduction in carbon intensity, see page 138. An environmental measure will be included in the long term incentive plans for senior management and regional management in 2023.

LEAF Committee: Ingrid Osborne, Divisional Chair for London and South East and a member of our GMT, is executive sponsor for our Environment Strategy. Ingrid chairs our LEAF Committee, which is responsible for reviewing climate strategy, risks and opportunities, it meets four times a year. LEAF members include the heads or senior leaders of our sustainability, technical, production, procurement, commercial, customer and design functions and representatives from our strategic land and regional businesses.

The Director of Sustainability is responsible for monitoring climate-related issues and updating our Climate Change and Sustainability Risk and Opportunity Register. He oversees our reporting and disclosures on climate change, and the assurance of our climate data. He reports to our Group Technical Director who has responsibility for low and zero carbon homes, leads our Road to Net Zero Carbon Working Group, and reports directly to our Chief Executive.

Cross-functional working groups, including our Environment Strategy Working Group and our Road to Net Zero Carbon Working Group, support effective governance of climate change.

Operational level: The Managing Director in each regional business has responsibility for achieving our climate change targets at the local level. They have a nominated Sustainability Sponsor within their management team and a Sustainability Champion to assist with implementation and data collection. Each regional business had an annual energy use reduction target in 2022, and in 2023 we will set annual targets for each business up to 2025. Business Unit Management Teams receive a quarterly report on energy and resource use which enables them to compare performance against targets and other regional businesses. They are kept updated about climate-related issues and we build knowledge and expertise through training workshops, masterclasses and briefings. An environmental measure will be included in the long term incentive plans for regional management in 2023.

We use a digital platform called LEADR (Land and Environment Assessment of Development Risk) for assessing and managing sustainability and technical risks associated with land during the acquisition and construction process. This draws on external environmental databases to help us manage risks associated with land including climate-related risks such as flood risk. It includes a pre-acquisition screening and risk assessment process for potential new sites. Environmental risks during construction are managed through our environmental management system including risks relating to climate change.

Stakeholder engagement

Our stakeholder engagement informs our approach to climate change. During 2022, we carried out customer research to better understand the views of current and potential homebuyers in relation to climate change and environmental topics. We collaborate with suppliers through the Supply Chain Sustainability School and our procurement processes, and have worked with others in our industry on the Future Homes Delivery Plan and the Future Homes Hub. Read more about our stakeholder engagement on pages 40 to 43.

We participate in CDP Climate Change and publish our submission on our website. We received a score of A- for 2022 (2021: A-). We were included on the Financial Times European Climate Leaders list 2022 and ranked seventh on climate change in the FTSE 100 in the Responsibility100 Index, an ESG ranking.

We work with the Carbon Trust on many aspects of climate change. Since 2017, we have held the Carbon Trust Standard for our overall approach to carbon management, including our policy, strategy and verification of our data and processes. We were the first volume homebuilder to achieve this.

Strategy

Climate change presents risks and opportunities for our business including those related to the transition to a lower carbon economy and those associated with the physical impacts of climate change. Sustainability is now one of our four strategic cornerstones, reflecting the importance of climate change and other environmental matters to our business and stakeholders.

We assess climate risks and opportunities using short term (to 2025), medium term (to 2030) and long term (beyond 2030) horizons, looking at their potential impacts on our business, strategy and financial planning. Our approach is informed by our materiality assessment and climate scenario analysis.

Climate scenario analysis

We conducted climate scenario analysis during 2022, commissioning WTW (formerly Willis Towers Watson) to conduct an assessment of climate transition risks and opportunities across short term (to 2025) and medium term time (to 2030) horizons. The analysis considered our level of exposure to 15 transition risks in a low carbon economy where temperature rises would be limited to 1.5°C this century as well as modelling the physical impacts of climate change on our assets and supply chain in two temperature scenarios (1.5°C and 4°C warming). Impacts were estimated and likelihoods assessed and aligned to our ERM (Enterprise Risk Management) rating criteria. The process involved subject matter experts from across our key functions as well as members of our GMT.

In relation to transition risks, the analysis showed a moderate to high level of residual risk exposure in the short term, levelling out to moderate exposure in the medium term. This reflects, among other factors, the short term impact from complying with the UK's Future Homes Standard, as well as from moving to lower emission technology and securing sufficient electrical power supply. It also showed minor to moderate opportunities from the transition to a low carbon economy including market share gains as demand for low carbon homes grows and potential reputational benefits with employees, investors and other stakeholders. In relation to physical risks, it showed moderate exposure to risks relating to windstorms, flooding and drought. The analysis showed that the cost risk from the physical impacts of climate change will be mitigated by building to the standards of the day and including the additional build costs within the assessment of land values. In addition, we conducted modelling with the Carbon Trust of our Scope 3 emission reductions, see page 64.

We have reviewed the findings with our senior leadership and heads of functions and used them to inform development of our Net Zero Transition Plan, including the cost of investment needed to achieve our targets. The findings have also been integrated into our risk assessment process.

Our analysis in 2022 builds on our preliminary scenario analysis conducted with the Carbon Trust in 2020. This reviewed three scenarios: orderly transition (the goals of the Paris Climate Change Agreement are met), climate breakdown (warming of 4°C – 6°C), and disorderly transition (the goals of the Paris Climate Change Agreement are not met in time but climate breakdown is avoided). Workshops looked in more detail at a 'disorderly transition' scenario and the impact of significant regulatory change, changes to interactions with customers, investors and planners, and to how and what we build.

Impact on financial statements

Reported balance sheet, income statement and cash flow

We include known costs associated with regulation designed to affect the impact of climate change e.g. building regulations Part L (conservation of fuel and power) and Part F (ventilation) within the assessment of the value of inventory charged to cost of sales. Where a forecast site margin is affected by a change in estimated costs to complete, the impact is recognised across all plots completed on that site in the current and future years.

The carrying value of work in progress and land is assessed via a net realisable value exercise and any adjustments required are made within the financial statements. Specifically, relating to land and the possible impact from climate change, the Group uses the latest environmental reports to assess the impact from flooding on the viability of the land.

The Group does not have goodwill, or other intangible assets, that would be subject to an annual impairment assessment and thus the impact of climate change on the future cash flows required to perform this assessment are not required.

Going concern and viability

'Natural resources and climate change' is one of the Group's Principal Risks, but given the time frame over which both going concern and viability are considered (12 months and five years respectively) the future impact of climate change on the operating costs of the business and its supply chain, beyond those costs already included within the Group's forecasts, are not considered material.

In addition, the Group's viability assessment considers a reduction in volumes which, although not explicitly linked, could come about through tighter planning requirements in response to addressing the impact of climate change or through the reduced availability or increased cost of materials due to restrictions in the supply chain due to climate change.

Risk management

The Board has overall responsibility for risk management and holds formal risk reviews at least half yearly and routinely considers risk at each Board meeting as appropriate. Our approach to risk combines a top-down and bottom-up review. The assessment, mitigation and monitoring of sustainability and climate-related risks is included as part of our overall risk management process – the individual sustainability and climate-related risks are considered through functional and regional business risk registers, our Climate Change and Sustainability Risk and Opportunity Register and on a regular basis by senior management, assessing the impact they may have on the Group's strategy, looking at short, medium and in particular longer term emerging risks which may arise as the area continues to evolve. The top-down review of key and Principal Risks by our GMT considers their relative significance to the business, including climate-related risks.

The Group's Principal Risk 'Natural resources and climate change' (see page 79), recognises the increasing significance of the transition to a low carbon economy for both our operations and the world in which we live and conduct business. The Principal Risk is monitored by the Audit Committee and senior management, assessing its impact on the Group's strategic objectives and ensuring appropriate mitigations are in place.

Our Climate Change Register guides the climate change adaptation of our business practices and the homes we build. For each climate-related risk and opportunity the register identifies: risk driver, description of risk, potential impact, time frame, whether the risk or opportunity is direct or indirect, likelihood and magnitude of impact. This is a standing item on every LEAF Committee agenda. The Committee makes recommendations to the GMT on how to mitigate, transfer, accept, or control climate-related risks.

We determine climate risk using the principles of our established risk management process, outlined on pages 72 to 74.

Our risks and opportunities

The table below summarises the findings from our latest climate scenario analysis which focused on transition risks in the short term (up to 2025) and medium term (up to 2030) in a 1.5°C scenario and physical risks in the medium and long term (up to 2030 and beyond) in a 1.5°C and a 4°C scenario. We have summarised the mitigating actions we are taking and shared the impact and likelihood for the more significant risks and opportunities that were identified. Residual risk after mitigation relates to a 1.5°C scenario unless stated. The impact and likelihood ranges and scores are based on Enterprise Risk Management rating scales.

Where we identified additional risks or opportunities that are not currently considered significant we have listed these.

The table outlines our risks primarily in relation to our operations in the UK. We have also looked at risks in relation to our operations in Spain. We did not identify any material risks in relation to our Spanish operations, but will keep this under review.

Policy and legal		Description
Residual risks or opportunities: **Time frame analysed:** Short, medium **Risk type:** Transition (policy and legal)	R	**Increasingly stringent regulatory requirements (e.g. Future Homes Standard)** **Example risks/opportunities** – Risk of delays and more expensive design in order to deliver homes in accordance with the Future Homes Standard (FHS) – Potential for unexpected national policy actions to impact the value of strategic landbank
	R	**Increasingly stringent local planning requirements (e.g. in relation to flooding and biodiversity) and potential for variation in standards between authorities** **Example risks/opportunities** – Risk of delay and increased cost as local councils introduce additional local planning requirements or go beyond the requirements of the FHS
	R	**Climate change-related litigation claims brought by stakeholders** **Example risks/opportunities** – Risk of claims relating to our approach to climate change adaptation, our disclosure of climate-related material financial risks or green marketing claims
Other residual risks or opportunities (currently not considered significant): – Enhanced emissions reporting obligations – Potential future carbon pricing – Cost of purchasing emissions offsets		

Technology		Description
Residual risks or opportunities: **Time frame:** Short, medium **Risk type:** Transition (technology)	R	**Power supply and infrastructure – increasing focus on electricity as an energy source for homes, transport, machinery and infrastructure as the economy moves away from fossil fuels** **Example risks/opportunities** – Risk of delays and costs due to insufficient power in the grid to service new homes and/or construction sites and/or lack of reliable lower emission infrastructure – Risk of increased costs and delays associated with needing to build or upgrade primary substations
	R	**Substitution of existing technologies with lower emission alternatives (e.g. photo-voltaic panels, electric vehicle charging infrastructure, all-electric homes and construction equipment) to comply with the Future Homes Standard and emissions reduction targets** **Example risks/opportunities** – Risk of increased costs associated with new technologies and potential availability challenges – Risk that current new technology solutions quickly become outdated
	R	**Skills shortages impacting ability to install low carbon technologies** **Example risks/opportunities** – Risk of shortfall in supply of suitably qualified professionals

Key
R - Risk
O - Opportunity
Short term - up to 2025
Medium term - up to 2030
Long term - beyond 2030

Our mitigations	Residual risk after mitigation
- We engage and consult regularly with Government to understand its priorities - We have established an R&D programme and internal Road to Net Zero Carbon Working Group to prepare our business for regulatory changes - We participate in Future Homes Hub to support the Future Homes Delivery Plan – a sector-wide plan to embed key environmental issues into housebuilding - We engage with land owners to ensure that the cost of regulation/compliance with latest standards is reflected in the assessment of land values	Short term moderate risk exposure and almost certain likelihood with the impact on the financial statements considered immaterial as costs associated with the known regulatory changes have been included in current costs and forecasts as appropriate. Medium term moderate risk exposure, balanced likelihood with any financial impact considered within the future cost of land and, where appropriate, sales price of new homes.
- We engage with planning authorities to understand and integrate their requirements, including participating in the development of strategic frameworks, Local Plans and Neighbourhood Plans - We engage with land owners to ensure that the cost of compliance with planning requirements is reflected in the assessment of land values - We have established guidance for our regional businesses in respect of Biodiversity, flooding and other matters to address planning requirements. - We also engage with Future Homes Hub and UK government to encourage a consistent approach	Short term moderate risk exposure, likely with impact on the financial statements not considered material as risk impacts local areas rather than being nationwide. Medium term moderate risk exposure, balanced likelihood with any financial impact considered within the future cost of land.
- We disclose our climate change approach and performance and continually review and improve our data - We require our agencies to have a review process in place to validate green marketing claims	Short term moderate risk exposure, likelihood considered rare with impact on the financial statements considered immaterial as build to latest regulations. Medium term moderate risk exposure, unlikely with impact on the financial statements considered immaterial as we comply with the latest building regulations and any associated costs would be embedded within the future cost of land.

Our mitigations	Residual risk after mitigation
- We integrate power supply and infrastructure into site planning, accounting for the shift to lower emission alternatives - We are engaging with Government on its efforts to address insufficient power supply and develop a smart network - We are trialling battery storage technology to work together with our PV panels to provide on plot energy storage solutions - We are also installing an innovative community heat network at our development in Sudbury which will provide Heat and Hot water from communal Air Source Heat Pumps at a community heat hub. - We are engaging our regional teams on risks relating to power supply to develop appropriate responses at the local level	Short term major risk exposure, almost certain likelihood with impact on the financial statements not considered material as risk considered to be localised rather than national. Medium term major risk exposure, balanced likelihood with impact on financial statements mitigated through assessment of future land purchases and planning requirements.
- We have an ongoing R&D and supplier engagement programme to identify beneficial new technology and test its performance against our quality, safety, sustainability and technical standards	Short term moderate risk exposure, almost certain likelihood with the impact on the financial impacts considered immaterial as known costs associated with the regulatory change have been included in current costs and forecasts as appropriate. Medium term moderate risk exposure, balanced likelihood with impact on financial statements considered immaterial where any cost of change in regulation included in the future cost of land or passed on through house prices.
- We are mapping the expected skills profile for our business and subcontractor base, and addressing potential skills gaps through training, recruitment and work with subcontractors	Short term insignificant risk exposure, almost certain likelihood with impact on financial statements considered immaterial based on timing of implementation of current regulations. Medium term minor risk exposure, almost certain likelihood with impact on financial statements dependent on extent of skills shortage.

Market and reputation (stakeholder)		Description
Residual risks or opportunities: **Time frame analysed:** Short, medium **Risk type:** Transition (market, reputation) **Opportunity type:** Products, markets	O	**Changing customer demands in relation to low carbon homes as sustainability awareness grows, green mortgages evolve, and existing building stock becomes comparatively more expensive to run** **Example risks/opportunities** – Opportunity if more efficient and lower emission homes become more attractive to customers than second hand market
	R	**Changing customer demands in relation to low carbon homes** **Example risks/opportunities** – Risk that customers may resist installation of new low carbon technologies or be dissatisfied with their performance – Risk of reputational damage if low carbon homes are not delivered to customers in line with changing expectations
	R	**Increased cost of raw materials as carbon pricing and investment in low carbon plant, equipment and facilities impacts the cost of materials such as steel and cement** **Example risks/opportunities** – Risk of increased development costs that the business will need to absorb
	R	**Increased investor expectations in relation to sustainability performance and disclosure** **Example risks/opportunities** – Risk that failing to meet changing investor expectations affects revenue and investment streams
	O	**Increased investor expectations in relation to sustainability performance and disclosure** **Example risks/opportunities** – Opportunities to attract increased investment by differentiating on sustainability performance

Other residual risks or opportunities (not currently considered significant):
- Cost of capital impacted by sustainability performance
- Risks and opportunities associated with growing interest and expectations in relation to climate change performance among employees
- Risks and opportunities associated with meeting changing local authority and central Government expectations on climate change

Physical impacts		Description
Residual risks or opportunities: **Time frame analysed:** Medium and long **Risk type:** Physical (acute and chronic)	R	**Changing weather patterns and an increase in the number and severity of extreme weather events including issues relating to heat stress, flooding, drought, wildfire, windstorm and subsidence** **Example risks/opportunities** – Risk of production delays or damage to construction sites from storms, floods, wildfires and droughts – Risk of increased costs relating to adapting sites and homes to the changing climate (e.g. due to increased subsidence risk or impact of heat and water stress) – Risk that climate change impacts sites in the strategic land pipeline which means that the carrying value of land may need to be written down and land costs may increase – Risk of supply chain disruption and increased costs of materials due to climate-related impacts (e.g. flooding of supplier facilities or shortages of raw materials such as timber)

Other residual risks or opportunities (not currently considered significant):
- Assets 1.5°C (medium and long term) – flooding, heat stress, drought, wildfire, subsidence
- Assets 4°C (long term) – heat stress, wildfire, subsidence
- Supply chain 1.5°C (medium and long term) – heat stress, drought, and wildfire
- Supply chain 4°C (medium and long term) – heat stress and wildfire

Key
R - Risk
O - Opportunity
Short term - up to 2025
Medium term - up to 2030
Long term - beyond 2030

Our mitigations	Residual risk after mitigation
- We conduct regular research to monitor and understand changing customer attitudes to sustainability issues including low carbon homes - We engage customer service teams, sales and marketing teams and marketing agencies to ensure benefits of new low carbon homes are communicated effectively - We partner with peers through the Future Homes Hub and engage with Government to ensure benefits of low carbon homes are communicated with homebuyers and to support further development of green mortgages	Short term minor opportunity and considered likely with impact on financial statements potentially reflected in increased revenue which could be material, but is not possible to quantify reliably. Medium term major opportunity and considered balanced likelihood with impact on financial statements potentially reflected in increased revenue which could be material, but is not possible to quantify reliably.
- We will be communicating with customers and training customer service teams and sales and marketing teams to ensure customers are supported to use new technologies - We take a 'Fabric-first' approach to home energy efficiency to minimise complexity and maintenance for customers where possible - We invest in research and product trials to ensure quality, performance and ease of use, e.g. our FHS trial plots	Short term minor risk exposure, likely with impact on financial statements expected to be immaterial based on current regulatory changes. Medium term major risk exposure, unlikely with impact on financial statements dependent on extent customer demands change which is not possible to reliably estimate.
- We will be monitoring carbon pricing changes and engaging with suppliers on how carbon taxes and transition costs may affect raw material prices - We have an ongoing R&D programme into lower carbon materials and resource-efficient ways of working - We are purchasing 100% REGO-backed green electricity for all new sites, reducing carbon taxation on energy consumption	Short term major exposure, balanced likelihood with impact on financial statements potentially material on existing developments. Medium term major exposure, unlikely with impact on financial statements dependent on ability to include costs in land valuations and/or pass onto customers via house prices.
- We have made sustainability (including climate change) one of four strategic cornerstones for the business - We disclose climate strategy and ESG performance to investors through reporting, benchmarks, meetings and investor roadshows - We complete a regular materiality assessment to ensure we focus on priority ESG topics	Short term minor exposure, unlikely and medium term major exposure, unlikely. Impact on financial statements considered to be indirect through potential reputational damage from poor performance which is not possible to quantify reliably.
- We have made sustainability (including climate change) one of four strategic cornerstones for the business - We disclose climate strategy and ESG performance to investors through reporting, benchmarks, meetings and investor roadshows - We complete a regular materiality assessment to ensure we focus on priority ESG topics	Short term minor opportunity and likelihood considered balanced with medium term opportunity increasing to moderate and no change to likelihood. Impact on financial statements would be opportunity of increased revenues through enhanced reputation in the market, but this is not possible to quantify reliably.

Our mitigations	Residual risk after mitigation
- We consider flood risk from the start of the landbuying process and identify potential flood risk as part of our site selection process. We do not buy land unless we can mitigate flood risk. We use the Environment Agency's flood mapping tools and integrate sustainable drainage features on our sites to manage water run off and reduce flow rates - We monitor weather conditions and have safety procedures in place to prevent injuries or damage to our sites due to windstorms - We are increasing the amount of sustainability-related data from suppliers to inform our approach to mitigating material supply risks - We are updating our policies and processes to reflect climate change mitigation and adaptation of risks and opportunities - Longer term impacts, including flooding, heat, drought, and drought related subsidence, are best managed through updating industry wide standards. We are working and will continue to work collaboratively with organisations that set or influence standards	We did not categorise likelihood for physical risks, the assessment of the impact below shows an increasing exposure to physical risks as temperatures rise. Assets 1.5°C (medium and long term) – impact from windstorm considered moderate. Assets 4°C (long term) – impact from flooding, drought and windstorm moderate. Supply chain 1.5°C (medium and long term) – impact from flooding and windstorm moderate. Supply chain 4°C (medium and long term) – impact from flooding high, windstorm and drought moderate. Impact on financial statements to be mitigated through assessment of land viability and associated cost of land during acquisition and planning stages.

Metrics and targets

We have established metrics and targets to enable us to manage and mitigate our identified climate risks and ensure we capitalise on opportunities relating to the transition to a low carbon economy. This includes our new net zero commitment.

Our Scope 1 and 2 science-based carbon reduction target has been approved by the Science Based Targets initiative (SBTi) who have confirmed that it is consistent with reductions required to keep warming to 1.5°C, the most ambitious goal of the Paris Agreement. Our main target reflects emissions intensity, which enables us to monitor progress more effectively during different stages of the housing cycle than an absolute target. However, we also track absolute reductions.

Our previous Scope 3 goal met the SBTi's criteria for ambitious value chain reductions. However, we have now updated our Scope 3 target as part of the process of establishing our net zero commitment and have resubmitted this to the SBTi for validation.

Our carbon and energy use data is externally assured by the Carbon Trust to a limited assurance level. In addition, our Scopes 1 and 2 footprint, and three selected Scope 3 categories (Purchased Goods and Services, Fuel and Energy-related Activities and Use of Sold Products) are verified to ISO 14064-3.

Our baseline

Our 2019 carbon footprint (used as our baseline) was calculated in accordance with the measurement requirements of the Carbon Trust Standard and in accordance with the principles of the WRI/WBCSD GHG Protocol.

In 2023 we will re-baseline our Purchased Good and Services (supply chain) 2019 footprint using a more accurate measurement methodology based on the quantities of materials purchased. We will use this to adjust our overall scope 3 baseline and report progress against this.

TCFD cross-sector metrics

Up to 100% of our business activities and revenues are aligned with climate-related opportunities in connection with the delivery of low carbon, energy-efficient homes. Up to 100% of business activities may be impacted by transition risks in relation to changing regulatory requirements, low carbon homes and increasing pressure on power generation and distribution during the net zero transition.

The proportion of business activities vulnerable to physical risks varies by impact. For example, any site could be impacted by windstorms and we estimate that around 42% of our plots are built in areas of high water stress, based on the World Resources Institute's (WRI) Water Risk Atlas tool, Aqueduct.

The nature of our business means that our main investment is in land. Our business model and financial forecasts take account of the latest regulatory requirements, including those directly linked to reducing the impact of climate change, to satisfy these regulations. Whilst we do not separately disclose the quantum of this investment it is embedded within our build costs and land values reported in the financial statements and included within the annual budget and forecasting process. We believe this incorporates all known significant investments relating to the potential impacts of climate change.

We do not currently set an internal carbon price. Emissions data is included on pages 68 and 69 and information on remuneration on page 138.

Performance in 2022

Our operational emissions intensity (Scopes 1 and 2), has decreased by 15% against our 2019 baseline with absolute operational emissions falling by 26% over the same period. This is due to increased use of renewable electricity, energy efficiency measures and a reduction in diesel use on our sites. We are making progress towards our science-based target for operational emissions but need to increase the rate of reduction.

Our total carbon footprint (Scopes 1, 2 and 3) was 2.54 million tonnes in 2022 (2021: 2.38 million tonnes). Total intensity was 190.0 tonnes per 100 sqm of build (2021: 190.0 tonnes per 100 sqm). We will report progress against our net zero and Scope 3 target from next year once we have completed the update to our baseline.

More detail on our performance is included in our Sustainability Supplement.

Our climate targets	Progress	Link to TCFD risks and opportunities
By 2045 we will reach net zero greenhouse gas emissions (Scopes 1, 2 and 3) across our value chain on a 2019 base year (comprising at least a 90% reduction and neutralising residual emissions).	In 2023, we plan to re-baseline Scope 3 Purchased Goods and Services emissions using a more accurate quantity based methodology. We will then be in a position to assess value chain emission reductions and will report progress next year.	Policy and legal Technology Market and reputation Physical
Operational emissions (Scope 1 and 2)		
36% reduction in operational carbon emissions intensity by 2025 from a 2019 baseline (science-based target) and reach net zero emissions by 2035.	Our operational emissions intensity (Scopes 1 and 2), has decreased by 15% against our 2019 baseline, with absolute operational emissions falling by 26% over the same period.	Policy and legal Technology Market and reputation Physical
32% reduction in operational energy intensity for UK building sites by 2025.	There was a 2.44% decrease in energy intensity on our UK construction sites compared to our 2019 baseline. We believe this is due to our focus on energy efficiency.	Policy and legal Technology
Purchase 100% REGO-backed green electricity for all new sites.	We purchased 100% REGO-backed renewable electricity for new sites during construction, offices, show homes, sales areas and plots before sale. This is around 70% of our total Group electricity consumption.	Policy and legal Technology Market and reputation
50% reduction in car and grey fleet emissions by 2025.	We have reduced company car fleet emissions (excluding grey fleet) by 68% since 2019. Around 55% of vehicles in our company car fleet are now electric or hybrid (2021: 43%).	Policy and legal Technology

Our climate targets	Progress	Link to TCFD risks and opportunities
Homes in use and supply chain emissions (Scope 3)		
By 2030 all our homes will be zero carbon ready (becoming truly net zero on decarbonisation of the electricity grid).	In 2023, we are starting to roll-out changes to our homes in line with the updates to Building Regulations Parts L and F. This will result in an average 31% carbon reduction compared to our current specification. We are also piloting technologies to explore how we will move towards zero carbon ready homes from 2025.	Policy and legal Technology Market and reputation
Reduce Scope 3 emissions by 52.8% per 100 sqm of completed floor area from a 2019 base year (based on a reduction of 46.2% in absolute emissions against the base year). This is a new target.	We are improving our data to enable us to accurately report progress on our Scope 3 target.	Policy and legal Technology
21% reduction in embodied carbon per home by 2030.	We are improving our data to enable us to accurately report progress on our Scope 3 target.	Policy and legal Technology
75% reduction in emissions from customer homes in use by 2030.	We are developing our measurement systems to enable us to report progress against this target.	Policy and legal Technology Market and reputation
Adaptation and beyond our value chain		
Make it easier for 40,000 customers to work from home and enable more sustainable transport choices through 36,000 EV charging points and 3,000 additional bike stands by the mid 2020s.	We are rolling-out our new standard house types which has a design principle to include at least one study area with space for a desk and easy access to broadband and electricity sockets, to enable working from home. We increased the number of EV charging points installed in 2022.	Technology Market and reputation
Update our policies and processes to reflect the risks and opportunities from a changing climate by 2022.	We conducted scenario analysis in 2022 and are using the results to inform our Net Zero Transition Plan, our TCFD disclosure and risk management processes. We will publish an updated environment policy in 2023 and further embed climate risks into our environmental management system.	Technology Market and reputation Physical
Cut our waste intensity by 15% by 2025 and use more recycled materials. By 2022, publish a Towards Zero Waste Strategy for our sites.	We have reduced waste intensity by 12% against our 2019 baseline, on track to meet our target of 15% reduction by 2025. We have developed our Towards Zero Waste Strategy and Action Plan which includes a plan for capturing data on use of recycled materials.	Policy and legal
Reduce operational mains water intensity by 10% from a 2019 baseline by 2025.	Water intensity has reduced by 15% since 2019, exceeding our target. This is due in part to savings from water efficiency measures and partly from a drop in the number of sites using water meters. We believe this relates to a lack of availability of smart meters arising from a global shortage of semi-conductors.	Physical
Make it easier for 20,000 customer households in water stressed regions to install a water butt by 2025.	We design our homes to be water efficient and integrate water saving features. We have reviewed our plotting for house types to understand the best locations for water butt installation and expect to add water butts to our customer option portal in 2023 to support more customers to save water in their gardens.	Market and reputation

Decarbonisation pathways for embodied carbon

Embodied carbon in the goods and services we buy and materials we use to build our homes accounts for around 52% of our carbon footprint. To meet our net zero targets, it is essential to work with suppliers and the wider industry to reduce the carbon footprint of the materials we use but this can be challenging.

During 2022, we undertook analysis with the Carbon Trust to review the potential for emissions reductions up to 2045, focusing on five key materials - concrete, diesel, asphalt, bricks and steel. These materials account for around 65% of emissions from purchased goods and services. We also looked at the carbon footprint of groundwork suppliers on our construction sites.

The analysis considered known opportunities for reducing embodied carbon emissions as well as the impact of likely technological innovation. We explored three potential pathways looking at optimistic, conservative and moderate scenarios. The findings will help us prioritise carbon reduction opportunities and engage our supply base.

Task Force on Climate-related Financial Disclosures *continued*

Implementing the TCFD recommendations – progress to date

	TCFD recommendation	Progress to date	Next steps	Read more on pages
Governance Disclose the organisation's governance around climate-related risks and opportunities.	Describe the board's oversight of climate-related risks and opportunities.	We have established and disclosed responsibility for climate risks at Board level. Key, Principal and emerging risks, including those related to climate change, are reviewed and approved twice a year by the Audit Committee and Board and inform strategic planning and business decision making. Read more on pages 120 to 121.	To further embed climate risks into business planning and decision making processes.	120 to 121
	Describe management's role in assessing and managing climate-related risks and opportunities.	We have established and disclosed responsibility for climate risks at Executive, Director and operational level, outlined on page 59. In 2022, 10% of the bonus in our Executive Incentive Scheme was linked to climate change, read more on page 138. Climate change has been added as a Principal Risk within 'Natural resources and climate change', read more on page 79.	An environmental measure will be included in the long term incentive plans for senior management and regional management in 2023.	59 79 138
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	The tables on page 60 to 63 include the risks and opportunities we have identified and reflects our updated climate scenario analysis from 2022. It explores transition risks in the short and medium term in a 1.5°C scenario and physical risks in the medium and long term.	There remains considerable uncertainty about the physical and transition impacts of climate change so we will undertake regular scenario analysis.	60 to 63
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	We have used the findings of our scenario analysis, summarised on page 59, to enhance our understanding of the impact of climate risks on financial planning and business strategy. We have quantified some of these potential impacts and the costs of our net zero commitment to support our financial planning though we do not currently disclose these figures.	We will undertake further analysis to quantify the potential impacts of climate change on the business, strategy and financial planning and look to increase our disclosure in this area.	59
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Our scenario analysis in 2022 explored the resilience of our strategy to a 1.5°C scenario (transition risks) and 1.5°C and 4°C scenarios (physical risks). The findings are summarised on pages 59. We have previously considered the impacts of a disorderly transition scenario.	We are publishing our first Net Zero Transition Plan outlining how we will develop our strategy to decarbonise our business up to 2045. This will be available on our website.	59

	TCFD recommendation	Progress to date	Next steps	Read more on pages
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	Describe the organisation's processes for identifying and assessing climate-related risks.	This process is outlined in risk management on page 59 and in Principal Risks and uncertainties on page 79. We have linked our climate targets to the risks and opportunities as set out by TCFD, pages 64 and 65. The top-down review of key, Principal and emerging risks by our GMT considers their relative significance to the business, including climate-related risks.	We will continue to further strengthen our risk processes in relation to climate change.	59 64 to 65 79
	Describe the organisation's processes for managing climate-related risks.	This process, including our Climate Risk Register is outlined in risk management on page 59 and in Principal Risks and uncertainties on page 79. We have linked our climate targets to the risks and opportunities as set out by TCFD on pages 64 and 65. Our planned key actions will be outlined in our Net Zero Transition Plan.	Continue to further strengthen our risk processes in relation to climate change.	59 64 to 65 79
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Climate change is fully integrated into our top-down and bottom-up risk management process and is a Principal Risk within 'Natural resources and climate change'. The Principal Risk is monitored by the Audit Committee and senior management, assessing its impact on the Group's strategic objectives and ensuring appropriate mitigations are in place. Read more on pages 59 and 79.	Climate risks will continue to be monitored and evaluated, and we will further enhance our approach as appropriate. The outputs from our scenario analysis have been used to develop our transition plan which will inform our business strategy going forward.	74 to 78 79
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	We publish a range of performance data and performance measures to support our Environment Strategy, including our new net zero commitment and supporting targets pages 26 and 27. We report against several of the cross-industry, climate-related metric categories recommended by TCFD.	We will continue to keep our climate reporting under review and to develop additional metrics where needed to support disclosure to investors and other stakeholders.	26 to 27 56 to 57
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	We disclose greenhouse gas emissions data for Scopes 1, 2 and 3 on page 68 and 69.	We are committed to continuous improvement in our data processes and data quality.	68 to 69
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We published our net zero commitment in early 2023 and have submitted it for approval by the Science Based Targets initiative (SBTi). Our ambitious Scopes 1 and 2 science-based carbon reduction target for 2025 has been approved by the SBTi, see page 64. We also have targets relating to energy and resource-efficiency, the carbon performance of our homes in use and embodied carbon.	We will continue to keep our climate targets under review and to disclose our progress against them. We will review the potential for including financial metrics in future reports.	56 to 57 64

Task Force on Climate-related Financial Disclosures *continued*

Greenhouse gas (GHG) emissions (tonnes of CO_2e) and energy use (MWh)

		2022	2021	2020	2019	2018
Scopes 1 and 2 emissions						
Scope 1 GHG emissions – combustion of fuel	tonnes CO_2e	**15,975**	17,464	16,522	21,018	20,328
Scope 2 GHG emissions – market-based	tonnes CO_2e	**2,331**	2,272	1,981	3,563	4,509
Scope 2 GHG emissions – location-based	tonnes CO_2e	**4,279**	5,406	5,272	6,172	6,892
Total Scopes 1 and 2 – market-based	tonnes CO_2e	**18,306**	19,736	18,503	24,581	24,837
Emissions per 100 sqm completed homes (Scopes 1 and 2)	tonnes CO_2e /100 sqm	**1.37**	1.41	1.96	1.62	1.73
Total Scope 3 emissions (updated methodology)**	tonnes CO_2e	**2,519,103**	2,383,398	–	–	–
Purchased goods and services	tonnes CO_2e	**1,309,017**	1,122,678	–	–	–
Waste generated in operations	tonnes CO_2e	**15,089**	15,446	–	–	–
Business travel	tonnes CO_2e	**1,553**	1,438	–	–	–
Fuel and energy-related activities	tonnes CO_2e	**4,886**	5,802	–	–	–
Downstream leased assets	tonnes CO_2e	**6,399**	6,592	–	–	–
Use of sold products	tonnes CO_2e	**1,044,294**	1,106,062	–	–	–
Upstream transport and distribution	tonnes CO_2e	**34,351**	31,044	–	–	–
End of life treatment of sold products	tonnes CO_2e	**29,166**	29,210	–	–	–
Employee commuting	tonnes CO_2e	**74,348**	65,125	–	–	–
Emissions per 100 sqm completed homes (Scope 1, 2 and 3)	tonnes CO_2e/100 sqm	**190**	190	–	–	–
Total Scope 3 emissions (previous methodology)**	tonnes CO_2e	**–**	2,632,421	1,961,431	3,869,583	2,171,973
Energy use						
Operational energy use (fuel and electricity consumption from sites, offices and fleet)	MWh	**92,312**	104,870	96,195	116,207	111,085
Operational energy intensity (site and office fuel and electricity intensity – MWh/100 sqm)	MWh /100 sqm	**6.9**	7.5	10.2	7.6	7.7

Our carbon and energy use data is externally assured by the Carbon Trust to a limited assurance level. Our Scopes 1 and 2 footprint, and three selected Scope 3 categories (Purchased Goods and Services, Fuel and Energy-related Activities and Use of Sold Products) are verified to ISO 14064-3.

Data is provided as tonnes of carbon dioxide equivalent (CO_2e) for all operations. Scopes 1 and 2 emissions are from our sites, offices, show homes and sales areas, plots before sale and car fleet. We have used the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) for data gathered to fulfil our requirements under the Mandatory Carbon Reporting (MCR) requirements, and emission factors from the Government's GHG Conversion Factors for our corporate reporting. We use the market-based method of the revised version of the GHG Protocol Scope 2 Guidance for calculating our Scope 2 emissions. We also disclose Scope 2 emissions calculated using the location-based method.

Footnotes to GHG emissions table continued

We have reported on the emissions sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013 apart from the exclusions noted. The reported sources fall within our Consolidated Financial Statements and are for emissions over which we have financial control. We do not have responsibility for any emissions sources that are not included in our consolidated statement. The following sources of emissions were excluded or part-excluded from this report:

1. Fugitive emissions (refrigerant gases): excluded on the basis of expected immateriality and difficulty in acquiring data

2. Gas and electricity of part-exchange properties: excluded on the basis of immateriality due to very few completions of this type

3. Certain emissions from District Heating Schemes: where we are receiving a rebate from customers prior to handover to the long term operator

4. Certain joint venture properties: where Taylor Wimpey was not part of the handover process. In these cases other homebuilders have captured MCR-related data

See our Carbon Reporting Methodology Statement at www.taylorwimpey.co.uk/corporate/sustainability/our-approach/climate-change-and-nature for more detail.

****Scope 3 emissions**

In 2022, we developed a more accurate methodology for measuring Scope 3 supply chain emissions (Purchased Goods and Services), using a combination of quantity-based data (drawing on data on the quantity of materials purchased and emissions data from environmental product declarations) as well as spend data. Our previous methodology relied on spend data only. We have also made some methodologies improvements for the Scope 3 categories of Business Travel, Use of Sold Products, Employee Commuting and Upstream Transport and Distribution. We have disclosed Scope 3 emissions for 2022 and 2021 using our updated methodologies. For transparency, we have also included data for prior years calculated using our previous methodologies. We report on nine of the 15 Scope 3 categories identified in the GHG Protocol. The remaining six categories are not material to our business.

Energy data and energy efficiency measures

The energy consumption figure in the table is a Group figure. 98.4% of this total energy consumption is from the UK and offshore areas and 1.6% from Spain. 97.85% of total Scope 1 and Scope 2 emissions are from the UK and offshore areas and 2.15% from Spain. During the last year, we have worked to reduce energy and emissions through our purchase of green tariff electricity for our sites during construction, by using our Energy Dos and Don'ts Guide, setting energy use targets for each regional business, trialling hybrid generators and through the efforts of our Sustainability Champions including working with Site Managers to increase the use of natural ventilation methods for drying out homes and checking thermostats in show homes to ensure heating is only used when necessary. We have also successfully tested hydrotreated vegetable oil as a lower carbon alternative to diesel. This reporting meets the SECR (Streamlined Energy and Carbon Reporting) requirements.

Scope 3 data for 2018 and prior years includes fewer categories of emissions. It therefore cannot be directly compared with data for 2019 onward.

For our SASB disclosure please see our Sustainability Supplement and ESG Addendum.

Non-financial information statement

Our Annual Report and Accounts contains a range of non-financial information. The following table summarises where this can be found in our reporting.

	Our policies	Our impact and related Principal Risks	Read more on pages
Environmental matters			
Developed our Net Zero Transition Plan and submitted our net zero targets to the Science Based Targets initiative (SBTi) for independent assessment 51% reduction in direct carbon emissions intensity since 2013 98% of construction waste diverted from landfill and published our 'Towards Zero Waste' strategy	**Sustainability Policy** – Our commitment to balance long term growth with our responsibilities to the environment, society and the communities in which we operate **Climate Policy** – Outlines our approach to reduce greenhouse gas emissions from our operations, supply chain and homes **Health Safety and Environmental (HSE) Policy** – Outlines our ongoing commitment to continual improvement of our HSE performance **Supply Chain Policy** – Sets out our commitment to work with trusted partners and ensure our homes are built using carefully sourced materials **Waste and Resource Use Policy** – Outlines our approach to using materials efficiently and minimising waste	More information can be found within: Strategic cornerstones - Sustainability Climate change risks and opportunities Operational review Principal Risks and uncertainties	 26 to 27 54 to 69 52 to 53 78 to 79
Employees			
96% of employees feel proud to work for Taylor Wimpey 95% of employees feel that they can be their authentic self at work 44% of plc Board positions held by women	**Equality, Diversity and Inclusion Policy** – Outlines our commitment to create an inclusive workplace and a workforce that reflects the diversity of the communities in which we operate **Grievance and Harassment Policy** – Ensures that any reports are investigated and addressed appropriately	More information can be found within: Stakeholder engagement and priorities Operational review Nomination and Governance Committee report Principal Risks and uncertainties	 40 to 41 49 to 51 114 76 to 77
Human rights			
Continue to train employees to identify signs of modern slavery and human trafficking for which we operate a zero tolerance policy	**Anti-Slavery, Human Trafficking and Human Rights Policy** – The measures we uphold to safeguard against modern slavery **Supplier Code of Conduct** – The principles that our suppliers, contractors and business partners are required to adhere to in ensuring human rights are respected and modern slavery is not taking place **Supply Chain Policy**	More information can be found within: Stakeholder engagement and priorities	 42 to 43
Social matters			
Contributed £455 million to communities via our planning obligations In 2022, around 21% of our completions were designated affordable	**Community Policy** – Outlines our commitment to be a responsible homebuilder, building homes and communities that enhance the local area to meet the needs of new and existing residents **Donations Policy** – Our approach to making charitable donations and our policy not to make political donations **Charity and Community Support Policy** – Our commitment to supporting charities and local community groups in the areas we operate	More information can be found within: Stakeholder engagement and priorities Operational review	 42 to 43 51

	Our policies	Our impact and related Principal Risks	Read more on pages
Anti-bribery and anti-corruption			
Continue to train our employees and raise awareness of the procedures in place Strict rules in relation to recording, giving or receiving of gifts	**Anti-Corruption Policy** – Our approach to combat risks of bribery, including the key principles employees should follow **Fraud Mitigation and Response Policy** – This policy formalises the Company's attitude to fraud and its response to instances, or allegations, of fraud against its employees or third parties **Whistleblowing Protected Disclosure Policy** – Includes the procedures to be followed in making a disclosure of wrongdoing within the Company or related to its business	More information can be found within: Corporate governance – Board leadership and Company purpose Audit Committee Report	 101 120
Business model			
c.14k new homes completed for customers in 2022 Strong short term landbank of c.83k plots, as at 31 December 2022	**Community Policy** **Sustainability Policy** **Customer Service Policy** – Our approach and commitments to provide excellent customer service	More information can be found within: Business model	 34 to 35
Non-financial KPIs			
Achieved a recommend score of 90% in the HBF 8-week survey which equates to a five-star rating Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 166 in 2022	**Customer Service Policy** **Health Safety and Environmental Policy** **Communications and Investor Relations Policy** – Sets out our commitment to conduct clear, open and accurate communication with all of the Company's stakeholder groups **Policy embedding, due diligence and outcomes**	More information can be found within: Key performance indicators Stakeholder engagement and priorities Board Activities Board leadership and Company purpose	 30 to 33 40 to 43 98 to 99 102

Risk management

As with any business, Taylor Wimpey faces risks and uncertainties in the course of its operations. It is only by timely identification, effective management and monitoring of these risks that we are able to deliver our strategy and strategic goals.

Governance

The Board has overall responsibility for risk oversight, for maintaining a robust risk management and internal control system, and for determining the Group's appetite for exposure to the Principal Risks to the achievement of its strategy.

The Audit Committee supports the Board in the management of risk and is responsible for reviewing the effectiveness of the risk management and internal control processes during the year.

The Board recognises the importance of identifying and actively monitoring our strategic, reputational, financial and operational risks, and other longer term threats, trends and challenges facing the business.

The Board takes a proactive approach to the management of these and regularly reviews both internal and external factors to identify and assess the impact on the business and in turn identify the Principal Risks that would impact delivery of the Group strategy.

The Chief Executive is primarily responsible for the management of the risks, with the support of the Group Management Team (GMT) and other senior managers located in the business. In line with the 2018 UK Corporate Governance Code, the Board holds formal risk reviews, at least half yearly and routinely considers risk at each Board meeting as appropriate.

The formal assessment includes a robust consideration of the Principal Risks to ensure they remain appropriate as well as a review of the key and emerging risks identified by the business, their risk profile and mitigating factors. At the Board meeting in February 2023, the Board completed its annual assessment of risks. This followed the Audit Committee's formal assessment of risks in December 2022, which was supported by a detailed risk assessment by the GMT and its review of the effectiveness of internal controls in mitigating the risks. The diagram on page 73 illustrates the internal governance process within the Group around risk management.

Our risk management approach involves a top-down review of risks by senior management and the Board, combined with a bottom-up review by each individual function and regional business.

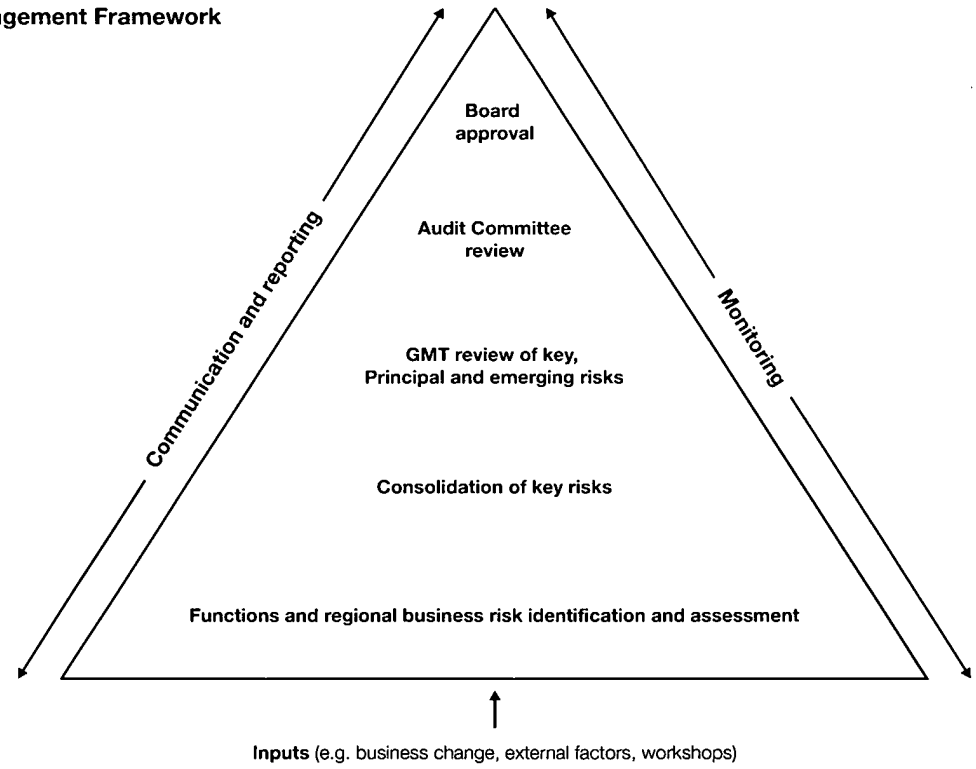
Identification of risks

Our risk management and internal control frameworks define the procedures to manage and mitigate risks facing the business, rather than eliminate risk altogether, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Identifying risks is a continual process and risk registers are maintained throughout the Group at an individual site level, at the regional business level and at Group-wide functional levels. The regional business and functional registers are reviewed twice a year as part of our formal risk assessment process. In determining the risk, consideration is given to both internal and external factors. The registers document both the inherent risks before consideration of any mitigations and residual risks after consideration of effective mitigations.

A consolidated view of the risk environment, including potential emerging risks, is discussed, challenged and approved by the GMT and Audit Committee before being presented to the Board, ensuring all significant risks known to the Group are being actively monitored and appropriate mitigations/actions are in place to ensure each risk falls within the tolerance set by the Board.

Risk Management Framework



Evaluation of risks

A risk scoring matrix is used to ensure risks are evaluated on a consistent basis. Our matrix considers likelihood based on probability of occurrence and impact based on financial, reputational, customer, health and safety, employees, environmental, operational, legal and regulatory and IT perspectives, to help determine those risks that are considered to be key in delivering our strategy. Key risks are defined as those with a residual score equal to or greater than 12 and these are reviewed and monitored by the Board as part of our bi-annual risk assessment process.

Each risk is evaluated at the inherent and residual levels, with consideration given to the target residual risk based on our risk appetite and tolerance levels. All identified risks are aligned to our Principal Risks to help validate the continuance of such or the identification of potential new Principal Risks.

Management of risks

Ownership and management of the Principal, key and emerging risks is assigned to members of the GMT or senior management as appropriate. They are responsible for reviewing the operating effectiveness of the internal control systems, for considering and implementing risk mitigation plans and for the ongoing review and monitoring of the identified risk. This includes the monitoring of progress against agreed KPIs as an integral part of the business process and core activities.

Risk appetite and tolerance

The risk appetite and tolerance levels for the Group are set by the Board. In setting these, the Board has considered the expectations of its shareholders and other stakeholders and recognises the distinction between those risks we can actively manage, for example around our landbank and those against which the Group would need to be responsive as and when they became known, for example transitional arrangements for changes to building regulations.

Approved risk appetite and tolerance levels for each of our Principal Risks are detailed in the Principal Risk tables on pages 76 to 79. The residual risk ratings of all our Principal Risks continue to be within their respective established risk tolerance levels.

Emerging risks

Emerging risks are defined as those where the extent and implications are not yet fully understood, with consideration given to the potential time frame of occurrence and velocity of impact that these could have on the Group. As part of our risk management process, these are identified, monitored and reviewed on an ongoing basis and discussed and agreed by the Board.

Our emerging risks are grouped into the categories listed in the table below, which also contains some narrative description against each category indicating example focus areas into which the identified emerging risks fall.

Specific risk areas other than the Principal Risks

The Group considers other specific risk areas recognising the increasing complexity of the industry in which it operates, and which are in addition to its identified Principal Risks. We continue to monitor and mitigate the impacts on our supply chain and labour force and the overall economic market impacting mortgage availability and demand.

Housing and fire safety continues to remain high on the agendas of the Government and the main political parties. The sector continues to face increasing scrutiny and pressure from social media and pressure groups, together with greater oversight from Government through a single New Homes Ombudsman. We endeavour to deliver both the letter and the spirit of regulations and maintain this same ethos in our relationships with our customers.

Emerging risks

Category	Example focus area
Environmental/climate	Unpredictable weather patterns
Operational/build	Adaptation of building methodologies
Political/economic	Geopolitical uncertainty
Technological	Artificial intelligence
Social	Customer demographics and preferences
Governmental	Changing Government policies

Principal Risks and uncertainties

Principal Risks overview

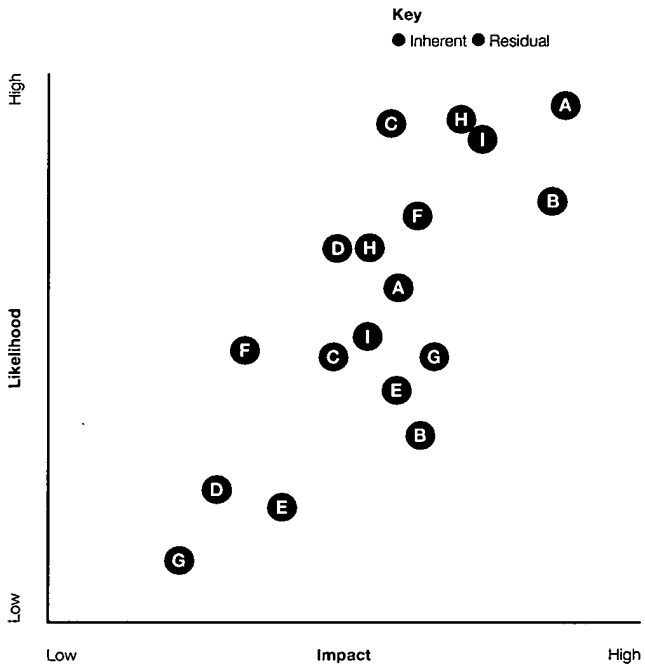
The table below summarises the Group's Principal Risks and uncertainties, showing how each links to our corporate values and strategic cornerstones. Control of each of these is critical to the ongoing success of the business. As such, their management is primarily the responsibility of the Chief Executive and the GMT, together with the roles noted in the Principal Risks tables on pages 76 to 79.

Seven of our existing Principal Risks have seen an increase in their inherent or inherent and residual profile, as reflected in the table below and on pages 76 to 79, primarily driven by the current uncertain economic and political environment we are operating in.

The Board has finalised its assessment of these risks and of any changes to the residual risk profile during the year.

Principal Risks heat map

The heat map below illustrates the relative inherent and residual positioning of our Principal Risks from an impact and likelihood perspective. Further information on our Principal Risks is detailed in the Principal Risk tables on pages 76 to 79.



Category	Our values	Strategic cornerstones	Risk change in year	Material issues
A Government policies, regulations and planning		L O S		●●
B Mortgage availability and housing demand		L O S		●●
C Availability and costs of materials and subcontractors		O S		●●
D Attract and retain high-calibre employees		O		●●
E Land availability		L C		●
F Quality and reputation		O		●●●●
G Health, safety and environment		O S		●●●
H Natural resources and climate change		L S		●●
I Cyber security		O		●

Strategic cornerstones
- L Land
- O Operational excellence
- S Sustainability
- C Capital allocation

Key to our values
- Respectful and fair
- Take responsibility
- Better tomorrow
- Be proud

Key to risk change
- Increased risk
- No change
- Decreased risk

Key to material issues
- Sustainable homes and communities
- Land, planning and community engagement
- Customer service and quality
- Health, safety and wellbeing
- Environment
- Responsible sourcing
- People and skills
- Charitable giving
- Governance and management

Principal Risks and uncertainties *continued*

Principal Risk	Ⓐ Government policies, regulations and planning	Ⓑ Mortgage availability and housing demand
Residual rating	Moderate	Moderate
Residual risk change in year	↑	↑
Risk appetite	Low	Low
Link to values		
Link to strategic cornerstones	L O S	L O S
Description	The industry in which we operate is becoming increasingly regulated. Failure to adhere to Government regulations could impact our operational performance and our ability to meet our strategic objectives. Changes to the planning system or planning delays could result in missed opportunities to optimise our landbank, affecting profitability and production delivery.	A decline in the economic environment, driven by sustained growth in interest rates, increased cost of living, low wage inflation or increasing levels of unemployment, could result in tightened mortgage availability and challenge mortgage affordability for our customers resulting in a direct impact on our volume targets.
Key mitigations	– Research conducted to update technical specification of our new house type range, in preparation for changes to Building Regulations Parts L & F and the Future Homes Standard (FHS) including a trial of five FHS-compliant plots – Consultation with Government agencies – Ground Rent Review Assistance Scheme and agreement reached with CMA and majority of freeholders – Cladding fire safety remediation and signing of the Government's Building Safety Pledge for Developers – Engagement with national and local government – Working with HBF and other stakeholders – Member of Future Homes Hub	– Increase outlets to provide greater customer choice and flexibility to respond quickly to changing market conditions – Review of pricing and incentives offered – Monitor external market data (e.g. HBF and mortgage lenders) – Strong relationships with mainstream lenders – Work with Financial Services industry to ensure customers receive appropriate advice on mortgage products
Example key risk indicators	– New Government regulations (e.g. around planning and climate) – Delays in planning – Sentiment towards the industry (e.g. cladding fire safety remediation)	– Interest rate increases – Levels of unemployment – Volume of enquiries/people visiting our developments – UK household spending/levels of disposable income – Loan to value metrics
Opportunities	– To build enhanced collaborative networks with stakeholders and peers, to monitor the implications of regulatory change – Lead the business in addressing pressing environmental issues, including reducing our carbon footprint and targeting biodiversity	– To continue to develop strong working relationships with established mainstream lenders and those wishing to increase volume in the new build market
Link to material issues	● Responsible sourcing ● Governance and management	● Sustainable homes and communities ● Responsible sourcing
Accountability	– Group Technical Director – Director of Planning – Regional Managing Directors	– UK Sales and Marketing Director – Regional Sales and Marketing Directors

Key to cornerstones	Key to our values	Key to risk change
L Land	Respectful and fair	Increased risk
O Operational excellence	Take responsibility	No change
S Sustainability	Better tomorrow	Decreased risk
C Capital allocation	Be proud	

C Availability and costs of materials and subcontractors

Moderate

Low-moderate

O S

Increase in housing demand and production or a breakdown within the supply chain may further strain the availability of skilled subcontractors and materials and put pressure on utility firms to keep up with the pace of installation resulting in increased costs and construction delays.

- Central procurement and key supplier agreements
- Supplier and subcontractor relationships
- Contingency plans for critical path products
- Direct trade and apprenticeship programmes
- Key commodity risk assessment matrix
- Regular checks on all key suppliers
- Monitoring of the supply chain

- Material and trade shortages
- Material and trade price increases
- Level of build quality and waste produced from sites
- Longer build times
- Number of skilled trades
- To develop and implement different build methods as alternatives to conventional brick and block

● Responsible sourcing
● People and skills

- Supply Chain Director
- Procurement Director
- Group Commercial Director

D Attract and retain high-calibre employees

Low

Moderate

O

An inability to attract, develop, motivate and retain high-calibre employees, together with a failure to consider the retention and succession of key management could result in a failure to deliver our strategic objectives, a loss of corporate knowledge and a loss of competitive advantage.

- Production Academy and Production Manager succession development programme
- Site skills project
- Collaboration with major organisations to jointly address skills shortage
- Graduate and apprenticeship programmes
- Management training
- Enhanced remote working procedures
- Educational masterclasses
- Salary benchmarking

- Employee engagement score
- Number of, and time to fill, vacancies
- Employee turnover levels
- To further develop in-house capability, expertise and knowledge

● People and skills
● Charitable giving

- Group HR Director
- Every employee managing people

Principal Risks and uncertainties *continued*

Principal Risk	E Land availability	F Quality and reputation
Residual rating	Low	Moderate
Residual risk change in year	↑	↑
Risk appetite	Moderate	Low
Link to values		
Link to strategic cornerstones	L C	O
Description	An inability to secure land at an appropriate cost, the purchase of land of poor quality or in the wrong location, or the incorrect timing of land purchases in relation to the economic cycle could impact future profitability.	The quality of our products is key to our strategic objective of being a customer-focused business and in ensuring that we do things right first time. If the Group fails to deliver against these standards and its wider development obligations, it could be exposed to reputational damage, as well as reduced sales and increased costs.
Key mitigations	– Critically assess opportunities – Land quality framework – Engagement with national and local government – Review of land portfolio – Obtaining specialist environmental and legal advice	– Customer-ready Home Quality Inspection (HQI) – Consistent Quality Approach (CQA) – Quality Managers in the business – Training on the New Homes Quality Code – Ombudsman readiness
Example key risk indicators	– Movement in landbank years – Number of land approvals – Timing of conversions from strategically sourced land	– Customer satisfaction scores (8-week and 9-month) – Number of NHBC claims – Construction Quality Review (CQR) scores – Average reportable items per inspection found during NHBC inspections at key stages of the build
Opportunities	– A strong balance sheet allows us to invest when land market conditions are attractive	– To better understand the needs of our customers enabling increased transparency of our build profile – To lead the industry in quality standards (our CQR score) and reduce the number of reportable items identified through monitoring defects at every stage of build
Link to material issues	● Land, planning and community engagement	● Sustainable homes and communities ● Customer service and quality ● Responsible sourcing ● Governance and management
Accountability	– Divisional Chairs – Regional Managing Directors – Regional Land and Planning Directors – Managing Director Group Strategic Land – UK Business, Land and Development Director	– Customer Director – UK Head of Production – Director of Design

Key to cornerstones	Key to our values	Key to risk change
L Land	Respectful and fair	Increased risk
O Operational excellence	Take responsibility	No change
S Sustainability	Better tomorrow	Decreased risk
C Capital allocation	Be proud	

G Health, safety and environment

Low

Low

O S

The health and safety of all our employees, subcontractors, visitors and customers is of paramount importance. Failure to implement and monitor our stringent health, safety and environment (HSE) procedures and policies across all parts of the business could lead to accidents or site-related incidents resulting in serious injury or loss of life.

- Embedded HSE system
- HSE training and inductions
- Mental health training and support for all employees

- Increase in near misses and fatalities
- Health and safety audit outcomes
- Number of reportable health and safety incidents

- To lead the industry in health and safety and to reduce the amount and level of incidents

- Sustainable homes and communities
- Health, safety and wellbeing
- Environment

- Head of Health, Safety and Environment
- Regional Managing Directors

H Natural resources and climate change

Moderate

Low

L S

An inability to reduce our environmental footprint, the challenges of a degraded environment including the impacts of climate change, nature loss and water scarcity on our business, supply chain scarcity due to environmental change and the increasing desire of our customers to live more sustainably could impact our reputation, ability to attract investment and obtain planning permission and the delivery of our strategic targets.

- Net Zero Transition Plan
- Published Environment Strategy
- Adoption of Science Based Targets
- Climate change governance, including LEAF Committee
- Achievement of Carbon Trust Standard
- HBF and investor liaison
- Training and development in-house and in our supply chain
- Collection and interpretation of data to drive relevant actions

- Energy use and greenhouse gas emissions
- Biodiversity net gain %
- Construction waste generation and waste to landfill

- Sustainable homes and developments attractive to customers
- A sustainable business of choice for investors
- Advantageous planning positions

- Sustainable homes and communities
- Environment

- Director of Sustainability
- Regional Managing Directors

I Cyber security

Moderate

Low-moderate

O

The Group places increasing reliance on IT to conduct its operations and the requirement to maintain the accuracy and confidentiality of its information systems and the data contained therein. A cyber attack leading to the corruption, loss or theft of data could result in reputational and operational damage.

- Complex passwords policy and multi-factor authentication for remote access
- Regular security patching and penetration testing
- Risky logins check
- Intrusion detection and prevention systems
- Suspected phishing emails process
- Mandated cyber training for all staff
- Cyber insurance
- Head of Cyber Security appointed
- Cyber security KPIs
- Blocked traffic originating from countries deemed a threat to the UK

- Number of devices with critical and high open vulnerabilities
- Number of devices without latest patching in place
- Phishing test results
- Cyber training completion statistics
- Number of users with administrative privileges to critical systems

- Together with our service partners, provide a level of security to reinforce our reputation as a trusted partner

- Governance and management

- IT Director

Group financial review

Focused on operational excellence and financial performance

In 2022 we delivered an improved operating profit margin* of 20.9% (2021: 19.3%) due to focus on optimising selling prices and continued strong cost control.

Chris Carney
Group Finance Director

Value distributed during 2022

Contribution to local communities via planning obligations

£454.6m

(2021: £417.7m)

Employment

£290.0m

(2021: £278.0m)

Total cash returns to shareholders in year including share buybacks

£473.8m

(2021: £301.5m)

Group financial review

Income statement

Group revenue was £4,419.9 million in 2022 (2021: £4,284.9 million), with Group completions, excluding JVs being 1.5% lower at 13,932 (2021: 14,144). The small volume reduction was offset by increases in average selling prices as UK average selling prices on private completions increased by 6.1% to £352.4k (2021: £332.2k), primarily due to house price inflation. The increase in total UK average selling prices was 4.3% to £312.8k (2021: £299.8k) as a result of the greater proportion of affordable housing in 2022 (21%) than the prior period (2021: 18%).

Group gross profit increased to £1,132.4 million (2021: £1,027.0 million), representing a gross margin of 25.6% (2021: 24.0%). The increase in margin over the prior year was driven primarily by house price inflation, which more than offset build cost inflation in the year.

Net operating expenses of £304.9 million (2021: £328.8 million) includes £80.0 million (2021: £125.0 million) of exceptional costs relating to the cladding fire safety provision, which is detailed below. Excluding these exceptional costs the net operating expenses were £224.9 million (2021: £203.8 million), which was predominantly made up of administrative costs of £220.7 million (2021: £211.0 million). The increase in administrative costs over the comparative year was driven mainly by the annual salary review and the pay benchmarking exercise undertaken in the prior year, and associated on-costs, being in place for the full year. This resulted in a profit on ordinary activities before net finance costs of £827.5 million (2021: £698.2 million), £907.5 million (2021: £823.2 million) excluding exceptional items.

> **"The increase in margin over the prior year was driven by our success in capturing house price inflation whilst paying close attention to cost control and operational efficiency."**

During the year, completions from joint ventures were 222 (2021: 158). As a result of the increased joint venture completions, at a greater average selling price and gross margin than 2021, our share of joint ventures' profits in the year was £15.9 million (2021: £5.4 million). When including this in the profit on ordinary activities before net finance costs the resulting operating profit was £923.4 million (2021: £828.6 million), delivering an operating profit margin of 20.9% (2021: 19.3%). The total order book value of joint ventures as at 31 December 2022 decreased to £26 million (31 December 2021: £74 million), representing 56 homes (31 December 2021: 151).

In March 2021, we announced that we would cover the costs to bring all Taylor Wimpey apartment buildings going back 20 years from 1 January 2021, irrespective of height or whether we retain a legal interest, in line with EWS1 guidance. As a result of this the Group recorded an additional £125.0 million provision to fund cladding fire safety improvement works which was charged to exceptional items in line with our policy. In April 2022, we signed the Government's Building Safety Pledge for Developers, extending this period to cover all buildings constructed by Taylor Wimpey since 1992, as well as committing to reimburse any funds allocated or used for Taylor Wimpey buildings over 18 metres from the Building Safety Fund. An increase in the provision was recognised in the year, with £80.0 million being recorded as an exceptional charge.

The net finance expense of £15.5 million (2021: £24.0 million) principally includes imputed interest on land acquired on deferred terms, bank interest and interest on the pension scheme, less interest received.

Profit on ordinary activities before tax increased to £827.9 million (2021: £679.6 million). The pre-exceptional tax charge was £201.9 million (2021: £147.9 million). This represents an underlying tax rate of 22.2% (2021: 18.4%) which includes a £1.7 million credit (2021: £2.6 million credit) arising from the remeasurement of the Group's UK deferred tax assets following the introduction of the new Residential Property Developer Tax. A tax credit of £17.6 million was recognised in respect of the exceptional charge (2021: £23.8 million). This resulted in a total tax charge of £184.3 million (2021: £124.1 million), a rate of 22.3% (2021: 18.3%).

As a result, profit for the year was £643.6 million (2021: £555.5 million).

Basic earnings per share was 18.1 pence (2021: 15.3 pence). The adjusted basic earnings per share* was 19.8 pence (2021: 18.0 pence).

Spain

Our Spanish business primarily sells second homes to European and other international customers, with a small proportion of sales being primary homes for local residents. The business had a strong year, completing 381 homes (2021: 215) with average selling price reducing to €383k (2021: €417k), due to regional mix. The total order book as at 31 December 2022 increased to 448 homes (31 December 2021: 324 homes).

Gross margin increased to 29.7% (2021: 24.3%), due to the increased level of completions and timing variances on the recognition of sales commissions. This flowed through to an operating profit* of £32.6 million (2021: £14.6 million) and an operating profit margin* of 26.2% (2021: 19.0%).

The total plots in the landbank stood at 2,544 (31 December 2021: 2,779), with net operating assets* at £89.8 million (31 December 2021: £108.9 million).

Balance sheet

Net assets at 31 December 2022 increased by £188.1 million (4.4%), to £4,502.1 million (31 December 2021: £4,314.0 million), with net operating assets* increasing by £168.9 million (4.9%) to £3,619.5 million (31 December 2021: £3,450.6 million). Return on net operating assets increased to 26.1% (2021: 24.7%) following the increase in operating profit over the year, compared with the prior year. Group net operating asset turn* was 1.25 times (2021: 1.28).

Land

Land at 31 December 2022 increased by £42.6 million in the year to £3,428.3 million as the short term owned number of plots increased. Land creditors decreased to £725.6 million (31 December 2021: £806.4 million) as the Group was highly selective in purchasing land across all geographies, particularly in the second half of the year. Included within the gross land creditor balance is £43.0 million of UK land overage commitments (31 December 2021: £59.0 million). £395.0 million of the land creditors is expected to be paid within 12 months and £330.6 million thereafter.

At 31 December 2022 the UK short term landbank comprised 82,830 plots (31 December 2021: 85,376), with a net book value of £2.9 billion (31 December 2021: £2.9 billion). Short term owned land comprised £2.8 billion (31 December 2021: £2.8 billion), representing 63,088 plots (31 December 2021: 62,660). The controlled short term landbank represented 19,742 plots (31 December 2021: 22,716).

The value of long term owned land increased to £311 million (31 December 2021: £298 million), representing 36,646 plots (31 December 2021: 37,425), with a further total controlled strategic pipeline of 107,739 plots (31 December 2021: 107,809). Total potential revenue in the short and long term owned and controlled landbank increased to £61 billion in the year (31 December 2021: £59 billion).

Work in progress (WIP)

Total WIP investment, excluding part exchange and other, increased to £1,725.9 million (2021: £1,548.1 million) following the opening of 104 new outlets in the UK in the year (2021: 84) and the total number of outlets increased compared with 31 December 2021. The average WIP per UK outlet was largely consistent at £6.4 million (31 December 2021: £6.5 million). As sales rates slowed towards the end of the year controls around new WIP releases were tightened.

Provisions and deferred tax

Provisions increased to £290.3 million (31 December 2021: £245.1 million) due primarily to the £80.0 million additional cladding fire safety provision recognised in the year, partially offset by utilisation as works have been carried out. In addition, utilisation of the Ground Rent Review Assistance Scheme ('GRRAS') provision has continued as claims have been received and processed, and payments made following the agreement of voluntary undertakings with the CMA in December 2021.

Our net deferred tax asset of £26.0 million (31 December 2021: £26.2 million) relates to our pension deficit, UK provisions that are tax deductible when the expenditure is incurred, and the temporary differences of our Spanish business, including brought forward trading losses.

Pensions

As a result of the 31 December 2019 triennial valuation, a funding arrangement was agreed with the Trustee of the Taylor Wimpey Pension Scheme ('TWPS') that committed the Group to paying up to £20.0 million per annum into an escrow account between April 2021 and March 2024. Following an initial contribution totalling £10.0 million all further payments into the escrow account are subject to a quarterly funding test, effective from 30 September 2021. Should the TWPS Technical Provisions funding position at any quarter end be 100% or more, payments into

2022 Group results

	UK	Spain	Group
Completions including joint ventures	13,773	381	14,154
Revenue (£m)	4,295.5	124.4	4,419.9
Operating profit* (£m)	890.8	32.6	923.4
Operating profit margin* (%)	20.7	26.2	20.9
Profit before tax and exceptional items (£m)			907.9
Profit for the year (£m)			643.6
Basic earnings per share (p)			18.1
Adjusted basic earnings per share* (p)			19.8

Pension contributions

£22.5m

(2021: £31.5m)

Taxes

£208.7m

(2021: £151.9m)

the escrow account are suspended and would only restart should the funding subsequently fall below 98%. The funding test at 30 September 2021 showed a funding level of 103% and has remained above 98% since then and therefore escrow payments were suspended on, and from, 1 October 2021.

For the purposes of assessing the TWPS funding level, the liabilities are measured relative to the yield on government bonds. Due to the volatility seen in financial markets over the year, the value placed on the IAS 19 liabilities (pre-IFRIC 14) has changed significantly, reducing by 32% over the course of the year. However, the Trustee of the TWPS manages this volatility by investing assets in a way that's intended to broadly match the movement in the value of the liabilities. As a result, the net funding position of the TWPS has remained in an IAS 19 and technical provisions surplus.

The Group continues to provide a contribution for Scheme expenses (£2.0 million per year) and also makes contributions via the Pension Funding Partnership (£5.1 million per year). Total Scheme contributions and expenses in the year were £7.1 million (2021: £17.4 million) with no further amounts paid into the escrow account (2021: £10.0 million). Further payments into escrow are subject to quarter-end funding tests and would amount to an additional £5.0 million being paid into escrow each quarter if the funding test is not met at the respective quarter end. The most recent funding test at December 2022 showed a surplus of £26 million and a funding level of 101.5% and as a result no payment into escrow is due in the first quarter of 2023.

At 31 December 2022, the IAS 19 valuation of the Scheme was a surplus of £76.6 million (31 December 2021: £149.9 million). Due to the rules of the TWPS, any surplus cannot be recovered by the Group and therefore a deficit has been recognised on the balance sheet under IFRIC 14. The deficit is equal to the present value of the remaining committed payments under the 2019 triennial valuation. Retirement benefit obligations of £29.9 million at 31 December 2022 (31 December 2021: £37.3 million) comprise a defined benefit pension liability of £29.6 million (31 December 2021: £37.0 million) and a post-retirement healthcare liability of £0.3 million (31 December 2021: £0.3 million).

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks.

Net cash and financing position

Net cash* increased to £863.8 million at 31 December 2022 from £837.0 million at 31 December 2021, due to the improved operating profit* in the year, as well as the more selective approach to landbuying that reduced spend in the second half of the year and the tight controls on WIP investment put in place towards the end of the year as sales rates started to slow. Average net cash* for the year was £595.7 million (31 December 2021: £788.1 million).

Cash generated from operations increased in the year and as a result led to cash conversion* of 76.3% of operating profit (2021: 69.4%).

Net cash, combined with land creditors, resulted in an adjusted gearing* of (3.1)% (31 December 2021: (0.7)%).

At 31 December 2022 our committed borrowing facilities were £639 million of which £550 million was undrawn. The average maturity of the committed borrowing facilities at 31 December 2022 was 1.9 years (31 December 2021: 2.9 years). In December 2022 the Group entered into an agreement to refinance the June 2023 €100 million maturing loan notes. The new loan notes will be issued in June 2023, maturing June 2030. Including the new loan notes the weighted average maturity is 2.9 years.

Dividends paid in year

£323.8m

(2021: £301.5m)

Final dividend pence per share

4.78p

(2021: 4.44p)

2022 share buyback

£150.0m

(2021: N/A)

Dividends

Subject to shareholder approval at the AGM scheduled for 27 April 2023 the 2022 final ordinary dividend of 4.78 pence per share will be paid on 12 May 2023 to shareholders on the register at the close of business on 31 March 2023 (2021 final dividend: 4.44 pence per share). In combination with the 2022 interim dividend of 4.62 pence per share this gives total ordinary dividends for the year of 9.40 pence per share (2021 ordinary dividend: 8.58 pence per share). In addition, the Group returned £150.0 million in capital by way of a share buyback in the year, buying back 116,942,362 ordinary shares, of which 25,000,000 have been retained in Treasury with the remainder cancelled.

The dividend will be paid as a cash dividend, and shareholders have the option to reinvest all of their dividend under the Dividend Re-Investment Plan (DRIP), details of which are available on our website www.taylorwimpey.co.uk/corporate.

Going concern

The Directors remain of the view that the Group's financing arrangements and balance sheet strength provide both the necessary liquidity and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the financial statements are prepared on a going concern basis, see Note 1 of the financial statements for further details of the assessment performed.

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 85 for definitions.

Viability statement

Viability disclosure

In accordance with the 2018 UK Corporate Governance Code, the Directors and the senior management team have assessed the prospects and financial viability of the Group for a period longer than the 12 months required for the purpose of the 'going concern' assessment.

Time period

The Directors have assessed the viability of the Group over a five-year period, taking account of the Group's current financial position, current market circumstances and the potential impact of the Principal and Emerging Risks facing the Group. The Directors have determined this as an appropriate period over which to assess the viability based on the following:

- It is aligned with the Group's bottom-up five-year budgeting and forecasting cycle; and
- Five years represents a reasonable estimate of the typical time between purchasing land, its progression through the planning cycle, building out the development and selling homes to customers from it.

Five years is also a reasonable period for consideration given the following broader external trends:

- The cyclical nature of the market in which the Group operates, which tends to follow the economic cycle;
- Consideration of the impact of Government policy, planning regulations and the mortgage market;
- Long term supply of land, which is supported by our strategic landbank; and
- Changes in technology and customer expectations.

Assessment of prospects

We consider the long term prospects of the Group in light of our business model. Our strategy to deliver sustainable value is achieved through delivering high-quality homes for our customers, in the locations where people want to live, whilst carefully managing our cost base and the Group's balance sheet.

In assessing the Group's prospects and long term viability due consideration is given to:

- The Group's current performance, including the impacts from the decline in customer confidence and disposable income arising during the latter half of 2022, the output from the annual business planning process that takes these impacts into consideration and the Group's financing arrangements;
- The wider economic environment and mortgage market, as well as changes to Government policies and regulations, including those influenced by sustainability, climate change and the environment, that could impact the Group's business model;
- Strategy and business model flexibility, including build quality, customer dynamics and approach to land investment. Further detail is provided on pages 21 to 35; and
- Principal Risks associated with the Group's strategy and business model including those which have the most impact on our ability to remain in operation and meet our liabilities as they fall due.

Principal Risks

The Principal Risks, to which the Group are subject, have undergone a comprehensive review by the GMT and Board in the current year. Consideration is given to the risk likelihood based on the probability of occurrence and potential impact on our business, together with the effectiveness of mitigations. The full list of Principal Risks, including mitigations, can be found on pages 76 to 79 and are referenced 'A' to 'I'.

The Directors identified the Principal Risks that have the most impact on the longer-term prospects and viability of the Group, and as such these have been used in the modelling of a severe but plausible downside scenario, as:

- Government policies, regulations and planning (A);
- Mortgage availability and housing demand (B);
- Availability and costs of materials and subcontractors (C);
- Quality and reputation (F); and
- Cyber security (I).

A range of sensitivity analyses for these risks together with likely mitigating actions that would be adopted in response to these circumstances were modelled, including a severe but plausible downside scenario in which the impacts were aggregated together.

The impact from "Natural resources and climate change" (H) is not deemed to be material within the five year forecast period, as costs associated with the regulatory changes have been included in the modelling (e.g. updates to Parts L&F of the building regulations in England and Wales and Future Homes and Buildings Standard).

Assessment of viability

The Group adopts a disciplined annual business planning process involving the management teams of the UK regional businesses and Spain, and the Group's senior management, and is built on a bottom-up basis. This planning process covers a five year period comprising a detailed budget for the next financial year, together with a forecast for the following four financial years ('forecast').

The financial planning process considers the Group's profitability and Income Statement, Balance Sheet including landbank, gearing and debt covenants, cash flows and other key financial metrics over the forecast period. These financial forecasts are based on a number of key assumptions, the most important of which include:

- Timing and volume of legal completions of new homes sold, which includes annual production volumes and sales rates over the life of the individual developments;
- Average selling prices achieved;
- Build costs and cost of land acquisitions, including the impact from the updates to Parts L&F of the building regulations in England and Wales and the Future Homes Standard;
- Working capital requirements; and
- Capital repayment plan, where we have assumed the payment of the ordinary dividend in line with the current policy, which is a minimum of £250 million or 7.5% of the Group's net assets, throughout the period.

Stress testing our risk resilience

The assessment considers sensitivity analysis on a series of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these we have included macro-economic and industry-wide projections as well as matters specific to the Group.

The severe but plausible downside scenario reflects the aggregated impact of sensitivities, taking account of a further decline in customer confidence, disposable incomes, and mortgage availability than has been experienced during the second half of 2022. To arrive at our stress test we have drawn on experience gained from managing the business through previous economic downturns and the COVID-19 pandemic.

We have applied the sensitivities encountered at those times, as well as the mitigations adopted, to our 2023 expectations in order to test the resilience of our business. As a result, we have stress tested our business against the following severe but plausible downside scenario which can be attributed back to the Group's Principal Risks that have been identified as having the most impact on the longer term prospects and viability of the Group.

Volume (Principal Risk: A, B, C, F) – a decline in total volumes of 30% from 2022 levels, remaining at these reduced levels across 2023 to 2025 before recovering from 2026 back to 2022 levels by 2027.

Price (Principal Risk: B) – a reduction to current selling prices of 20%, remaining at these levels across 2023 to 2025 before recovering from 2026 to 2022 levels by 2027.

One-off costs (Principal Risk: A, F, I) – a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in Government regulations or financial penalty has been included in 2023.

Within the scenario build costs are forecast to reduce across 2024 and 2025 with lower volumes reducing pressure on the availability of materials and resources and land cost remaining broadly flat, as the possible increase in availability due to lower volumes is offset by a restriction in supply. An estimate for the cost of the Future Homes and Buildings Standard has been assumed.

The mitigating actions considered in the model include a reduction in land investment, a reduction in the level of production and work in progress held and reducing our overhead base to reflect the lower volumes.

If this scenario were to occur, we also have a range of additional options to maintain our financial strength, including: a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend, and or raising debt.

At 31 December 2022, the Group had a cash balance of £952 million and access to £550 million from a fully undrawn revolving credit facility, which is expected to be replaced during the forecast period, together totalling £1,502 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Confirmation of viability

Based on the results of this analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

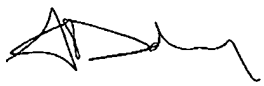
Definitions of APMs

- Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures.
- Operating profit margin is defined as operating profit divided by revenue.
- Return on net operating assets (RONOA) is defined as rolling 12-months' operating profit divided by the average of the opening and closing net operating assets of the 12-month period, which is defined as net assets less net cash, excluding net taxation balances and accrued dividends.
- Tangible net assets per share is defined as net assets before any accrued dividends excluding goodwill and intangible assets divided by the number of ordinary shares in issue at the end of the period.
- Adjusted basic earnings per share represents earnings attributed to the shareholders of the Parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period.
- Net operating asset turn is defined as 12-months' rolling total revenue divided by the average of opening and closing net operating assets of the 12-month period.
- The Annual Injury Incidence Rate (AIIR) is defined as the number of incidents per 100,000 employees and contractors, calculated on a rolling 12 month basis, where the number of employees and contractors is calculated using a monthly average over the same period.
- Net cash is defined as total cash less total borrowings.
- Cash conversion is defined as operating cash flow divided by operating profit or loss on a rolling 12-month basis, with operating cash flow defined as cash generated by operations (which is before income taxes paid, interest paid and payments related to exceptional charges).
- Adjusted gearing is defined as adjusted net debt divided by net assets. Adjusted net debt is defined as net cash less land creditors.

A reconciliation of alternative performance measures to statutory measures is disclosed in note 32 of the financial statements.

Approval of the Strategic report

This Strategic report on pages 2 to 85 was approved by the Board of Directors and signed on its behalf by



Jennie Daly
Chief Executive

Governance at a glance

We firmly believe that good corporate governance is essential to enable us to deliver our purpose for all of our stakeholders and remains a top priority for the Board.

The Company is committed to the principles of the 2018 UK Corporate Governance Code (the Code), published by the Financial Reporting Council (the FRC), which sets out standards of good practice for listed companies such as Taylor Wimpey.

Highlights

Board meeting attendance

96%

Read more on page 91

Board independence

78%

Read more on pages 88 to 90

Board ethnic diversity

Read more on page 114

Employee engagement sessions

17

Read more on page 105

Gender pay gap (mean)

-2%

Read more in our Diversity Report on our website

Non Executive Director tenure

0-2 years

3-4 years

5-9 years

Read more on pages 88 to 90

Board Evaluation key actions

More information about the 2021 and 2022 Board Evaluations can be found on page 112.

Actions taken in 2022	Actions for 2023
A thorough handover and induction process for Jennie Daly was undertaken, as outlined on page 109	Additional reporting on succession and development plans
The role of the Board's Employee Champion was expanded and additional engagement sessions were held. More information can be found on page 104	Increased engagement with members of the Group Management Team and Heads of Functions
The Directors have visited a number of sites during 2022, as outlined on page 100	Amending agenda layouts to gain a better understanding of ESG priorities

Gender diversity for senior Board positions

Chair and Chief Executive

Senior Independent Director and Group Finance Director

Read more on page 88

Board gender diversity

4 female

5 male

Read more on page 114

2018 UK Corporate Governance Code compliance

For the year ended 31 December 2022, the Company complied with:

- All the provisions of the 2018 UK Corporate Governance Code (the Code) except for:
  - Provision 32 (Remuneration Committee composition) from the date of the 2022 Annual General Meeting, in respect of which the Company will shortly announce changes to the composition of the Committee to ensure compliance with the Code. More information can be found on pages 125 and 148.
  - Provision 38 (executive director pension contributions) which the Company complies with from 1 January 2023. More information can be found on page 125.
- The Financial Conduct Authority's Disclosure and Transparency Rules sub chapters 7.1-7.2 and Listing Rules 9.8.6R, 9.8.7R and 9.8.7AR.
- The BEIS Directors' Remuneration Reporting Regulations and Narrative Reporting Regulations.

The Board has reviewed the Annual Report and Accounts 2022 and, after receiving advice from the Audit Committee, has concluded that taken as a whole it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy. More information can be found on page 123.

How the Company complies with the Code

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Board of Directors

Chair

1. Irene Dorner[1]

Chair

Date of appointment
December 2019

Board tenure
3 years

Skills and attributes which support strategy and long term success
- Engaging and inclusive leadership style with significant experience of chairing boards of both public and private companies
- Strong communicator and ability to manage and develop stakeholder relations
- Extensive experience of operating in highly regulated industries

Career and experience
Irene has held a number of senior positions at HSBC including CEO of HSBC Malaysia, CEO and President of HSBC in the United States, Group Managing Director of HSBC Holdings and member of the Group Management Board. Irene was Chairman of Virgin Money (UK) plc for seven months prior to its acquisition in 2018 and was also a Non Executive Director of AXA SA and Rolls-Royce Holdings plc.

External appointments
- Chairman of Control Risks Limited
- Trustee of the South East Asia Rainforest Research Partnership
- Honorary Fellow of St. Anne's College, Oxford
- Chair of the Trustees for the Hampstead Theatre

Senior Independent Director

2. Robert Noel[2]

Senior Independent Director and Chair Designate

Date of appointment
October 2019

Board tenure
3 years

Skills and attributes which support strategy and long term success
- A former commercial business leader with a long track record in the property sector and operating in a cyclical environment
- Experience of chairing a FTSE 250 company
- Ability to challenge whilst working collegially and developing strong relationships amongst key stakeholder groups

Career and experience
Rob was Chief Executive of Land Securities Group PLC from 2012 to 2020 and was previously Property Director at Great Portland Estates plc and a director of Nelson Bakewell, the property services group. He is a former President of The British Property Federation.

External appointments
- Chairman of Hammerson plc
- Trustee of the Natural History Museum
- Non Executive Director of GMS Estates Limited

Executive Directors

3. Jennie Daly

Chief Executive

Date of appointment
April 2018

Board tenure
4 years

Skills and attributes which support strategy and long term success
- Exceptional leadership and a razor-sharp focus on operations and strategy execution
- Broad knowledge of the housebuilding and land and planning sectors
- Proactive approach to stakeholders and their key priorities with extensive customer and people-focused skills

Career and experience
Before becoming Chief Executive, Jennie had been Group Operations Director since 2018. Jennie joined the Company from Redrow plc in 2014 as UK Planning Director, becoming UK Land Director in 2015. Jennie's previous roles include Managing Director of Harrow Estates Plc and strategic land oversight at Westbury plc.

External appointments
- Member of the Board of the Home Builders Federation
- Non Executive Director of New Homes Quality Board Limited

During the year Pete Redfern, Gwyn Burr and Angela Knight were also Directors. They stood down as Directors on 26 April 2022. Their biographies can be found on pages 74 and 75 of the Annual Report and Accounts 2021.

1. Irene will step down as Chair following the conclusion of the 2023 Annual General Meeting (AGM) and will become a non-independent Non Executive Director and stand down as a member of the Remuneration Committee.
2. Rob will become Chair following the conclusion of the 2023 AGM. He will stand down as a member of the Audit Committee and the Board's Employee Champion.

Committees

Audit Committee

Nomination and Governance Committee

Remuneration Committee

Chair of Committee

Independent Non Executive Directors

4. Chris Carney

Group Finance Director

Date of appointment
April 2018

Board tenure
4 years

Skills and attributes which support strategy and long term success
- A wealth of experience in the housebuilding industry
- Extensive knowledge of the Company's operational affairs, including treasury, pensions, information technology and tax matters
- In-depth insight into the Company's risk environment

Career and experience
Chris is a Chartered Accountant and has worked in private practice with Deloitte and in-house for Associated British Foods plc. Since joining in 2006, he has successively held the roles of Group Financial Controller, Finance Director of Taylor Wimpey UK, Managing Director of the Company's South Thames regional business, and Divisional Chair for the London and South East Division.

External appointments
- None

5. Mark Castle

Independent Non Executive Director

Date of appointment
June 2022

Board tenure
Less than 1 year

Skills and attributes which support strategy and long term success
- Extensive operational insight and knowledge of the construction sector, with particular focus on supply chain, production and innovation

Career and experience
Mark was Chief Operating Officer of Mace Finance Ltd and previously held executive roles at Structuretone Inc and Wates Group Ltd. In addition, Mark was Chair of Build UK from 2017 to 2019.

External appointments
- Non Executive Director at Mace Finance Ltd
- Non Executive Director at Eleco plc
- Non Executive Chairman of Triangle Group

6. Lord Jitesh Gadhia

Independent Non Executive Director

Date of appointment
March 2021

Board tenure
2 years

Skills and attributes which support strategy and long term success
- Extensive involvement in public affairs and corporate governance, following his executive career in finance

Career and experience
Jitesh has over 20 years' executive experience, principally in banking and private equity, having held senior roles at Blackstone, Barclays Capital and ABN AMRO. He previously supported the Letwin Review of the build out rate of residential homes, and was a Non Executive Director at UK Financial Investments Limited, Senior Independent Director of Calisen plc and a Member of the Board of UK Government Investments Limited. Jitesh has extensive remuneration committee experience, including across public and private companies.

External appointments
- Member of the House of Lords since 2016
- Non Executive Director of the Court of Directors of the Bank of England
- Non Executive Director of Compare The Market Limited
- Non-Executive Director of Rolls-Royce Holdings plc
- Director of Accord Healthcare Limited
- Chair and Trustee of the British Asian Trust
- Non Executive Director of Bard Topco Limited

Board of Directors *continued*

Independent Non Executive Directors

7. Scilla Grimble

Independent Non Executive Director

Date of appointment
March 2021

Board tenure
2 years

Skills and attributes which support strategy and long term success
- Valuable knowledge and executive experience in corporate finance, property and retail

Career and experience
Scilla has significant finance, risk and technology-related experience in customer facing environments, having been Chief Financial Officer at Moneysupermarket.com Group plc and held senior roles at UBS, Tesco plc and Marks and Spencer Group plc.

External appointments
- Chief Financial Officer at Deliveroo plc

8. Clodagh Moriarty

Independent Non Executive Director

Date of appointment
June 2022

Board tenure
Less than 1 year

Skills and attributes which support strategy and long term success
- Strategic, digital and customer-focused executive experience with a focus on delivering an enhanced customer experience

Career and experience
Clodagh started her career at Bain & Company, Inc and since then, she has held a range of positions at J Sainsbury PLC, including Head of Strategy and Chief Digital Officer.

External appointments
- Currently Retail and Digital Director at J Sainsbury PLC and on 5 March 2023 her role at J Sainsbury PLC will change to Chief Retail and Technology Officer

9. Humphrey Singer

Independent Non Executive Director

Date of appointment
December 2015

Board tenure
7 years

Skills and attributes which support strategy and long term success
- Wealth of executive finance experience and acumen with a focus on both digital solutions and customer service

Career and experience
Humphrey was previously Chief Finance Officer of Marks and Spencer Group plc, Group Finance Director of Dixons Retail plc and also held senior finance-related roles within Dixons and Coca Cola Enterprises.

External appointments
- Chief Financial Officer at Belron Group

Company Secretary

Ishaq Kayani

Group General Counsel and Company Secretary

Date of appointment
February 2023

Skills and attributes which support strategy and long term success
- Deep knowledge of the operational and legal framework of the Company and the industry

Career and experience
Ishaq, a solicitor, joined the business in 2009 as the Group's Dispute Resolution Solicitor and, over the last 14 years, took on additional responsibilities including legal and regulatory compliance, commercial legal matters and legal operations, leading to his appointment as UK Legal Director in 2021, and as Interim General Counsel in 2022. Ishaq was previously a partner at one of the country's leading housebuilder law firms.

External appointments
- None

Committees

- Audit Committee
- Nomination and Governance Committee
- Remuneration Committee
- Chair of Committee

Board attendance during 2022	Attendance
Irene Dorner[a] (Chair)	●●●●●●●●●●
Jennie Daly[b]	●●●●●●●●●●
Chris Carney	●●●●●●●●●●●
Robert Noel[a]	●●●●●●●●●○
Mark Castle[c]	●●●●●●
Lord Jitesh Gadhia	●●●●●●●●●●●
Scilla Grimble	●●●●●●●●●●●
Clodagh Moriarty[c]	●●●●○○
Humphrey Singer	●●●●●●●●●●●
Pete Redfern[b][d]	●●●
Gwyn Burr[d]	●●●●
Angela Knight[d]	●●●●

(a) Irene Dorner (Chair) and Robert Noel did not attend a meeting on 15 December 2022. The principal business of the meeting was to discuss the Chair succession process.
(b) Jennie Daly and Pete Redfern did not attend a meeting on 3 February 2022. The principal business of the meeting was to discuss the Chief Executive succession process.
(c) Appointed as a Non Executive Director on 1 June 2022.
(d) Stood down from the Board on 26 April 2022.

There was full attendance at all meetings, except Robert Noel and Clodagh Moriarty who were not available for one and two meetings respectively. Prior to both meetings, the Non Executive Directors' views on the meeting agenda items were sought and subsequently shared with the other Board members during the meeting. Following the meeting both were briefed on the business of the meeting and any decisions that were taken.

Upcoming Board changes

Ahead of the 2023 AGM, an announcement will be made confirming who will succeed Rob Noel as Senior Independent Director and Employee Champion, and the required changes to the membership of the Remuneration Committee when Irene Dorner stands down.

Group Management Team

Our strong and experienced management team

The strength and depth of our management team positions us well for changing market conditions. With a combined total of over 150 years' experience at Taylor Wimpey and longer in the housebuilding and construction sector, our Group Management Team has extensive experience of managing across a wide range of market conditions.

Jennie Daly

Chief Executive

Jennie was appointed Chief Executive in early 2022, having been with the business for eight years and with over 30 years' experience in land, planning and housing. Previous roles within Taylor Wimpey have included Land and Planning Director, Group Operations Director and Divisional Chair. As head of the GMT, Jennie's responsibilities include key strategic and operational decisions, sustainability, customer service and health and safety.

Chris Carney

Group Finance Director

Since joining in 2006, Chris has held a number of roles in the Company, including Group Financial Controller, Managing Director and Divisional Chair. As Group Finance Director, Chris's role covers all areas of finance, including tax, treasury and managing the Group's defined benefit pension scheme, as well as overall responsibility for our commercial and information technology functions.

Anne Billson-Ross

Group Human Resources Director

Anne joined Taylor Wimpey in 2014 and has over 30 years' experience within Human Resources. Anne has responsibility for all areas of human resources, including recruitment, reward and benefits, talent, succession, wellbeing, performance and employee engagement. Anne also oversees the implementation of the Company's Diversity, Equality and Inclusion strategy.

Ishaq Kayani

Group General Counsel and Company Secretary

In February 2023, Ishaq was appointed as Group General Counsel and Company Secretary. In this role, Ishaq oversees legal compliance, regulatory obligations and manages the Company's Legal and Secretariat departments. Ishaq joined the business in 2009 as the Group's Dispute Resolution Solicitor, having spent 12 years with a leading UK law firm, and was appointed as UK Legal Director in 2021.

Ingrid Osborne

Divisional Chair, London and South East

Ingrid has been with the business for 22 years, having joined on a Graduate Management Trainee programme, and was previously Managing Director for our Central London business. As a Divisional Chair Ingrid oversees our North Thames, South East, South Thames, London and West London regional businesses. Ingrid has been the executive sponsor for our environment strategy and is Chair of the LEAF Committee; a cross functional group which reviews and discusses climate policy, risks and opportunities. Ingrid is also the Sponsor of the Working Parents Network at Taylor Wimpey.

Nigel Holland

Divisional Chair, Central, South West and Spain

Nigel has been with the business for nearly 30 years, with a background in sales and marketing. In his role as Divisional Chair, Nigel oversees our East Anglia, South Midlands, Bristol, Southern Counties and Exeter regional businesses as well as our Spanish business. Nigel is also the Chair of our Equality, Diversity and Inclusion Committee.

Shaun White

Divisional Chair, Midlands and Wales

Shaun joined the Company over 20 years ago and has held a number of roles in the business including Finance Director, Land and Planning Director and Managing Director. As a Divisional Chair Shaun oversees our Midlands, North Midlands, West Midlands, East Midlands and South Wales regional businesses.

Ian Drummond

Divisional Chair, Scotland, North East and North Yorkshire

Ian joined the business as Land Director in 2013, and has also held the roles of Managing Director and Divisional Managing Director. As Divisional Chair, Ian oversees our East Scotland, West Scotland, North East and North Yorkshire regional businesses.

Lee Bishop

Group Managing Director Strategic Land and Interim Divisional Chair, North West and Yorkshire

Since joining the business over 35 years ago, Lee has held a number of positions, including Managing Director and Divisional Managing Director. Lee now oversees our divisional North and South Strategic Land teams and is currently overseeing our Manchester, North West and Yorkshire regional businesses on an interim basis.

Resilience built on strong governance

44%

Board gender diversity

96%

Of employees are proud to work for the Company

Dear Shareholder

I am pleased to present the Corporate Governance Report for 2022, which sets out the key areas considered by the Board and its Committees during the year.

As outlined in my Chair's statement on pages 6 to 9, despite challenging market conditions, we made good progress against our strategy and delivered a strong financial performance in 2022. In February 2022 we announced that Jennie Daly would succeed Pete Redfern as Chief Executive at the conclusion of the 2022 Annual General Meeting (AGM). Jennie started her tenure as Chief Executive by hosting an event for institutional investors and analysts to set out the Board's strategic focus for Taylor Wimpey, an overview of our business priorities and confirming our financial targets. During the year, as a Board we regularly reviewed progress against each strategic cornerstone whilst also considering the changing market environment.

Resilience built on strong governance

The way in which we run our business is of paramount importance to us and is what enables Taylor Wimpey to successfully deliver on our purpose to build great homes and create thriving communities. Our long term success is dependent on having strong governance standards in place to underpin all of our activities.

At the heart of good governance is culture. Our values ensure Taylor Wimpey has a strong culture of doing the right thing. As a Board, we build on this ethos and ensure we have effective systems and processes in place to actively manage risks arising from both our operations and the wider macroeconomic environment, and we strive for continuous improvement in our business practices.

Our strong governance approach supports the Board in ensuring that decisions are made in the right way and I am pleased to report that this approach has enabled the Board to make agile and robust decisions during the year. Further information on our governance approach can be found on pages 96 and 97.

Stakeholder engagement

As a Board, we keep the interests of our stakeholders at the heart of our decision making. We believe that in order to progress our strategy and achieve long term sustainable success, the Board must consider all stakeholders relevant to a decision and satisfy themselves that any decision upholds our culture. Further information on how we, as a Board, have fulfilled our duties to our stakeholders under s.172(1) of the Companies Act 2006 can be found on pages 44 and 45. Details of how we engaged with our different groups of stakeholders during 2022 can be found on pages 40 to 43.

During the year we continued our longstanding practice of engaging with our shareholders in a proactive matter. I held 16 meetings with key investors to discuss a variety of key themes, such as ESG, succession and governance matters.

Robert Noel succeeded Gwyn Burr as Employee Champion in April 2022 and he has further developed the role to ensure that employee views are taken into account by the Board when making decisions that could affect them. In addition, the Non Executive Directors visited 10 regional businesses and 9 sites across the country and I know they all thoroughly enjoyed their interactions with employees during these visits and it was a great opportunity for them to see our culture in action. Further information on shareholder and employee engagement during the year can be found on pages 103 to 105.

I have thoroughly enjoyed the stakeholder engagement that has taken place during my tenure as Chair, and I would like to thank all those I have engaged with.

Focused on ESG

Our ESG initiatives were a constant feature on the Board and its Committees' agendas throughout the year. As initiatives continue to be developed, the Board will ensure that they remain aligned to our purpose of ensuring that we play our part in creating long term sustainable value for our stakeholders.

During the year, the Board received regular updates on the work undertaken to develop our Net Zero Transition Plan. Following approval by the Board in December 2022, we have now submitted our net zero targets to the Science Based Targets initiative for independent assessment. Further information on our Net Zero Transition Plan and how we plan to support the UK's commitment to reach net zero carbon by 2050 can be found on pages 56 and 57.

Equality, diversity and inclusion remains a key priority for the Board. The Nomination and Governance Committee received regular updates during the year on progress made towards our Equality, Diversity and Inclusion Strategy. The Committee oversaw the development of our aspirational targets and the establishment of structures to support us in becoming a more diverse and inclusive employer, where everyone is welcome. Further details on progress made in 2022 and plans for 2023 can be found on page 114.

Board composition

2022 has been a period of transition for the Board. As already mentioned, Jennie succeeded Pete as Chief Executive following the conclusion of the 2022 AGM.

Following Gwyn Burr and Angela Knight stepping down in April 2022, we were pleased to welcome Mark Castle and Clodagh Moriarty as new Non Executive Directors. Mark has significant operational experience in all aspects of the construction sector and Clodagh has 20 years of varied customer-focused experience across retail, strategy, digital transformation and e-commerce. Further information on the recruitment and induction process for Mark and Clodagh can be found on page 108.

It was announced in December 2022 that I would be stepping down as Chair for personal family reasons at the conclusion of the 2023 AGM on 27 April 2023. I am delighted that the Nomination and Governance Committee, led by Lord Jitesh Gadhia, announced that Rob Noel would succeed me as Chair. Rob is a well-respected Board member and his familiarity with Taylor Wimpey and his long track record in the property sector will serve him and Taylor Wimpey well in the role. I and the other Board members are all looking forward to working with and supporting him in his new role. Ahead of the 2023 AGM, an announcement will be made confirming who will succeed Rob Noel as Senior Independent Director and Employee Champion and the required changes to the membership of the Remuneration Committee once I stand down from the Committee.

Annual General Meeting

This year's AGM will take place in person at the Crowne Plaza Hotel in Gerrards Cross on Thursday 27 April 2023 at 10:30am. I hope you will be able to attend and we look forward to meeting shareholders, hearing your views and answering any questions that you may have. We are pleased to provide an electronic facility for shareholders who are unable to attend the AGM in person, so they may follow remotely and submit questions to the Board on the business of the meeting should they wish to do so. More details of the AGM and the business to be considered, are set out on pages 209 to 219.

Conclusion and outlook

Finally, I would like to take this opportunity to thank all of my Board colleagues, the Group Management Team and all of our employees across the business, for their dedication, loyalty and hard work which has underpinned our success and helped to make my tenure as Chair so enjoyable. I look forward to supporting Rob as he succeeds me as Chair.

Irene Dorner
Chair

Q&A with Robert Noel, Chair Designate

Robert Noel will succeed Irene Dorner as Chair following the conclusion of the 2023 AGM. Rob answers some questions about becoming the next Chair of Taylor Wimpey plc.

What will you bring to the role?

I have spent over 35 years in the property sector, and 21 as a Director on FTSE listed Boards including eight years as the CEO of Land Securities Group PLC. I have first hand experience of the cyclical nature of the industry and also have extensive commercial experience.

Having joined the Board as an independent Non Executive Director in October 2019 and subsequently becoming the Senior Independent Director in April 2020, and Employee Champion in 2022, my familiarity and knowledge of the Company will ensure a smooth transition as we face a changing market environment.

What do you consider the key strengths of the business to be?

Taylor Wimpey is an excellent business with a strong record of good long term decision making and good governance. This has continued with Irene's excellent stewardship over the last three years supported by having the correct balance of skills, experience and knowledge on the Board.

The culture is consistent throughout the business and I have seen this first hand in my role of Employee Champion over the last year. Our strong culture and purpose will be key as we navigate current conditions.

The business also has the benefit of a very experienced management team in place who have each operated in a full range of market conditions before. Importantly, this is a key strength not only as you navigate changing times but also as you emerge.

What do you see as the key priorities for the Board in 2023?

The sector is in a more challenging market environment compared to recent years. The Board's priority is to support the Group Management Team to deliver against our strategy to create long term sustainable value; and manage all of the aspects within our control to protect stakeholder interests.

We remain focused on efficient operations; excellent customer service; inclusion; and realising our environmental targets and aspirational diversity and inclusion targets.

The business is well positioned for the current market conditions and the Board is fully focused on looking forward, confident in the medium to long term outlook.

Governance structure

The Company's clear and effective governance structure is a key foundation of our strong corporate governance. Our governance structure ensures that the Board and its Committees, the Group Management Team (GMT) and Senior Management are able to make decisions effectively.

Shareholders

Our shareholders are the ultimate owners of the Company and play an important role in the governance structure. More information about engagement with our shareholders can be found on page 103.

The Board

The Board is collectively responsible for promoting the long term sustainable success of the Company and generating value for all stakeholders. More information about the Board's responsibilities can be found in the Matters Reserved for the Board document which is available on our website.

The Board's Committees

Audit Committee:

The objective of the Audit Committee is to assist the Board in fulfilling its corporate governance responsibilities relating to the Group's financial reporting, risk, and internal control framework and any other matters referred to it by the Board.

Read more on page 115

Nomination and Governance Committee:

The objective of the Nomination and Governance Committee is to ensure that there shall be a formal, rigorous and transparent procedure for the appointment of new Directors to the Board, its Committees and other Senior Management in the Company; to keep the Board's corporate governance arrangements under review; and to ensure that both the Company and the Board operate in a manner consistent with corporate governance best practice.

Read more on page 106

Remuneration Committee:

The objective of the Remuneration Committee is to establish and maintain formal and transparent procedures for developing our policy on executive remuneration; to set, monitor and report on the remuneration packages of individual Directors and Senior Management; and to review wider workforce remuneration and other policies in accordance with the Code.

Read more on page 124

GMT

The Company's Executive Committee, the GMT, is responsible for the day-to-day management of the Company's key strategic and operational activities. The GMT is led by the Chief Executive and is comprised of the Group Finance Director, Group HR Director, Group General Counsel and Company Secretary, Group Managing Director Strategic Land and the Divisional Chairs.

The Company has established a number of additional supporting committees, including:

Supporting Committees

- Disclosure Committee
- Treasury Committee
- Group Operations Committee
- IT Steering Committee
- Land Strategy Committee
- Legacy, Engagement and Action for the Future (LEAF) Committee

Role of the Board

In line with the Code, the Company's Division of Responsibilities document was reviewed in 2022 and signed by Irene Dorner, Jennie Daly and Robert Noel in their roles as Chair, Chief Executive and Senior Independent Director respectively. The Division of Responsibilities document is available on our website. In addition, the roles of the Board members have been defined in more detail, as set out below.

Non Executive Directors

Chair

Irene Dorner

- Lead and ensure the effectiveness of the Board in directing the Company
- Chair Board and Nomination and Governance Committee meetings, set meeting agendas and ensure Directors receive accurate, timely and clear information
- Promote high standards of corporate governance
- Build a well-balanced and highly effective Board with a culture of openness and debate to encourage constructive challenge
- Facilitate and promote constructive relations between Board members and the effective contribution of all Non Executive Directors
- Lead the annual review of the Board's effectiveness
- Engage with the Company's stakeholders and maintain an appropriate balance between the interests of all stakeholders
- Demonstrate objective judgement

Senior Independent Director and Chair Designate

Robert Noel

- Act as a sounding board for the Chair
- Act as an intermediary for the other Directors, when necessary
- Be available to shareholders who wish to discuss matters which cannot be resolved through the usual channels
- Chair Board meetings in the absence of the Chair
- Lead the Board's evaluation of the Chair's performance
- Lead the Nomination and Governance Committee in the search for a new Chair, if appropriate

Independent Non Executive Directors

Mark Castle, Lord Jitesh Gadhia, Scilla Grimble, Clodagh Moriarty and Humphrey Singer

- Provide constructive challenge to the Executive Directors
- Provide strategic guidance to the Company
- Offer specialist advice
- Serve on the Board's Committees
- Scrutinise and hold to account the performance of the Executive Directors against agreed performance objectives
- Devote sufficient time to the Company to meet their responsibilities

Executive Directors

Chief Executive

Jennie Daly

- Ensure effective leadership and day-to-day running of the Company
- Lead the GMT and oversee key functions
- Develop and implement the Company's strategy, strategic plan and related annual budget
- Review the organisational structure, including development and succession planning
- Manage the Group's risk profile and establish effective internal controls
- Agree the Company's annual budget proposal, prior to formal agreement with the Board
- Ensure the Chair and Board are advised and updated regarding any key matters
- Maintain relationships with stakeholders and advise the Board accordingly
- Overall responsibility for sustainability

Group Finance Director

Chris Carney

- Manage the Company's finances, including any treasury and tax matters
- Lead the finance, tax, treasury, IT, internal audit and pensions functions
- Oversee the Company's risk profile, in conjunction with the GMT
- Agree the Company's annual budget proposal, prior to formal agreement with the Chief Executive and the Board

Group General Counsel and Company Secretary

Ishaq Kayani

- Provide advice and support to the Board, its Committees and individual Directors on matters of corporate governance, compliance and legal matters
- Ensure that the Board has the policies, processes, information, time and resources it needs in order to function effectively and efficiently
- Support the Chair to set meeting agendas and ensure Directors receive accurate, timely and clear information
- Be responsible for all legal and compliance matters relating to the Company
- Oversee the Company's Legal and Secretariat functions

Employee Champion

Robert Noel

- Champion the 'employee voice' in the boardroom and ensure employee views are taken into account by the Board, particularly when decisions are being made that could affect employees
- Strengthen the link between the Board and employees
- Regularly gather the views of employees through a variety of formal and informal channels and identify any areas of concern
- Liaise with Senior Management on a regular basis on matters of employee engagement and culture
- Oversee Senior Management's feedback to employees on steps taken to address concerns

Board activities

Board activities

During 2022, the Board held 11 formal meetings, one of which was a business update call and two of which were additional meetings convened by the Chair. The Board considers that the usual eight meetings per year remains appropriate and there are processes in place to convene additional Board meetings when considered necessary. During 2022, the Chair convened additional meetings to approve the appointment of Jennie Daly as Chief Executive and Rob Noel as Chair.

Matters approved and considered at Board meetings during 2022

The Chair, Chief Executive and Company Secretary meet in advance of each Board meeting to discuss and agree the agenda for the next meeting, as well as discuss progress made on actions arising from the previous meeting. Board meeting agendas are derived from the Board's annual plan which is approved at the end of each year and sets out the topics expected to be discussed during the following year. Following the Chair, Chief Executive and Company Secretary's discussion, any additional topics are added to the relevant Board meeting agendas.

During 2022, the Board considered a number of topics regularly, in line with its annual plan. These included:

- Health, safety and environment reports
- Chief Executive reports
- Group Finance Director reports
- Reports from each Board Committee following Committee meetings
- Governance and legal matters
- Employee engagement feedback

In addition to the regular topics discussed, the Board also considered and approved the matters set out opposite.

Strategy

Links to strategic cornerstones

L O S C

Operations

Links to strategic cornerstones

L O S

Finance

Links to strategic cornerstones

L O C

Governance

Links to strategic cornerstones

O S C

Key to our strategic cornerstones

L	Land
O	Operational excellence
S	Sustainability
C	Capital allocation

Read more about our stakeholders in the strategic report on pages 40 to 43

For more information on our strategic cornerstones, see pages 21 to 33

Read more within our Section 172 statement on pages 44 and 45

Matters approved	Read more
– Net Zero Transition Plan	56

Matters considered	Read more
– Investor feedback on results announcements and investor events	
– Managing market changes	7
– Regular review of the Company's strategic dashboard	21
– Cost reduction, efficiency and proposed business changes	11
– The Company's strategic cornerstones	21
– Updates on ESG initiatives	11

Stakeholders considered
- Customers
- Employees
- Investors
- Communities
- Partners

Matters approved	Read more
– Land acquisitions	23
– Fire safety and cladding updates, including the Building Safety Pledge	12

Matters considered	Read more
– Impact of the issue of Nutrient Neutrality	12
– Timber frame production facility	12
– Efficiency and excellence in build and operations	25
– Employee survey results and resulting action plan	40
– Update on engagement with the CMA	76
– IT update	40
– Customer service update	40
– Supply chain update	42
– HR update	40
– Sales and marketing update	40

Stakeholders considered
- Customers
- Employees
- Communities
- Partners

Matters approved	Read more
– Results announcements and trading statements	6
– Share buyback programme	45
– Dividend payments to shareholders	7
– The Company's Principal and emerging risks, including risk appetite	72
– The annual budget	

Matters considered	Read more
– Reviewed the treasury policies overseen by the Treasury Committee	
– Reviewed the risk management update	120
– Financial position of the pension fund and funding objectives	

Stakeholders considered
- Investors
- Employees

Matters approved	Read more
– Appointment of the Company's new Chief Executive and Chair	108
– Board and Committee appointments	111
– Gender Pay Gap Report 2022	
– Modern Slavery Statement 2022	
– Board Diversity Policy	114
– Board Evaluation action plan	113
– Board annual agenda plan	

Matters considered	Read more
– Annual sign off of governance framework documents	100
– Whistleblowing updates	101
– Conflicts register	101

Stakeholders considered
- Customers
- Employees
- Investors
- Communities
- Partners

Board leadership and Company purpose

We are integrating sustainability into the way we work, to create a stronger business for the long term and generate value for all our stakeholders.

An effective Board

The Board's role is to create sustainable long term success for the mutual benefit of all of our stakeholders. The Board does this by providing strategic and entrepreneurial leadership within a framework of strong governance and effective controls to deliver our strategy, whilst ensuring that the strategy and objectives remain aligned to our purpose and values.

The governance framework for the Board is clearly documented in the Taylor Wimpey plc Articles of Association, Division of Responsibilities, Schedule of Matters Reserved for the Board and Terms of Reference for each Committee, which are all available on our website. A summary of the Division of Responsibilities can be found on page 97. To allow these responsibilities to be discharged effectively, the Chair and Chief Executive maintain regular dialogue outside the boardroom, to ensure an effective and ongoing flow of information.

During 2022 the Board remained focused on delivering long term sustainable value to our stakeholders, and the main activities undertaken by the Board are set out on page 98.

The Board held 11 formal meetings during the year. There was full attendance at all meetings, except Rob Noel and Clodagh Moriarty who were not available for one and two meetings respectively. The individuals' views on the matters to be discussed at the meeting were sought and shared with the other Board members during the meeting itself. Additional Board meetings were held to consider the topics of Chair succession and Chief Executive succession. Details of the attendance of each Director at Board and Committee meetings are set out on pages 91, 106, 115 and 124.

The Directors receive information at least one week before meetings take place to allow sufficient time for a detailed review. In between Board meetings, the Non Executive Directors have access to Senior Management at all times. In addition, Non Executive Directors are encouraged to visit regional businesses and sites. During 2022, the Non Executive Directors completed 10 regional business visits and 9 site visits. In 2023 each Non Executive Director is requested to visit at least one regional business or site per quarter.

Operational and strategic oversight

The GMT is our leadership team responsible for executing our strategy and the day-to-day management of the Company's operations. The GMT is a vastly experienced team that has operated in challenging market conditions with over 150 years of service at Taylor Wimpey, and an average of c.19 years per team member and even longer experience in the industry. The GMT is led by the Chief Executive, and its members are set out on pages 92 and 93.

At each meeting, the Board receives updates from each GMT member and certain Heads of Function to provide updates on key stakeholder groups, performance in the period and employee matters.

The Board conducts regular reviews of actual results and future projections with comparisons against budget and prior year performance.

There is a framework of delegated authority approved by the Board, within which individual responsibilities of senior executives of Group companies are identified and can be monitored.

The Board also receive regular reports and minutes from the Company's Treasury Committee which is chaired by the Group Finance Director.

Policies and procedures

Conflicts of Interest

Directors are required to notify the Group General Counsel and Company Secretary of any potential or actual conflicts of interest and these will be reported to the Board for approval. The Nomination and Governance Committee, on behalf of the Board, is responsible for monitoring the content of the Conflicts of Interest Register annually. During 2022 a number of external appointments were considered by the Board, including Jitesh Gadhia's appointment as Non Executive Director at the Bank of England, Scilla Grimble's role at Deliveroo plc and Mark Castle and Clodagh Moriarty's existing directorships on appointment to the Board. In all cases, it was agreed that there was no evidence of a conflict.

Whistleblowing

The Board maintains overall responsibility for the Company's Whistleblowing Policy (the Policy). The Policy is well communicated to employees both in regional businesses and on site. It provides a clear procedure for employees to report concerns either to their line manager or through a third party whistleblowing hotline.

All whistleblowing cases are investigated by the Head of Internal Audit, Group HR Director and / or the Group General Counsel and Company Secretary depending on the nature of the concern, and (where appropriate) the Head of HSE.

The Board receives half-yearly whistleblowing updates which set out any whistleblowing issues raised during the period and interim updates on significant matters. The updates provided are anonymous and summarise the result of any investigation.

The Board is satisfied that the Policy and its administration remain effective.

Anti-bribery and anti-corruption

The Company has written policies on its zero-tolerance approach to bribery and corruption. The risks associated with bribery and corruption are mitigated by training for senior managers and by issuing an annual reminder, which includes the current versions of the policies, to all regional businesses and key departments. This annual exercise requires written confirmation of continuing compliance and a completed copy of the relevant gifts and hospitality register; and a requirement to review training videos on anti-corruption, anti-money laundering and competition law.

ESG

ESG has always been an important part of working for Taylor Wimpey and how we do business, and the Board is responsible for overseeing our ESG initiatives. During 2022, the importance we place on ESG was formalised with the addition of the strategic cornerstone of 'sustainability' with specific key performance indicators.

The Board receives at least two ESG updates per year and regular updates on progress against key topics, such as diversity and inclusion, the environment and stakeholder matters.

The implementation of ESG initiatives across the Group is led by the Chief Executive and the GMT. Social and governance aspects of ESG are considered 'business as usual' and this is evident in our key performance indicators and stakeholder interactions.

Culture: Do the right thing

The Board recognises the importance of a healthy culture and considers the Company's culture of 'doing the right thing' as a key strength of the business. The Board is responsible for defining and setting the Company's culture from the top, and the Board and GMT as a whole are responsible for leading by example. The Board's number one priority will remain health and safety for everyone who works on or visits a Taylor Wimpey site.

Purpose

To build great homes and create thriving communities

Values

Respectful and fair

Take responsibility

Better tomorrow

Be proud

After considering the Company's cultural indicators throughout 2022, there have been a number of actions taken to further support and monitor the Company's culture, including:

- The Board members have additional regional business and site visits scheduled in 2023.
- The Board and GMT will continue to consider employee feedback resulting from the employee engagement methods as set out on page 104 and surveys, and will monitor actions taken as a result.

The Board will continue to consider a wide range of cultural indicators throughout 2023 and will take action as considered appropriate throughout the year.

How the Board monitors culture

The Board reviewed a number of cultural indicators throughout 2022, including those set out below.

166
Annual Injury Incidence Rate per 100,000 employees and contractors
Read more on page 49

7
Employee Champion engagement sessions
Read more on page 104

5%
Black, Asian or other minority ethnic employees
Read more on page 114

33%
Female employees
Read more on page 114

10
Non Executive Director visits to regional businesses
Read more on page 100

9
Non Executive Director visits to sites
Read more on page 100

93%
Employee engagement score
Read more on page 41

18%
Voluntary employee turnover:
Read more on page 41

96%
of employees are proud to work for Taylor Wimpey
Read more on page 70

98%
of employees agreed that Taylor Wimpey takes health and safety in the workplace seriously
Read more on page 49

97%
of employees agreed that we are committed to supporting charities doing important work around issues connected to our business and the surrounding communities
Read more on page 50

95%
of employees agree that Taylor Wimpey offers opportunities for employees of all backgrounds to progress
Read more on page 50

Shareholder and employee engagement with the Board

Shareholder engagement

The Board actively seeks and encourages engagement with investors, including its major institutional shareholders and shareholder representative bodies. During 2022, the Company has continued to engage with shareholders in a proactive manner.

The charts below set out the number of meetings held with shareholders by the Chair, Executive Directors and our Investor Relations team. These meetings include one-to-one meetings, group and conference meetings.

Number of shareholder meetings in 2022

Investor and analyst update

Jennie Daly and Chris Carney held an investor and analyst update in May 2022 to outline our clear strategy to build a stronger and more resilient business and deliver superior returns, by focusing on our four strategic cornerstones. This event was attended by a number of institutional investors and covering analysts and was made available online shortly after the meeting. Following the meeting, positive feedback was received for the clarity of the strategy and messaging.

Chair meetings

Irene Dorner held 16 meetings with key institutional shareholders representing c.33% of our issued share capital.

Investor relations programme

We operate a structured investor relations programme, based around formal announcements and publications of the full year and half year results. The Board is kept regularly apprised of the investor relations programme and receives a detailed report at each meeting.

Our corporate brokers also attend Board meetings as required to give their perspective on institutional shareholder sentiment.

Remuneration consultation

During 2022 as part of the Remuneration Committee's review of the Directors' Remuneration Policy (the 'Policy'), Jitesh Gadhia, in his capacity of Chair of the Remuneration Committee, wrote to 26 institutional shareholders representing c.60% of our issued share capital. Whilst the Committee considers that the proposed amendments to the Policy are minor to bring the Policy in line with market practice, the Remuneration Committee sought feedback on the changes.

Annual General Meeting (AGM)

We look forward to engaging with our retail shareholders at the AGM, and we were particularly pleased to hold our first in person since the 2019 AGM, in April 2022.

Further details on the 2023 AGM can be found in the Notice of Meeting on page 209. For the 2023 AGM, we are pleased to provide an audiocast facility for shareholders who are unable to attend the AGM in person, so they may follow remotely and submit questions to the Board on the business of the meeting should they wish to do so. Shareholders are also invited to submit questions via email in advance of the AGM, which will be answered during the meeting itself.

Percentage of share register met in 2022

Employee engagement

The Board recognises the importance of engaging with the workforce and has therefore adopted two of the methods set out in Provision 5 of the Code; a designated Non Executive Director and a formal workforce advisory panel.

The diagram opposite shows how both these methods feed into boardroom discussions.

Employee Champion

The Employee Champion is responsible for championing the 'employee voice' in the boardroom and strengthening the link between the Board and employees.

The Board's Employee Champion, currently Rob Noel, regularly engages with the workforce to gather their views through a variety of formal and informal channels (as set out in the diagram opposite). As part of this engagement, Rob identifies any areas of concern and feeds this back to the Board to consider.

The next page provides four matters raised by employees during employee engagement sessions, actions taken in response to those concerns and the outcome.

National Employee Forum and Local Employee Forums

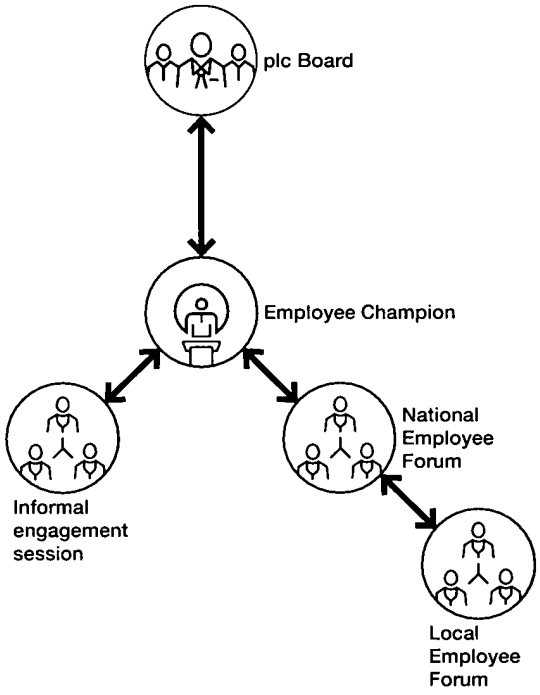
The National Employee Forum (NEF) members represent all parts of the business. The NEF is chaired by a regional managing director and the Employee Champion attends each meeting.

Each regional business also has its own Local Employee Forum (LEF) and is comprised of members from each function and department or a representative for groupings of smaller departments. Each LEF is responsible for communicating feedback from the NEF to their regional business and to feed any areas of concern up to the NEF.

Informal engagement sessions

The Employee Champion meets with small groups of junior to mid-level employees to gather feedback directly from employees outside of the NEF in an informal setting and without Senior Management being present, to further encourage openness.

Engagement in practice



Uniform upgrades

When	January 2022
Matter raised	Suitability of design and availability of our PPE and uniforms for site-based employees
Action taken	Following engagement and feedback from several working groups a full review of work wear and PPE was completed and a new supplier was sourced and agreed
Impact/ Outcome	A new range of uniforms, which meets the needs of employees, will be rolled out during 2023

Informal engagement sessions

When	January 2022
Matter raised	Additional lines of communication between the Board and employees would be beneficial to ensure regular two-way flows of information
Action taken	The Employee Champion held three additional informal engagement sessions with junior to mid-level employees outside the NEF
Impact/ Outcome	The additional sessions led to more immediate and less formal connections with good quality conversations

InHouse improvements

When	January 2022
Matter raised	The Company's intranet, InHouse, was difficult to navigate as the search function was not user-friendly
Action taken	Additional training was made available to enable content owners to keep the information up to date and the search function was changed to deliver results by date rather than relevance
Impact/ Outcome	User experience has improved following the training and enhanced search functionality. Ongoing improvements are being considered to further improve InHouse

Expenses

When	July 2022
Matter raised	Difficulty in accessing and using the online system to claim back out of pocket expenses
Action taken	Additional training was made available to ensure the system is accessible
Impact/ Outcome	The additional training was rolled out in September 2022 which has improved the accessibility of the system. In addition, the external online system provider has reduced their response time to queries to further support employees

Engagement activities throughout the year

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Board meeting	●		●	●	●	●		●	●	●		●
Employee Champion update to the Board			●		●			●		●		●
Employee Champion engagement with employees		●		●	●		●		●	●	●	
Chair and Non Executive Director site and regional business visits							●	●		●		●
Teams live events		●		●		●		●	●			●
Employee survey									●			

Nomination and Governance Committee report

Key activities of the Nomination and Governance Committee in 2022

- **Oversaw the recruitment process for the appointment of Robert Noel as the Company's new Chair**
- **Oversaw an effective induction programme for Jennie Daly as the newly appointed Chief Executive**
- **Facilitated a formal, rigorous and transparent recruitment process for the appointment and induction of two new Non Executive Directors**
- **Reviewed the Group Management Team, Heads of Functions and wider workforce talent and succession plans**
- **Reviewed and recommended the approval of the Company's diversity and inclusion activities, progress and targets**

As at 31 December 2022:

Percentage of plc Board positions held by women

44%

Percentage of GMT positions held by women

38%

Percentage of Leadership Team positions held by women[a]

21%

(a) The definition of our Leadership Team is our GMT and their direct reports.

Committee members	Meeting attendance
1. Irene Dorner (Chair)[a]	●●●●
2. Robert Noel[a]	●●●●
3. Lord Jitesh Gadhia	●●●●●
4. Scilla Grimble	●●●●●
5. Humphrey Singer	●●●●●
6. Clodagh Moriarty[b][c]	●○
7. Mark Castle[b]	●●
8. Angela Knight[d]	●
9. Gwyn Burr[d]	●

(a) Irene Dorner and Robert Noel were not in attendance at meetings involving the recruitment and appointment process for the Chair.
(b) Appointed to the Committee on 1 June 2022.
(c) Clodagh Moriarty was unavailable for one meeting.
(d) Stood down from the Committee on 26 April 2022.

Committee meetings were also attended, by invitation, by the Chief Executive, Group Finance Director, Group HR Director, Group General Counsel and Company Secretary, members of the Company Secretariat team, Head of Talent, Head of HR, and Head of Production.

Dear Shareholder

As Chair, I am pleased to present the 2022 report of the Nomination and Governance Committee (the Committee) on behalf of the Board.

Board changes

Following the appointment of Jennie Daly as Chief Executive in April 2022, the focus of the Committee through the year has been to ensure a smooth induction and transition for Jennie into her new role. Since Jennie was already an Executive Director and member of the Group Management Team, her knowledge and grasp of the business was clear and her induction therefore focused on her role as Chief Executive and the outlook for the business.

The outgoing Chief Executive, Pete Redfern, was supportive and played a key role in the handover process for which we are very grateful.

In April 2022, Gwyn Burr and Angela Knight stepped down from their roles as Non Executive Directors. We thank both Gwyn and Angela for their contribution to the Board and the Committee during their tenure.

We welcomed Mark Castle and Clodagh Moriarty as Non Executive Directors to the Board in 2022. Mark's significant operational experience in all aspects of the construction sector and Clodagh's varied customer-focused experience across retail, strategy, digital transformation and e-commerce have been valued additions to our Board. Both Mark and Clodagh have brought with them key skills and experience gathered throughout their careers.

As a Committee, we have overseen the recruitment and induction processes for Jennie, Mark and Clodagh in 2022. More information about these processes can be found on page 108.

In December 2022, it was announced that I would be stepping down from my role as Chair of the Board at the conclusion of the 2023 Annual General Meeting (AGM). A thorough succession process was led by Jitesh Gadhia with the assistance of an independent search firm. I am delighted that Robert Noel, the Company's current Senior Independent Director, will become the Company's Chair. The Committee carefully considered Rob's experience, skills and time available for this role and concluded that his skills were well suited to the role and he has sufficient time to devote to the Company. I am also very pleased to be remaining on the Board as a Non Executive Director following the conclusion of the 2023 AGM. More information about the Chair succession process can be found on page 108.

Corporate governance

Our responsibilities as a Committee include oversight of the Company's corporate governance practices and we have continued to develop our processes to ensure corporate governance best practice is complied with at all levels of the organisation. More information about our activities in this area can be found on page 110.

Embedding good corporate governance throughout the Company will remain an important area of focus for the Committee throughout 2023.

Board Evaluation

I am pleased to report that our annual Board Evaluation concluded that the Board continues to be effective; all Directors continue to make valuable contributions based on experience and knowledge and the Non Executive Directors provide constructive challenge at Board and Committee meetings. The 2022 Board Evaluation was internally facilitated by myself with the assistance of the Company Secretariat team and plans are underway for the 2023 externally facilitated Board Evaluation which shall be reported on in the Annual Report and Accounts 2023.

More information about the outcomes of the 2021 Board Evaluation and the 2022 Board Evaluation can be found on page 112.

Equality, diversity and inclusion

Our focus on equality, diversity and inclusion continues at all levels across the business. During 2022, we were kept apprised of a number of developments in this area, including updating all employee e-learning modules, becoming a 'Level 1 Disability Confident' employer and the development of our aspirational diversity targets.

In addition, the development of the Company's first Diversity Report has been a welcome addition to our reporting in this area. The Diversity Report outlines our aspirational targets and our plans to achieve these. A summary can be found on page 114 and the Diversity Report can be found on our website.

Whilst we are very pleased with our progress, we recognise that our Company is not yet as diverse as we would like and we will continue to aspire to be reflective of the communities in which we operate. Creating a diverse Company is our first goal but the ultimate aim must be to create an inclusive environment where everyone can thrive and contribute.

More information about our future focus on equality, diversity and inclusion can be found on page 114 and also in our Diversity Report which can be found on our website.

Irene Dorner
Chair of the Nomination
and Governance Committee

1 March 2023

Chair succession and recruitment

In December 2022, it was announced that Irene Dorner will be stepping down from her role as Chair of the Board, for personal family reasons, at the conclusion of the 2023 AGM on Thursday 27 April 2023. Irene will stay on the Board as a Non Executive Director following the conclusion of the AGM.

The Nomination and Governance Committee, led by Jitesh Gadhia, undertook the search and recruitment process for Irene's successor, as the Company's Senior Independent Director (who would usually lead a Chair search) had indicated his interest in being considered for the role early in the process. The Committee appointed Spencer Stuart to assist with the search process. Spencer Stuart confirmed that they had no other connection to the Company or any Director other than as appointed by the Company to assist with executive and non executive search and appointment processes. A role profile was developed to ensure that the appointment was based on merit and objective criteria to identify the best candidate for the role.

A small working hub was formed at the outset consisting of the Remuneration Committee Chair, Chief Executive, Audit Committee Chair and the Group HR Director. The working hub was responsible for the day-to-day oversight of the recruitment process to ensure progress was being made against the agreed plan.

Spencer Stuart conducted an internal and external market-scanning exercise and produced a diverse long list of candidates for consideration against the role profile developed by the Committee. Following consideration of the long list of potential candidates against the role profile, the Committee produced a shortlist of preferred candidates to proceed to interview. The Committee agreed an interview approach, whereby each candidate met with all Executive and Non Executive Directors. Following each interview, feedback was provided to the working hub, and was discussed by the Committee at its meetings during the process. A final meeting was held in December 2022 for the Committee to discuss its views and agree a recommendation to the Board.

Following approval by the Board, on 16 December 2022 it was announced that Rob Noel, the Company's current Senior Independent Director, would be appointed as the Company's new Chair from the conclusion of the AGM on 27 April 2023.

The Committee and Board recognised Rob's long track record in the property sector, ability to operate in a cyclical environment, ability to challenge whilst working collegially and developing strong relationships among key stakeholder groups as key strengths suited to the role. The Committee also considered Rob's experience of chairing a FTSE 250 company as a strength. Following careful consideration, the Committee concluded that Rob would have sufficient time to devote to the Company alongside his other external appointments.

More information about Rob, his experience and previous roles can be found on page 88.

Irene and Rob will work closely together on a thorough handover ahead of Rob's formal appointment to the role. More information on Rob's induction process will be reported in the Company's Annual Report and Accounts 2023.

Non Executive Director appointments and induction process

In 2022, after Gwyn Burr and Angela Knight informed the Board of their intention to step down and following the Committee's review of the Board's composition, balance and skills, a formal and rigorous search and recruitment process was undertaken to appoint two new Non Executive Directors to the Board.

The Committee developed a role profile for these appointments and Spencer Stuart was appointed to assist with the search and recruitment process. Spencer Stuart confirmed they had no other connection to the Company or any Director other than as appointed by the Company to assist with executive and non executive search and appointment processes. After following the same steps as outlined in the Chair succession and recruitment process above, the Committee recommended the appointment of Mark Castle and Clodagh Moriarty as Non Executive Directors.

Mark's significant operational experience in all aspects of the construction sector and Clodagh's varied customer-focused experience across retail, strategy, digital transformation and e-commerce were identified as key strengths and important additions to the Board's skills.

Following their appointment, Mark and Clodagh undertook an in-depth induction process which included reviewing a comprehensive pack of documents setting out key information about the Company and the Board, broker reports on the Company and housebuilding sector, and information on directors' duties. Following their appointment, Mark and Clodagh met with a number of key internal individuals, including the Chair, Executive Directors, Non Executive Directors, members of the GMT and Heads of Functions. In addition, meetings with the Company's solicitors, brokers, external Auditors and advisers were arranged. Mark and Clodagh also visited a number of regional businesses and sites during 2022, including our Logistics business.

Chief Executive induction process and Q&A

Following the announcement of the appointment of Jennie Daly as the Company's Chief Executive in February 2022, an extensive handover process was completed ahead of Jennie's formal appointment in April 2022.

As the former Group Operations Director and an existing member of the Company's GMT, Jennie's extensive knowledge of the Company meant that the handover and induction process was not focused on the Company itself and more on her new role as Chief Executive and outlook for the business. This enabled Jennie to be well positioned upon formal appointment as the Company's Chief Executive.

During the handover period, Jennie and Pete Redfern, the Company's former Chief Executive, engaged with or visited every regional business across the country. In addition, since her appointment, Jennie has visited eight regional businesses and held six Teams live Q&A events to further engage with our employees. More information about Jennie's engagement with employees can be found on page 40.

A Q&A with Jennie is set out below, focusing on the handover process and her first year in the role.

How would you describe the handover process from Pete to you as Chief Executive?

The handover process between Pete and myself was a really valuable experience. My focus during this period was on developing and embedding my outlook for the business and engaging with as many of our employees as possible. I believe Taylor Wimpey has a very special culture of which we are all proud and it is important to ensure we continue to keep our people and business partners motivated and engaged.

How would you describe your first year as Chief Executive?

2022 was a challenging year with two distinct halves. However, with challenge comes the opportunity to renew our focus on our purpose and focus on our strategy to build a stronger and more resilient business and deliver superior returns.

Nomination and Governance Committee report *continued*

Committee purpose and responsibilities

The main objectives of the Committee are to ensure that there are formal, rigorous and transparent procedures for the appointment of new Directors to the Board, its Committees and other senior positions in the Company; to keep the Board's corporate governance arrangements under review; and to ensure that both the Company and the Board operate in a manner consistent with corporate governance best practice.

More information about the Committee's purpose and responsibilities can be found in the Committee's Terms of Reference which are available on our website.

Governance

During 2022, the Committee oversaw a number of governance matters, including:

- Approved the 2022 Notice of Annual General Meeting.
- Confirmed compliance with the Committee's Terms of Reference.
- Reviewed the corporate governance framework and reported to the Board that it remains appropriate.
- Recommended to the Board the annual approval of the Directors' Conflicts of Interest Register.
- Approved and oversaw the 2022 Board Evaluation process.
- Approved the Committee's annual plan for 2023.
- Recommended to the Board the renewal of a Non Executive Director's three-year appointment term.

Each Director is required to seek election or re-election, as appropriate, at each year's AGM. As part of this election and re-election process, the Committee has assessed each Non Executive Director's independence and is satisfied that they remain independent in nature and there were no circumstances identified that are likely to impair, or could impair their independence. In addition, the Committee is satisfied that the Chair was independent in accordance with the Code, when she became Chair of the Board. Upon stepping down from the role of Chair, Irene Dorner will be considered a non-independent Non Executive Director.

Upon appointment as Chair, Rob Noel will be considered independent in accordance with the Code. The Committee considers the balance of independent and non-independent Directors appropriate and will keep this under review.

The Directors are required to notify the Company of any changes to their external commitments in order that these roles can be considered in relation to the potential for a conflict of interest to arise. These external roles are considered by the Committee and during 2022 it has been concluded that no conflicts of interest have arisen. In addition, the Committee also considers that each Director is able to allocate sufficient time to the Company effectively. This not only included Board and Committee meeting attendance, but also preparation time, site visits and other additional time commitments required during the year.

Accordingly, at the 2023 AGM each Director, irrespective of their appointment date, will be submitted for election or re-election, as appropriate. More information can be found on page 210.

Governance framework documents

The below governance-related documents can be found on our website.

- Articles of Association.
- Matters Reserved for the Board.
- Division of Responsibilities document.
- Terms of Reference for the Board Committees.
- Board mandated policies.

Board balance and skills

During 2022, following a number of Board changes, the Committee considered the structure, size, and diversity of the Board, as well as the skills, knowledge and experience of each Board member.

The Committee concluded that the balance, as at 31 December 2022, of the Chair, two Executive Directors and six Non Executive Directors remains appropriate. This balance will be kept under review during 2023. In addition, the skills of each member of the Board, as set out below, along with the balance of Executive and Non Executive Directors is considered to be appropriate to provide constructive challenge as well as guidance and support in order to continue to deliver the Company's strategy.

Board skills

Board appointments

The Committee ensures that all Board appointments are subject to formal, rigorous and transparent procedures, are based on merit and objective criteria and promote diversity of gender, social and ethnic background, and cognitive and personal strengths.

There were a number of appointments to the Board during 2022, including:

- On 26 April 2022, Jennie Daly was appointed as the Company's Chief Executive.
- On 1 June 2022, Mark Castle and Clodagh Moriarty were appointed as Non Executive Directors.
- On 16 December 2022, it was announced that Irene Dorner would be stepping down and Rob Noel would become Chair of the Board at the conclusion of the 2023 AGM.

More information about the appointments made to the Board during 2022 can be found on page 108.

Succession planning

During 2022, the Committee considered the succession planning for both the GMT and Heads of Functions, as well as wider workforce planning for certain roles including regional managing directors. The Committee has visibility of a range of employees who have been identified as potential succession candidates for such roles in the short, medium and long term. The Committee reviews the development programmes for these individuals to ensure they continue to develop in line with the succession plan.

The appointment of Ishaq Kayani as the Company's new Group General Counsel and Company Secretary is an example of our succession plans in action. Ishaq started at Taylor Wimpey as the Group's Dispute Resolution Solicitor and progressed to Legal Director and Interim General Counsel in 2022. More information about Ishaq's career to date can be found on page 91.

In addition, the Committee oversees wider workforce succession planning and one area considered in 2022 was the production skills shortage action plan. The Committee considered the factors contributing to the skills shortage across the sector and recognised the requirement for further action planning in this area. The Committee discussed the action plan, including the need for collaboration across the sector and supporting the supply chain.

Equality, diversity and inclusion considerations, as defined in the Company's Equality, Diversity and Inclusion Policy, are embedded throughout the succession planning process. This applies throughout all levels of the business and during 2022, an inclusive leadership coaching programme was piloted to explore the attributes, mindset and skills required of an inclusive leader. In addition, an inclusion workshop was delivered which focused on attracting, selecting and retaining diverse teams. These considerations throughout the business ensure that we attract and retain a diverse workforce which feeds into our long term succession plans.

The Committee is supported in this by the Group Talent Management Board and Divisional Talent Management Boards which regularly review succession plans and related development requirements across roles within the Company.

One aspect of a senior individual's development plan is for those below Board level to be given the opportunity to attend Board meetings to present on specialist topics, project work and divisional performance. This process not only provides valuable exposure to the Board but it is also valuable for the Board and Committee to assess the strength and depth of the succession plans in place. During 2022, a number of individuals were invited to present to the Board on topics including customer service, supply chain, HR, production, HSE, IT, sustainability and technical.

Contingency planning

During 2022, the Committee reviewed the Company's contingency cover to ensure that the Company can respond to the unforeseen unavailability of any member of the Board, GMT or other senior roles without impacting the current and long term performance of the Company. Following this review, the Committee was confident that all key roles have an appropriate contingency plan in place.

Non Executive Director tenure

The Committee is conscious that the Code does not consider a Non Executive Director to be independent after they have served on the Board for nine years from the date of their first appointment and is therefore mindful of the tenure of each Non Executive Director. This table shows the tenure of each of our Non Executive Directors against the nine year period.

Read more on page 88

Irene Dorner

Robert Noel

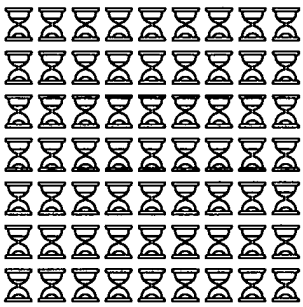
Mark Castle

Jitesh Gadhia

Scilla Grimble

Clodagh Moriarty

Humphrey Singer



● Tenure

● Maximum tenure as per the Code

Board Evaluation

The Board undertakes a formal and rigorous evaluation of the performance of the Board, its Committees, the Chair and individual Directors on an annual basis. This process follows a three year cycle, with the 2022 Board Evaluation being internally facilitated and the next externally facilitated evaluation due to be undertaken in 2023.

Year 1 - External

Externally facilitated Board evaluation

Year 2 - Internal

Internal evaluation facilitated by the Chair and Company Secretariat team

Year 3 - Internal

Internal evaluation facilitated by the Chair and Company Secretariat team

Stage 1

May 2022

The Chair's proposal on how they plan to facilitate the annual Board Evaluation for 2022 was reviewed and approved by the Nomination and Governance Committee.

Stage 2

August 2022

Each Director completed an online questionnaire focusing on Board leadership, composition and succession, strategy, culture and purpose, the Board's Committees, stakeholder engagement and Board support. In addition, five members of Senior Management who regularly interact with the Board were also invited to provide feedback.

Stage 3

September 2022

Responses to the questionnaire were collated and shared with the Chair on a non-attributable basis. Any comments specifically relating to the Chair were shared with the Senior Independent Director.

Stage 4

September 2022

The Non Executive Directors met without the Chair to review the Chair's performance based on the non-attributable feedback.

Stage 5

September 2022

Each Director was invited to have an optional one-to-one discussion to provide more detailed feedback.

Stage 6

October 2022

Specific feedback was shared on an individual basis and the overall outcome and feedback was shared and discussed by the Board at its October meeting.

Stage 7

December 2022

The Board approved an action plan which will be implemented during 2023. The action plan addresses the key comments made during the evaluation process.

The overall conclusion of the Board Evaluation was positive on all aspects of Board effectiveness, and confirmed that there continues to be effective challenge and support at Board meetings. Some areas for improvement were identified and an action plan was agreed to address these areas.

2022 recommendations	Actions planned for 2023
Increase exposure to members of Senior Management.	Additional opportunities for engagement with the GMT and Heads of Functions will be arranged in 2023.
Increase reporting on succession and development plans.	Annual agenda plans for 2023 include increased reporting and feedback on succession and development plans for the Board, GMT and all employees.
Ensure progress against ESG initiatives are clear.	Agendas for Board and Committee meetings have been reorganised to ensure ESG initiatives are clearly highlighted and understood.

In addition, the Committee ensured that the following actions were taken during 2022, following on from the 2021 Board Evaluation. Progress against the below actions was reviewed during the year as part of the overall Board Evaluation process.

2021 recommendations	Actions taken during 2022
Completion of a rigorous and thorough recruitment process to appoint the next Chief Executive and prepare a comprehensive induction programme.	Jennie Daly was announced as the Company's Chief Executive from the conclusion of the 2022 AGM on 26 April 2022. A thorough induction and handover process was undertaken, as detailed on page 109.
Review the role of the Board's Employee Champion and consider ways to further strengthen engagement with employees.	The role of the Board's Employee Champion was reviewed and during 2022, additional engagement sessions were scheduled outside of the Employee Forum schedule to encourage further two-way communication. More information can be found on page 104.
Further develop the Board's oversight of the Company's ESG priorities and determine ways to measure ESG progress consistently.	During 2022, the Board increased its oversight of the Company's ESG priorities and approved the Company's Net Zero Transition Plan. More information can be found on page 56.
Arrange additional regional business and site visits for Board members.	The Directors have visited 9 sites throughout 2022, both on a group and individual basis. In 2023, each Non Executive Director is requested to visit at least one regional business or site per quarter. More information can be found on page 100.

Nomination and Governance Committee report *continued*

Board diversity

Board diversity is supported by the Board Diversity Policy which specifically applies to the Board and its Committees and supports the Company's wider approach to diversity. Diversity is considered in its broadest sense, including but not limited to, sex, gender reassignment, ethnicity, religion or belief, disability, sexual orientation, age, pregnancy and maternity, marital status, educational and professional background. This Policy was reviewed and approved by the Board during 2022 and is available on our website.

The Committee and Board recognise the benefits that diversity brings and the importance of having a balance of perspectives, insights and challenge to ensure good decision making, oversight and support throughout the Company.

The Committee and Board fully support the FTSE Women Leaders Review target of 40% female representation on the Board and the Leadership Team by the end of 2025. The definition of Leadership Team includes our Group Management Team and their direct reports. Whilst we are pleased to report that we have exceeded this target in relation to our Board membership, we recognise that further progress needs to be made in relation to female representation in our GMT and Leadership Team. The Committee is also pleased to note that, as at 31 December 2022, both our Chair and Chief Executive are women, which exceeds the target set to be achieved by 2025. This target will be considered when making any Board changes in the future. The Committee and the Board also fully support the Parker Review's 'Beyond One by 21' recommendation and is pleased to confirm compliance with this recommendation as at 31 December 2022.

Diversity, in its broadest sense, remains a key consideration during recruitment and will continue to be referenced in all recruitment processes.

The Committee is pleased to report early compliance with the FCA's new diversity disclosure requirements, as set out in the table below. At Taylor Wimpey 'executive management' is defined as the GMT. The figures in the table are stated as at 31 December 2022 and have been calculated based on diversity data provided upon employment.

FCA Diversity Disclosure Table

Gender diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management	Number of employees	Percentage of employees
Men	5	55.60%	2	5	62.50%	3,455	67.01%
Women	4	44.40%	2	3	37.50%	1,701	32.99%
Other categories	–	–	–	–	–	–	–
Not disclosed/prefer not to disclose	–	–	–	–	–	–	–

Ethnic diversity	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management	Number of employees	Percentage of employees
White British or other White	8	88.90%	4	8	100%	4,467	86.64%
Mixed/multiple Ethnic Groups	–	–	–	–	–	62	1.20%
Asian/Asian British	1	11.10%	–	–	–	109	2.11%
Black/African/Caribbean/Black British	–	–	–	–	–	79	1.53%
Other ethnic group including Arab	–	–	–	–	–	29	0.56%
Not specified/prefer not to say	–	–	–	–	–	410	7.95%

Employee diversity

Employee diversity, in its broadest sense, remains a key priority for the Committee, and across the Company as a whole.

In 2022, the Committee oversaw the progress and development of a number of activities in this area, including the embedding of the revised Equality, Diversity and Inclusion Policy introduced in 2021, the publication of our Diversity Report and the development of a number of aspirational diversity metrics to be achieved by the end of 2030.

The Company's Equality, Diversity and Inclusion Policy is based on three key areas of focus:

- 21st century leadership: Ensure that line managers understand their role and responsibility in developing a more diverse and inclusive culture through the provision of relevant training and building awareness across the Company.
- Employer of choice: Ensure that our working environment, policies, procedures and development and progression opportunities support greater diversity and inclusion.
- Expanding our reach: Develop broader recruitment channels and take positive action to expand the diversity of candidates attracted to the Company, including designing development programmes to attract and support new employees.

Detailed information about the Company's employee diversity policies, practices and progress in this area can be found on page 50 of this Annual Report and Accounts 2022 and in our Diversity Report which can be found on our website.

2030 aspirational diversity targets

Female representation in regional business leadership roles

50%

Ethnic representation in regional business leadership roles

12.5%

Female representation in graduate early entry talent

50%

Ethnic representation in graduate early entry talent

25%

Female representation in early entry talent

50%

Ethnic representation in early entry talent

25%

Audit Committee report

Key activities and areas of focus for the Audit Committee in 2022

Continued to oversee measures to ensure the Company's IT operating environment remained robust, supported the Company in a year of planned changes and oversaw measures to ensure it remained protected against cyber and other threats

Gained assurance on required changes to key processes and controls, particularly in relation to the New Homes Ombudsman and the Future Homes Standard

Oversaw preparations for expected changes in law and regulation affecting financial governance

Oversaw the transition to the new Head of Internal Audit

2023 key areas of focus

To gain assurance that management action on, and investment in, cyber security, and the programme to digitise our production procedures will further strengthen our overall control environment

To monitor the Group's readiness for the adoption of any financial governance and ongoing corporate reporting changes resulting from any regulatory requirements instigated by the Department for Business, Energy & Industrial Strategy (BEIS) or the Financial Reporting Council (FRC)

To gain assurance that key business controls, in particular segregation of duties and delegation of authority, remain effective following any business restructure

Committee members	Meeting attendance
1. Humphrey Singer (Chair)	●●●
2. Robert Noel[a]	●●●
3. Scilla Grimble	●●●
4. Mark Castle[b]	●●
5. Angela Knight[c]	●

(a) Will step down from the Committee on 27 April 2023 when he becomes Chair of the Board.
(b) Appointed to the Committee on 1 June 2022.
(c) Stood down from the Committee on 26 April 2022.

Committee meetings were also attended, by invitation, by the Chair, Chief Executive, Group Finance Director, other Non Executive Directors, a Group Management Team (GMT) member, Group General Counsel and Company Secretary, other members of the Company Secretariat team, Group Financial Controller, Head of Internal Audit, Senior Internal Audit Manager, Head of Tax, Head of Group Reporting, Head of Risk, Group IT Director, and the external Auditors.

All members of the Committee are independent Non Executive Directors as required by the 2018 UK Corporate Governance Code (the Code). The Board has determined that Humphrey Singer, Chair of the Committee, has recent and relevant financial experience as required by the Code. More information can be found on page 118.

Dear Shareholder

On behalf of the Board, I am pleased to present the 2022 report of the Audit Committee (the Committee).

The Committee fulfils its responsibilities through the activities undertaken throughout the year, as detailed on pages 117 to 118.

Committee changes

Our work has been further enhanced by the appointment on 1 June 2022 of Mark Castle, Non Executive Director. Mark brings significant operational experience, as described in more detail on page 118, which has added to our skill set; assists us in our assessment of operational risk; and has generally further enhanced the quality of our work on behalf of shareholders.

Angela Knight stepped down from the Committee on 26 April 2022, when she stepped down from her role as a Non Executive Director. During her time on the Committee, since November 2016, Angela's broad experience of financial services and banking, and her extensive non executive director experience, contributed to the effective challenge to Management and the internal and external Auditors, and enhanced our work on shareholders' behalf. I should like to take this opportunity to thank Angela for her contribution to our work during her period of service.

Robert Noel will succeed Irene Dorner as Chair of the Board at the conclusion of the AGM on 27 April 2023 and will step down from the Committee in compliance with the Code. At that time, the Committee and the Board will consider the composition of the Committee in relation to its annual plan and areas of focus, and assess whether an additional appointee is necessary.

Key areas of focus during 2022

The Committee's key areas of focus during 2022 were addressed as set out below:

IT operating environment

We oversaw, and received regular updates on, progress and plans to maintain and enhance the resilience of the Company's IT systems. This included enhancements to cyber defences and appropriate assurance that system and process enhancements were performed within an overarching continuation of robustness and resilience.

More information and detail on the Committee's activities during 2022 in this area, can be found on page 121.

Key processes and controls

We oversaw, and received updates on, the development and introduction of key processes to enable the Company to comply with the New Homes Quality Code (NHQC) and the New Homes Ombudsman Service. This included a process whereby the Internal Audit team will monitor ongoing compliance.

Readiness for Parts L and F of the Future Homes Standard was an area of focus for the Audit Committee in 2022. This included a Change Review Panel which fed into the updating of the Committee; and an independent review of readiness by the Internal Audit team.

More information on the Committee's activities during 2022 in this area can be found on page 121.

Preparing for planned financial governance changes

A significant area of focus during 2022 was on the governance development referred to in last year's Annual Report and Accounts, namely, the Government's consultation, by BEIS, entitled 'Restoring Trust in Audit and Corporate Governance'. The consultation proposed a number of reforms and new processes designed to improve communications and engagement between Boards, their Audit Committees and shareholders. More details are now known of the legislative and Code changes which the Government and the regulators plan to introduce, and further details of these, and the Company's plans and preparations to comply with them, are set out on page 120.

We will continue to ensure that all applicable laws and regulations are complied with, and we remain confident that the business continues to operate in a controlled and well-managed way.

More information on the Committee's activities during 2022 in this area can be found on page 120.

Our interim review of progress concluded that all of those key areas of focus were satisfactorily addressed or progressed during 2022.

Audit oversight

We continue to hold individual meetings with the external Auditors and with the Head of Internal Audit, independent of the Executive Directors, to discuss matters within our remit and any issues arising from the external and internal audits.

The audit of the 2022 financial results has been improved and enhanced by lessons learned, both by the external Auditors and the Company, following our detailed annual evaluation of the external audit process and the outcome of the external audit of the Annual Report and Accounts 2021.

During the year, the Company received a letter from the FRC's Corporate Reporting Review Team following a review of the Company's Annual Report and Accounts 2021. Whilst acknowledging the limitations inherent in the scope of their review, we were pleased to learn that the FRC did not raise any questions or queries for the Company. Some observations were made which the FRC believed could enhance existing disclosures, and those were taken into account in the preparation of this Annual Report and Accounts 2022.

The new Head of Internal Audit is Paul Skinnider, a Chartered Internal Auditor with more than 15 years' audit and risk experience. Paul joined us in 2020 from Lloyds Banking Group where he was interim Head of Audit and prior to that held progressively senior internal audit roles with Heineken and Oxford University Press. He is an active member of the Chartered Institute of Internal Auditors as a committee member for the profession in Scotland.

Paul's predecessor, Anne Wilson, retired on 30 November 2022 after 20 years as Head of Internal Audit, and leaves the function in excellent health and with effective working relationships around the business, which has facilitated its dual aims of effectively auditing performance, financial outcomes, and governance, whilst also encouraging and sharing best practice between regional businesses. I wish to thank Anne for her sterling efforts on behalf of the Group and our shareholders during her period of service; to wish her well in retirement; and to wish Paul well in his new position.

Continuing compliance

Throughout the year we met the FRC guidance on Audit Committees which was incorporated into the Code. The aim of the guidance is to further improve good governance around the Committee's competence; induction for new members; audit rotation; independent assessment of areas of judgement; and sufficiency of resourcing; all with the aim of ensuring that it is able to perform its primary function of protecting shareholders' interests in relation to the Company's financial reporting and internal control.

More information about how we complied with the guidance can be found on pages 117 to 123.

Humphrey Singer
Chair of the Audit Committee

1 March 2023

Committee activities during 2022

The February 2023 meeting concluded the Committee's activities with regard to the Group's 2022 reporting cycle which have accordingly been included in the table below.

Topic	Activity / review	March 2022	August 2022	December 2022	February 2023
Financial reporting	Reviewed year end matters including the draft Annual Report and Accounts (and assessed the processes which ensure it is fair, balanced and understandable), significant accounting and audit issues, the draft full year results announcement and the going concern statement	●		●	●
	Reviewed the draft half year statement, including significant accounting issues, materiality, and the external Auditors' report on the statement		●		
	Reviewed Accounting Issues and Accounting Standards in preparation for year end reporting	●		●	●
	Reviewed the proposed TCFD reporting		●		●
External audit	Recommended to the Board the re-appointment of PwC as external Auditors	●			●
	Reviewed PwC's plan for the scope of the audit of the Annual Report and Accounts 2022, including key audit risks and regional checks conducted around the business, and the progress of the audit to date		●	●	
	Disclosed relevant audit information to the external Auditors and the required evidence in support of it	●	●	●	●
	Conducted a review of the effectiveness of the year end external audit process and reporting outcome for 2021, including PwC's performance, and oversaw certain improvements and enhancements flowing from the review's outcome		●		
	Reviewed and approved the external Auditors Non-Audit Services Policy	●			
Internal control and risk	Reviewed the fraud risk assessment incident and response report	●	●	●	●
	Concluded the prior year's risk review including agreeing Principal Risks, consideration of emerging risks, and monitoring progress on mitigation actions	●			●
	Completed a detailed review of Principal, key and emerging risks, together with mitigation and assessment against the Company's risk appetite		●	●	
	Reviewed the viability model	●		●	●
	Reviewed the Group assurance map and proposals for its further development	●		●	
	Monitored the developing BEIS recommendations and the preparations by the Company to comply with its expected new requirements in terms of legislation and amendments to the Code		●	●	●

Audit Committee report *continued*

Topic	Activity / review	March 2022	August 2022	December 2022	February 2023
Committee governance	Reviewed the Committee's performance against its Terms of Reference and objectives for the previous year and set objectives for the next year	●		●	●
	Reviewed progress on the Committee's areas of focus	●	●	●	●
	Reviewed and agreed the Committee's annual plan for the next year			●	
Internal Audit	Received activity reports from Internal Audit	●	●	●	●
	Agreed Internal Audit's programme of work for the next year	●		●	●
	Reviewed progress against Internal Audit's priorities and work plan for the year	●	●	●	●
	Received confirmation that all of the agreed actions flowing from the prior year's External Quality Assessment report had been implemented	●			
	Considered and approved the proposed appointment of the new Head of Internal Audit, including confirmation of his independence and objectivity	●			
Data and systems security	Received an update on the Group's data and systems security, technology, cyber resilience and further protective measures in relation to key business systems		●	●	
Compliance	Received an update on legal and regulatory compliance requirements across the Group and confirmation that these continued to be met		●		

In carrying out these activities, the Committee relies on regular reports from Management, Internal Audit and from the external Auditors. In monitoring the financial reporting practices, the Committee reviewed accounting policies, areas of judgement highlighted by Management and the external Auditors, the going concern assumptions and compliance with accounting standards and the requirements of the Code.

Committee meetings

The Committee met individually and privately with the Head of Internal Audit and with representatives from the external Auditors during appropriate Committee meetings in 2022, in order to discuss any matters which either may wish to raise in confidence.

The Committee has noted a shareholder advisory body's guidance as to the number of Audit Committee meetings considered to be appropriate for FTSE 100 companies such as ours. This was considered in relation to the Committee's annual plan for 2023 and we currently believe that three meetings per year remains appropriate and sufficient to effectively discharge the Committee's responsibilities. There are processes in place for the Committee to meet on additional occasions when necessary, as it did during 2020 in connection with the effective oversight of the tender of the external Auditors.

Committee purpose and responsibilities

The main objective of the Committee is to assist the Board in fulfilling its corporate governance responsibilities relating to the Group's financial reporting, risk, and internal control framework, and any other matters referred to it by the Board.

The Committee's Terms of Reference can be found on our website.

Committee competence

A key requirement of the FRC's guidance on Audit Committees is that each Committee member should have sufficient knowledge, training and expertise to contribute effectively to the Committee's deliberations.

Humphrey Singer, the Committee Chair, has been a member of the Audit Committee since December 2015 and its Chair since February 2018. He has extensive experience of the financial reporting requirements of FTSE 100 companies; of financial reporting preparation and compliance for public companies, and of dealing with internal and external auditors, from his current role as Chief Financial Officer of Belron Group and from previous roles with Marks and Spencer Group plc and Dixons Carphone plc. This depth of experience has given Humphrey insight into key areas of shareholder concern and independent experience of robustly challenging and holding Management, and the external and internal auditors, to account.

The Committee Chair is assisted on the Committee by the knowledge and experience of three other Non Executive Directors:

Rob Noel has considerable experience of the property sector and wide commercial experience as Chair of Hammerson plc and previously as Chief Executive of Land Securities Group PLC.

When he steps down from the Committee upon appointment as Chair of the Board at the conclusion of the 2023 AGM, the Committee and the Board will consider the composition of the Committee in relation to its annual plan and areas of focus, and assess whether an additional appointee is necessary.

Scilla Grimble has over 16 years' executive experience in corporate finance; is currently the Chief Financial Officer at Deliveroo plc; and brings significant financial and risk-related experience.

Mark Castle, who was appointed to the Committee on 1 June 2022, has significant operational experience in all aspects of the construction sector as Chief Operating Officer of Mace Finance Ltd and previously from executive roles at Structuretone Inc and Wates Group Ltd. This assists the Committee in its assessment of operational risk; and has generally further enhanced the quality of the Committee's work on behalf of shareholders.

The Committee is confident that its members collectively have the necessary competence relevant for the housebuilding sector and that the composition, balance, and expertise of the Committee can give shareholders confidence that the financial, reporting, risk, and control processes of the Group are subjected to the appropriate level of independent, robust and challenging oversight.

As described in the Nomination and Governance Committee Report on pages 108 and 109, there is a formal process of induction for new Directors which includes specific reference to supporting competence in relevant Committee areas through exposure to the appropriate areas of the Group's operations and performance. Mark Castle's induction included meetings with the external Auditors; the Head of Internal Audit; the Group Finance Director; the Group Financial Controller; the IT Director; and appropriate external bodies such as the Company's brokers in relation to financial reporting. The same thorough induction process, suitably tailored as appropriate to the appointee's experience and expertise, will be undertaken by any new Non Executive Directors appointed to the Committee.

Committee evaluation

The Board Evaluation for 2022, which is described more fully on pages 112 and 113, included an appraisal of the performance of the Audit Committee and individually of its Chair and other members.

The outcome of the appraisal was that the Committee was considered to continue to operate effectively; with the necessary level of expertise; with no specific actions arising requiring further improvement; and is chaired effectively and in a way that ensures a good level of debate and positive challenge.

External Auditors

Re-appointment

PwC was appointed as the external Auditors at the 2021 AGM and concluded its first audit with the publication of the Company's Annual Report and Accounts 2021. The Audit Partner is Sonia Copeland.

The Committee considers that the relationship with PwC is well established and is satisfied with the effectiveness of the overall external audit process. PwC's performance has been kept under regular review by the Committee and reported to the Board as appropriate.

A full evaluation of PwC's performance in relation to the audit of the full year results for 2021 was performed. This included a questionnaire being distributed to the Board and key stakeholders in the audit process to evaluate the effectiveness of the external audit process. The Committee also considered the nature and extent of the non-audit work performed by PwC during the year. In addition, the Committee considered whether PwC had appropriately challenged Management estimates and judgements. The Auditors' report (starting on page 152) details the key matters that were considered as part of the year end audit. This includes details of the procedures performed by PwC to assess the estimates and judgements made by Management.

In particular the Committee noted during the course of the audit that the external Auditors challenged Management's judgements and assertions on the following matters:

- Margin recognition and site forecasting.
- Cladding fire safety provision.
- Defined benefit pension valuation.

In relation to each of these judgements the external Auditors confirmed that the approach adopted by Management in accounting for these in the financial statements was appropriate.

The Committee considered the responses to all these areas of assessment, and concluded that the audit process continues to be effective; that the quality and sufficiency of the resources provided by PwC's engagement team remains appropriate; that PwC remains independent; and that there continues to be effective and independent reporting lines available to the external Auditors direct to the Committee and its Chair.

The Committee also assessed Management's proposals for incorporating into the Annual Report and Accounts consideration of material climate-related matters, and whether these had been considered by the external Auditors as part of their audit. More details appear on pages 54 to 69 and 156.

Based upon its assessment, as set out above, the Committee recommended to the Board, which in turn is recommending to shareholders in Resolution 12 at the 2023 AGM (on page 210), that PwC should continue as external Auditors to the Company.

The Company will of course keep the matter under regular review, taking into account the annual performance review to be conducted by the Committee in 2023.

The recommendation of PwC was free from influence by a third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company whereby there would be a restriction on the choice to certain categories or lists of audit firms in the Company's selection of its external auditors.

Appointment of the external Auditors for non-audit services

The Committee has a formal policy, reviewed on a regular basis, as to whether the Company's external Auditors should be employed to provide services other than audit services. In line with the Code, the Committee has regard to the relevant ethical guidance regarding the provision of non-audit services by PwC.

A review of the policy has been undertaken and it was confirmed that the policy is in accordance with the Revised Ethical Standard 2019 (the Standard) issued in December 2019 by the Financial Reporting Council (FRC), which limits the non-audit services which the external Auditors may provide to the Company.

In all circumstances where it is proposed to engage the external Auditors to perform non-audit work in accordance with this policy, this is subject to the approval of the Audit Committee after it has properly assessed potential threats to the independence of the external Auditors and the safeguards applied in the Standard.

The Board, acting on guidance from the Committee following its review of the continuing effectiveness of this policy, is satisfied that it meets the Standard, and will be conducive to the maintenance of good governance, best practice and auditor independence and objectivity.

PwC undertook non-audit services in the form of assurance work carried out in connection with the announcement of the Company's 2022 half year results. This non-audit service is of direct benefit to shareholders. PwC also made available access to its subscription service providing online technical resources such as factual updates and changes to applicable law, regulation, and accounting and auditing standards, at a notional value of £2,000.

The Committee recognises and supports the importance of the independence of auditors. It reviewed PwC's performance of non-audit services during 2022 and is satisfied that it did not, and will not going forward, impair the independence of the external Auditors. As a result, the value of non-audit services work by PwC was £0.1 million in 2022 (2021: £0.1 million) which represents approximately 10% of the audit fee as set out in Note 6 to the Accounts on page 173.

Internal Audit

Internal Audit's primary role is to support the Board and the Group Management Team (GMT) to protect the assets, reputation and sustainability of the Group. The function is led by the Head of Internal Audit who directly reports to the Chair of the Audit Committee, with a secondary reporting line to the Group Finance Director, and has regular direct contact with the Chair of the Board, the Chief Executive and other Executive Directors, as required. The reporting line to the Chair of the Audit Committee protects the function's independence.

The most recent independent evaluation of Internal Audit's independence and performance was carried out during 2021, as described in the Annual Report and Accounts 2021, and found that Internal Audit continues to operate effectively, with no areas of non-conformance with recommended practice as set out in the International Professional Practice Framework. Continuous improvement initiatives agreed at that time, have been implemented, to ensure the Internal Audit function continues to meet both current best practice and the evolving needs of the Group.

Internal Audit reviews the effectiveness and efficiency of the systems of internal control in place to safeguard the assets; to quantify, price, transfer, avoid or mitigate risks; and to monitor the activities of the Group in accomplishing established objectives.

The Internal Audit plan, and the individual audits conducted in line with the audit plan, are driven primarily by the Group's strategy and its key risks. Following each review, an Internal Audit report is provided to both the Management responsible for the area reviewed and the GMT. These reports outline Internal Audit's opinion of the management control framework in place together with actions proposed or made, as appropriate, where improvements are recommended. The Chief Executive, the GMT and Senior Management consider the reports on a regular basis and are responsible for ensuring that improvements are made as agreed. A database of audit recommendations and improvement initiatives is maintained. Follow-up and escalation processes ensure that such improvements are implemented and fully embedded in a timely manner. Summaries of all Internal Audit reviews and other key activity and resulting reports are also provided to the Audit Committee for review and discussion.

The Group belongs to and participates in industry-wide forums and other initiatives aimed at combatting fraud within the housebuilding and construction industry.

The Internal Audit function also reviews proposed related-party transactions, including employees' house purchases from the Group, to provide assurance that the formal policy and proper procedures are followed.

The Internal Audit and Company Secretariat teams work together to consider any longer term revisions to the governance processes and working environment. The learnings and improvements from this activity are continuously considered as part of the ongoing control and risk processes and this activity will continue through 2023.

During the year, the Committee assessed and confirmed the continuing independence and objectivity of Anne Wilson, prior to her retirement as the Head of Internal Audit, in compliance with the Internal Audit Code of Practice, due to her having then been in post for over seven years.

Preparation for planned financial governance changes

A key legislative and regulatory change proposed by the Government will result from the measures proposed by BEIS arising from its consultation into restoring trust in audit and corporate governance.

Preparations continue for the expected changes in financial governance resulting from this consultation.

A draft Audit and Assurance Policy has been prepared and was discussed at the Committee's December 2022 meeting.

A Group assurance approach has been developed, as described on page 122 and its proposed reporting approach has been considered by the Committee.

The process for addressing these new requirements will be re-assessed in light of any changes to them, or the timeline for their introduction; reviewed to assess their appropriateness; and any changes managed through the established project governance.

These actions have been monitored by the Committee during 2022 and will continue to be monitored into 2023, when we expect to be able to report in greater detail as to their scope and impact on the Company, its assurance processes, and its future financial reporting.

Risk management and internal control

The Group has an established ongoing process of risk management, which is detailed further on pages 72 to 79. The Committee monitors the Group's risk management and internal control systems, including their effectiveness, on behalf of the Board and provides advice to the Board in connection with the Board's own risk review.

The Committee's objectives in relation to risk are:

- To ensure the Group's risk profile remains within its agreed risk appetite and tolerance levels and is adequately monitored and reviewed as appropriate to reflect external and internal changes.
- To give early consideration to the Government's proposals in relation to a new regime for the strengthening of internal controls requirements over financial, operational and compliance controls.
- To continue to develop the Group's risk processes in light of evolving best practice.
- To consider emerging risks that could impact on the Group's longer term strategy.

To achieve these objectives, the Committee undertook the following during 2022:

- Detailed risk reviews were conducted twice during the year, at the Committee's August (half year) and December (full year) meetings and covered both the systems used and the reported risks.
- Regular updates were received on the continuing review of relevant historical and current developments and actions taken by the Group to comply with the Government guidance on fire safety. This included assessing and advising the Board, following the decision to sign up to the Government's Building Safety Pledge for Developers, on the continuing appropriateness and sufficiency of the associated provision, and reviewing updates on usage and the balance of the provision during the year.
- Updates were received on key IT risks, including the resilience of the Group's systems to cyber attack and action taken to maintain security of systems and data.
- Advised the Board in its assessment of emerging risks, including potential velocity and impact on the Group's longer term strategy, further details of which can be found on page 74.

Detailed risk reviews were conducted twice during the year, at which the Board, with advice from the Committee, considered the outputs from a bottom-up and top-down review of risk in all areas of the business. This included taking account of ESG considerations, and climate change, over various time horizons. These assessments use an established methodology and include regularly reviewing the effectiveness of the Group's system of internal control in providing a responsible assessment and mitigation of risks.

The Committee also oversaw the further embedding of improvements identified in last year's Audit Committee report in the area of risk. These related to the processes for identifying, assessing, monitoring, reporting, and managing the residual elements of risk, the enhanced reporting of action plans, and target risk for the identified key risks.

Action to mitigate the effect of each risk is led by the Chief Executive in conjunction with the relevant member of the GMT.

During the year, Internal Audit concluded a review of the risk management process and identified enhancements which will be implemented during 2023 to further strengthen and embed the process across the Group.

Those systems cannot eliminate risks but rather seek to manage both the likelihood of their occurrence and the extent of their impact and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Principal Risks facing the Company and the Group, as assessed by the Board, are set out on pages 75 to 79 together with information on the mitigations for each risk.

The Committee also oversees the actions being taken to monitor IT initiatives which aim to either directly protect against and reduce the risk of cyber-related attacks and fraud; support and enhance the current IT environment including data protection; or that are crucial in their contribution to key business initiatives aiming to enhance the experience of customers, suppliers and/or employees.

At its meeting in February 2023, the Board, having conducted its own review and after reviewing more detailed assessments from the Audit Committee, remained satisfied that the system of internal control continued to be effective in identifying, assessing, and ranking the various risks facing the Group; and in monitoring and reporting progress in mitigating their potential impact on the Group.

The Board also approved the statement of the Principal Risks and uncertainties set out on pages 75 to 79 of this Annual Report and Accounts.

IT operating environment

Cyber resilience

A Principal Risk area identified by the Board is the potential vulnerability of the Group's IT systems to the various forms of cyber attack and a key area of focus for the Committee during 2022 was continuing to ensure that the IT operating environment remained robust, supporting the business needs in a year of planned changes to core systems and also that key systems were protected against cyber and other threats.

The Head of Internal Audit attends the IT Steering Committee meetings; and Internal Audit is represented on key project drivers, including the upgrade of the financial consolidation system and the bank payment system.

The main enterprise resource planning system, COINs, was upgraded during 2022 and both hardware and software improvements were completed.

There is continued focus on cyber threats and system resilience generally, including the successful testing by an independent third party and implementation of further improvements derived therefrom.

Read more about cyber risks and our response and mitigation processes on page 79.

Key processes and controls

Another key area of focus for the Committee during 2022 was gaining assurance on required changes to key processes and controls that might have been affected by known legislative changes impacting the industry through 2022 and into 2023, in particular the New Homes Ombudsman Service and the Future Homes Standard.

Key processes to enable the Company to comply with the NHQC and the New Homes Ombudsman Service, were successfully introduced across the business. These included mandatory training for employees and subcontractors; updating procedures and systems to reflect the NHQC requirements; and automation of the processes.

Internal Audit will monitor performance of, and compliance with, NHQC mandatory requirements.

Readiness for Parts L and F of the Future Homes Standard was an area of focus for the Audit Committee in 2022. To gain assurance over our readiness, a Change Review Panel was established, chaired by a member of the GMT and supported by relevant Heads of Functions and subject matter experts. The Panel worked in conjunction with the Group's established governance forums around change projects - its remit was to determine whether the change was appropriately understood, risk assessed and managed appropriately. The Panel Chair attended the August 2022 Committee meeting and shared their observations and next steps. Internal Audit has included in their work plan a thematic review of our readiness, which included testing key processes and controls around site layouts, build routes and budgeting. The conclusion from Internal Audit's work was that the changes and impact were well understood by regional businesses' management teams and that appropriate assessments and plans were in place and costed. There will be continued focus from the Committee on the implementation of these changes during 2023.

Group assurance approach

The overall structure of the Group's internal controls and assurance processes are as set out below:

Operating Framework	– Primary source of the Group's system of internal control for business operations – Gives wider assurance over the financial and non-financial information produced around the Group – Approved by the GMT – Subject to regular review by the GMT and updates to ensure it remains appropriate, with any significant proposed amendments independently assessed by Internal Audit – Available online for all employees, with controls to ensure compliance or appropriate pre-approval of any variation – Includes clear levels of delegated authority, responsibility and accountability

Detailed process manuals	– Relating to the operation of the main functions of the Group – Support the Operating Framework at a more granular level of detail

GMT

- Consider and, if appropriate, approve matters requiring prior approval under the Operating Framework
- Monitor adherence to the Operating Framework and detailed manuals

Internal Audit

- Independently assess appropriateness of, and compliance with, the Operating Framework and detailed manuals

Group assurance map

A Group assurance map has been developed to provide a summary of the three lines of assurance to the GMT, the Audit Committee and Board. Assurance is mapped against our recognised key risks and it is based on a comprehensive and shared view as discussed with appointed risk owners together with Heads of Function and others who have key oversight responsibilities. This then enables the GMT, the Audit Committee and the Board to identify and confirm their assurance needs and any actions required to fulfil those needs.

Going concern

The Group has prepared forecasts, including various sensitivities, taking into account the Principal Risks and uncertainties identified on pages 75 to 79. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. The Committee reviewed the forecasts and the Directors' expectations based thereon and agreed that they were reasonable. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Read more about our Principal Risks on pages 75 to 79.

Viability statement

The viability statement is designed to be a longer term view of the sustainability of the Group's strategy and business model and related resourcing, in light of projected wider economic and market developments. The Committee considered whether there should be any change to the five-year period chosen for the statement but remained of the opinion that this continued to be appropriate, taking into account the balance sheet strength and confirmation from the Executive Directors that this period continues to broadly align to the development cycle for new land. The Committee also reviewed the Executive Directors' expectations; the criteria upon which they were based; and the sensitivities applied, including how these linked to the Principal Risks faced by the business; and agreed that they were reasonable.

The statement appears on pages 84 to 85 together with details of the processes, assumptions and testing which underpin it.

Annual Report and Accounts 2022

Fair, balanced and understandable

A key requirement of our financial statements is that they are fair, balanced and understandable, and that they include the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

The Committee monitors the integrity of the Group's reporting process and financial management, and reviews in detail the work of the external Auditors and any significant financial judgements and estimates made by Management.

It considers the output from the above and reviews the full year and half year financial statements before proposing them to the Board for consideration.

The review of the Company's Annual Report and Accounts took the form of a detailed assessment of the collaborative process of drafting them, which involves the Company's Investor Relations; Company Secretariat; and Finance functions, with guidance and input from other relevant functions and external advisers. It ensured that there is a clear and unified link between this Annual Report and Accounts and the Company's other external reporting, and between the three main sections of the Annual Report and Accounts.

In particular, the Committee:

- Reviewed all material matters.
- Ensured that it correctly reflected the Group's performance in the reporting year.
- Ensured that it presented a consistent message throughout.
- Ensured that it correctly reflected the Group's business model.
- Ensured that it correctly described the Group's strategy.
- Considered whether it presented the information in a clear and concise manner, illustrated by appropriate KPIs, to facilitate shareholders' access to relevant information.

Significant items

The following items are those that the Audit Committee has considered in discharging its duties and in considering the financial reporting of the Group:

Margin recognition and site forecasting

The cost allocation framework used across the Group controls the way in which the inventory is costed and allocated across each development. It also ensures that any costs incurred in excess of the original budget are recognised appropriately as the site progresses.

The Committee reviewed reports and recommendations from the GMT in relation to areas of the business recognising cost excesses, and also reviewed the work undertaken by PwC which included testing of the Group-wide controls to monitor cost allocation. The Committee gave careful consideration to the judgements and assumptions involved, challenging Management where appropriate.

Following these reviews, together with enquiries of the GMT and the external Auditors, the Committee concluded that there continued to be appropriate systems and internal controls in place, which ensured that consistent principles were applied, the treatment and presentation on the income statement of the costs incurred by the business were appropriate, and that the external Auditors agreed with the conclusions reached.

Defined benefit pension valuations

The Committee reviewed the funding position of the Taylor Wimpey Pension Scheme and discussed and agreed the market-based assumptions used to establish the net pension deficit recognised on the balance sheet at 31 December 2022.

Cladding fire safety provision

The Committee reviewed and challenged Senior Management's assessment of the costs to comply with the obligations of the Pledge (entered into on 5 April 2022) whereby the Company is pledging to bring all Taylor Wimpey apartment buildings built since 1992 into line with EWS1 guidance, as described in more detail on page 81. The Committee also reviewed updates on the progress of the rectification of buildings identified with Aluminium Composite Material cladding, together with utilisation and estimates of the remaining provision. The Committee was satisfied that the provision represented Management's best estimate of the expected remediation costs.

Recommendation to the Board

The outcome of the above processes, together with the views presented by PwC, was that the Committee recommended, and in turn the Board confirmed, that the Annual Report and Accounts 2022, taken as a whole, is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company's position, performance, business model and strategy.

More detail on how the Board and the Audit Committee have addressed the assessment, control and mitigation of risk, and the oversight of the internal and external audit functions, appear in this Audit Committee report.

Statement of compliance

The Company has complied throughout the reporting year with the provisions of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014.

Remuneration Committee report

Key activities of the Remuneration Committee in 2022

Reviewed the Directors' Remuneration Policy, agreed minor amendments and engaged with major shareholders

Approved the remuneration arrangements for Jennie Daly on appointment as Chief Executive

Reviewed base salary levels for Senior Management

Approved the fee for Robert Noel on becoming Chair of the Board

Considered wider workforce remuneration arrangements in light of the cost of living crisis

Ensured a smooth succession and induction process for the Committee Chair

Committee members	Meeting attendance
1. Lord Jitesh Gadhia (Chair)	●●●●●●
2. Irene Dorner	●●●●●●
3. Robert Noel[a]	●●●●●
4. Gwyn Burr[b]	●●
5. Angela Knight[b]	●●

(a) Robert Noel did not attend one meeting as it was convened to agree his fee on becoming Chair.

(b) Stood down from the Committee on 26 April 2022.

Dear Shareholder

As Chair of the Remuneration Committee (the Committee), I am pleased to present our 2022 Directors' Remuneration Report on behalf of the Board.

Directors' Remuneration Policy Review

Following a thorough review of the current Directors' Remuneration Policy (the Policy) and how it operated within the current three year policy period, the Committee agreed that the Policy has successfully accommodated the significant changes that have taken place to the business and its leadership during its period. The Committee considers that the current remuneration levels are appropriately positioned and therefore do not propose any material amendments to the Policy, other than two minor amendments to align with market practice.

These changes are to accelerate the reduction in the Group Finance Director's pension contribution to the same percentage rate as the wider workforce from 1 January 2023, instead of 1 April 2024, and to increase the level of threshold vesting for the long term Performance Share Plan (PSP) awards from 20% to 25%. As a Committee, we consider that these changes are appropriate and further details on the rationale can be found on page 128.

In line with the 2018 UK Corporate Governance Code (the Code) we consulted with shareholders and employees on our proposed changes to the Policy. I wrote to all shareholders owning 1% or more of our shares, representing c.60% of our ownership, to provide an overview of the proposed minor amendments. Feedback received from shareholders was positive and constructive, and we thank them for their continued support.

We will seek shareholder support for the new Policy at our Annual General Meeting (AGM) on 27 April 2023. Further details on the Resolution can be found in our Notice of Meeting on page 210.

Wider workforce remuneration

We continue to review the remuneration arrangements for the wider workforce and take these into account when considering remuneration arrangements for the Executive Directors and Senior Management. We again reviewed the performance measures in the various annual bonus schemes available across the business and we are confident that they drive behaviours that are consistent with our purpose, values, culture and strategy.

The Committee reviewed the approach taken in respect of wider workforce remuneration in light of the widely reported cost of living challenges. The Board closely monitored the impact of rising inflation and the predicted increase in fuel bills over the winter months for our employees. As a result, the Board approved a timely cost of living payment of up to £1,000 for our lower paid employees.

The Committee has also approved a tiered approach to the salary review process for 2023, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 6% to 3%, and the Executive Directors and Senior Management will all receive 3%.

We are confident that the variable incentive arrangements available for the wider workforce are aligned to Senior Management, including the Executive Directors.

For more information on our approach to wider workforce remuneration, see pages 145 to 147.

Executive Director remuneration decisions and outcomes

Variable incentive schemes

Under the 2022 annual bonus, Executive Incentive Scheme (EIS), the Company performed strongly against each of the financial performance measures. Performance against the customer service metric fell slightly below the stretching target that was set, although we retained our five star status and we made good progress against our ESG strategy. Overall the outcome achieved was 76% of maximum.

The PSP awarded in 2020, measuring performance in the 2020 to 2022 period, will vest at 32.3% of maximum, with the Company having delivered resilient performance in the circumstances, despite the impact of COVID-19 on financial performance in 2020 and the changing market environment in the second half of 2022.

No discretion was used or deemed to be required by the Committee under either the EIS or PSP. The Committee has also determined that the PSP Award value on vesting was not inflated by windfall gains, as the Awards were made in early March 2020 using a share price of 204.3 pence per share, which was prior to the share price (and stock market generally) being impacted by the COVID-19 pandemic. The Committee did not adjust performance targets during 2022.

Further details on both outcomes can be found on pages 138 and 139.

Incoming Chief Executive salary

As disclosed in the 2021 Directors' Remuneration Report, in February 2022 the Committee considered the appropriate remuneration package for Jennie Daly when she became Chief Executive. The package approved was in line with the Policy and provides a salary of £750,000, a 10% pension allowance, and annual bonus and PSP opportunities of up to 150% and 200% of salary respectively.

Looking ahead to 2023

Salary and pension

As noted above, the salaries for the Executive Directors will be increased by 3% with effect from 1 April 2023. This is in line with the Senior Management population. The Group Finance Director's pension has reduced to 10% of salary from 1 January 2023 (instead of 1 April 2024 as previously agreed). I am grateful to Chris Carney for his constructive co-operation in accelerating this previously agreed position. Both Executive Directors will therefore have a pension allowance at the same percentage rate as the wider workforce.

EIS

Executive Directors will be able to earn up to 150% of salary under the 2023 EIS. The EIS performance measures for 2023 also remain broadly in line with 2022, albeit with the ESG based measure now moving from the EIS to the PSP. The measures are set out on page 141 together with the strategic rationale. We consider carefully the target ranges each year, ensuring an appropriate balance between achievability and stretch. Due to uncertain market conditions, at the time of writing, the precise weightings and final target ranges have not been finalised by the Committee, although we have agreed that the percentage based on financial measures should be increased from 60% to 70% of the overall bonus opportunity. However, detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

PSP

The PSP will operate in accordance with the Policy as set out on pages 128 to 134. It is expected that Executive Directors will be granted awards to the value of 200% of salary.

As part of the review of the Policy, the Committee has considered the mix of the different performance measures and their link to strategy. Following careful consideration, as noted above, the Committee has concluded that an element of the PSP should be based on an ESG measure for the first time and, for the 2023 Award this should be based on a reduction in our Scope 1 and 2 emissions linked to our net zero carbon strategy.

As noted above in relation to the EIS, due to uncertain market conditions, at the time of writing, the precise weightings of the measures and final target ranges for the 2023 PSP Award have also not been finalised by the Committee. We anticipate that these will be determined soon, allowing the Awards to be granted and there will be full details contained within the RNS announcement when the Awards are granted and again in next year's report.

Chair and Non Executive Director

The Committee considered the appropriate fee for Robert Noel on becoming Chair. It was agreed that Rob would receive a fee of £335,000 per annum from appointment at the conclusion of the forthcoming AGM.

New All-Employee Share Plans

Our Save As You Earn option scheme and our Share Incentive Plan, both of which are all-employee share plans with modest individual participation limits, are reaching the end of their ten year life and, accordingly, new scheme rules are being proposed for shareholder approval at the 2023 AGM. Executive Directors may participate in both schemes, alongside all eligible employees.

Committee changes

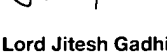
Following the changes to the composition of the Board announced after the Company's 2022 AGM, when Gwyn Burr and Angela Knight stepped down as Non Executive Directors, there was a period of transition during which the composition of the Board and its Committees was reviewed by the Nomination and Governance Committee. During that period, the Remuneration Committee's three members included the Chair. As the Code does not count the Chair as one of the required three independent Non Executive Director members of the Remuneration Committee, arrangements are in hand to add additional members to the Committee. We will announce the required Committee membership changes, to align with the Code requirements for three independent Non Executive Directors, ahead of the AGM.

Stakeholder engagement

As previously mentioned, the Committee consulted our major shareholders during the Policy review process. Irene Dorner, in her capacity as Chair of the Board, continued to engage with shareholders during 2022 and shared any remuneration related matters with the Committee for consideration. Rob Noel, in his capacity as Employee Champion, engaged with the workforce throughout the year and brought this perspective into the Committee discussions.

Closing remarks

On behalf of the Committee, I would like to thank shareholders for their constructive engagement on remuneration matters throughout the past year and look forward to continuing our dialogue during 2023, especially in the context of implementing the new Policy being presented for approval at the AGM.



Lord Jitesh Gadhia
Chair of the Remuneration Committee

1 March 2023

Introduction

This Report has been prepared by the Committee on behalf of the Board. The 2022 Remuneration Report includes disclosures which reflect in full the Regulations (as defined below) on remuneration reporting, divided into three sections:

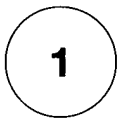
- The annual statement from the Remuneration Committee Chair.
- Remuneration Policy: this sets out the new Remuneration Policy (the 2023 Policy) that will be proposed to shareholders at the 2023 AGM, describing the framework within which the Company remunerates its Directors. If approved by shareholders, the 2023 Policy will apply for a period of three years from the date of the 2023 AGM or until a revised Policy is approved by shareholders.
- Annual Report on Remuneration: this sets out how the current Policy was applied during 2022 and how the 2023 Policy will be operated during 2023.

The Policy and these remuneration reports have been prepared in accordance with the relevant provision of the Companies Act 2006 and on the basis prescribed in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations (Amendment) 2008 (the Regulations). Where required, data has been audited by PwC and this is indicated.

Remuneration at a glance

Our remuneration strategy

Our remuneration strategy is centred around three core objectives:

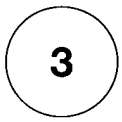


Attraction

Attracting talent to our Company through a competitive compensation package

Engagement

Incentivising, motivating, and recognising success



Retention

Remaining agile to employee needs and market changes

Overview of key elements included in the Directors' Remuneration Policy

Fixed pay

Remuneration element	Element timeline (years)	Implementation in 2022
Base salary Recruit and reward executives of a suitable calibre for the role and duties required. **Pensions** Executive Director pension contributions are in line with the wider workforce. **Benefits** Competitive package to assist with recruitment and retention.	1 2 3 4 5 Base salary	**3%** salary increase for the Executive Directors effective 1 April 2022

Variable pay

Executive Incentive Scheme (EIS) Rewards the achievement of stretching financial performance targets and other objectives that support the Company's annual and strategic goals. Maximum: 150% of salary Deferral: One third deferred into shares for three years	1 2 3 4 5 Two thirds cash One third deferred into shares for three years	**2022 EIS Outcome**
Performance Share Plan (PSP) Assists with retention, incentivisation and motivation to achieve long term sustainable returns for shareholders. Maximum: 200% of salary Performance period: Three years Holding period: Two year holding period post vesting	1 2 3 4 5 Performance period Holding period post vesting	**2020 PSP Award Outcome**

Proposed application of the Policy in 2023

	Measure	Rationale	Link to strategic cornerstone	Link to KPI	Link to stakeholder
EIS	**Operating profit**	Maximise aggregate profit	O		•
	Operating profit margin	Optimise sales prices and improve cost discipline	O		•
	Cash conversion	Maximise the generation of cashflow from profits	C		•
	Build quality	Deliver high quality homes with the need for less remediation	S O	•	•
	Customer service (8-week)	Maintain customer trust and endorse Company reputation	S	•	•
PSP	**TSR v peer group**	Align the rewards received by executives with the returns received by shareholders	S C		•
	Operating profit margin	Optimise sales prices and improve cost discipline	O		•
	RONOA	Maintain focus on driving increased capital efficiency	C		•
	Customer service (9-month)	Maintain customer trust and endorse Company reputation	S	•	•
	Carbon emissions reduction	Support the Company's strategy on carbon emissions reductions across our operations	S	•	•

For more information, please refer to our strategic cornerstones and Key Performance Indicators on pages 21 to 33

Proposed changes to the Directors' Remuneration Policy

Minor amendments proposed to the existing Directors' Remuneration Policy:

- Group Finance Director's pension contribution to be aligned to the wider workforce from 1 January 2023
- PSP threshold vesting to increase from 20% to 25% in line with market practice

Further information on the rationale for these changes can be found on page 128.

Key wider workforce highlights in 2022:

c.90%

of employees received a cost of living payment of up to £1,000

58%

of employees are either shareholders or participate in an all-employee share plan

3%

salary increase awarded effective 1 April 2022

4.6%

increase in average salary below the GMT

For further information on wider workforce remuneration see page 145

Remuneration Policy Report

The current Policy was subject to a binding shareholder vote at the AGM of the Company on 23 April 2020 and was approved by over 98% of shareholders who voted. The three year life of the current Policy will expire at the 2023 AGM when we will be required to seek binding shareholder approval for a new Policy (the 2023 Policy). If approved by shareholders, the 2023 Policy will apply from the date of the 2023 AGM or until a revised Policy is approved by shareholders if sooner.

The 2023 Policy is designed to ensure that the remuneration framework will support and drive forward the Taylor Wimpey strategy by both challenging and motivating the Executive Directors and Senior Management to deliver it, and this will in turn drive value for our shareholders whilst having due regard to our other stakeholders. The 2023 Policy is set out in this report and is also available to view on the Company's website.

When the Committee designed the 2023 Policy and its operation, it has considered the factors in Provision 40 of the Code. Full details on how clarity, simplicity, risk, predictability, proportionality and alignment to culture are addressed can be found on page 135.

Policy review

Following a thorough review of the current Policy, the Committee concluded that it had operated well and, in particular, had successfully accommodated the significant changes that have taken place to the business and its leadership during its three year term. Current remuneration levels are appropriately positioned and, structurally, the Policy aligns with market practice, the Code requirements and investor guidelines. Accordingly, two minor amendments are proposed under the 2023 Policy, which are set out in the table at the bottom of this page.

No Director or other executive is involved in any decisions about his or her own remuneration. Conflicts of interest are managed carefully and a register is maintained by the Company Secretary in accordance with the Company's Conflicts Policy. The Committee also ensures that external advice is independent.

Policy overview

A key part of the Committee's role is to ensure that the remuneration of Executive Directors and Senior Management is aligned to the Company's strategic objectives. It is key that the Company is able to attract and retain leaders who are focused and also appropriately incentivised to deliver the Company's strategic objectives, within a framework that is aligned with the long term interests of the Company's shareholders.

This alignment is achieved through a combination of:

- Performance measures for the EIS and PSP aligned with Key Performance Indicators, the Company's strategic objectives and measures of sustainable performance.
- Deferral into shares of a percentage of the EIS.
- A two year retention period for vested PSP Awards.
- Share ownership guidelines which require executives to build up holdings of Taylor Wimpey shares, either directly or by retaining vested PSP Awards and deferred EIS amounts.
- A post-employment shareholding requirement.
- Robust clawback and malus provisions.

The above requirements ensure that a significant percentage of the overall remuneration package of our Executive Directors and Senior Management is subject to performance and delivered in shares which must be held long term. With all packages for our Executive Directors substantially geared towards meeting challenging targets set under the EIS and PSP, the Committee believes that the pay and benefits of its Executive Directors and Senior Management adequately balance reward and risk.

In line with best practice, the Committee structures the incentives for Executive Directors and Senior Management in a way that ensures they will not raise ESG risks by inadvertently motivating irresponsible behaviour. More generally, the Committee under its Terms of Reference may, where it considers appropriate, take ESG matters into account when considering the overall remuneration structure and as part of its overall discretion.

The proposed changes and rationale are set out below. Other minor drafting changes have also been made to provide more clarity on the operation of the 2023 Policy.

Policy element	Proposed change	Rationale	Outcome
Group Finance Director's pension contribution	The Group Finance Director's pension contribution to align with the wider workforce by 1 January 2023 instead of 1 April 2024.	In light of the deadline set by the Investment Association of 31 December 2022 (that was set after our current Policy had been approved) Chris Carney volunteered to accelerate the time frame for his pension reduction so that it would reduce to 10% of salary, by 1 January 2023.	With effect from 1 January 2023, the Company will be compliant with Provision 38 of the Code.
Threshold vesting level for PSP	Proposed threshold vesting of PSP Awards to increase from 20% to 25%.	We have reviewed the overall competitiveness of the package as well as market practice on the structure of long term incentive plans, where all housebuilders' long term incentive plans and the vast majority of the FTSE begin vesting at a 25% threshold level. We propose to increase the level of threshold vesting from 20% to 25% of the award. We have a track record of setting stretching target ranges and will continue to do so.	Threshold performance vesting level for PSP awards to be 25% of the total Award.

Illustration of the Remuneration Policy for 2023

The charts below illustrate the level and mix of remuneration based on the Policy depending on the achievement of below target, target and maximum performance for the Executive Directors in 2023.

1. Salary is £772,500 and £519,841 for Jennie Daly and Chris Carney, respectively, as at 1 April 2023.
2. Benefits are £19,313, and £11,933 for Jennie Daly and Chris Carney, respectively, being the 2022 value.
3. Pension is 10% for Jennie Daly and Chris Carney.
4. For the EIS the target and maximum award is 75% and 150% of base salary, respectively.
5. For the PSP the target (assumed for these purposes to be at threshold performance) and maximum are 40% and 200% of base salary, respectively.
6. An indication of the maximum remuneration receivable assumes a share price appreciation of 50% during the period in which the award is subject to underpins. The basis of the calculation of the share price appreciation is that the share price embedded in the calculation for the 'maximum' bar chart is assumed to increase by 50% across the performance period.

Remuneration Committee report *continued*

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Salary	To recruit and reward Executive Directors of a suitable calibre for the role and duties required.	Salaries are normally reviewed annually to ensure that they remain positioned appropriately. There is no automatic entitlement to an increase each year. Salary level and increases take into account the following: – The performance, role, and responsibility of each individual Executive Director. – The economic climate, general market conditions and the performance of the Company. – The level of pay awards across the rest of the business. – Salary levels in comparably-sized companies and other major housebuilders.	The maximum annual salary increase will not normally exceed the average increase which applies across the wider workforce. However, larger increases may be awarded in certain circumstances including but not limited to: – Increase in scope or responsibilities of the role. – To apply salary progression for a newly / recently appointed Executive Director. – Where the Director's salary has fallen below the market positioning.	Company and individual performance are factors considered when reviewing salaries.
Chair of the Board and Non Executive Director fees	The Chair and Non Executive Directors' fees should be structured in line with recognised best practice and be sufficient to attract and retain high calibre non executives.	Fees consist of a single consolidated fee for the Chair, an annual fee for the other Non Executive Directors and additional fees for roles such as the Chair of the Audit Committee, Chair of the Remuneration Committee, Senior Independent Director and Employee Champion. Set by reference to the responsibilities undertaken by the non executive, taking into account that each Non Executive Director is expected to be a member of the Nomination and Governance Committee and / or the Audit Committee and / or the Remuneration Committee. Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders. Non Executive Directors do not participate in any incentive, share scheme, employee benefits or pension arrangements. Any reasonable expenses incurred in carrying out duties will be fully reimbursed including any personal taxation associated with such expenses.	Aggregate annual limit of £1 million imposed by the Company's Articles of Association.	N/A
Other benefits, including benefits-in-kind	Provides a competitive package of benefits to assist with recruitment and retention of high calibre Executive Directors.	Benefits normally include, but not limited to: – Company-provided car or a cash allowance; – Healthcare; and – Life assurance. Benefits offered to the wider workforce may also be offered to Executive Directors. Other market competitive benefits may also be offered by the Committee should it deem it appropriate to secure the appointment of a new Executive Director or retain an Executive Director (including legacy benefits) and to ensure that the benefits package for existing Executive Directors remains competitive in the market. A 5% discount on the price of a new home acquired from the Group.	There is no formal maximum. The level of a benefit provided will be aligned to the wider workforce but may vary depending on seniority. Benefits are provided based on market rates. For home purchases, the price discount is calculated at the plot release price less the average discount to third party buyers for that house type on that development, less a further 5% employee discount. No more than one home per annum can be acquired at a discount under the scheme; and no more than three homes can be acquired in a five-year period. The maximum discount over a five-year period is £100,000.	N/A
Executive Incentive Scheme (EIS)	Rewards the achievement of stretching financial performance targets and other objectives that support the Company's annual and strategic goals. Compulsory deferral in shares further aligns the interests of Executive Directors with shareholders.	EIS awards are normally determined by the Committee after the year end, based on annual performance against targets set at the beginning of each year. One-third (net) of any EIS is payable in shares which are held in trust for three years. The Committee has the ability to adjust the amount of a bonus if the formulaic outcome is not considered reflective of individual or business performance or the broader shareholder experience. A malus and clawback mechanism applies to all participants. The discovery period for the event that would give rise to the clawback is three years from the date of payment.	The maximum EIS opportunity for Executive Directors is 150% of salary. Target is 75% of salary. If an entry level of performance is achieved up to 10% of maximum is payable under each metric.	The EIS measures are based on a scorecard of designated key annual financial, operational and environmental, social, or governance measures.

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
Performance Share Plan (PSP)	Annual grants of share-based long term incentives assist with retention, incentivisation and motivation of Executive Directors to achieve long term sustainable returns for shareholders. A post vesting holding period helps align the interests of Executive Directors with those of the Company's shareholders.	Executive Directors can receive PSP Awards, granted annually. Performance is normally measured over three financial years. The value of dividends or other distributions will accrue during the performance and holding periods and will be received with any shares that vest. Value of accrued dividends will normally be accrued and paid in shares. The Committee has the ability to adjust the awards if the formulaic outcome is not considered reflective of individual or business performance or the broader shareholder experience. A malus and clawback mechanism applies to all participants. The discovery period for the event that would give rise to the clawback is three years from the date of payment.	The maximum award is normally over shares with a face value of 200% of salary. In exceptional circumstances this can be increased up to 300% of salary. Awards vest at 25% for threshold performance.	The performance conditions are aligned to the long term business strategy. The Committee may vary the measures that are included in the plan and the weightings between the measures from year to year.
Pension	The Company aims to provide competitive retirement benefits.	Pension benefits are provided through one or more of the following arrangements: – Personal Choice Plan; or – as a cash allowance.	Company contributions to any pension scheme, or any amount paid as a cash allowance, in respect of current Executive Directors or a new Executive Director will be in line with the pension contribution rate applying to the majority of the workforce, currently 10% of salary.	N/A
All-employee share plans	All employees including Executive Directors are encouraged to become shareholders through the operation of all-employee share plans such as the HMRC tax-advantaged Sharesave plan and a Share Incentive Plan (SIP).	The Sharesave plan and SIP have standard terms under which all UK employees with at least three months' service can participate.	Sharesave: Employees can elect for a savings contract of either three or five years, with a maximum monthly saving. Options can be exercised during the six months following the end of the contract. SIP: Employees can elect to contribute an amount per month or by one or more lump sums per tax year. The maximum saving or contribution level for the Sharesave and SIP are approved by the Remuneration Committee and the Board within the limits prescribed by legislation or Government from time to time.	N/A
Shareholding guidelines	Encourages greater levels of shareholding and aligns employees' interests with those of shareholders.	Executive Directors are expected to achieve and maintain a holding of the Company's shares at least equal to 200% of salary and until this level is achieved, are required to retain no less than 50% of the value of any vested EIS, deferred bonus shares or PSP Awards, after tax. A post-employment shareholding requirement will require Executive Directors to hold 200% of salary, or their shareholding level at the time of cessation if their 200% shareholding requirement has not yet been met, for at least two years. This requirement may be reduced by the Committee in exceptional circumstances, such as serious ill-health.	Executive Directors: 200% of salary.	N/A

The Committee may amend this shareholder approved Policy to take account of changes to legislation, taxation and other supplemental and administrative matters without the necessity to seek shareholder approval for those changes.

How the EIS and PSP measures and targets are chosen

The performance measures selected for the EIS and PSP are set each year to reflect the Group's key strategic goals and are designed to align the Executive Directors' and Senior Management's interests with those of the Company's shareholders and wider stakeholders. The Committee consults with major shareholders where any significant changes are proposed.

The Committee will continue to review the choice of performance measures and the appropriateness of the performance targets each year. Targets are set based on a sliding scale that takes account of internal planning and external market expectations for the Company. Maximum rewards require substantial out-performance of our challenging plans approved at the start of each year, with a significantly lower level of rewards available for delivering threshold and target performance levels.

The proposed measures for the 2023 EIS and PSP are set out on page 141.

Committee discretion

The Committee recognises that the exercise of discretion must be undertaken in a careful and considered way as it is an area that will rightly come under scrutiny from shareholders and other stakeholders. The Committee confirms that any exercise of discretion would be within the available discretions set out in this Report and that the maximum levels available under any relevant plans would not be exceeded. There would be full disclosure in the following Directors' Remuneration Report and major shareholders would be consulted if appropriate.

With regard to both the EIS and the PSP, the Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans but in all cases within the applicable scheme rules. This includes the ability to apply malus, clawback, and responsible discretion to override formulaic outcomes to ensure they are aligned to performance and broader stakeholder experience.

How shareholder views are taken into account

The Committee regularly engages with the Company's largest shareholders and shareholder representative bodies regarding the ongoing Policy and its implementation, and will take into account any feedback when determining any changes that might apply.

The last such consultation took place in December 2022, when we consulted with major shareholders representing c.60% of our issued share capital in relation to the 2023 Policy. Overall shareholders were positive in their feedback.

Wider workforce policies and practices

The Committee is mindful of remuneration arrangements across the business and regularly receives reports regarding wider workforce policies and pay practices. Further details on this can be found on pages 145 to 147.

Many of our employees can elect to take their bonus payments in shares (and benefit from a 20% uplift) rather than in cash, further enhancing the link and alignment between shareholder value and employee reward throughout the Company, which both the Board and the Committee consider important.

How our employees' voice is taken into account

There are clear links between the Executive Directors, Senior Management and wider workforce remuneration arrangements. As part of the Policy review, the Head of Reward and Pensions attended a meeting of the Company's National Employee Forum (the NEF) to provide an update to members on how the Committee has reviewed the Policy. Rob Noel in his capacity as Employee Champion also attended this meeting and was able to feed back to the Committee on the views of the NEF members. Overall feedback from the NEF was positive and they confirmed that they understood the links between the different levels of remuneration in the business. Many employees are also shareholders in the Company and have the opportunity to vote on remuneration related resolutions at the Company's AGMs.

External non executive director positions

Subject to Board approval and provided that such appointments fall within the general requirements of the Code (and do not give rise to any conflict issues which cannot be managed by the Board and the Executive Director), Executive Directors are permitted to take on one non executive position with another company. Executive Directors are permitted to retain their fees in respect of such positions. Details of any external positions held by the Executive Directors can be found in their biographies on pages 88 and 89.

Remuneration Policy on recruitment or promotion

Component	Policy and operation
Remuneration	**Base salary** Base salary levels will be set in accordance with the Policy, taking into account the experience and calibre of the individual. Where appropriate, the Company may offer a below market salary initially with a view to making above market and workforce increases over a number of years to reach the desired salary positioning, subject to individual and Company performance. **Benefits** Benefits will be provided in accordance with the Policy and relocation expenses will be provided if necessary. Tax equalisation may also be considered if a new Executive Director is adversely affected by taxation due to their employment with the Company. Legal fees and other costs incurred by the individual may also be paid by the Company, if considered appropriate and reasonable to do so. **Pension** Pension contributions will be provided in accordance with the Policy. **EIS and PSP** EIS and PSP may be offered in accordance with the Policy and will be subject to the maximum levels described in the Policy table on pages 130 and 131. The Company may also consider applying different performance measures if it feels these more appropriately meet the strategic goals and aims of the Company whilst incentivising the new appointee.
Buy-out Awards	In the case of an external hire, the Company may choose to buy-out any incentive pay or benefit arrangements which would be forfeited on leaving the previous employer. This will only occur where the Company feels that it is a necessary requirement to aid the recruitment. The replacement value would be provided for, taking into account the form (cash or shares), timing and expected value (i.e. likelihood of meeting any existing performance criteria) of the remuneration being forfeited. Replacement share awards, if used, will be granted using the Company's existing share plans wherever and to the extent possible, although in exceptional circumstances awards may also be granted outside of these plans if necessary and permitted under the Listing Rules. To ensure alignment from the outset with shareholders, malus and clawback provisions may also apply where appropriate and the Committee may require new Executive Directors to acquire Company shares up to a pre-agreed level. Shareholders will be informed of any buy-out payments and awards at the time of appointment.
Internal promotion	In the case of an internal hire including a promotion, the Company will honour any commitments entered into prior to their appointment to the Board even where it is not consistent with the Policy prevailing at the time such commitment is fulfilled.

Service contracts and letters of appointment

The tables below set out the dates of each of the Executive Directors' service contracts and the dates of the Non Executive Directors' letters of appointment. Directors are required to retire at each AGM and seek re-election by shareholders.

Service contracts for each Executive Director and letters of appointments for each Non Executive Director are available for inspection at the Company's registered office during normal business hours and at the AGM.

Executive Director	Service contract commencement date	Unexpired term (months)
Jennie Daly[a]	26 April 2022	12
Chris Carney	20 April 2018	12

Non Executive Director	Date of appointment	Notice period by Company and Director (months)
Irene Dorner	1 December 2019	6
Robert Noel	1 October 2019	6
Mark Castle	1 June 2022	6
Jitesh Gadhia	1 March 2021	6
Scilla Grimble	1 March 2021	6
Clodagh Moriarty	1 June 2022	6
Humphrey Singer	9 December 2015	6

(a) Jennie Daly signed a new service contract when she was appointed as Chief Executive that superseded her original service agreement dated 20 April 2018.

Directors' contracts and policy on payments for loss of office

Component	Policy and operation
Unexpired term	The unexpired term of Executive Director contracts is 12 months. Jennie Daly and Chris Carney are proposed for re-election at the 2023 AGM. Chris and Jennie will have at that date an unexpired service contract of 12 months.
Notice period	Executive Directors have contracts of employment providing for a maximum of 12 months notice period either way, consistent with Provision 39 of the Code.
Provisions in the contract	The payment of a base salary. An expensed company car or a cash allowance, life assurance, and private medical insurance. Employer's contribution to a pension. A notice period by either side of 12 months. A provision requiring a Director to mitigate losses on termination. Participation in the EIS annual bonus scheme. Participation in a long term incentive plan.
Termination	The Company has the right to terminate contracts by making a payment in lieu of notice. Any such payment will typically reflect the individual's salary, benefits in kind, and pension entitlements. The Company will be mindful, on termination of an Executive Director's employment, of the need to mitigate costs and phase payments, which cease when the individual obtains an alternative role. There are no change of control provisions that apply in relation to the service contract of any Executive Director.
Executive Incentive Scheme (EIS)	Other than in certain 'good leaver' circumstances (which could include redundancy, ill-health, or retirement), no payment would usually be due under the EIS unless the individual remains employed at the payment date. Any payment to a good leaver under the EIS would be based on an assessment of their and the Company's performance over the applicable period and pro-rated for the proportion of the EIS year worked.
Performance Share Plan (PSP)	The rules of the PSP provide that, other than in certain good leaver circumstances, awards lapse on cessation of employment. Where an individual is a good leaver, the Committee's normal policy is for the award to vest at the normal time following the application of performance targets, and a pro-rata reduction to take account of the proportion of the applicable performance period outstanding post the cessation. The Committee also has discretion for both early vesting and reducing the impact of pro-rating. In doing so, it will take account of the reason for the departure and the performance of the individual through to the time of departure.
Exit payments	In situations where an Executive Director is dismissed, the Committee reserves the right to make additional exit payments where such payments are made in good faith: – In the discharge of an existing legal obligation (or by way of damages for breach of such an obligation). – By way of settlement or compromise of any claim arising in connection with the termination of a Director's office or employment. – To contribute towards the individual's legal fees and fees for outplacement services.
Legacy arrangements	Any commitment which is consistent with the approved Remuneration Policy in force at the time that the commitment was made, or made to a current Director prior to appointment, and not in connection therewith, will be honoured, even where it is not consistent with the policy prevailing at the time such commitment is fulfilled. There are no legacy commitments in place for the Directors.
Non Executive Directors	The terms of engagement of the Chair of the Board and the Non Executive Directors are regulated by letters of appointment over a term of three years, which are reviewed annually. Both the Company and the Directors (including the Chair) have a notice period of six months and the Directors are not entitled to compensation on termination other than for the normal notice period if not worked.

Annual Report on Remuneration

This section sets out how the current Policy was applied for the year ended 31 December 2022. The Annual Report on Remuneration, including the Chair's annual statement on pages 124 and 125, will be put to an advisory shareholder vote at the AGM on 27 April 2023. Details of the resolution are set out in the Notice of Meeting on page 211.

During the year, the Policy (as approved by shareholders at the 2020 AGM), operated as intended in terms of Company performance and quantum and the Committee has not used discretion during the year.

Complying with the UK Corporate Governance Code in 2022

Clarity	Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	We have operated a consistent approach to Directors remuneration over many years and our disclosures in the Directors' Remuneration Reports are set out in a transparent manner. We also adopt a proactive approach to engaging with shareholders and the wider workforce, and further details on the mechanisms used can be found on page 132.
Simplicity	Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	Executive Director remuneration arrangements have been designed to be as simple as possible. The table on page 127 shows the different elements of Executive Director remuneration and how the performance measures are linked to our strategic cornerstones, KPIs and stakeholders.
Risk	Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based plans, are identified and mitigated.	Risk is mitigated through careful plan design, including long term performance measurement, deferral, shareholding requirements (including post cessation of employment requirements), discretion and clawback mechanisms. The Committee also carefully considers the performance measures and targets for the incentive plans to ensure that they do not encourage the Executive Directors to take reputational or behavioural risks.
Predictability	The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the policy.	We look carefully at the range of likely performance outcomes when setting performance target ranges and use discretion where necessary.
Proportionality	The link between individual awards, the delivery of strategy and the long term performance of the Company should be clear. Outcomes should not reward poor performance.	Incentive plans are determined based on a proportion of base salary so there is a sensible balance between fixed pay and performance-linked elements. Performance conditions are aligned to the business strategy and shareholder experience. There are provisions to override the formula-driven outcome of incentive arrangements, as well as deferral and clawback mechanisms to ensure that poor performance is not rewarded.
Alignment to culture	Incentive arrangements should drive behaviours consistent with Company purpose, values and strategy.	Our overall reward framework embeds our purposes and values. Decisions on executive pay need to be taken in the context of the wider stakeholder experience.

Total remuneration received (£'000) (audited)

The chart below compares the 2022 single figure total remuneration for each of the Executive Directors with the equivalent figure for 2021.

(a) The 2022 figure for Pete Redfern is for the time spent as a Director.

Single total figure of remuneration for Executive Directors (audited)

The table below sets out the single total figure of remuneration received by each Executive Director for their service and performance in 2022 and 2021.

	Jennie Daly[a]		Chris Carney		Pete Redfern[b]	
£'000	2022	2021	2022	2021	2022	2021
Base salary	642	406	501	467	287	887
Benefits[c]	19	42	12	20	14	47
Pension[d]	71	67	73	77	51	170
Total fixed pay	**732**	515	**586**	564	**352**	1,104
EIS[e]	730	581	575	668	339	1,270
PSP[f]	140	157	154	169	298	336
Total variable pay	**870**	738	**729**	837	**637**	1,606
Total pay	**1,602**	1,253	**1,315**	1,401	**989**	2,710

(a) Jennie Daly - Jennie became Chief Executive on 26 April 2022 and her 2022 EIS payment has been pro-rated to time as Group Operations Director and Chief Executive.

(b) Pete Redfern - Pete stepped down as Chief Executive and as a Director of the Company on 26 April 2022. The 2022 figures are for the period of time spent as a Director, with the exception of the PSP, which is the total value of his 2020 PSP Award.

(c) Benefits - corresponds to the value of taxable benefits in respect of the year ended 31 December 2022, as set out in the table on page 137.

(d) Pension - For Jennie Daly and Chris Carney these figures represent pension contributions up to the amount permissible under HMRC rules and cash allowances beyond that level. For Pete Redfern these figures represent the cash allowance payable.

(e) EIS - The 2022 EIS outcome was 76% and further details can be found on page 138. The 2021 EIS outcome was 95%. For both years, one third of the Executive Directors bonus is deferred into shares for three years. These shares will not be subject to any further performance or non-performance measures.

(f) PSP - The outcomes of the 2019 and 2020 PSP Awards included in the 2021 and 2022 columns can be found on page 139. Both figures include the value of dividends accrued during the performance period and are payable in shares. There is a compulsory two year holding period for any vested PSP shares and the dividend shares will also be subject to this holding period. The 2021 figure has been restated to reflect the share price on the date the Award vested. The 2022 figure has been calculated using a share price of 98.28 pence as this was the average share price for the dealing days in the last three months of the financial year.

Salaries in 2022 (audited)

Jennie Daly's base salary was increased from £408,000 to £750,000 per annum on appointment to Chief Executive on 26 April 2022. The Committee also awarded Chris Carney a 3% increase, with effect from 1 April 2022, which was in line with general workforce increases. As Pete Redfern was serving his notice period, he did not receive a salary increase in 2022.

Benefits (audited)

£'000	Jennie Daly	Chris Carney	Pete Redfern
Benefits	2022	2022	2022
Car	11	2	8
Healthcare	3	5	4
Life assurance	3	3	1
All-employee share schemes[a]	2	2	1
Total	**19**	**12**	**14**

(a) These figures represent the value of matching shares under the Share Incentive Plan. The Executive Directors did not exercise any Sharesave options during the year.

Directors' pension entitlements (audited)

With effect from 1 January 2023, the Executive Directors' pension contributions will be 10%, which is the same available to the majority of the workforce (10%) and as such, the Company will be compliant with Provision 38 of the Code from 1 January 2023.

The value of Company pension contributions in 2022 for Jennie Daly and Chris Carney was:

Director	2022 (£)	2021 (£)
Jennie Daly	**3,974**	4,029
Chris Carney	**3,994**	4,003

Jennie and Chris also received pension allowances of £67,407 (2021: £62,930) and £68,600 (2021: £72,828) respectively in lieu of Company pension contributions over the Tapered Annual Allowance limited introduced in April 2016.

Pete Redfern received a cash allowance of £51,141 (2021: £169,666) in lieu of Company pension contributions until he stepped down from the Board on 26 April 2022. He also received a cash allowance of £85,786 for the period 27 April 2022 to 8 December 2022 inclusive.

Pete Redfern was a deferred member of the Taylor Wimpey Pension Scheme (TWPS). The following table sets out the benefits payable in accordance with the rules of the TWPS.

Director	Normal Retirement Age[a]	Accrued pension as at 31/12/2021 (£)	Increase in accrued pension from 31/12/2021 to 26/04/2022 (£)	Accrued pension as at 26/04/2022[b][c] (£)
Pete Redfern	62	16,406	156	16,562

(a) In the event of early retirement before Normal Retirement Age, no additional benefits are paid. Pensions that are put into payment before Normal Retirement Age are reduced on actuarial advice to reflect early payment in line with the rules of the TWPS.

(b) The pension benefits are based on service up to 31 August 2010 when the George Wimpey Staff Pension Scheme (GWSPS) closed to future accrual.

(c) Pete Redfern's accrued pension on leaving Company employment on 8 December 2022 was £16,917, a further increase in pension of £355 per annum.

Executive Incentive Scheme (EIS) in 2022 (audited)

The outcome of the 2022 EIS is 76% of the maximum and detailed disclosure of the targets and performance against them is set out below. Overall financial performance was strong against a challenging backdrop in the second half of the year. Despite falling just short of the challenging customer service entry level, we are pleased to have maintained our 5-star builder status again which demonstrates a high level of customer service. During the year, the Committee did not exercise any discretion to adjust any formula driven remuneration outturns in relation to the EIS.

The chart below shows the performance against the 2022 EIS measures.

		Summary of targets				
Performance measure	Weighting	Entry (10%)	Target (50%)	Stretch (100%)	Result	Payout (%)
Operating profit	35%	£860m	£905m	£940m	£923.4m	27%
Operating profit margin	15%	19.5%	20.2%	21.0%	20.9%	14%
Cash conversion	10%	130%	140%	150%	149.7%	10%
Build quality	15%	4.50	4.55	4.60	4.81	15%
Customer service[a]	15%	90.50%	91.00%	92.00%	90.1%	0%
Environmental						
Carbon intensity targets[b]	5%	1.52	1.49	1.43	1.37	5%
The Board to approve the Net Zero Transition Plan and for it to be submitted to SBTi	5%	The Board approved the Net Zero Transition Plan and it was submitted to SBTi in December 2022[c]				5%
Total	**100%**					**76%**

(a) Percentage of customers who would recommend Taylor Wimpey to a friend from the independently measured NHBC 8-week survey.
(b) The carbon intensity targets were independently verified by The Carbon Trust.
(c) The Board strongly supported the Net Zero Transition Plan submitted by Management. See pages 56 and 57 for further information on our Net Zero Transition Plan.

One third of the Executive Directors' EIS will be paid in shares and be required to be retained in the Company's Employee Benefit Trust for three years. These shares will not be subject to any further performance or non-performance measures.

Performance Share Plan (PSP) in 2022 (audited)

2020 PSP Award outcome

The PSP awarded in 2020, measuring performance in the 2020 to 2022 period, will vest at 32.3%. Performance was impacted by COVID-19 in 2020 and the changing market environment in the second half of 2022. The Committee has carefully considered whether the vesting outcome is inflated by windfall gains caused by the COVID-19 pandemic. The Committee has determined that the outcome was not inflated by windfall gains as the Awards were made in early March 2020 using a share price of 204.3 pence per share, which was prior to the share price being impacted by the COVID-19 pandemic.

The chart below shows the performance against the 2020 PSP Award measures.

Performance measure	Weighting	Threshold (20% vesting)	Maximum (100% vesting)	Result	% of maximum
TSR v peer group[a]	40%	Median	Upper quartile	TW: -36.6% Median: -37.0%	11.9%
RONOA (2020 - 2022)[b]	20%	26%	33%	22.9%	0%
Cash conversion (2020 - 2022)[b]	20%	70%	80%	73.5%	9.6%
Customer service (2020 - 2022)[c]	20%	83%	87%	84.7%	10.8%
Total	**100%**				**32.3%**

(a) The peer group is comprised of Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships (formerly Countryside Properties), Crest Nicholson, Persimmon, Redrow and Vistry Group. Countryside Partnerships was acquired by Vistry Group in November 2022. For the purpose of assessing the TSR performance of Countryside Partnerships, its performance has been tracked forward using the performance of Vistry Group (the acquirer) from the date trading in the shares was suspended (11 November 2022).

(b) The target ranges for the RONOA and cash conversion measures, which are based on the average annual performance over the three-year performance period, were set before the significant equity raise in 2020. The FY2020 and FY2021 outturns were adjusted to neutralise the impact of the equity raise in 2020 and a further adjustment was made to the FY2022 RONOA and cash conversion outturns to neutralise the impact of the Company's increased WIP due to the additional land acquired. These adjustments ensure that the targets were equally challenging after the overall impact of the equity raise as they were before, in the view of the Committee (and confirmed by the Audit Committee).

(c) The customer service measure was based on five key questions from the independently measured NHBC 8-week survey.

PSP Awards included in the 2021 and 2022 single total figure of remuneration table

The table below sets out the number of shares each Executive Director received after the vesting of the 2019 and 2020 PSP Awards.

	Name	Number of shares granted	Value of award at grant (£'000)	End of performance period	Proportion of award vesting	Number of shares vesting	Number of dividend equivalent shares	Total number of shares	Vesting date	Value attributable to share price increase	Value of proportion of PSP (single figure)(£'000)
2022[a]	Jennie Daly	391,581	800	31/12/2022	32.3%	126,480	16,395	142,875	02/03/2023	–	140
	Chris Carney	429,368	877	31/12/2022	32.3%	138,685	17,977	156,662	02/03/2023	–	154
	Pete Redfern[c]	855,762	1,748	31/12/2022	32.3%	268,733	34,838	303,571	02/03/2023	–	298
2021[b]	Jennie Daly	442,355	800	31/12/2021	22.1%	97,760	15,544	113,304	03/03/2022	–	157
	Chris Carney	475,532	860	31/12/2021	22.1%	105,092	16,709	121,801	03/03/2022	–	169
	Pete Redfern	947,769	1,714	31/12/2021	22.1%	209,456	33,306	242,762	03/03/2022	–	336

(a) The 2020 PSP Award is included in the 2022 single total remuneration figure. The performance against each of the performance measures is noted in the table above. A share price of 98.28 pence was used to calculate the value of the Award vesting on 2 March 2023 as this was the average share price for the dealing days in the last three months of the financial year. This figure will be recalculated in the Annual Report and Accounts 2023 to reflect the share price on the date the Award vests. Dividend equivalents will be paid in shares.

(b) The 2019 PSP Award is included in the 2021 single total remuneration figure. The overall performance of the Award can be seen on page 108 of the Annual Report and Accounts 2021. The closing share price on the date the Award vested (138.55 pence) has been used to recalculate the Award. Dividend equivalents were paid in shares.

(c) Pete Redfern's 2020 PSP Award was pro-rated to the date he left the business on 8 December 2022.

PSP Awards granted during 2022

The tables below set out the PSP Awards granted during the year and the performance measures for the Award. The Committee consider that they provide a good overall balance in assessing our longer term performance against the business strategy. The targets were reviewed to reflect current market conditions and business forecasts for the Group.

Executive Director	Award type	% of salary	Grant date	Face value of award at maximum vesting	Number of shares granted	End of performance period
Jennie Daly[a]	Nil-cost option	200	26/04/2022	£1,500,000	1,141,552	31/12/2024
Chris Carney[b]	Nil-cost option	200	10/03/2022	£980,000	749,713	31/12/2024

(a) The share price (131.40 pence) used to calculate the number of shares awarded to Jennie was based on the average closing share price over the three business days prior to grant (21, 22 and 25 April 2022).

(b) The share price (130.72 pence) used to calculate the number of shares awarded to Chris was based on the average closing share price over the three business days prior to grant (7, 8 and 9 March 2022).

Performance measure	Weighting	Threshold (20%)	Maximum (100%)
TSR v peer group[a]	40%	Median	Upper quartile
Operating profit margin (2022-2024)[b]	20%	19%	21%
RONOA (2022-2024)	20%	23%	25%
Customer service (2022-2024)[c]	20%	78%	81%

(a) The peer group comprises Barratt Developments, Bellway, Berkeley Homes, Countryside Partnerships (formerly Countryside Properties), Crest Nicholson, Persimmon, Redrow and Vistry Group. Countryside Partnerships was acquired by Vistry Group in November 2022. For the purpose of assessing the TSR performance of Countryside Partnerships, its performance has been tracked forward using the performance of Vistry Group (the acquirer) from the date trading in the shares was suspended (11 November 2022).

(b) The metrics for the 2022 PSP Awards are the same as for the 2021 PSP Awards. It is noted that page 116 of the Annual Report and Accounts 2021 had a typographic error which stated cash conversion as a metric for the 2021 PSP Awards rather than operating profit margin.

(c) This will be based on the single question 'Would you recommend your builder to a friend?' from the independently measured NHBC 9-month survey, therefore is measured on a different basis to the 2022 EIS customer service measure.

Payments for loss of office and payments to former Directors (audited)

As disclosed in the 2021 Annual Report and Accounts, Pete Redfern stepped down from the Board on 26 April 2022 and remained available to the business until his notice period ended on 8 December 2022. The terms of his remuneration on leaving were in line with his contractual entitlements and the shareholder approved Policy. The amounts disclosed in the single total figure of remuneration table on page 136 relate to the period up until Pete stood down on 26 April 2022, with the exception of the PSP, which is the total value of his 2020 PSP Award.

Pete Redfern continued to receive salary, benefits and pension in accordance with his contractual entitlement from 26 April 2022 when he stepped down from the Board until he left the business on 8 December 2022, which totalled £662,614. Pete had 18,863 sharesave options which lapsed on him leaving the business.

The Committee determined that Pete would be treated as a 'good leaver' in respect of the EIS and PSP. Pete received a bonus for 2022 performance pro-rated to the time he was actively employed in the business up to 26 April 2022 and subject to the achievement of the performance measures. One third of any amount paid will be deferred in shares for three years. This is included within the single total figure of remuneration table.

Pete's outstanding 2020 and 2021 PSP Awards will be pro-rated to the date he left the business and will be subject to the performance measures over the relevant three year period. He will be required to retain any shares that vest for the two year holding period. The details of the 2020 Award are set out on page 139.

In addition, Pete is required to retain 1,735,561 shares for two years post employment, which has been calculated with reference to the share price and Pete's annual salary on his last day of employment. Clawback and malus provisions will continue to apply post cessation of employment.

Approach to remuneration in 2023

2023 salary review

The Committee has approved a tiered approach to the Group salary review process for 2023, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 6% to 3%, and the Executive Directors and Senior Management will all receive 3%.

Executive Director	As at 1 April 2022[a]	As at 1 April 2023	% Change
Jennie Daly	£750,000	**£772,500**	**3%**
Chris Carney	£504,700	**£519,841**	**3%**

(a) As at 26 April 2022 for Jennie Daly on becoming Chief Executive.

2023 EIS

Directors will be able to earn up to 150% of salary under the 2023 EIS. The EIS performance measures for 2023 also remain broadly in line with 2022, albeit with the ESG based measure now moving from the EIS to the PSP. The measures are set out below together with the strategic rationale. We carefully consider the target ranges each year, ensuring an appropriate balance between achievability and stretch. Due to uncertain market conditions, at the time of writing, the precise weightings and final target ranges have not been finalised by the Committee, although we have agreed that the percentage based on financial measures should be increased from 60% to 70% of the overall bonus opportunity. However, detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

Performance measure	Rationale
Operating profit	Maximise aggregate profit
Operating profit margin	Optimise sales prices and improving cost discipline
Cash conversion	Maximise the generation of cashflow from profits
Build quality	Deliver high quality homes with the need for less remediation
Customer service (8-week)	Maintain customer trust and endorse Company reputation

2023 PSP Approach

The 2023 PSP awards will operate in accordance with the Policy as set out on pages 128 to 134. It is expected that Directors will be granted awards to the value of 200% of salary.

As part of the review of the policy the Committee has considered the mix of the different performance measures and their link to strategy. Following careful consideration, the Committee has concluded that an element of the PSP should be based on an ESG measure for the first time and, for the 2023-25 award this should be based on a reduction to our Scope 1 and 2 targets linked to our zero carbon strategy.

As noted above in relation to the EIS, due to uncertain market conditions, at the time of writing, the precise weightings of the measures and final target ranges for the PSP awards have not been finalised by the Committee. We anticipate that these will be finalised soon, allowing the awards to be granted and there will be full details contained within the RNS announcement and again in next year's report.

Performance measure	Rationale
TSR v peer group (2023-2025)	Align the rewards received by executives with the returns received by shareholders
Operating profit margin (2023-2025)	Optimise sales prices and improving cost discipline
RONOA (2023-2025)	Maintain focus on driving increased capital efficiency
Customer service (9-month) (2023-2025)	Maintain customer trust and endorse Company reputation
Carbon emissions reduction	Support the Board strategy on carbon emissions reductions across our operations

Customer Service continues to be an extremely important area of focus for the Company and we are comfortable that this should be incorporated in both the EIS and PSP. The customer service element of the EIS will continue to be based on the one key question in the shorter term NHBC 8-week survey focusing on the customers' service before and moving in experience. The customer service element of the PSP will continue to be based on the one key question in the longer term NHBC 9-month survey focusing on the customers' experience of living longer term in one of our developments. In this way we will be capturing different aspects of our customer service performance, measured over different timeframes and measuring different customer experiences and there is no doubling up of reward for the same performance.

An operating profit margin measure will also operate in both the EIS and PSP for FY23. As there continues to be uncertainty in relation to the housing market, we believe that this is a critical measure at both an operational level for the EIS and for the longer term for the PSP (where margin will be assessed as an aggregate across the full three-year period). This will ensure that our priority remains delivering our sustained profitability with an unremitting focus on long term decisions with cost and process discipline to drive shareholder returns over the medium term.

Executive Directors' interests in the Company's share schemes (audited)

Details of the options and conditional awards over shares held by the Executive Directors who served during the year are as follows:

	Maximum potential shares as at 01/01/2022	Additional maximum potential awarded during the year	Dividend re-investment shares added during the year	Exercised / released during the year	Lapsed during the year	Maximum potential shares as at 31/12/2022[a]	Maximum shares vesting / available in: 2023	2024	2025	2026	2027
Jennie Daly											
Deferred shares (EIS)[b]	180,278	–	7,366	88,974	–	98,670	98,670	–	–	–	–
PSP[c]	1,293,662	1,141,552	–	97,760	344,595	1,992,859	391,581	459,726	1,141,552	–	–
Sharesave plan[d]	21,091	36,057	–	–	21,091	36,057	–	–	–	–	36,057
Total	1,495,031	1,177,609	7,366	186,734	365,686	2,127,586	490,251	459,726	1,141,552	–	36,057
Chris Carney											
Deferred shares (EIS)[b]	226,970	–	8,076	126,855	–	108,191	108,191	–	–	–	–
PSP[c]	1,408,300	749,713	–	105,092	370,440	1,682,481	429,368	503,400	749,713	–	–
Sharesave plan[d]	19,976	36,057	–	–	10,545	45,488	9,431	–	–	–	36,057
Total	1,655,246	785,770	8,076	231,947	380,985	1,836,160	546,990	503,400	749,713	–	36,057
Pete Redfern											
Deferred shares (EIS)[b]	465,787	–	–	266,251	–	199,536	199,536	–	–	–	–
PSP[c]	2,808,218	–	–	209,456	1,124,888	1,473,874	831,991	641,883	–	–	–
Sharesave plan	18,863	–	–	–	–	18,863	18,863	–	–	–	–
Total	3,292,868	–	–	475,707	1,124,888	1,692,273	1,050,390	641,883	–	–	–

(a) All outstanding awards are options. The Directors do not hold any vested but unexercised share options, with the exception of Chris Carney who holds 9,431 vested but unexercised Sharesave options. Pete Redfern stood down as Chief Executive and a Director on 26 April 2022. Pete's interests in the Company's share schemes is as at the date he stood down from the Board on 26 April 2022.

(b) The Executive Directors exercised an EIS deferred share award on 25 March 2022 when the share price was 132.77 pence. These shares were awarded on 25 March 2019 using a share price of 174.50 pence to calculate the number of shares awarded.

(c) The Executive Directors exercised their 2019 PSP Award on 3 March 2022 when the share price was 145.51 pence. These shares were awarded on 5 March 2019 using a share price of 180.85 pence to calculate the Award. As noted on page 139, Pete Redfern's outstanding PSP Awards have been pro-rated to the date he left the business. For transparency, these lapses are shown in the 'lapsed during the year' column.

(d) Jennie Daly and Chris Carney cancelled Sharesave options over 21,091 and 10,545 respectively. Jennie and Chris were granted 36,057 Sharesave options each on 3 October 2022 at an option price of 83.20 pence, which offered a 20% discount to the share price at the start of the invitation window. The face value of these options on the date of grant for Jennie and Chris was £32,603 each.

Vesting of the deferred shares and Sharesave options are not dependent on any performance conditions. The vesting of the PSP is subject to the achievement of performance conditions and 20% will be receivable if threshold performance is achieved. There have been no variations to the terms and conditions or performance criteria for outstanding share awards during the financial year. The closing share price on 30 December 2022 was 101.65 pence and the range during the year was 85.08 pence to 178.00 pence.

Single total figure of remuneration for the Chair and Non Executive Directors (audited)

	Total fees (£'000) 2022	2021
Irene Dorner	335	328
Robert Noel[a]	89	80
Mark Castle[b]	38	–
Jitesh Gadhia[c][d]	77	53
Scilla Grimble[c]	65	53
Clodagh Moriarty[b]	38	–
Humphrey Singer	83	80
Gwyn Burr[e]	30	90
Angela Knight[e]	21	63

(a) Rob became the Employee Champion with effect from 26 April 2022 and therefore received the additional Employee Champion fee for the remainder of the year.

(b) Mark Castle and Clodagh Moriarty both joined the Board on 1 June 2022.

(c) Scilla Grimble and Jitesh Gadhia both joined the Board on 1 March 2021.

(d) Jitesh Gadhia became Chair of the Remuneration Committee with effect from 26 April 2022 and therefore received the additional Remuneration Committee Chair fee for the remainder of the year.

(e) Gwyn Burr and Angela Knight stepped down from the Board and as Non Executive Directors on 26 April 2022.

Chair and Non Executive Director fees

Role	
Chair of the Board	£335,000
Independent Non Executive Director	£65,000
Senior Independent Director	£17,500
Audit / Remuneration Committee Chair	£17,500
Employee Champion	£10,000

Statement of Directors' shareholdings and share interests (audited)

In line with the Policy, Executive Directors' shareholding requirement is to hold 200% of their base salary. Further details on how this element of the Policy is operated can be found on page 131. In addition, a post-employment shareholding guideline requires Executive Directors to retain shares worth 200% of their base salary, or their shareholding at the time of cessation if their shareholding requirement has not yet been met, for at least two years.

The Chair and the Non Executive Directors are also encouraged to hold shares in the Company in order to align their interests with those of shareholders.

	Beneficially owned		Outstanding interests in share schemes				
Director	at 01/01/2022[a]	at 31/12/2022[a][b]	EIS deferred shares (gross)	PSP[c]	Sharesave	Value of shares (including EIS deferred shares on a net basis) as at 31/12/2022[d]	Share interests expressed as a % of shareholding requirement
Irene Dorner	125,440	164,952	–	–	–	–	–
Jennie Daly[e]	212,446	423,374	98,670	1,992,859	36,057	£482,013	32%
Chris Carney[e][f]	400,351	625,770	108,191	1,682,481	45,488	£692,733	69%
Robert Noel	46,674	84,100	–	–	–	–	–
Mark Castle	–	41,678	–	–	–	–	–
Jitesh Gadhia	100,000	100,000	–	–	–	–	–
Scilla Grimble	15,000	15,000	–	–	–	–	–
Clodagh Moriarty	–	25,025	–	–	–	–	–
Humphrey Singer	31,896	31,896	–	–	–	–	–
Pete Redfern	2,396,991	2,827,094	199,536	1,860,449	18,863	£3,772,188	212%
Gwyn Burr	17,241	17,241	–	–	–	–	–
Angela Knight	16,896	16,896	–	–	–	–	–

(a) Or date appointed or stood down from the Board.
(b) Shares owned outright includes the net-of-tax shares received by the Executive Directors in March 2022 following the one third deferral of the EIS paid in respect of 2021 performance.
(c) Vesting is subject to the achievement of performance conditions.
(d) This has been calculated on the basis of beneficially owned shares and the net amount of EIS share awards. The share price on 30 December 2022 (101.65 pence) has been used to calculate Jennie Daly and Chris Carney's share interest expressed as a percentage of salary as at 31 December 2022. The share price on 26 April 2022 (128.75 pence) has been used to calculate Pete Redfern's share interest expressed as a percentage of salary when he stood down from the Board.
(e) A proportion of shares are held by a connected person.
(f) 9,431 of Chris Carney's Sharesave options are vested but unexercised.

The only changes to the Directors' interests as set out above during the period between 31 December 2022 and 1 March 2023 were the regular monthly purchases of shares and 1:1 matching by the Company under the Share Incentive Plan by Jennie Daly and Chris Carney who both acquired 524 shares each.

Historic TSR performance and Chief Executive historic remuneration

The graph below shows Taylor Wimpey's total shareholder return (TSR) performance against the performance of the FTSE 350 and the average of the Housebuilders Index. These benchmarks have been chosen as Taylor Wimpey is a constituent of both.

The graph also shows the Chief Executive's single total figure of remuneration over the same ten-year period.

Total shareholder return

Single total figure (£'000)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Jennie Daly	–	–	–	–	–	–	–	–	–	1,175[a]
Pete Redfern	6,724	6,250	6,888	4,072	3,697	3,272	3,247	1,120	2,720	925[b]
Annual bonus (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	–	76
Pete Redfern	90	90	78	80	66	96	50.6	–	95	76
PSP (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	–	32.3
Pete Redfern	85	94	100	81	78	50	62.8	6.6	22.1	32.3

(a) Relates to the period Jennie Daly was Chief Executive from 26 April 2022.
(b) Relates to the period Pete Redfern was Chief Executive from 1 January 2022 to 26 April 2022.

Wider workforce remuneration

The Committee regularly monitors and reviews the Company-wide remuneration arrangements to ensure the Executive Directors' remuneration is aligned to incentives and rewards across the Company. During 2022, the Committee reviewed by employee level, the different elements of pay and benefits across the Company. The Committee considers that all employees receive a reward package that is aligned to the Company's purpose and culture; and is market competitive, transparent and fair. A summary of the remuneration arrangements across the workforce can be found below. In addition, when considering the performance measures for variable incentive schemes, the Committee ensures that there is a clear link between the performance measures in the various variable incentive schemes.

Executive Directors, GMT and senior managers		Wider workforce
Increases commensurate with wider workforce increases	**Salary**	Increases approved by the Committee
All employees eligible for a bonus. Performance measures aligned with strategy	**Bonus**	All employees eligible for a bonus. Performance measures aligned with strategy
Executive Directors and GMT members defer one third of any annual bonus paid for three years	**Deferred shares**	Many employees can elect to take their bonus payment in shares (and benefit from a 20% uplift) and are required to retain the shares for one year
Eligible to participate in a long term incentive plan, SIP and Sharesave	**Share based incentive schemes**	Eligible for SIP and Sharesave
10% pension contribution	**Pension**	10% pension contribution
All employees receive private medical healthcare	**Private healthcare**	All employees receive private medical healthcare

Response to the cost of living crisis

The Committee has been particularly mindful of the impact of the cost of living crisis on our employees. The Committee welcomed and supported the Board's decision to award a one off cost of living payment of up to £1,000 for lower paid employees. During 2022, the average salary for monthly paid employees increased by 4.6% following the 2022 salary increase of 3% and also targeted benchmarking exercises for key functions.

In recognition of the high levels of inflation that have created the cost of living crisis impacting lower paid employees most, the Committee has approved a tiered approach to the 2023 salary review, to ensure that those that are impacted most receive higher levels of support. The salary increases approved by the Committee range from 6% to 3% and the Executive Directors and Senior Management will all receive 3%.

CEO Pay Ratio

Year	Method	CEO single figure[a]		Lower quartile	Median	Upper quartile
2022[b]	Option B	£2,100,044	**Ratio**	**62:1**	**41:1**	**26:1**
			Salary	**£28,840**	**£37,400**	**£58,450**
			Total pay and benefits	**£34,130**	**£51,838**	**£81,411**
2021	Option B	£2,764,290	Ratio	87:1	60:1	40:1
2020	Option B	£1,120,451	Ratio	39:1	26:1	20:1
2019	Option B	£3,023,654	Ratio	93:1	73:1	48:1
2018	Option B	£3,151,748	Ratio	103:1	77:1	41:1

(a) The previous CEO single figures in this table have not been restated to reflect the share price on the date the relevant PSP Award vested. We have chosen to do this for transparency purposes so that we are comparing the ratios disclosed in previous reports.

(b) The three representative employees were determined on 31 December 2022.

Under Option B, using the hourly rate from our 2022 gender pay gap data, three employees have been identified as the best equivalents of our lower quartile, median and upper quartile. Option B provides a clear methodology involving fewer adjustments to calculate full-time equivalent earnings and is likely to produce more robust reporting year on year.

The Committee has reviewed the results of the calculations and is satisfied that they continue to be representative of the respective quartiles. Total pay and benefit figures, not including temporary allowances, paid during the financial year ending 31 December 2022, have been calculated for the employee at each quartile and for employees either side of the identified employees, to ensure that the employees selected are a reasonable representative based on their full year's remuneration.

Due to a reduction in the CEO single figure for 2022, all three ratios have reduced. The reduction in the CEO single figure was predominately a result of the appointment of our new CEO, Jennie Daly in April 2022, with the new CEO being appointed on a lower salary than her predecessor. The single figure was pro-rated in accordance to the time spent in the CEO role by both individuals. The single figure has been further affected in 2022 by a lower annual bonus payment (76% outcome in 2022 versus 95% in 2021) resulting in lower total CEO remuneration than the previous year.

During 2022, the Company employed fewer apprentices compared to the previous year. As apprentices are paid lower rates of pay, this has impacted the lower quartile range, which has seen the total remuneration figure for our lower quartile representative being higher in comparison to 2021. During 2022, our lower paid employees received a temporary cost of living payment of up to £1,000. This has not been reflected in the pay ratio figures although it was an additional enhancement to employee pay during 2022.

Gender pay gap

As part of its review of wider workforce remuneration, the Committee also considers our gender pay gap. The nature of our industry means many of the high headcount roles (Sales and Production) are heavily male or female weighted which can impact our pay gap results if there are changes to these populations.

Our mean pay gap is -2%, which means that the mean pay is 2% higher for females than males. This is largely down to higher commission payments and the re-balancing of remuneration for sales teams, resulting in more guaranteed pay. Whilst still in favour of females, the gap is slightly smaller than last year (-6%) due to salary alignment activities in the production teams, resulting in a higher average increase of the male hourly rate.

Our median pay gap is 1% higher for males than females. The gap has moved in favour of males this year due to a 36% reduction in apprentices compared to last year's snapshot pay data. Apprentices sit within the lower pay quartile and are predominantly male. Reducing the number of people in these roles, increases the median pay for males.

-2%

Gender pay gap (mean)

(2021: -6%)

1%

Gender pay gap (median)

(2021: -5%)

Further information can be found in our Diversity Report which is available on our website.

Annual percentage change in remuneration of Directors and employees

The table below shows the percentage change in salary or fee, taxable benefits and annual bonus of each current Director and the average Taylor Wimpey employee in respect of 2020, 2021 and 2022.

	Salary / fee[a]			Benefits			Annual bonus scheme[a]		
	2022	2021	2020	**2022**	2021	2020	**2022**	2021	2020
Average pay of a Taylor Wimpey employee[b]	4%	6%	–	3%	3%	–	(10)%	163%	(46)%
Jennie Daly[c]	58%	13%	(10)%	(55)%	12%	(6)%	26%	n/a	n/a
Chris Carney[c]	7%	18%	(10)%	(40)%	(11)%	(55)%	(14)%	n/a	n/a
Irene Dorner[d]	2%	32%	n/a	–	–	–	–	–	–
Robert Noel[e]	11%	23%	n/a	–	–	–	–	–	–
Mark Castle[f]	n/a	n/a	n/a	–	–	–	–	–	–
Jitesh Gadhia[g]	n/a	n/a	n/a	–	–	–	–	–	–
Scilla Grimble[g]	n/a	n/a	n/a	–	–	–	–	–	–
Clodagh Moriarty[f]	n/a	n/a	n/a	–	–	–	–	–	–
Humphrey Singer	4%	14%	(10)%	–	–	–	–	–	–

(a) In light of the COVID-19 pandemic the Executive and Non Executive Directors took a voluntary 30% reduction in base salary and fees from 1 April 2020 to 31 July 2020. The Executive Directors' 2020 annual bonus (EIS) was also cancelled.
(b) Taylor Wimpey plc does not have any employees and these figures are in relation to Taylor Wimpey UK Limited employees.
(c) Jennie Daly was appointed as Chief Executive with effect from 26 April 2022 and Chris Carney received a salary increase on 1 July 2021.
(d) Irene Dorner was appointed in December 2019 and received a fee increase on 1 July 2021.
(e) Robert Noel was appointed in October 2019, appointed as the Company's Senior Independent Director on 20 April 2020 and Employee Champion on 26 April 2022.
(f) Mark Castle and Clodagh Moriarty were appointed to the Board on 1 June 2022.
(g) Jitesh Gadhia and Scilla Grimble were appointed to the Board on 1 March 2021. Jitesh was appointed Chair of the Remuneration Committee on 26 April 2022.

Relative importance of spend on pay

Change in Company performance relative to change in remuneration (audited)

	2022	2021	Change (%)
Operating profit[a]	£923.4m	£828.6m	11
Distributions to shareholders			
Aggregate dividends paid during the year	£323.8m	£301.5m	7
Share buyback	£150.0m	–	n/a
Employee pay in aggregate[b]	£305.4m	£292.1m	5
Employee pay average per employee[b]	£58,327	£54,517	7

(a) Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures. Operating profit has been chosen as it is one of the Company's primary measures of performance.
(b) See note 7 to the financial statements on page 173.

The Remuneration Committee

The Remuneration Committee members in 2022

There were six Committee meetings during 2022 and all Committee members attended the meetings they were eligible to attend. We will announce the required Committee membership changes, in accordance with the Code requirements for three independent Non Executive Directors, ahead of the AGM.

Name	Title
Jitesh Gadhia	Committee Chair and Independent Non Executive Director
Irene Dorner	Chair of the Board
Robert Noel	Independent Non Executive Director
Gwyn Burr[a]	Independent Non Executive Director (and former Committee Chair)
Angela Knight[b]	Independent Non Executive Director

(a) Gwyn Burr was the Committee Chair until she stood down from the Board and the Remuneration Committee on 26 April 2022.
(b) Angela Knight stood down from the Board and the Remuneration Committee on 26 April 2022.

Internal attendees consisted of the Chief Executive, Group HR Director, Head of Reward and members of the Company Secretariat team. These attendees provided important information to the Committee and were not involved in any decisions relating to their own remuneration.

Main activities during 2022

Over the course of the year since the last Annual Report and Accounts, the Committee's work has been focused on:

- Directors' Remuneration Policy review and associated consultation with shareholders ahead of tabling the revised Policy for shareholder approval at the 2023 AGM.
- 2022 EIS and 2020 PSP outcomes.
- 2023 EIS and 2023 PSP performance measures, targets and weightings.
- 2023 salary review for the Executive Directors, Senior Management and wider workforce.
- External benchmarking of Executive Directors and Senior Management remuneration arrangements.
- Alignment of Executive Directors and Senior Management remuneration with the wider workforce.
- Wider workforce remuneration activities including the impact of the cost of living crisis and widespread benchmarking of roles.

Committee's performance

The Committee reviewed its Terms of Reference in 2022 and evaluated its own performance against them. Following this review, the Committee confirmed that the Terms of Reference remain appropriate.

As part of the 2022 internally facilitated Board Evaluation it was concluded that the Committee was fulfilling its terms of reference effectively and the Committee Chair was effective.

Advice to the Committee in 2022

The Committee keeps itself fully informed on developments and best practice in the field of remuneration and it seeks advice from external advisers when appropriate.

The Committee appoints its own independent remuneration advisers and during the year it continued to retain the services of Korn Ferry. Korn Ferry is a member of the Remuneration Consultants Group and signatory to its Code of Conduct. During 2022 Korn Ferry also provided other ad hoc remuneration services outside the scope of the Committee to the Company. Korn Ferry were appointed following a comprehensive tender process. Korn Ferry do not have any connection with the Company or any of the individual Directors.

The Committee also receives legal advice from Slaughter and May as and when necessary. This generally relates to technical advice on share schemes.

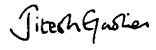
The Committee has considered the advice provided by Korn Ferry during the year, and is comfortable that the advice has been objective and independent.

The fees paid to the Committee's advisers in 2022 were: Korn Ferry £139,689 (including VAT) on a time and materials basis (2021: £83,370); and Slaughter and May £nil (2021: £10,000).

Shareholding voting

The table below sets out the voting by shareholders on the Directors Remuneration resolutions.

Resolution	For	Against	Total votes cast	Withheld
Directors' Remuneration Report for 2021 (2022 AGM)	2,089,719,647 (93.73%)	139,842,628 (6.27%)	2,229,562,275	6,595,990
Directors' Remuneration Policy (2020 AGM)	2,001,641,568 (98.65%)	27,319,532 (1.35%)	2,028,961,100	583,978



Lord Jitesh Gadhia
Chair of the Remuneration Committee

1 March 2023

Statutory, regulatory and other information

Introduction

This section contains the remaining matters on which the Directors are required to report each year which are not included elsewhere in this Annual Report and Accounts. Certain matters which are required to be reported on appear in other sections of this Annual Report and Accounts, as set out below:

Matter	Page(s) in this Annual Report
Strategic report, specifically:	2 to 85
– Likely future developments in the business of the Company	2 to 85
– Carbon footprint reporting	54 to 69
– Greenhouse gas emissions reporting	68
– Stakeholder engagement	40 to 45
– A description of the Company's employee engagement practices	40 and 104
– A statement of the Company's engagement with employees in relation to financial and economic factors that affect the performance of the Company	40
– Charitable donations	39 and 42
– Research and development activities	2 to 85
– Viability statement	84
2018 UK Corporate Governance Code compliance statement	87
Directors	88 to 91
A description of how the Board assesses and monitors culture	102
Retirement and re-election of Directors	110
Remuneration Committee report	124 to 148
Profit before taxation and profit after taxation	160
Changes in asset values	162
Statement on the Group's treasury management and funding including information on the exposure of the Company in relation to the use of financial instruments	181 to 183
Subsidiaries and associated undertakings, including branches outside the UK	203 to 207
Directors' dividend recommendation	210
Web communications with shareholders	219
Registrar	220
Specific disclosures required under Listing Rule 9.8.4 as appropriate to the Company	
Details of the Company's long term incentive schemes	124 to 148
Shareholder waiver of future dividends	150

Qualifying third party indemnity

In accordance with Section 234 of the Companies Act 2006 and following advice from Slaughter and May, the Company has granted an indemnity in favour of its Directors and Officers and those of its Group companies, including the Trustee Directors of its Pension Trustee Company, for this financial year and at the date of this report. The indemnity is against the financial exposure that they may incur in the course of their professional duties as Directors and Officers of the Company and/or its subsidiaries/affiliates.

Audit and Auditors

Each Director has, at the date of approval of this Annual Report and Accounts, formally confirmed that:

- To the best of their knowledge there is no relevant audit information of which the Company's external Auditors are unaware; and
- They have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's external Auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006. Read more on page 151.

Annual General Meeting

The Annual General Meeting (AGM) will be held at 10:30am on 27 April 2023 in the Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE.

Formal notice of the AGM is set out on pages 209 to 219 and on the Company's website.

Capital structure

Details of the Company's issued share capital, together with information on movements in the Company's issued share capital during the year, are shown in Note 23 on pages 189 and 190.

The Company has two classes of shares: Ordinary Shares of 1 pence, each of which carries the right to one vote at general meetings of the Company and other such rights and obligations as are set out in the Company's Articles of Association; and Deferred Shares, which carry no voting rights.

The powers of the Company's Directors in relation to issuing or buying back the Company's shares are limited to those approved at the AGM.

In 2022, the Company returned £150 million excess capital to shareholders through the implementation of a share buyback programme. The buyback commenced on 3 March and concluded on 24 June 2022. In total, the Company repurchased 116,942,362 Ordinary Shares of 1 pence each at an average price of 128.27 pence per share. Of these shares, 25 million have been retained as Treasury shares and the remaining 91.9 million shares have been cancelled. The Board intends to use the retained Treasury shares for future obligations of the Company in respect of its employee share schemes.

The Company currently holds 25 million shares in Treasury.

The Company has no current intention of exercising its authority to make market purchases of its own shares but will nevertheless be seeking the usual renewal of this authority at the AGM, and the Board will continue to keep the position under regular review.

There are no specific restrictions on the size of a holding, the exercise of voting rights, or the transfer of shares, which are governed by the Company's Articles of Association and prevailing legislation. The Directors are not aware of any agreement or agreements between holders of the Company's shares that may result in restrictions on the transfer of securities or voting rights.

The Employee Share Ownership Trust (ESOT), which holds shares on trust for employees under the Company's various share schemes, generally abstains from voting at shareholder general meetings in respect of shares held by them.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

Dividend

The 2021 final ordinary dividend of 4.44 pence per share was paid to shareholders on 13 May 2022 and the 2022 interim ordinary dividend of 4.62 pence per share was paid to shareholders on 18 November 2022.

Subject to shareholder approval at the 2023 AGM, the 2022 final ordinary dividend of 4.78 pence per share will be paid on 12 May 2023 to shareholders on the register at the close of business on 31 March 2023. More information can be found on pages 83 and 210. The Company will be operating a Dividend Re-Investment Plan (DRIP) for shareholders in the United Kingdom and more information can be found on page 220.

The right to receive any dividend has been waived in part by the Trustees of the Company's ESOT over that Trust's combined holding of 5,944,779 shares, as at 27 February 2023. More information about the ESOT can be found in Note 10 on page 200.

Important events since the year end

There have been no important events affecting the Company or any of its subsidiary undertakings since 31 December 2022.

Political donations

The Company has a policy of not making donations to political parties; has not made any during 2022; and does not intend to going forward. More information can be found on page 215.

Agreements

The Company's borrowing and bank facilities contain the usual change of control provisions which could potentially lead to prepayment and cancellation by the other party upon a change of control of the Company. There are no other significant contracts or agreements which take effect, alter or terminate upon a change of control of the Company.

Modern Slavery Act

The Company welcomes the aims and objectives of the Modern Slavery Act 2015 (MSA) and continues to take its responsibilities under the MSA with the seriousness it deserves and requires. The Company will shortly be publishing its seventh statement under the MSA which will be available on the Company's website.

Employee share ownership

The Company promotes employee share ownership as widely as possible across the Company. The Company has two all-employee share plans, the Save As You Earn share option plan and the Share Incentive Plan, which are offered to all UK-based employees once they have worked for the Company for three months. The rules of the Company's two all-employee share plans are due for renewal at the 2023 AGM. More information can be found on page 211.

The Company also offers employees who do not participate in the Executive Incentive Scheme (cash bonus scheme) the opportunity to exchange their cash bonus for shares in the Company, including a 20% enhancement to the value of their bonus. The scheme has operated since 2012 and in 2022 resulted in 614,176 shares (2021: 233,335) being acquired by 218 employees (2021: 225).

Substantial interests

The persons set out in the table below have notified the Company pursuant to Rule 5.1 of the Disclosure Guidance and Transparency Rules of their interests in the ordinary share capital of the Company.

As at 27 February 2023, no change in these holdings had been notified nor, according to the Registrar of Members, did any other shareholder at that date have a disclosable holding of the Company's issued share capital.

Directors' interests in the Company's shares are shown in the Remuneration Report on page 143.

	As at 31 December 2022		As at 27 February 2023	
	Number of shares held (millions)	Percentage of issued voting share capital	Number of shares held (millions)	Percentage of issued voting share capital
BlackRock Inc	421.6	11.94%	421.6	11.94%
The Capital Group Companies, Inc	164.7	4.66%	164.7	4.66%
Legal & General Group Plc	98.5	2.79%	98.5	2.79%
Standard Life Investments Limited	96.4	2.73%	96.4	2.73%

The percentage of our employees who hold shares in the Company, either through the all-employee share plans, the bonus exchange scheme, or any other method is 58% (2021: 61%).

Employment of people with disabilities

The Company is committed to ensuring that people with disabilities are treated fairly, supported and encouraged to apply for employment and to process and receive training once employed. Working with key partners, we hope to increase permanent and secondment opportunities for people with disabilities. In addition, every reasonable effort is made for people with disabilities to be retained in the employment of the Company by investigating reasonable adjustments to the role, workplace or equipment.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and Accounts and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group financial statements in accordance with UK-adopted international accounting standards and the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 Reduced Disclosure Framework, and applicable law).

Under company law, Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- State whether applicable UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the Company financial statements, subject to any material departures disclosed and explained in the financial statements.
- Make judgements and accounting estimates that are reasonable and prudent.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Board of Directors biographies, on pages 88 to 90, confirms that, to the best of their knowledge:

- The Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group.
- The Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Company.
- The Strategic report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the Principal Risks and uncertainties that it faces.

This Directors' report and responsibility statement was approved by the Board of Directors on 1 March 2023 and is signed on its behalf by:

Ishaq Kayani
Group General Counsel and Company Secretary

1 March 2023

Independent auditors' report to the members of Taylor Wimpey plc

Report on the audit of the financial statements

Opinion

In our opinion:

- Taylor Wimpey plc's Group financial statements and Company financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's profit and the Group's cash flows for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Consolidated and Company balance sheets as at 31 December 2022; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Company statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 6 to the financial statements, we have provided no non-audit services to the Company or its controlled undertakings in the period under audit.

Our audit approach

Context

Taylor Wimpey is a listed housebuilder, predominantly operating in the UK, also with a presence in Spain. The Group focuses on the sale of private dwellings, which comprised 88% of total revenue in 2022, with the majority of the remaining revenue generated through delivery of partnership housing contracts. The Group's consolidated financial statements are primarily an aggregation of the 23 UK Business Units, which represented the regional UK housebuilding businesses encompassed in Taylor Wimpey UK Limited, consolidated with the Group's Spanish operations, Taylor Wimpey de España S.A.U., the Company and the share of the Group's interests in joint ventures. For the purposes of our audit, we considered Taylor Wimpey UK Limited, Taylor Wimpey de España S.A.U., the Company and consolidation adjustments to be separate components. We performed process walkthroughs to understand and evaluate the key financial processes and controls across the Group and, in accordance with International Standard on Review Engagements (UK and Ireland) 2410, a review of the half year financial information. Following this work, we performed a significant amount of early audit procedures in advance of the year-end, covering each of the Business Units and the Group functions. The objective of this audit work was:

- to perform initial testing in relation to the design and operating effectiveness of the controls we planned to place reliance on;
- to ensure that we had a clear plan as to what work needed to be done when and where at year-end;
- to perform initial substantive testing, particularly where larger samples were required or where there had been one off transactions; and
- to enable early consideration of the key sources of estimation uncertainty before the year-end.

As we undertook each phase of the audit, we regularly reconsidered our risk assessment to reflect the audit findings, including our assessment of the Group's control environment and the impact on our planned audit approach. In terms of risk assessment:

- given the nature of the Group's operations and the methodology for recognising margin on units sold, we considered margin recognition and site forecasting to be the most significant area and therefore have included this as a key audit matter; and
- we considered current Government legislation and announcements, particularly in relation to cladding fire safety, and hence also included a key audit matter in relation to this.

Overview

Audit scope

- Our Group audit included full scope audits of Taylor Wimpey UK Limited (which included the Group's 23 UK Business Units), Taylor Wimpey plc (the "Company") and the consolidation, including consolidation adjustments. Taken together, the above procedures included operations covering 97% of revenue, 95% of profit before tax, 95% of profit before tax and exceptional items and 92% of net assets.
- We also performed a desktop review over Taylor Wimpey de España S.A.U., as well as audit procedures over specified balances and transactions across a number of the Group's joint ventures.

Key audit matters

- Margin recognition and site forecasting (Group)
- Cladding fire safety provision (Group)
- Valuation of investments in Group undertakings and amounts due from Group undertakings (Company)

Materiality

- Overall Group materiality: £45.3m (2021: £40.0m) based on 5% of profit before tax and exceptional items.
- Overall Company materiality: £40.7m (2021: £36.0m) based on 1% of net assets but capped at 90% of overall Group materiality.
- Performance materiality: £33.8m (2021: £30.0m) (Group) and £30.5m (2021: £27.0m) (Company).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter

Margin recognition and site forecasting (Group)
Refer to page 123 (Audit Committee report) and page 170 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's financial statements.
As at 31 December 2022 the Group's inventory balance is £5,169.6 million (31 December 2021: £4,945.7 million) and is the most significant asset on the Consolidated balance sheet.
The Group's margin recognition policy is based on the margin forecast for each site. These margins reflect estimated sales prices and costs for each site. This is a method of allocating the total forecast costs, representing land, infrastructure and build costs, of a site to each individual unit.
There is a risk that the margin forecast for the site, and consequently the margin recognised on each unit sold, is not appropriate and reflective of the actual final margin that will be recognised on a site. As a result, excess profit margins would be recognised earlier, to the detriment of reduced margins on units sold at the end of the site, or vice versa. The risk is due to the high level of management estimation involved in ensuring the accuracy and completeness of an individual site forecast, and the monitoring of these estimates over time.
Sales prices and build costs are inherently uncertain, as they are influenced by changes in external market factors, such as the availability and affordability of mortgages, changes in customer demand due to market uncertainty, or build cost inflation. There is higher uncertainty when a site is scheduled to be completed over a longer timeframe.
Management has implemented internal controls to assess site acquisition and initial forecasts to assist financial appraisal processes, and further controls to monitor the ongoing costs and sales prices within these forecasts, including changes to forecast costs as a result of new climate related regulations, e.g. Part L & F of the Building Regulations. There is a risk that these controls do not operate effectively in ensuring the accuracy and completeness of the forecasts.
We consider the accuracy and completeness of forecasting and the appropriateness of margin recognition across the life of the site to be a significant financial reporting risk, and hence audit risk, for the Group.
	Our audit procedures focused in particular on assessing the judgemental elements used to determine an accurate margin, being forecast costs and forecast revenues. Our procedures included, but were not limited to:
	– We tested a number of key controls within the build cycle, such as:
	  – management's review meetings, where the performance to date and expected outturn are updated, reviewed and challenged for each site on a bi-monthly basis;
	  – review, approval and recognition of cost variations against the original site budgets;
	  – surveyor valuations assessing the stage of completion of individual plots across all sites; and
	  – review and approval of initial site budgets.
	– We assessed management's historical forecasting accuracy on all active sites in 2022, through comparison to historical forecasts from 2021, as well as the initial site budget. We investigated significant differences or trends to understand whether they were driven by items that could reasonably have been foreseen or predicted rather than items outside of management's control such as uncontracted build cost inflation;
	– We tested a sample of forecast costs to third party evidence, such as tender documents, or other appropriate support;
	– We tested a sample of forecast sales prices to the actual sales prices attained on similar properties;
	– We understood risks and opportunities identified in relation to sites to ensure completeness of costs within the site forecast, including consideration of the impact of future climate related regulation and requirements and uncontracted inflation;
	– To ensure accuracy we tested a sample of actual costs incurred to third party evidence, as well as testing the allocation of costs to the correct sites;
	– We tested a sample of actual revenue recognised in the period to third party contracts, completion statements and bank statements;
	– We verified, by recalculating the margins, that the accounting system correctly recalculates the margin following each cost or sales price amendment made by management; and
	– We tested that the accounting system appropriately allocates the cost of sales associated with each plot when a sale is made.
	Based on the procedures performed, we did not identify any sites where we considered the actual margin recognised or forecast margin to be materially inappropriate.

Key audit matter	How our audit addressed the key audit matter
Cladding fire safety provision (Group) Refer to page 123 (Audit Committee report) and page 170 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's financial statements. In March 2021, the Group announced it would support owners of buildings constructed by the Group going back 20 years from January 2021, including apartment buildings below 18 metres, in completing remediation works required to achieve RICS EWS1 certification levels. The cost of providing this financial support was estimated at £125.0 million, and a provision was recorded in the 2021 financial statements on the grounds that the announcement created a constructive obligation. In April 2022, the Group signed up to the Government's Building Safety Pledge for Developers ("the Pledge"), which extended the period covered to 30 years and committed the Group to reimbursing Government for any funds allocated to buildings it built from the Building Safety Fund ('BSF'), with no further applications permitted. Consequently, the Group announced that the additional cost associated with the Pledge, over and above that already recorded from the previous constructive obligation, was £80.0m, bringing the total amount provided for cladding fire safety remediation to £245m. The Government published the final version of the Self-Remediation Terms and Deed of Bilateral Contract on 30 January 2023, which, once signed, will legally codify the obligations made under the Pledge. The provision is identified as a source of estimation uncertainty as there are several factors that could drive changes to the level of financial support required to be given in future periods. The key assumptions are the number of buildings requiring work and the cost of remediation works for each relevant building as at the balance sheet date. Future industry guidance or regulation could also potentially change the obligation, and therefore the financial support required to be provided. Given the estimation uncertainty and the stakeholder focus on what is an industry wide issue, we identified the valuation of the cladding fire safety provision as a significant audit risk.	In addressing the risk that the provision was valued incorrectly as at the year-end date, our audit procedures included, but were not limited to, the following: – We enquired with management, including the Group Management Team, to understand the rationale behind the provision and whether it met the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' for the recognition of a constructive obligation; – We recalculated and checked the integrity of management's model, to assess the accuracy of the calculation; – We tested the completeness of the buildings included by reference to information provided by the Government as well as publicly available information on Taylor Wimpey constructed buildings; – We also tested the completeness of the provision by testing a sample of properties included on the Land Registry database stating that they were built by Taylor Wimpey or Taylor Wimpey acquired companies to validate that they have been correctly included or excluded in management's list of properties; – We tested the valuation of the remediation costs included within the provision back to third party evidence, to corroborate the inputs into the provision calculation as well as to understand why the expected remediated costs have or have not moved year on year. Examples of audit evidence included BSF amounts communicated by the Government, internal or external QS assessments, as well as actual tenders and costs incurred; – We assessed the technical capabilities and expertise of the Group's employees and external consultants involved in assessing the expected work and costs; – We assessed the ability of management to forecast remediation costs accurately by comparing original internal estimates to subsequent tendered, contracted or completed works; – We read recent government guidelines and announcements, including the Self-Remediation Terms and Deed of Bilateral Contract, and discussed them with management to confirm that their assumptions and interpretations were appropriate; and – We reviewed the disclosures included in the financial statements, including those on estimation uncertainty required by IAS 1 'Presentation of financial statements' and those required by IAS 37 'Provisions, contingent liabilities and contingent assets'. Overall, we found that, based on the audit evidence that we obtained, management's assessment of the quantum of the provision was appropriate given the commitment made and the conditions that existed at the balance sheet date. We also considered the disclosures made in the financial statements to be in line with the requirements of IAS 37.

Key audit matter	How our audit addressed the key audit matter
Valuation of investments in Group undertakings and amounts due from Group undertakings (Company) Refer to page 199 (Investments in Group undertakings and Trade and other receivables notes) in the Company financial statements. The carrying value of the investments in Group undertakings and amounts due from Group undertakings in the Company accounts are £4,500.6m (2021: £2,446.2m) and £572.4m (£2,848.7m) respectively. The year on year movements are primarily attributable to: – the Company's increased investment in its subsidiaries; – net settlement of intercompany balances between the Company and its subsidiaries; and – a £113.3m impairment of the Company's investment in a subsidiary. The key estimate is whether the carrying values of the investments and intercompany receivables are supported by the net asset position and/or forecast future cash flows of the underlying Group undertakings. As such it was this area where we applied the most audit effort in respect of the audit of the Company and hence why it was identified as a key audit matter.	Audit procedures included, but were not limited to, the following: – We audited the subsidiary share subscription and net settlement exercise in respect of intercompany balances that were undertaken in the year with no exceptions noted; – We audited and validated management's impairment assessment which had identified an impairment of £113.3m; – We assessed the remaining net assets and future cash flows of the underlying investments to confirm that they were in excess of the carrying value of the Company's investment in Group undertakings and thus no further impairment was required; and – We verified that the aggregate net current assets of subsidiary undertakings were sufficient to support the intercompany receivables and whether, in accordance with IFRS 9, an expected credit loss was required. We have no issues to report in respect of this work.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Company, the accounting processes and controls, and the industry in which they operate.

The Group's 2022 consolidated financial statements are primarily an aggregation of the 23 UK Business Units, which represented the regional UK housebuilding businesses, consolidated with the Group's Spanish operations, Taylor Wimpey de España S.A.U., the Company and the share of the Group's interest in joint ventures.

The 23 UK Business Units operated under a common control environment, underpinned by the Group's Operating Framework. The Group engagement team's testing focused on the effectiveness and consistency of the design and implementation of the controls and processes, and based on this, we determined that the aggregated Business Units could be treated as one homogeneous population for further testing purposes. In addition, we performed detailed audit work over the consolidation journals, a desktop review of Taylor Wimpey de España S.A.U., and specific financial statement line items within the Group's joint ventures.

Our work covered 97% of revenue, 95% of profit before tax, 95% of profit before tax and exceptional items and 92% of net assets. We performed specific audit testing over the exceptional item, relating specifically to an increase in the cladding fire safety provision.

We also performed a full scope audit of the Company financial statements which was considered a separate component for the purposes of our audit.

The impact of climate risk on our audit

As part of our audit we made enquiries of management to understand the process adopted to assess the extent of the potential impact of climate risk on the Group's financial statements and to support the disclosures made in the section headed 'Impact on financial statements' on page 59.

The Group has announced its net zero target and submitted it for verification by the Science Based Targets initiative. It has also developed the Net Zero Transition Plan to achieve this target and aligned its executive bonus scheme accordingly. This future commitment does not directly impact the financial statements at the balance sheet date, as management had not publicly announced the transition plan at that date.

Management considers that the impact of climate change does not give rise to a material financial statement impact in the current year, and we used our knowledge of the Group and the industry to evaluate management's assessment. We particularly considered the potential impact on forecast build costs, and therefore margins, of recent climate related regulations, such as Part L & F of the Building Regulations. Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2022.

We also considered the consistency of the disclosures in relation to climate change (including the disclosures in the Task Force on Climate-related Financial Disclosures (TCFD) section) within the Annual Report with the financial statements and our knowledge obtained from our audit.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – Group	Financial statements – Company
Overall materiality	£45.3m (2021: £40.0m).	£40.7m (2021: £36.0m).
How we determined it	Based on 5% of profit before tax and exceptional items.	1% of net assets but capped at 90% of overall Group materiality.
Rationale for benchmark applied	Profit before tax is a generally accepted auditing benchmark. On the basis that exceptional items are not reflective of the operating performance of the Group, and are excluded from key alternative performance measures, we have also excluded them from the benchmark amount.	We believe that total assets is the primary measure used by the shareholders in assessing the performance of the entity, which acts solely as a holding company, and is a generally accepted auditing benchmark.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across components was £30.7 million to £40.7 million.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £33.8m (2021: £30.0m) for the Group financial statements and £30.5m (2021: £27.0m) for the Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £2.3m (Group audit) (2021: £2.0m) and £2.0m (Company audit) (2021: £2.0m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Group's and the Company's ability to continue to adopt the going concern basis of accounting included:

- We tested the accuracy and integrity of the underlying model used by management in developing their going concern forecasts, and checked the approval of the forecasts by the Board. We agreed that the model demonstrated sufficient liquidity and headroom during the going concern forecast period;
- We tested the key assumptions used in the model, including comparison to third party market information where appropriate, reviewing the fixed term borrowings refinancing agreement and checking that the assumptions used in the "severe but plausible" scenario were sufficiently severe to model potential future economic downturn, in line with those observed in the global financial crisis in 2007-8;
- We considered the historical accuracy of management forecasting by comparing budgeted results to actual performance; and
- We reviewed the covenants applicable to the Group's borrowings and facility and checked that the forecasts supported ongoing compliance with the covenants in the going concern assessment period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Remuneration Committee report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Group's and Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Group's and Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Group and Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Group and Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Group's and Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities in respect of the financial statements, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to building regulations, including fire and building safety legislation, health and safety legislation, tax and pension legislation, environmental regulation and employment law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Listing Rules and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to artificial inflation of reported results via the posting of fraudulent journals, primarily as part of the consolidation process at Group, and bias in the assumptions underpinning significant provisions. Audit procedures performed by the engagement team included:

- discussions with the Group Management Team, Business Unit Management, Internal Audit and the Audit Committee;
- review of internal audit reports and consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluation and testing of the operating effectiveness of management's controls designed to prevent and detect irregularities, in particular their controls around margin recognition and site forecasting;
- challenging the assumptions and judgements made by management in determining their significant accounting estimates, in particular in relation to margin recognition, site forecasting and provisions; and
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations including unusual or unexpected journal postings to the Consolidated income statement.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- the Company financial statements and the part of the Remuneration Committee report to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 22 April 2021 to audit the financial statements for the year ended 31 December 2021 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 December 2021 to 31 December 2022.

Other matter

As required by the Financial Conduct Authority Disclosure Guidance and Transparency Rule 4.1.14R, these financial statements form part of the ESEF-prepared annual financial report filed on the National Storage Mechanism of the Financial Conduct Authority in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditors' report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Sonia Copeland (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
1 March 2023

Consolidated income statement

for the year to 31 December 2022

	Note	Before exceptional items 2022 £m	Exceptional items 2022 £m	Total 2022 £m	Before exceptional items 2021 £m	Exceptional items 2021 £m	Total 2021 £m
Continuing operations							
Revenue	4	**4,419.9**	**–**	**4,419.9**	4,284.9	–	4,284.9
Cost of sales		**(3,287.5)**	**–**	**(3,287.5)**	(3,257.9)	–	(3,257.9)
Gross profit		**1,132.4**	**–**	**1,132.4**	1,027.0	–	1,027.0
Net operating expenses	6	**(224.9)**	**(80.0)**	**(304.9)**	(203.8)	(125.0)	(328.8)
Profit on ordinary activities before net finance costs		**907.5**	**(80.0)**	**827.5**	823.2	(125.0)	698.2
Finance income	8	**8.6**	**–**	**8.6**	2.4	–	2.4
Finance costs	8	**(24.1)**	**–**	**(24.1)**	(26.4)	–	(26.4)
Share of results of joint ventures	13	**15.9**	**–**	**15.9**	5.4	–	5.4
Profit before taxation		**907.9**	**(80.0)**	**827.9**	804.6	(125.0)	679.6
Taxation (charge)/credit	9	**(201.9)**	**17.6**	**(184.3)**	(147.9)	23.8	(124.1)
Profit for the year		**706.0**	**(62.4)**	**643.6**	656.7	(101.2)	555.5

	Note	2022	2021
Basic earnings per share	10	**18.1p**	15.3p
Diluted earnings per share	10	**18.0p**	15.2p
Adjusted basic earnings per share	10	**19.8p**	18.0p
Adjusted diluted earnings per share	10	**19.7p**	18.0p

All of the profit for the year is attributable to the equity holders of the Parent Company.

Consolidated statement of comprehensive income

for the year to 31 December 2022

	Note	2022 £m	2021 £m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	25	**6.6**	(6.9)
Movement in fair value of hedging instruments	25	**(3.5)**	4.8
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	21	**3.2**	37.9
Tax credit/(charge) on items taken directly to other comprehensive income	14	**0.7**	(5.4)
Other comprehensive income for the year		**7.0**	30.4
Profit for the year		**643.6**	555.5
Total comprehensive income for the year		**650.6**	585.9

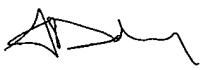
All of the comprehensive income for the year is attributable to the equity holders of the Parent Company.

Consolidated balance sheet

at 31 December 2022

	Note	2022 £m	2021 £m
Non-current assets			
Intangible assets	11	**4.2**	6.6
Property, plant and equipment	12	**17.3**	21.7
Right-of-use assets	19	**26.3**	26.5
Interests in joint ventures	13	**74.0**	85.4
Trade and other receivables	16	**12.2**	27.5
Other financial assets	21	**10.0**	10.0
Deferred tax assets	14	**26.0**	26.2
		170.0	203.9
Current assets			
Inventories	15	**5,169.6**	4,945.7
Trade and other receivables	16	**191.2**	168.2
Tax receivables		**–**	1.0
Cash and cash equivalents	16	**952.3**	921.0
		6,313.1	6,035.9
Total assets		**6,483.1**	6,239.8
Current liabilities			
Trade and other payables	18	**(1,130.8)**	(901.9)
Lease liabilities	19	**(7.3)**	(7.0)
Bank and other loans	17	**(88.5)**	–
Tax payables		**(7.2)**	(0.8)
Provisions	22	**(106.7)**	(125.4)
		(1,340.5)	(1,035.1)
Net current assets		**4,972.6**	5,000.8
Non-current liabilities			
Trade and other payables	18	**(407.3)**	(629.3)
Lease liabilities	19	**(19.7)**	(20.4)
Bank and other loans	17	**–**	(84.0)
Retirement benefit obligations	21	**(29.9)**	(37.3)
Provisions	22	**(183.6)**	(119.7)
		(640.5)	(890.7)
Total liabilities		**(1,981.0)**	(1,925.8)
Net assets		**4,502.1**	4,314.0
Equity			
Share capital	23	**291.3**	292.2
Share premium	24	**777.9**	777.5
Own shares	26	**(43.1)**	(14.6)
Other reserves	25	**545.6**	541.6
Retained earnings		**2,930.4**	2,717.3
Total equity		**4,502.1**	4,314.0

The financial statements of Taylor Wimpey plc (registered number: 296805) were approved by the Board of Directors and authorised for issue on 1 March 2023. They were signed on its behalf by:



J Daly
Director

C Carney
Director

Consolidated statement of changes in equity

for the year to 31 December 2022

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2021		292.2	773.1	(11.5)	543.7	2,419.3	4,016.8
Other comprehensive (expense)/income for the year		–	–	–	(2.1)	32.5	30.4
Profit for the year		–	–	–	–	555.5	555.5
Total comprehensive (expense)/income for the year		–	–	–	(2.1)	588.0	585.9
New share capital subscribed		–	4.4	–	–	–	4.4
Own shares acquired		–	–	(4.2)	–	–	(4.2)
Utilisation of own shares		–	–	1.1	–	–	1.1
Cash cost of satisfying share options		–	–	–	–	(1.9)	(1.9)
Share-based payment credit	29	–	–	–	–	13.2	13.2
Tax credit on items taken directly to statement of changes in equity	14	–	–	–	–	0.2	0.2
Dividends approved and paid	31	–	–	–	–	(301.5)	(301.5)
Total equity at 31 December 2021		292.2	777.5	(14.6)	541.6	2,717.3	4,314.0
Other comprehensive income for the year		**–**	**–**	**–**	**3.1**	**3.9**	**7.0**
Profit for the year		**–**	**–**	**–**	**–**	**643.6**	**643.6**
Total comprehensive income for the year		**–**	**–**	**–**	**3.1**	**647.5**	**650.6**
New share capital subscribed		**–**	**0.4**	**–**	**–**	**–**	**0.4**
Own shares acquired and cancelled	23	**(0.9)**	**–**	**(33.8)**	**0.9**	**(117.5)**	**(151.3)**
Utilisation of own shares		**–**	**–**	**5.3**	**–**	**–**	**5.3**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(5.5)**	**(5.5)**
Share-based payment credit	29	**–**	**–**	**–**	**–**	**14.0**	**14.0**
Tax charge on items taken directly to statement of changes in equity	14	**–**	**–**	**–**	**–**	**(1.6)**	**(1.6)**
Dividends approved and paid	31	**–**	**–**	**–**	**–**	**(323.8)**	**(323.8)**
Total equity at 31 December 2022		**291.3**	**777.9**	**(43.1)**	**545.6**	**2,930.4**	**4,502.1**

Consolidated cash flow statement

for the year to 31 December 2022

	Note	2022 £m	2021 £m
Profit on ordinary activities before net finance costs		**827.5**	698.2
Adjustments for:			
Depreciation and amortisation		**14.5**	15.6
Pension contributions in excess of charge to the income statement		**(4.8)**	(15.2)
Share-based payment charge		**14.0**	13.2
Loss on disposal of property, plant and equipment		**0.3**	–
Increase in provisions excluding exceptional payments		**90.9**	130.0
Operating cash flows before movements in working capital		**942.4**	841.8
Increase in inventories		**(280.4)**	(293.2)
(Increase)/decrease in receivables		**(9.9)**	32.1
Increase/(decrease) in payables		**52.9**	(6.0)
Cash generated from operations		**705.0**	574.7
Payments related to exceptional charges		**(45.9)**	(15.1)
Income taxes paid		**(176.9)**	(123.0)
Interest paid		**(4.7)**	(4.7)
Net cash generated from operating activities		**477.5**	431.9
Investing activities			
Interest received	8	**6.9**	2.1
Dividends received from joint ventures		**3.1**	8.1
Proceeds on disposal of property, plant and equipment		**1.5**	–
Purchase of property, plant and equipment	12	**(1.7)**	(2.5)
Purchase of software	11	**(0.4)**	(2.1)
Investment in pension scheme escrow		**–**	(10.0)
Amounts repaid by/(invested in) joint ventures		**24.2**	(5.9)
Net cash generated from/(used in) investing activities		**33.6**	(10.3)
Financing activities			
Lease capital repayments	19	**(7.6)**	(6.9)
Proceeds from the issue of own shares		**–**	–
Cash received on exercise of share options		**0.3**	3.6
Purchase of own shares		**(151.3)**	(4.2)
Repayment of borrowings		**–**	(12.7)
Dividends paid	31	**(323.8)**	(301.5)
Net cash used in financing activities		**(482.4)**	(321.7)
Net increase in cash and cash equivalents		**28.7**	99.9
Cash and cash equivalents at beginning of year		**921.0**	823.0
Effect of foreign exchange rate changes		**2.6**	(1.9)
Cash and cash equivalents at end of year	27	**952.3**	921.0

Notes to the consolidated financial statements

1. Significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared on a going concern basis and under the historical cost convention, except as otherwise stated below.

The principal accounting policies adopted, which have been applied consistently, except as otherwise stated, are set out below.

Adoption of new and revised standards

The Group has adopted and applied the following standards and amendments in the year, which are relevant to its operations, none of which had a material impact on the financial statements.

- IFRS 3 'Business Combinations' (amendments) – references to the Conceptual Framework
- IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' (amendment) – cost of fulfilling a contract
- IAS 16 'Property, Plant and Equipment' (amendment) – proceeds before intended use
- Annual improvement in IFRS Standards 2018-2020

At the date of authorisation of these financial statements, the Group has not applied the following new or revised standards and interpretations that have been issued but are not yet effective:

- IAS 1 'Presentation of Financial Statements' (amendments) – classification of liabilities as current or non-current
- IAS 1 'Presentation of Financial Statements' (amendments) – disclosure of accounting policies
- IAS 12 'Income Taxes' (amendments) – deferred tax related to assets and liabilities arising from a single transaction
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (amendments) – definition of accounting estimates

The Directors do not expect that the adoption of the standards, amendments and interpretations listed above will have a material impact on the financial statements of the Group.

Going concern

Group forecasts have been prepared that have considered the Group's current financial position and current market circumstances. The forecasts prepared assess the performance of the Group over a five year period. The forecasts were subject to sensitivity analysis together with the likely effectiveness of mitigating actions.

The assessment considers sensitivity analysis on a series of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these the Group has included macro-economic and industry-wide projections as well as matters specific to the Group.

The severe but plausible downside scenario reflects the aggregated impact of sensitivities, taking account of a further decline in customer confidence, disposable incomes, and mortgage availability than has been experienced during the second half of 2022. To arrive at the stress test the Group has drawn on experience gained managing the business through previous economic downturns and the COVID-19 pandemic. As a result, the Group has stress tested the business against the following severe but plausible downside scenario which can be attributed back to the Group's Principal Risks that have been identified as having the most impact on the longer-term prospects and viability of the Group.

The impact of the Principal Risk "Natural resources and climate change" is not deemed to be material within the forecast period, as costs associated with the regulatory changes have been included in the modelling (e.g. updates to Parts L&F of the building regulations in England and Wales and Future Homes and Buildings Standard).

- Volume – a decline in total volumes of 30% from 2022, recovering by the end of the forecast period
- Price – a reduction to current selling prices of 20%, recovering by the end of the forecast period
- One-off costs – a one-off exceptional charge and cash cost of £150 million for an unanticipated event, change in Government regulations or financial penalty has been included in 2023

Within the scenario build costs are forecast to reduce with lower volumes reducing pressure on the availability of materials and resources and land cost remaining broadly flat as the possible increase in availability due to lower volumes is offset by a restriction in supply. An estimate for the cost of the Future Homes and Buildings Standard has been assumed.

The mitigating actions considered in the model include a reduction in land investment, a reduction in the level of production and work in progress held and reducing our overhead base to reflect the lower volumes. If this scenario were to occur, we also have a range of additional options to maintain our financial strength, including: a more severe reduction in land spend and work in progress, the sale of assets, reducing the dividend, and or raising debt.

At 31 December 2022, the Group had a cash balance of £952 million and access to £550 million from a fully undrawn revolving credit facility, which is expected to be replaced during the forecast period, together totalling £1,502 million. The combination of both of these is sufficient to absorb the financial impact of each of the risks modelled in the stress and sensitivity analysis, individually and in aggregate.

Based on these forecasts, it is considered that there are sufficient resources available for the Group to conduct its business, and meet its liabilities as they fall due, for at least the next 12 months from the date of these consolidated financial statements. Consequently the consolidated financial statements have been prepared on a going concern basis.

Basis of accounting

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards as applied in conformity with the provisions of the Companies Act 2006.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year. Control is achieved where the Company:

- has power over the investee;
- governs the financial and operating policies of the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

1. Significant accounting policies *continued*

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair value at the date of acquisition. Any excess of the cost of acquisition over the fair value of the identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of the identifiable net assets acquired (i.e. discount on acquisition) is credited to the income statement in the period of acquisition. The interest of non-controlling shareholders is stated at the non-controlling interest's proportion of the fair value of the assets and liabilities recognised. Subsequently, all comprehensive income is attributed to the owners and the non-controlling interests.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where a subsidiary is disposed of which constituted a major line of business, it is disclosed as a discontinued operation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Joint ventures

Undertakings are deemed to be a joint venture when the Group has joint control of the rights and assets of the undertaking via either voting rights or a formal agreement which includes that unanimous consent is required for strategic, financial and operating decisions. Joint ventures are consolidated under the equity accounting method. Loans to joint ventures form part of the Group's net investment and are assessed for recoverability on a periodic basis. On transfer of land and/or work in progress to joint ventures, the Group recognises only its share of any profits or losses. Joint operations arise where the Group has joint control of an operation but has rights to only its own assets and obligations related to the operation. These assets and obligations, and the Group's share of revenues and costs, are included in the Group's results.

Joint ventures and joint operations are entered into to develop specific sites. Each arrangement is site or project specific and once the development or project is complete the arrangement is wound down.

Segmental reporting

The Group operates in the United Kingdom and Spain. The United Kingdom is split into five geographical operating segments, each managed by a Divisional Chair who sits on the Group Management Team. In addition, there are central operations covering the corporate functions and Strategic Land.

The Group aggregates the UK operations into a single reporting segment on the basis that they share similar economic characteristics. In addition each Division builds and delivers residential homes, uses consistent methods of construction, sells homes to both private customers and local housing associations, follows a single UK sales process and operating framework, is subject to the same macro-economic factors including mortgage availability and has the same cost of capital arising from the utilisation of central banking and debt facilities.

As a result, the Group has the following reporting segments:

- United Kingdom
- Spain

Revenue

Revenue is recognised when the performance obligation associated with the sale is completed. The transaction price comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts and after eliminating sales within the Group. Revenue and profit are recognised as follows:

a. Housing and land sales

Revenue is recognised in the income statement when control is transferred to the customer. This is deemed to be when title of the property passes to the customer on legal completion and the performance obligation associated with the sale is completed.

Revenue in respect of the sale of residential properties, whether under the Government's Help to Buy scheme or not, is recognised at the fair value of the consideration received or receivable on legal completion.

b. Long term contracts

Revenue arising on contracts which give the customer control over properties as they are constructed, and for which the Group has a right to payments for work performed, is recognised over time. Revenue and costs are recognised over time with reference to the stage of completion of the contract activity at the balance sheet date where the outcome of a long term contract can be estimated reliably. This is normally measured by surveys of work performed to date. Variations in contract work, claims and incentive payments are included to the extent that it is highly probable that they will result in revenue and they are capable of being reliably measured. When land is transferred at the start of a long term contract, revenue is not recognised until control has been transferred to the customer which includes legal title being passed to them.

Where the outcome of a long term contract cannot be estimated reliably, contract revenue where recoverability is probable is recognised to the extent of contract costs incurred. The costs associated with fulfilling a contract are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

c. Part exchange

In certain instances, property may be accepted in part consideration for a sale of a residential property. The fair value is established by independent surveyors, reduced for costs to sell. Proceeds generated from the subsequent sale of part exchange properties are recorded as other income and the cost as other expenses. The original sale is recorded in the normal way, with the fair value of the exchanged property replacing cash receipts.

d. Cash incentives

The transaction price may include cash incentives. These are considered to be a discount from the purchase price offered to the acquirer and are therefore accounted for as a reduction to revenue.

Cost of sales

The Group determines the value of inventory charged to cost of sales based on the total budgeted current cost of developing the site. Once the total expected costs of development are established, they are allocated to individual plots to achieve a consistent margin for the site. To the extent that additional costs or savings are identified, including experienced inflation, as the site progresses, these are recognised over the remaining plots unless they are specific to a particular plot, in which case they are recognised in the income statement at the point of sale.

1. Significant accounting policies *continued*

Positive contribution

Positive contribution represents the net amount of previous impairments allocated to inventory on a plot that has subsequently resulted in a gross profit on completion. This is due to the combination of selling prices and costs, or product mix improvements exceeding market assumptions in the previous net realisable value (NRV) exercise. These amounts are stated before the allocation of overheads, which are excluded from the Group's NRV exercise.

Exceptional items

Exceptional items are defined as items of income or expenditure which, in the opinion of the Directors, are material or unusual in nature or of such significance that they require separate disclosure on the face of the income statement in accordance with IAS 1 'Presentation of Financial Statements'. Should these items be reversed, disclosure of this would also be as exceptional items.

Finance income

Interest income on bank deposits is recognised on an accruals basis. Also included in interest receivable are interest and interest-related payments the Group receives on other receivables.

Finance costs

Borrowing costs are recognised on an effective interest rate basis and are payable on the Group's borrowings and lease liabilities. Also included are the amortisation of fees associated with the arrangement of the financing.

Finance charges, including premiums payable on settlement or redemption, and direct issue costs, are accounted for on an accruals basis in the income statement using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Capitalised finance costs are held in other receivables and amortised over the period of the facility.

Foreign currencies

The individual financial statements of each Group company are presented in the currency of the primary economic environment in which it operates (its functional currency). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies other than the functional currency are retranslated at the rates prevailing at the balance sheet date.

Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in the net profit or loss for the period.

On consolidation, the assets and liabilities of the Group's overseas operation are translated at exchange rates prevailing at the balance sheet date. Income and expense items are translated at an appropriate average rate for the year. Exchange differences arising are recognised within other comprehensive income and transferred to the Group's translation reserve. Such translation differences are recognised as income or expenses in the income statement in the period in which the operation is disposed of.

The Group uses foreign currency borrowings to hedge its net investment exposure to certain overseas subsidiaries.

Leases

The Group as a lessee

The Group assesses at inception whether a contract is, or contains, a lease. A lease exists if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group assessment includes whether:

- the contract involves the use of an identified asset;
- the Group has the right to obtain substantially all of the economic benefits from the use of the asset throughout the contract period; and
- the Group has the right to direct the use of the asset.

At the commencement of a lease, the Group recognises a right-of-use asset along with a corresponding lease liability.

The lease liability is initially measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The lease term comprises the non-cancellable period of the contract, together with periods covered by an option to extend the lease where the Group is reasonably certain to exercise that option based on operational needs and contractual terms. Subsequently, the lease liability is measured at amortised cost by increasing the carrying amount to reflect interest on the lease liability and reducing it by the lease payments made. The lease liability is remeasured when the Group changes its assessment of whether it will exercise an extension or termination option.

Right-of-use assets are initially measured at cost, comprising the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date, estimated asset retirement obligations, lease incentives received and initial direct costs. Subsequently, right-of-use assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses, and are adjusted for certain remeasurements of the lease liability. Depreciation is calculated on a straight-line basis over the length of the lease.

The Group has elected to apply exemptions for short term leases and leases for which the underlying asset is of low value. For these leases, payments are charged to the income statement on a straight-line basis over the term of the relevant lease.

Right-of-use assets are presented within non-current assets on the face of the balance sheet, and lease liabilities are shown separately on the balance sheet in current liabilities and non-current liabilities depending on the length of the lease term.

Intangible assets

Brands

Internally generated brands are not capitalised. Acquired brands are capitalised. Brands are stated at cost, less accumulated amortisation and any accumulated impairment losses. Brands are amortised over their estimated useful life on a straight-line basis.

Software

Costs that are directly associated with the acquisition or production of identifiable and unique software controlled by the Group, and that generate economic benefits beyond one year, are recognised as intangible assets. Software development costs recognised as assets are amortised on a straight-line basis over three to five years from the time of implementation and are stated at cost less accumulated amortisation and any accumulated impairment losses.

1. Significant accounting policies *continued*

Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and any accumulated impairment losses. Freehold land is not depreciated. Buildings are depreciated over 50 years.

Plant and equipment is stated at cost less depreciation.

Depreciation is charged to expense the cost or valuation of assets over their estimated useful lives. Other assets are depreciated using the straight-line method, on the following bases:

- Plant and equipment: 20-33% per annum
- Leasehold improvements: over the term of the lease

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds, less any selling expenses, and the carrying amount of the asset. This difference is recognised in the income statement.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately in the income statement.

Where an impairment loss subsequently reverses, due to a change in circumstances or in the estimates used to determine the asset's recoverable amount, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, so long as it does not exceed the original carrying value prior to the impairment being recognised. A reversal of an impairment loss is recognised as income immediately in the income statement.

Financial instruments

Financial assets

Financial assets are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured at fair value through profit or loss (FVTPL)
- Measured at fair value through other comprehensive income (FVOCI)

The classification of financial assets depends on the Group's business model for managing the asset and the contractual terms of the cash flows. Assets that are held for the collection of contractual cash flows that represent solely payments of principal and interest are measured at amortised cost, with any interest income recognised in the income statement using the effective interest rate method.

Financial assets that do not meet the criteria to be measured at amortised cost are classified by the Group as measured at FVTPL. Fair value gains and losses on financial assets measured at FVTPL are recognised in the income statement and presented within net operating expenses.

The Group currently has no financial assets measured at FVOCI.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less any loss allowance.

Shared equity loans

Shared equity loans were provided to certain customers to facilitate a house purchase. The contractual cash flows on shared equity loans are linked to a national house price index. Under IFRS 9, financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest. Accordingly, shared equity loans are classified as FVTPL with fair value gains and losses arising on the remeasurement of the loan presented in the income statement within net operating expenses.

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the Group and short term bank deposits with an original maturity of three months or less from inception and are subject to insignificant risk of changes in value.

Financial liabilities

Financial liabilities are initially recognised at fair value and subsequently classified into one of the following measurement categories:

- Measured at amortised cost
- Measured at fair value through profit or loss (FVTPL)

Non-derivative financial liabilities are measured at FVTPL when they are considered held for trading or designated as such on initial recognition. The Group has no non-derivative financial liabilities measured at FVTPL.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Trade and other payables

Trade and other payables are measured at amortised cost. When the acquisition of land has deferred payment terms a land creditor is recognised. Payables are discounted to present value when repayment is due more than one year after initial recognition or the impact is material.

Customer deposits

Customer deposits, measured at amortised cost, are recorded as a liability on receipt and released to the income statement as revenue upon legal completion.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Parent Company are recorded as the proceeds are received, net of direct issue costs.

1. Significant accounting policies *continued*

Derivative financial instruments and hedge accounting

The Group uses foreign currency borrowings and derivatives to hedge its net investment exposure to movements in exchange rates on translation of certain individual financial statements denominated in foreign currencies other than Sterling which is the functional currency of the Parent Company.

Derivative financial instruments are measured at fair value. Changes in the fair value of derivative financial instruments that are designated and effective as hedges of net investments in foreign operations are recognised directly in other comprehensive income and the ineffective portion, if any, is recognised immediately in the income statement.

For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged with the corresponding entry in the consolidated income statement. Gains or losses from remeasuring the derivative, or for non-derivatives the foreign currency component of its carrying amount, are also recognised in the income statement.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the income statement as they arise.

Hedge accounting is discontinued if the hedged item is sold or no longer qualifies for hedge accounting at which point any cumulative gain or loss on the hedging instrument accumulated in other comprehensive income is transferred to the income statement for the period.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the balance sheet date and are discounted to present value where the effect is material.

Inventories

Inventories are initially stated at cost and held at the lower of this initial amount and net realisable value. Costs comprise direct materials and, where applicable, direct labour and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Land is recognised in inventory when the significant risks and rewards of ownership have been transferred to the Group.

Non-refundable land option payments are initially recognised in inventory. They are reviewed regularly and written off to the income statement when it is probable that the option will not be exercised.

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years, and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are also recognised for taxable temporary differences arising on investments in subsidiaries and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured on a non-discounted basis using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will vest after adjusting for the effect of non-market vesting conditions.

Employee benefits

For defined benefit plans a finance charge is determined on the net defined benefit pension liability. The operating and financing costs of such plans are recognised separately in the income statement; service costs are spread systematically over the service period of employees, past service costs are recognised as an expense at the earlier of when the plan is amended or curtailment occurs, at the same time as which the entity will recognise related restructuring costs or termination benefits. Certain liability management costs and financing costs are recognised in the periods in which they arise. Actuarial gains and losses are recognised immediately in the statement of comprehensive income.

The retirement benefit obligation recognised in the consolidated statement of financial position represents either the net deficit position of the scheme or, should the scheme be in an IAS 19 accounting surplus, the IFRIC 14 liability equal to the present value of future committed cash contributions.

Payments to defined contribution schemes are charged as an expense as they fall due.

2. Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Management has considered whether there are any such sources of estimation or accounting judgements in forming the financial statements and highlight the following areas. In identifying these areas, management have considered the size of the associated balance and the potential likelihood of changes due to macro-economic factors.

Critical accounting judgements

Management has not made any individual critical accounting judgements that are material to the Group.

Key sources of estimation uncertainty

Key sources of estimation uncertainty are those which present a significant risk of potential material misstatement to carrying amounts of assets or liabilities within the next financial year.

Employee benefits

The value of the defined benefit plan liabilities is determined by using various assumptions, including discount rate, future rates of inflation, growth, yields, returns on investments and mortality rates. As actual changes in these values may differ from those assumed, this is a key source of estimation uncertainty within the financial statements. Changes in these assumptions over time and differences to the actual outcome will be reflected in the statement of comprehensive income. Note 21 details the main assumptions in accounting for the Group's defined benefit pension scheme, along with sensitivities of the liabilities to changes in these assumptions.

Other sources of estimation uncertainty

Cost allocation

In order to determine the profit that the Group is able to recognise on its developments in a specific period, the Group has to allocate site-wide development costs between units built in the current year and in future years. It also has to estimate costs to complete, including those driven by climate related regulation, and make estimates relating to future sales prices and margins on those developments and units. In making these assessments, there is a degree of inherent uncertainty. The Group has developed internal controls to assess and review carrying values and the appropriateness of estimates made.

Cladding fire safety provision

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021 the Group announced an additional £125.0 million provision to fund cladding fire safety improvements. In 2022 the Group signed up to the Government's Building Safety Pledge for Developers and recognised an additional provision of £80.0 million. The Group estimates the provision based on the number of buildings that may require works under EWS1 requirements and the costs to carry out the identified works. In determining the total cost of works across a number of different buildings, management initially used internal QS estimates, which have increasingly been supported by externally sourced quotations, where available, both of which contain inherent estimation uncertainty, however it is not anticipated that any reasonable possible changes would lead to a material adjustment in the value of the provision. The scope of works may also be impacted by future industry guidance or regulations.

3. General information

Taylor Wimpey plc is a public company limited by shares, incorporated and domiciled in the United Kingdom under the Companies Act and is registered in England and Wales.
The Company's registered office is Taylor Wimpey plc, Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR. The nature of the Group's operations and its principal activities are set out in the Strategic Report on pages 2 to 85.

These financial statements are presented in pounds Sterling as the currency of the primary economic environment in which the Group operates.

4. Revenue

An analysis of the Group's continuing revenue is as follows:

	2022 £m	2021 £m
Private sales	**3,886.1**	3,890.3
Partnership housing	**476.4**	363.1
Land & other	**57.4**	31.5
	4,419.9	4,284.9

Other revenue includes income from the sale of commercial properties developed as part of larger residential developments. The Group's revenue includes revenue from construction contracts that are recognised over time by reference to the stage of completion of the contract with the customer. All other revenue is recognised at a point in time once control of the property is transferred to the customer.

	2022 £m	2021 £m
Recognised at a point in time	**3,983.1**	3,939.2
Recognised over time	**436.8**	345.7
	4,419.9	4,284.9

At 31 December 2022, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was £677.6 million (2021: £594.3 million), of which approximately half is expected to be recognised as revenue during 2023.

5. Operating segments

The Group operates in two countries, the United Kingdom and Spain, and has two reportable segments of those countries. Revenue in Spain arises entirely on private sales.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 1.

Segment information about these businesses is presented below:

	2022			2021		
	UK £m	Spain £m	Total £m	UK £m	Spain £m	Total £m
Revenue						
External sales	**4,295.5**	**124.4**	**4,419.9**	4,208.1	76.8	4,284.9
Result						
Profit before joint ventures, finance costs and exceptional items	**874.9**	**32.6**	**907.5**	808.6	14.6	823.2
Share of results of joint ventures	**15.9**	**–**	**15.9**	5.4	–	5.4
Operating profit (Note 32)	**890.8**	**32.6**	**923.4**	814.0	14.6	828.6
Exceptional items (Note 6)	**(80.0)**	**–**	**(80.0)**	(125.0)	–	(125.0)
Profit before net finance costs	**810.8**	**32.6**	**843.4**	689.0	14.6	703.6
Net finance costs			**(15.5)**			(24.0)
Profit before taxation			**827.9**			679.6
Taxation charge			**(184.3)**			(124.1)
Profit for the year			**643.6**			555.5

5. Operating segments *continued*

	2022			2021		
	UK £m	Spain £m	Total £m	UK £m	Spain £m	Total £m
Assets and liabilities						
Segment operating assets	**5,222.9**	**207.9**	**5,430.8**	5,013.6	192.6	5,206.2
Joint ventures	**74.0**	**–**	**74.0**	85.4	–	85.4
Segment operating liabilities	**(1,767.2)**	**(118.1)**	**(1,885.3)**	(1,757.3)	(83.7)	(1,841.0)
Net operating assets	**3,529.7**	**89.8**	**3,619.5**	3,341.7	108.9	3,450.6
Net current taxation			**(7.2)**			0.2
Net deferred taxation (Note 14)			**26.0**			26.2
Net cash (Note 27)			**863.8**			837.0
Net assets			**4,502.1**			4,314.0

	2022			2021		
	UK £m	Spain £m	Total £m	UK £m	Spain £m	Total £m
Other information						
Property, plant and equipment additions	**1.6**	**0.1**	**1.7**	2.4	0.1	2.5
Right-of-use asset additions	**7.1**	**0.1**	**7.2**	6.1	0.6	6.7
Software additions	**0.4**	**–**	**0.4**	2.1	–	2.1
Property, plant and equipment depreciation	**(4.2)**	**(0.1)**	**(4.3)**	(4.6)	(0.1)	(4.7)
Right-of-use asset depreciation	**(7.2)**	**(0.2)**	**(7.4)**	(7.1)	(0.2)	(7.3)
Amortisation of intangible assets	**(2.8)**	**–**	**(2.8)**	(3.6)	–	(3.6)

6. Net operating expenses and profit on ordinary activities before net finance costs

Profit on ordinary activities before net finance costs for continuing operations has been arrived at after charging/(crediting):

	2022 £m	2021 £m
Administration expenses	**220.7**	211.0
Other expenses	**70.1**	100.3
Other income	**(65.9)**	(107.5)
Exceptional items	**80.0**	125.0
Net operating expenses	**304.9**	328.8

The majority of the other income and other expenses shown above relates to the income and associated costs arising on the sale of part exchange properties. These are shown gross with the comparatives updated to be disclosed on the same basis (grossing up each by £87.2 million for 2021). Also included in other income and other expenses are profit/loss on the sale of property, plant and equipment, the revaluation of certain shared equity mortgage receivables and abortive land acquisition costs.

During 2022 a positive contribution of £1.4 million was recognised (2021: £4.1 million).

Exceptional items:	2022 £m	2021 £m
Provision in relation to cladding fire safety	**80.0**	125.0
Exceptional items	**80.0**	125.0

Cladding fire safety

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021 the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and, in line with Group policy, recognised it as an exceptional item.

In April 2022 the Group signed up to the Government's Building Safety Pledge for Developers, extending the period covered to all buildings constructed by the Group since 1992, as well as committing to reimburse any funds allocated or used for Taylor Wimpey buildings over 18 metres from the Building Safety Fund. In the year to 31 December 2022 the Group recognised an increase in the provision of £80.0 million, as an exceptional expense.

6. Net operating expenses and profit on ordinary activities before net finance costs *continued*

Profit on ordinary activities before net finance costs has been arrived at after charging:

	2022 £m	2021 £m
Cost of inventories recognised as an expense in cost of sales	**3,155.7**	3,135.0
Property, plant and equipment depreciation (Note 12)	**4.3**	4.7
Right-of-use asset depreciation (Note 19)	**7.4**	7.3
Amortisation of intangible assets (Note 11)	**2.8**	3.6

The remuneration paid to the Group's external auditors, is as follows:

	2022 £m	2021 £m
Fees payable for the audit of the Company's annual accounts and consolidated financial statements	**0.2**	0.2
Fees payable to the Company's auditors and its associates for other services to the Group:		
The audit of the Company's subsidiaries pursuant to legislation	**0.8**	0.6
Total audit fees	**1.0**	0.8
Other assurance services	**0.1**	0.1
Total non-audit fees	**0.1**	0.1
Total fees	**1.1**	0.9

Non-audit services in 2022 and 2021 predominantly relate to work undertaken as a result of PricewaterhouseCoopers LLP's role as auditors, or work resulting from knowledge and experience gained as part of the role. In 2022 and 2021 the fees relating to other assurance services primarily related to the review of the interim statements and also included £2,000 for a subscription service providing factual updates and changes to applicable law, regulation or accounting and auditing standards.

7. Staff costs

	2022 Number	2021 Number
Monthly average number employed		
United Kingdom	**5,140**	5,271
Spain	**96**	87
	5,236	5,358

	2022 £m	2021 £m
Remuneration		
Wages and salaries	**290.0**	278.0
Redundancy costs	**0.4**	0.4
Social security costs	**31.8**	28.9
Other pension costs	**15.4**	14.1
	337.6	321.4

The information relating to Director and Senior Management remuneration required by the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority is contained in Note 30 and pages 124 to 148 in the Directors' Remuneration Report.

8. Finance income and finance costs

Finance income	2022 £m	2021 £m
Interest receivable	**8.6**	2.4
	8.6	2.4

Finance costs	2022 £m	2021 £m
Interest on bank and other loans	**(4.8)**	(5.0)
Foreign exchange loss	**–**	(0.8)
	(4.8)	(5.8)
Unwinding of discount on land creditors and other items	**(18.3)**	(19.2)
Interest on lease liabilities (Note 19)	**(0.4)**	(0.4)
Net interest on pension liability (Note 21)	**(0.6)**	(1.0)
	(24.1)	(26.4)

9. Taxation charge

Tax (charged)/credited in the income statement is analysed as follows:

		2022 £m	2021 £m
Current tax:			
UK:	Current year	**(179.3)**	(122.0)
	Adjustment in respect of prior years	**0.5**	2.3
Overseas:	Current year	**(5.4)**	(2.5)
	Adjustment in respect of prior years	**(0.5)**	(0.1)
		(184.7)	(122.3)
Deferred tax:			
UK:	Current year	**0.4**	(2.7)
	Adjustment in respect of prior years	**(0.1)**	(0.3)
Overseas:	Current year	**(1.7)**	1.2
	Adjustment in respect of prior years	**1.8**	–
		0.4	(1.8)
		(184.3)	(124.1)

Corporation tax is calculated at 22.0% (2021: 19.0%) of the estimated assessable profit for the year in the UK. This includes corporation tax at the rate of 19.0% for the year and the new 4.0% residential property developer tax (RPDT) on profits arising from residential property development activities. RPDT was enacted during the year with effect from 1 April 2022. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the year includes an exceptional credit of £17.6 million (2021: £23.8 million) relating to the cladding fire safety provision.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2022 £m	2021 £m
Profit before tax	**827.9**	679.6
Tax at the UK corporation tax rate of 22.0% (2021: 19.0%)	**(182.1)**	(129.1)
Net over provision in respect of prior years	**1.7**	1.9
Net impact of items that are not taxable or deductible	**(5.6)**	2.6
Recognition of deferred tax asset relating to Spanish business	**1.0**	2.2
Other rate impacting adjustments	**0.7**	(1.7)
Tax charge for the year	**(184.3)**	(124.1)

10. Earnings per share

	2022	2021
Basic earnings per share	**18.1p**	15.3p
Diluted earnings per share	**18.0p**	15.2p
Adjusted basic earnings per share	**19.8p**	18.0p
Adjusted diluted earnings per share	**19.7p**	18.0p
Weighted average number of shares for basic earnings per share – million	**3,564.8**	3,639.3
Weighted average number of shares for diluted earnings per share – million	**3,576.5**	3,649.0

Adjusted basic and adjusted diluted earnings per share, which exclude the impact of exceptional items and any associated net tax amounts, are presented to provide a measure of the underlying performance of the Group. A reconciliation of earnings attributable to equity shareholders used for basic and diluted earnings per share to that used for adjusted earnings per share is shown below.

	2022 £m	2021 £m
Earnings for basic and diluted earnings per share	**643.6**	555.5
Adjust for exceptional items (Note 6)	**80.0**	125.0
Adjust for tax on exceptional items	**(17.6)**	(23.8)
Earnings for adjusted basic and adjusted diluted earnings per share	**706.0**	656.7

	2022 Million	2021 Million
Weighted average number of shares for basic earnings per share	**3,564.8**	3,639.3
Dilution from share options	**11.7**	9.7
Weighted average number of shares for diluted earnings per share	**3,576.5**	3,649.0

11. Intangible assets

	Brands £m	Software £m	Total £m
Cost			
At 1 January 2021	140.2	22.1	162.3
Additions	–	2.1	2.1
Disposals	–	(0.9)	(0.9)
At 31 December 2021	140.2	23.3	163.5
Additions	**–**	**0.4**	**0.4**
At 31 December 2022	**140.2**	**23.7**	**163.9**
Accumulated amortisation			
At 1 January 2021	(140.2)	(14.0)	(154.2)
Charge for the year	–	(3.6)	(3.6)
Disposals	–	0.9	0.9
At 31 December 2021	(140.2)	(16.7)	(156.9)
Charge for the year	**–**	**(2.8)**	**(2.8)**
At 31 December 2022	**(140.2)**	**(19.5)**	**(159.7)**
Carrying amount			
At 31 December 2022	**–**	**4.2**	**4.2**
At 31 December 2021	–	6.6	6.6

The amortisation of software is recognised within administration expenses in the income statement.

12. Property, plant and equipment

	Freehold land and buildings £m	Plant, equipment and leasehold improvements £m	Total £m
Cost			
At 1 January 2021	16.5	28.1	44.6
Additions	–	2.5	2.5
Disposals	–	(0.7)	(0.7)
Exchange movements	–	(0.1)	(0.1)
At 31 December 2021	16.5	29.8	46.3
Additions	**–**	**1.7**	**1.7**
Disposals	**(2.2)**	**–**	**(2.2)**
Exchange movements	**–**	**0.1**	**0.1**
At 31 December 2022	**14.3**	**31.6**	**45.9**
Accumulated depreciation			
At 1 January 2021	(3.2)	(17.4)	(20.6)
Charge for the year	(0.9)	(3.8)	(4.7)
Disposals	–	0.7	0.7
Exchange movements	–	–	–
At 31 December 2021	(4.1)	(20.5)	(24.6)
Charge for the year	**(0.5)**	**(3.8)**	**(4.3)**
Disposals	**0.4**	**–**	**0.4**
Exchange movements	**–**	**(0.1)**	**(0.1)**
At 31 December 2022	**(4.2)**	**(24.4)**	**(28.6)**
Carrying amount			
At 31 December 2022	**10.1**	**7.2**	**17.3**
At 31 December 2021	12.4	9.3	21.7

13. Interests in joint ventures

	2022 £m	2021 £m
Share of net assets	**43.5**	24.4
Loans to joint ventures	**30.5**	61.0
Total interests in joint ventures	**74.0**	85.4

Loans to joint ventures includes £(8.5) million (2021: £(6.3) million) relating to the Group's share of losses recognised under the equity method in excess of the investment in ordinary shares.

The Group has five material (2021: five) joint ventures whose principal activity is residential housebuilding or development. The Group considers a joint venture to be material when it is financially or strategically important to the Group.

The particulars of the material joint ventures for 2022 are as follows:

Joint venture	Country of incorporation	Interest in the issued ordinary share capital*
Greenwich Millennium Village Limited	United Kingdom	50%
Chobham Manor Limited Liability Partnership	United Kingdom	50%
Winstanley and York Road Regeneration LLP	United Kingdom	50%
Whitehill & Bordon Development Company Phase 1a Limited	United Kingdom	50%
Whitehill & Bordon Regeneration Company Limited	United Kingdom	50%

* Interests held by subsidiary undertakings.

Further information on the particulars of joint ventures can be found on page 204.

13. Interests in joint ventures *continued*

The following two tables show summary financial information for the material joint ventures and in total for the immaterial joint ventures. Unless specifically indicated, this information represents 100% of the joint venture before intercompany eliminations.

	Greenwich Millennium Village 2022 £m	Chobham Manor 2022 £m	Winstanley and York Road Regeneration 2022 £m	Whitehill & Bordon Development Company Phase 1a 2022 £m	Whitehill & Bordon Regeneration Company 2022 £m	Immaterial Joint Ventures 2022 £m	Total 2022 £m
Non-current assets	–	–	4.4	0.5	41.0	0.6	46.5
Current assets excluding cash	54.8	7.8	70.9	8.6	6.5	21.4	170.0
Cash and cash equivalents	21.3	21.5	8.1	2.3	0.6	2.2	56.0
Current financial liabilities	(13.3)	(1.4)	(5.3)	(0.6)	(10.7)	(10.0)	(41.3)
Current other liabilities	–	–	–	(1.2)	(0.2)	–	(1.4)
Non-current financial liabilities*	(8.2)	(0.4)	(95.1)	(6.5)	(33.8)	(15.6)	(159.6)
Net assets/(liabilities) (100%)	54.6	27.5	(17.0)	3.1	3.4	(1.4)	70.2
Group share of net assets/(liabilities)	27.3	13.8	(8.5)	1.6	1.7	(0.9)	35.0
Loans to joint ventures	–	–	37.4	–	0.1	1.5	39.0
Total interests in joint ventures	27.3	13.8	28.9	1.6	1.8	0.6	74.0
Revenue	78.6	103.5	17.7	25.4	24.5	–	249.7
Interest expense	(0.4)	–	(5.0)	(0.3)	(0.2)	(1.1)	(7.0)
Income tax (expense)/credit	(3.3)	–	–	(1.2)	(0.2)	0.3	(4.4)
Profit/(loss) for the year	13.9	17.3	(4.4)	5.2	0.7	(0.9)	31.8
Group share of profit/(loss) for the year	7.0	8.6	(2.2)	2.6	0.4	(0.5)	15.9

* Non-current financial liabilities include amounts owed to joint venture partners.

	Greenwich Millennium Village 2021 £m	Chobham Manor 2021 £m	Winstanley and York Road Regeneration 2021 £m	Whitehill & Bordon Development Company Phase 1a 2021 £m	Whitehill & Bordon Regeneration Company 2021 £m	Immaterial Joint Ventures 2021 £m	Total 2021 £m
Non-current assets	–	–	–	–	32.8	0.5	33.3
Current assets excluding cash	46.5	73.0	61.3	8.1	8.7	25.1	222.7
Cash and cash equivalents	22.4	37.1	2.6	1.2	2.1	2.0	67.4
Current financial liabilities	(6.4)	(43.6)	(3.1)	(5.4)	(6.6)	(18.5)	(83.6)
Current other liabilities	(2.4)	–	–	(0.8)	(0.2)	–	(3.4)
Non-current financial liabilities*	(27.8)	(56.3)	(73.4)	(0.3)	(34.2)	(8.4)	(200.4)
Net assets/(liabilities) (100%)	32.3	10.2	(12.6)	2.8	2.6	0.7	36.0
Group share of net assets/(liabilities)	16.2	5.1	(6.3)	1.4	1.3	0.4	18.1
Loans to joint ventures	7.5	27.4	31.4	–	0.1	0.9	67.3
Total interests in joint ventures	23.7	32.5	25.1	1.4	1.4	1.3	85.4
Revenue	39.9	66.0	11.2	27.7	26.0	29.0	199.8
Interest (expense)/income	(0.5)	–	(3.7)	(0.6)	0.9	(0.5)	(4.4)
Income tax expense	(1.7)	–	–	(0.8)	(0.2)	(0.2)	(2.9)
Profit/(loss) for the year	7.2	4.6	(4.6)	3.2	0.6	(0.2)	10.8
Group share of profit/(loss) for the year	3.6	2.3	(2.3)	1.6	0.3	(0.1)	5.4

* Non-current financial liabilities include amounts owed to joint venture partners.

During the current and prior year, no entity charged depreciation or amortisation. No entity had discontinued operations or items of other comprehensive income.

14. Deferred tax

	Share-based payments £m	Capital allowances £m	Losses £m	Retirement benefit obligations £m	Other temporary differences £m	Total £m
At 1 January 2021	2.9	2.0	5.9	16.9	6.0	33.7
Credit/(charge) to income	0.9	0.4	1.2	(2.7)	(1.6)	(1.8)
Charge to other comprehensive income	–	–	–	(5.4)	–	(5.4)
Credit to statement of changes in equity	0.1	–	–	–	–	0.1
Foreign exchange	–	–	(0.4)	–	–	(0.4)
At 31 December 2021	3.9	2.4	6.7	8.8	4.4	26.2
(Charge)/credit to income	**(1.7)**	**0.4**	**1.0**	**(0.9)**	**1.6**	**0.4**
Credit to other comprehensive income	**–**	**–**	**–**	**0.7**	**–**	**0.7**
Charge to statement of changes in equity	**(1.6)**	**–**	**–**	**–**	**–**	**(1.6)**
Foreign exchange	**–**	**–**	**0.3**	**–**	**–**	**0.3**
At 31 December 2022	**0.6**	**2.8**	**8.0**	**8.6**	**6.0**	**26.0**

Closing deferred tax on UK temporary differences has been calculated at the tax rates that are expected to apply (based on currently enacted law) for the period when the asset is realised, or the liability is settled. Accordingly, the temporary differences have been calculated at rates between 25% and 29% (2021: between 19% and 25%), depending on when the asset will unwind.

The net deferred tax balance is analysed into assets and liabilities as follows:

	2022 £m	2021 £m
Deferred tax assets	**27.4**	27.6
Deferred tax liabilities	**(1.4)**	(1.4)
	26.0	26.2

The new 4% residential property developer tax (RPDT) was enacted during the year effective from 1 April 2022 and the measurement of the Group's UK net deferred tax asset at 31 December 2022 reflects this change. From 1 April 2023, the UK Corporation Tax rate is legislated to increase to 25%. This increase in rate had been enacted before 31 December 2021 so has also been reflected in the measurement of the Group's UK deferred tax asset in both years.

The Group has not recognised temporary differences relating to tax losses carried forward and other temporary differences amounting to £2.4 million (2021: £1.9 million) in the UK and £23.8 million (2021: £27.4 million) in Spain. The UK temporary differences have not been recognised as they are predominantly non-trading in nature and insufficient certainty exists as to their future utilisation. The temporary differences in Spain have not been recognised due to uncertainty of sufficient taxable profits in the future against which to utilise these amounts.

At the balance sheet date, the Group has unused UK capital losses of £269.5 million (2021: £269.5 million). No deferred tax asset has been recognised in respect of the capital losses at 31 December 2022 (2021: £nil) because the Group does not believe that it is probable that these capital losses will be utilised in the foreseeable future.

15. Inventories

	2022 £m	2021 £m
Land	**3,428.3**	3,385.7
Development and construction costs	**1,725.9**	1,548.1
Part exchange and other	**15.4**	11.9
	5,169.6	4,945.7

The markets in our core geographies, which are the primary drivers of our business, continue to trade positively. At 31 December 2022, the Group completed a net realisable value assessment of inventory, considering each site individually and based on estimates of sales price, costs to complete and costs to sell. At 31 December 2022 the provision held in the United Kingdom was £16.0 million (2021: £19.3 million) and £35.5 million in Spain (2021: £35.5 million). The table below details the movements on the inventory provision recorded in the year.

	2022 £m	2021 £m
1 January	**54.8**	64.4
Net utilised	**(5.1)**	(7.0)
Foreign exchange	**1.8**	(2.6)
31 December	**51.5**	54.8

16. Other financial assets

Trade and other receivables

	Current		Non-current	
	2022 £m	2021 £m	2022 £m	2021 £m
Trade receivables	**136.8**	105.7	**9.6**	15.8
Other receivables	**54.4**	62.5	**2.6**	11.7
	191.2	168.2	**12.2**	27.5

Included within trade receivables are mortgage receivables of £10.2 million (2021: £17.9 million), including shared equity loans. Shared equity loans were provided to certain customers to facilitate their house purchase and are measured at fair value through profit or loss. Included within trade receivables is £34.5 million (2021: £1.7 million) of contract assets arising on construction contracts.

Cash and cash equivalents

	2022 £m	2021 £m
Cash and cash equivalents	**952.3**	921.0

£10.7 million (2021: £0.6 million) of cash and cash equivalents held in Spain from customer deposits can only be used for development expenditure on the sites to which the deposits relate. Further information on financial assets can be found in Note 20.

17. Bank and other loans

	2022 £m	2021 £m
€100.0 million 2.02% Senior Loan Notes 2023	**88.5**	84.0
	88.5	84.0

	2022 £m	2021 £m
Amounts due for settlement within one year	**88.5**	–
Amount due for settlement after one year	**–**	84.0
Total borrowings	**88.5**	84.0

Further information on loan facilities can be found in Note 20.

18. Trade and other payables

	Current		Non-current	
	2022 £m	2021 £m	2022 £m	2021 £m
Trade payables	**376.4**	274.3	**17.1**	19.3
Land creditors	**395.0**	314.2	**330.6**	492.2
Social security and other taxes	**9.6**	8.8	**–**	–
Customer deposits	**89.7**	82.4	**10.4**	20.9
Accruals	**230.8**	189.6	**–**	41.6
Deferred income	**23.7**	25.3	**39.2**	44.0
Other payables	**5.6**	7.3	**10.0**	11.3
	1,130.8	901.9	**407.3**	629.3

Revenue recognised in the current year that was included in the customer deposit balance brought forward at the beginning of the period was £82.4 million (2021: £82.8 million). Other payables include £11.1 million (2021: £13.9 million) of repayable grants.

Land creditors are denominated as follows:

	2022 £m	2021 £m
Sterling	**696.1**	782.1
Euros	**29.5**	24.3
	725.6	806.4

Land creditors of £493.0 million (2021: £523.1 million) are secured against land acquired for development.

Further information on financial liabilities can be found in Note 20.

19. Leases

The Group as a lessee

The Group's leases consist primarily of office premises and equipment.

Right-of-use assets:	Office premises £m	Equipment £m	Total £m
At 1 January 2022	17.6	8.9	26.5
At 31 December 2022	**17.0**	**9.3**	**26.3**
Additions during the year	**2.6**	**4.6**	**7.2**

Lease liabilities:	2022 £m	2021 £m
At 1 January	**27.4**	28.0
Additions	**7.2**	6.7
Disposals	**–**	(0.3)
Interest charge	**0.4**	0.4
Payments	**(8.0)**	(7.3)
Foreign exchange	**–**	(0.1)
At 31 December	**27.0**	27.4
Current	**7.3**	7.0
Non-current	**19.7**	20.4
Total	**27.0**	27.4

Amounts recognised in the income statement:	2022 £m	2021 £m
Depreciation charged on right-of-use office premises	**3.2**	3.1
Depreciation charged on right-of-use equipment	**4.2**	4.2
Interest on lease liabilities	**0.4**	0.4
Total	**7.8**	7.7

20. Financial instruments and fair value disclosures

Capital management

The Group's policy is to maintain a strong balance sheet and to have an appropriate funding structure. Shareholders' equity and term debt are used to finance non-current assets and the medium to long term inventories. Revolving credit facilities are used to finance net current assets, including development and construction costs. The Group's financing facilities contain the usual financial covenants including minimum interest cover and maximum gearing. The Group met these requirements throughout the year and up to the date of the approval of the financial statements. The Ordinary Dividend Policy is to return c.7.5% of net assets to shareholders annually, which will be at least £250 million per annum, in two equal instalments.

Financial assets and financial liabilities

Categories of financial assets and financial liabilities are as follows:

		Carrying value		Fair value	
Financial assets	Fair value hierarchy	31 December 2022 £m	31 December 2021 £m	31 December 2022 £m	31 December 2021 £m
Cash and cash equivalents	a	**952.3**	921.0	**952.3**	921.0
Land receivables	a	**16.3**	18.7	**16.3**	18.7
Other financial assets	a	**10.0**	10.0	**10.0**	10.0
Trade and other receivables	a	**136.4**	105.0	**136.4**	105.0
Mortgage receivables	b	**10.2**	17.9	**10.2**	17.9
		1,125.2	1,072.6	**1,125.2**	1,072.6

a. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements to approximate their fair value.

b. Mortgage receivables relate to sales incentives, including shared equity loans and are measured at fair value through profit or loss. The fair value is established based on a publicly available national house price index, being significant other observable inputs (level 2).

Land receivables and trade and other receivables are included in the balance sheet as trade and other receivables for current and non-current amounts. Current and non-current trade and other receivables, as disclosed in Note 16, include £40.5 million (2021: £54.1 million) of non-financial assets.

		Carrying value		Fair value	
Financial liabilities	Fair value hierarchy	31 December 2022 £m	31 December 2021 £m	31 December 2022 £m	31 December 2021 £m
Bank and other loans	a	**88.5**	84.0	**87.2**	84.8
Land creditors	b	**725.6**	806.4	**725.6**	806.4
Trade and other payables	b	**639.9**	543.3	**639.9**	543.3
Lease liabilities	b	**27.0**	27.4	**27.0**	27.4
		1,481.0	1,461.1	**1,479.7**	1,461.9

a. The fair value of the €100 million fixed rate loan notes has been determined by reference to external interest rates and the Directors' assessment of the margin for credit risk (level 2).

b. The Directors consider the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements to approximate their fair value.

Current and non-current trade and other payables, as disclosed in Note 18, include £172.6 million (2021: £181.5 million) of non-financial liabilities.

The Group has designated the carrying value of €79.0 million of foreign currency borrowings (2021: €79.0 million) as a net investment hedge, equating to £69.9 million (2021: £66.4 million).

The Group has no financial instruments with fair values that are determined by reference to significant unobservable inputs (level 3), nor have there been any transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

20. Financial instruments and fair value disclosures *continued*

Forward contracts have been entered into to offset the foreign exchange movements on intra-Group loans to buy/(sell) against Sterling: €30.5 million (2021: €9.5 million), equivalent to £27.0 million (2021: £8.0 million). The fair value of the forward contracts is not material as they were entered into on or near 31 December in each year and mature less than one month later, hence the value of the derivative is negligible.

Market risk

The Group's activities expose it to the financial risks of changes in both foreign currency exchange rates and interest rates. The Group aims to manage the exposure to these risks using fixed or variable rate borrowings, foreign currency borrowings and derivative financial instruments.

(a) Interest rate risk management

The Group can be exposed to interest rate risk as the Group borrows funds, when required, at variable interest rates. The exposure to variable rate borrowings can fluctuate during the year due to the seasonal nature of cash flows relating to housing sales and the less certain timing of land payments. Group policy is to manage the volatility risk of interest rates by a combination of fixed rate borrowings and interest rate swaps such that the sensitivity to potential changes in variable rates is within acceptable levels. Group policy does not allow the use of derivatives to speculate against changes to future interest rates and they are only used to manage exposure to volatility. Interest rate hedging using derivatives has not taken place in the current or previous year. This policy has not changed during the year.

To measure the risk, variable rate borrowings and the expected interest cost for the year are forecast monthly and compared to budget using management's expectations of a possible change in interest rates. Interest expense volatility remained within acceptable limits throughout the year.

Interest rate sensitivity

The effect on both income and equity, based on exposure to non-derivative floating rate instruments and cash and cash equivalents at the balance sheet date, is shown in the table below. The Group does not currently have any outstanding interest rate derivatives. The 1.00% (2021: 0.25%) change represents a reasonably possible change in interest rates over the next financial year. The table assumes all other variables remain constant in accordance with IFRS 7.

	Income sensitivity 2022 £m	Equity sensitivity 2022 £m	Income sensitivity 2021 £m	Equity sensitivity 2021 £m
1.00% (2021: 0.25%) increase in interest rates	**9.5**	**9.5**	2.3	2.3

	Income sensitivity 2022 £m	Equity sensitivity 2022 £m	Income sensitivity 2021 £m	Equity sensitivity 2021 £m
1.00% (2021: 0.25%) decrease in interest rates	**(9.5)**	**(9.5)**	(2.3)	(2.3)

(b) Foreign currency risk management

The Group's overseas activities expose it to the financial risks of changes in foreign currency exchange rates. Its Spanish subsidiary is the only foreign operation of the Group.

The Group is not materially exposed to transaction risks as all Group companies conduct their business in their respective functional currencies. Group policy requires that transaction risks are hedged to the functional currency of the subsidiary using foreign currency borrowings or derivatives where appropriate.

The Group is exposed to the translation risk from accounting for both the income and the net investment held in a functional currency other than Sterling. The net investment risk may be hedged using foreign currency borrowings and derivatives. Assets and liabilities denominated in non-functional currencies are retranslated each month using the latest exchange rates. Income is also measured monthly using the latest exchange rates and compared with a budget held at historical exchange rates. Other than the natural hedge provided by foreign currency borrowings, the translation risk of income is not hedged using derivatives. The policy is kept under periodic review and has not changed during the year.

Hedge accounting

Hedging activities are evaluated periodically to ensure that they are in line with Group policy.

The Group has designated the carrying value of €79.0 million of foreign currency borrowings (2021: €79.0 million) held at the balance sheet date as a net investment hedge of part of the Group's investment in Euro denominated assets, equating to £69.9 million (2021: £66.4 million).

The change in the carrying value of £3.5 million (2021: £4.8 million) of the borrowings designated as a net investment hedge offset the exchange movement on the foreign currency net investments and are presented in the statement of other comprehensive income.

Foreign currency sensitivity

The Group is exposed to the Euro due to its Spanish operations. The following table details how the Group's income and equity would increase/(decrease) on a before tax basis following a 10% (2021: 10%) change in the currency's value against Sterling, all other variables remaining constant. The 10% change represents a reasonably possible change in the specified Euro exchange rates in relation to Sterling.

20. Financial instruments and fair value disclosures *continued*

	Income sensitivity 2022 £m	Equity sensitivity 2022 £m	Income sensitivity 2021 £m	Equity sensitivity 2021 £m
Euro weakens against Sterling	**(0.9)**	**5.5**	(0.9)	5.1
Euro strengthens against Sterling	**1.0**	**(6.8)**	1.1	(6.2)

Credit risk

Credit risk is the risk of financial loss where counterparties are not able to meet their obligations.

Group policy is that surplus cash, when not used to repay borrowings, is placed on deposit with the Group's main relationship banks and with other banks or money market funds based on a minimum credit rating and maximum exposure. There is no significant concentration of risk to any single counterparty.

Land receivables arise from sales of surplus land on deferred terms. If the credit risk is not acceptable, then the deferred payment must have adequate security, either by an appropriate guarantee or a charge over the land. The fair value of any land held as security is considered by management to be sufficient in relation to the carrying amount of the receivable to which it relates.

Trade and other receivables comprise mainly amounts receivable from various housing associations, other housebuilders and amounts in relation to Help to Buy. Management considers that the credit quality of the various receivables is good in respect of the amounts outstanding and therefore credit risk is considered to be low. There is no significant concentration of risk.

Mortgage receivables, including shared equity loans, are in connection with various historical sales promotion schemes and are measured at fair value through profit or loss. The mortgages are secured by a second charge over the property with a low level of experienced credit losses due to non-payment.

The carrying amount of financial assets, as detailed above, represents the Group's maximum exposure to credit risk at the reporting date assuming that any security held has no value.

Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources available to meet its obligations as they fall due. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows, matching the expected cash flow timings of financial assets and liabilities with the use of cash and cash equivalents, borrowings, overdrafts and committed revolving credit facilities with a minimum of 12 months to maturity. Future borrowing requirements are forecast on a monthly basis and funding headroom is maintained above forecast peak requirements to meet unforeseen events. At 31 December 2022, the Group's borrowings and facilities had a range of maturities with an average life of 1.9 years (2021: 2.9 years).

In addition to €100.0 million fixed term borrowings maturing June 2023, the Group has access to a committed revolving credit facility, expiring February 2025, and cash balances. In December 2022 the Group entered into an agreement to refinance the maturing €100.0 million fixed term borrowings commencing 27 June 2023 at a coupon of 5.08% maturing 27 June 2030. The borrowings and facilities contain financial covenants based on minimum tangible net worth, maximum gearing and minimum interest cover. At the balance sheet date, the total unused committed amount was £550.0 million (2021: £550.0 million) and cash and cash equivalents were £952.3 million (2021: £921.0 million).

The maturity profile of the anticipated future cash flows including interest, using the latest applicable relevant rate, based on the earliest date on which the Group can be required to pay financial liabilities on an undiscounted basis, is as follows:

	Bank and other loans £m	Land creditors £m	Trade and other payables £m	Lease liabilities £m	Total £m
On demand	**–**	**–**	**–**	**–**	**–**
Within one year	**89.4**	**401.5**	**612.8**	**7.7**	**1,111.4**
More than one year and less than two years	**–**	**216.6**	**14.8**	**7.0**	**238.4**
More than two years and less than five years	**–**	**100.6**	**9.1**	**11.0**	**120.7**
More than five years	**–**	**31.0**	**3.2**	**2.6**	**36.8**
31 December 2022	**89.4**	**749.7**	**639.9**	**28.3**	**1,507.3**

	Bank and other loans £m	Land creditors £m	Trade and other payables £m	Lease liabilities £m	Total £m
On demand	–	–	–	–	–
Within one year	1.7	320.8	471.0	7.4	800.9
More than one year and less than two years	84.9	312.2	48.4	6.3	451.8
More than two years and less than five years	–	181.5	15.8	12.1	209.4
More than five years	–	23.3	8.1	2.6	34.0
31 December 2021	86.6	837.8	543.3	28.4	1,496.1

21. Retirement benefit obligations

Total retirement benefit obligations of £29.9 million (2021: £37.3 million) comprise a defined benefit pension liability of £29.6 million (2021: £37.0 million) and a post-retirement healthcare liability of £0.3 million (2021: £0.3 million).

The Group operates the Taylor Wimpey Pension Scheme (TWPS), a defined benefit pension scheme, which is closed to both new members and to future accrual. The Group also operates defined contribution pension arrangements in the UK, which are available to new and existing UK employees.

Defined contribution pension plan

A defined contribution plan is an arrangement under which the Group pays contributions to an independently administered fund or policy; such contributions are based on a fixed percentage of employees' pay. The Group has no legal or constructive obligations to pay further contributions to the fund/policy once the contributions have been paid. Employees' benefits are determined by the amount of contributions paid by the Group and the employee, together with investment returns earned on the contributions arising from the performance of each individual's chosen investments and the type of pension the employee chooses to buy at retirement. As a result, actuarial risk (that benefits will be lower than expected) and investment risk (that invested assets will not perform in line with expectations) fall on the employee.

The Group's contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group's defined contribution plan, the Taylor Wimpey Personal Choice Plan (TWPCP), is offered to all new and existing monthly paid employees and is provided by Scottish Widows. The People's Pension is used for auto enrolment purposes for all weekly paid employees and those monthly paid employees not participating in the TWPCP. The People's Pension is provided by People's Partnership, one of the UK's largest providers of financial benefits to construction industry employers and individuals.

The Group made contributions to its defined contribution arrangements of £15.4 million in the year (2021: £14.1 million), which is included in the income statement charge.

Defined benefit pension scheme

The Group's defined benefit pension scheme in the UK is the TWPS. The TWPS is a funded defined benefit pension scheme which provides benefits to beneficiaries in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on an individual member's length of service and their salary in the final years leading up to retirement or date of ceasing active accrual if earlier. Pension payments are generally increased in line with inflation. The TWPS is closed to new members and future accrual.

The Group operates the TWPS under the UK regulatory framework. Benefits are paid to members from a Trustee-administered fund and the Trustee is responsible for ensuring that the TWPS is well-managed and that members' benefits are secure. Scheme assets are held in trust.

The TWPS Trustee's other duties include managing the investment of scheme assets, administration of scheme benefits and exercising of discretionary powers. The Group works closely with the Trustee to manage the TWPS. The Trustee of the TWPS owes fiduciary duties to the TWPS' beneficiaries. The appointment of the Directors to the Trustee Board is determined by the TWPS trust documentation.

During 2020, the Group engaged with the TWPS Trustee on the triennial valuation of the TWPS with a reference date of 31 December 2019. The table below sets out the key assumptions agreed as part of this valuation.

Assumptions	
Discount rate (pre-retirement)	2.35% per annum above the yield on the nominal gilt yield curve. Illustrative rate of 3.51% using the 15-year spot rate from the curve
Discount rate (post-retirement)	0.50% per annum above the yield on the nominal gilt yield curve. Illustrative rate of 1.66% using the 15-year spot rate from the curve
RPI inflation	Implied inflation gilt yield curve. Illustrative rate of 3.40% using the 15-year spot rate from the curve
CPI inflation	RPI less 0.8%. Illustrative rate of 2.60% using the 15-year spot rate from the curve
Mortality	104% of S3PxA tables, CMI_2019 improvements with 1.50% long term trend rate, a smoothing factor of 7 and an initial addition parameter of 0.5%

The result of this valuation was a Technical Provisions deficit at 31 December 2019 of £36.0 million. In March 2021, a new funding arrangement was agreed with the TWPS Trustee that committed the Group to paying up to £20.0 million per annum into an escrow account between April 2021 and March 2024. The first six months of contributions (£10.0 million) between 1 April 2021 and 30 September 2021 were guaranteed. From 1 October 2021, payments into the escrow account are subject to a quarterly funding test with the first funding test having an effective date of 30 September 2021. Contributions to the escrow are suspended should the TWPS Technical Provisions funding level at any quarter-end be 100% or more and would restart only if the funding level subsequently falls below 98%. The funding test at 30 September 2021 showed a funding level of 103% and it has remained above 98% since then and therefore escrow payments were suspended on, and from, 1 October 2021. The Group continues to contribute £5.1 million per annum from the Pension Funding Partnership and £2.0 million per annum to cover scheme expenses.

21. Retirement benefit obligations *continued*

The escrow account, over which the TWPS Trustee holds a fixed charge, is recognised in other financial assets and at 31 December 2022 was £10.0 million (31 December 2021: £10.0 million). Transfers out of the escrow account (either to the TWPS or the Group) are subject to the 2019 triennial funding arrangement entered into between the Group and the Trustee and as such the funds are restricted from use by the Group for other purposes and are therefore not classified as cash or cash equivalents. Interest earned by the escrow account is retained within the escrow account.

On an IAS 19 accounting basis the underlying surplus in the TWPS at 31 December 2022 was £76.6 million (2021: £149.9 million). The terms of the TWPS are such that the Group does not have an unconditional right to a refund of surplus. As a result, the Group recognised an adjustment to the underlying surplus in the TWPS on an IAS 19 accounting basis of £106.2 million (2021: £186.9 million), resulting in an IFRIC 14 deficit of £29.6 million (2021: £37.0 million), which represented the present value of future contributions under the funding plan.

In 2013, the Group introduced a £100.0 million Pension Funding Partnership that utilises the Group's show homes, as well as six offices, in a sale and leaseback structure. This provides an additional £5.1 million of annual funding for the TWPS. The assets held within the Pension Funding Partnership do not affect the IAS 19 figures (before IFRIC 14) as they remain assets of the Group, and are not assets of the TWPS. At 31 December 2022 there was £75.2 million of property and £39.8 million of cash held within the structure (2021: £81.8 million of property and £31.0 million of cash). The terms of the Funding Partnership are such that, should the TWPS be in a Technical Provisions deficit at 31 December 2028, then a bullet payment will be due to the TWPS equal to the lower of £100.0 million or the Technical Provisions deficit at that time.

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks. The TWPS assets are approximately 96% (2021: 96%) hedged against changes in both interest rates and inflation expectations on the scheme's long term funding basis that is currently used for investment strategy purposes. The TWPS also benefits from a bulk annuity contract which covers some of the largest liabilities in the scheme, providing protection against interest rate, inflation and longevity risk.

The weighted average duration of the defined benefit obligation at the end of the year is approximately 12 years (2021: approximately 16 years).

Accounting assumptions

The assumptions used in calculating the accounting costs and obligations of the TWPS, as detailed below, are set by the Directors after consultation with independent actuaries. The basis for these assumptions is prescribed by IAS 19 and they do not reflect the assumptions that may be used in future funding valuations of the TWPS.

The discount rate used to determine the present value of the obligations is set by reference to market yields on high-quality corporate bonds with regard for the duration to the TWPS liabilities. The assumption for RPI inflation is set by reference to the Bank of England's implied inflation curve with regard to the duration of the TWPS liabilities, with appropriate adjustments to reflect distortions due to supply and demand for inflation-linked securities. CPI inflation is set by reference to RPI inflation as no CPI-linked bonds exist to render implied CPI inflation directly observable.

The mortality assumption is based on 102% of S3PxA tables, CMI_2021 improvements with a 1.25% long term trend rate, a smoothing factor of 7, an initial addition parameter of 0.25% and a w2020 and w2021 parameter of 10%. The mortality assumption used in 2021 was 106% of S3PxA tables, CMI_2020 improvements with a 1.25% long term trend rate, a smoothing factor of 7, an initial addition parameter of 0.25% and a w2020 parameter of 15%.

Accounting valuation assumptions	2022	2021
At 31 December:		
Discount rate for scheme liabilities	**4.95%**	1.85%
General pay inflation	**n/a**	n/a
Deferred pension increases	**2.30%**	2.50%
Pension increases*	**2.10%-3.65%**	2.15%-3.70%

* Pension increases depend on the section of the TWPS of which each member is a part.

The current life expectancies (in years) underlying the value of the accrued liabilities for the TWPS are:

	2022		2021	
Life expectancy	Male	Female	Male	Female
Member currently aged 65	**87**	**89**	86	89
Member currently aged 45	**88**	**91**	88	90

21. Retirement benefit obligations *continued*

The table below shows the impact to the present value of scheme liabilities of movements in key assumptions, measured using the same method as the defined benefit scheme.

Assumption	Change in assumption	Impact on scheme liabilities	Impact on scheme liabilities (%)
Discount rate	Decrease by 0.5% p.a.	Increase by £89m	5.3
Rate of inflation*	Increase by 0.5% p.a.	Increase by £51m	3.0
Life expectancy	Members live 1 year longer	Increase by £65m	3.9

* Assumed to affect deferred revaluation and pensioner increases in payment.

The sensitivity of increasing life expectancy has been reduced by the medically underwritten buy-in. See the section on risks and risk management at the end of this note.

31 December 2022 Fair value of scheme assets of the TWPS	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Percentage of total scheme assets
Equity[a]	–	38.3	–	38.3	2.3%
Diversified growth funds[b]	–	139.3	–	139.3	8.5%
Hedge funds[c]	–	–	220.3	220.3	13.4%
Property	0.1	–	2.3	2.4	0.1%
Multi-asset credit	32.5	152.1	–	184.6	11.2%
Direct lending	0.1	–	142.5	142.6	8.7%
Fixed income	6.0	172.2	–	178.2	10.8%
Liability driven investment[d]	165.0	428.8	–	593.8	36.1%
Insurance policies in respect of certain members	–	–	142.0	142.0	8.6%
Cash	4.8	–	–	4.8	0.3%
	208.5	930.7	507.1	1,646.3	100.0%

31 December 2021 Fair value of scheme assets of the TWPS	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Percentage of total scheme assets
Equity[a]	–	43.4	–	43.4	1.7%
Diversified growth funds[b]	–	357.8	–	357.8	14.6%
Hedge funds[c]	–	–	189.8	189.8	7.8%
Property	2.7	–	6.7	9.4	0.4%
Multi-asset credit	0.4	274.0	–	274.4	11.2%
Direct lending	1.3	–	144.8	146.1	6.0%
Fixed income	2.4	102.4	–	104.8	4.3%
Liability driven investment[d]	(252.5)	1,376.6	–	1,124.1	46.0%
Insurance policies in respect of certain members	–	–	191.0	191.0	7.8%
Cash	4.5	–	–	4.5	0.2%
	(241.2)	2,154.2	532.3	2,445.3	100.0%

(a) This amount relates to Volatility Controlled Equities (VCE). This fund has 2.5 – 8x leverage exposure, with a target of 4x. The leverage at 31 December 2022 was 5.2x (31 December 2021: 2.6x).
(b) This amount relates to the Scheme's Diversified Risk Premia (DRP) allocation. The leverage on the two funds in the DRP allocation at 31 December 2022 was 0.2x and 0.5x respectively (31 December 2021: 1.0x and -0.2x).
(c) The leverage on this fund at 31 December 2022 was 0.7x (31 December 2021: 0.8x).
(d) The bespoke Liability Driven Investment (LDI) fund is designed to protect the Scheme against movements in interest rates and inflation. The overall leverage on the LDI fund at 31 December 2022 was approximately 3.7x (31 December 2021: 3.1x).

The value of the annuities held by the TWPS are set equal to the value of the liabilities which these annuities match. All other fair values are provided by the fund managers and collated by Northern Trust as custodian, who independently price the securities from their preferred vendor sources where the data is publicly available and rely on investment manager data where this information is not available. Where available, the fair values are quoted prices (e.g. listed equity). Unlisted investments (e.g. private equity) are included at values provided by the fund manager in accordance with relevant guidance. Other significant assets are valued based on observable inputs.

There are no investments in respect of the Group's own securities.

21. Retirement benefit obligations *continued*

The table below details the movements in the TWPS pension liability and assets recorded through the income statement and other comprehensive income.

	2022			2021		
	Present value of obligation £m	Fair value of scheme assets £m	Asset/(liability) recognised on balance sheet £m	Present value of obligation £m	Fair value of scheme assets £m	Asset/(liability) recognised on balance sheet £m
At 1 January	**(2,482.3)**	**2,445.3**	**(37.0)**	(2,493.4)	2,404.3	(89.1)
Administration expenses	**–**	**(2.3)**	**(2.3)**	–	(2.2)	(2.2)
Interest (expense)/income	**(44.9)**	**44.3**	**(0.6)**	(31.7)	30.7	(1.0)
Total amount recognised in income statement	**(44.9)**	**42.0**	**(2.9)**	(31.7)	28.5	(3.2)
Remeasurement (loss)/gain on scheme assets	**–**	**(746.1)**	**(746.1)**	–	102.9	102.9
Change in demographic assumptions	**(20.0)**	**–**	**(20.0)**	29.3	–	29.3
Change in financial assumptions	**758.8**	**–**	**758.8**	131.6	–	131.6
Experience loss	**(73.6)**	**–**	**(73.6)**	(39.0)	–	(39.0)
Adjustment to liabilities for IFRIC 14	**84.1**	**–**	**84.1**	(186.9)	–	(186.9)
Total remeasurements in other comprehensive income	**749.3**	**(746.1)**	**3.2**	(65.0)	102.9	37.9
Employer contributions	**–**	**7.1**	**7.1**	–	17.4	17.4
Employee contributions	**–**	**–**	**–**	–	–	–
Benefit payments	**102.0**	**(102.0)**	**–**	107.8	(107.8)	–
At 31 December	**(1,675.9)**	**1,646.3**	**(29.6)**	(2,482.3)	2,445.3	(37.0)

Accounting valuation	2022 £m	2021 £m
Fair value of scheme assets	**1,646.3**	2,445.3
Present value of scheme obligations	**(1,569.7)**	(2,295.4)
Surplus in scheme	**76.6**	149.9
IFRIC 14 limitation on recognition of surplus	**(106.2)**	(186.9)
Deficit after IFRIC 14 adjustment	**(29.6)**	(37.0)

Risks and risk management

The TWPS, in common with the majority of such defined benefit pension schemes in the UK, has a number of areas of risk. These areas of risk, and the ways in which the Group has sought to manage them, are set out in the table below.

The risks are considered from both a funding perspective, which drives the cash commitments of the Group, and from an accounting perspective, i.e. the extent to which such risks affect the amounts recorded in the Group's financial statements.

Although investment decisions in the UK are the responsibility of the TWPS Trustee, the Group takes an active interest to ensure that the pension scheme risks are managed efficiently. The Group has regular meetings with the Trustee to discuss investment performance, regulatory changes and proposals to actively manage the position of the TWPS.

Risk	Description
Asset volatility	The TWPS strategy remains well diversified through its exposure to a range of asset classes, including volatility-controlled equities, commercial real estate debt, direct loans, fund of hedge funds, Government bonds and a broad spectrum of corporate bonds and other fixed income exposures. The TWPS invests across a number of managers to reduce manager concentration risk. The TWPS does not target a specific asset allocation but instead bases its strategic asset allocation on the return objectives and risk constraints agreed upon by the Trustee. These were revisited and reviewed in 2021 to ensure they reflected the TWPS latest position. Given the TWPS' funding position, the Trustee reaffirmed the target date of 2025 to reach full funding on the long term funding objective basis. The TWPS risk budget was also reduced from a funding-ratio-at-risk measure of 7.5% to 6.0%. In response to the significant increases in bond yields over 2022, and in particular the volatile markets at the start of Q3, the Trustee decided to sell some of the TWPS' liquid assets in order to ensure sufficient collateral in support of the liability-hedging programme. This has led to short-term changes in the overall investment strategy which is reflected in the asset allocation at the end of the reporting period. The Company and Trustee are in ongoing discussions around how to rebalance the portfolio to meet the agreed expected return and risk budgets.

21. Retirement benefit obligations *continued*

Risk	Description
Changes in bond yields	Falling bond yields tend to increase the funding and accounting liabilities. However, the investment in bond and liability-matching derivatives offers a significant degree of matching, i.e. the movement in assets arising from changes in bond yields substantially matches the movement in the funding or accounting liabilities. In this way, the exposure to movements in bond yields is reduced.
Investing in foreign currency	To maintain appropriate diversification of investments within the TWPS assets and to take advantage of overseas investment returns, a proportion of the underlying investment portfolio is invested overseas. To balance the risk of investing in foreign currencies while having an obligation to settle benefits in Sterling, a currency hedging programme, using forward foreign exchange contracts, has been put in place to reduce the currency exposure of these overseas investments to the targeted level.
Asset/liability mismatch	In order to manage the TWPS' economic exposure to interest rates and inflation rates, a liability-hedging programme has been put in place. Derivatives are used to hedge changes in the TWPS' assets from changes in its liabilities, substantially reducing asset/liability mismatch risk. However, it is only possible to target matching of the assets with the liabilities assessed on one measure. Due to its relevance in driving Company contributions, the current policy is to assess the matching against the TWPS' long term funding basis. This can lead to a slight mis-match between the assets and the liabilities assessed on the Company's accounting basis, in particular if there is a change in corporate bond yield spreads.
Liquidity	The TWPS requires sufficient liquidity to meet benefit payments, and to ensure sufficient collateral to support the liability-hedging programme. Market volatility in Q3/Q4 2022 required use of TWPS' liquid assets to ensure sufficient collateral was maintained. Although the existing processes ensured sufficient liquidity throughout the volatility, these processes have been updated to provide further liquidity, and now include holding sufficient assets within the liability-hedging programme to cover the impact of a further 4.0% increase in yields. The manager of the liability-hedging programme also has direct access to further liquid assets to an overall buffer in excess of a 6.0% increase in yields, which is significantly in excess of the increase seen during the recent market turmoil. Across the portfolio, the TWPS has liquid assets which could be sold at short notice if required. In particular, 50% are managed in either segregated accounts or daily/weekly dealt pooled funds and can be realised within a few business days under normal market conditions, and 3% are invested in pooled funds with monthly redemption dates. Of the remaining assets, 30% could be redeemed within approximately six to nine months of notification in normal market conditions, and the rest are made up of illiquid assets including insurance policies, real estate and illiquid debt (which include commercial real estate debt and direct lending bonds).
Life expectancy	The majority of the TWPS obligations are to provide a pension for the life of the member on retirement, so increases in life expectancy will result in an increase in the TWPS' liabilities. The inflation-linked nature of the majority of benefit payments from the TWPS increases the sensitivity of the liabilities to changes in life expectancy. During 2014, the Group reached agreement with Partnership Life Assurance Company Limited (now Just Group plc) to insure the benefits of 10% of members with the greatest anticipated liabilities through a medically underwritten buy-in. By insuring these members, the Group has removed more than 10% of longevity risk from the TWPS by significantly reducing the longevity risk in relation to a large proportion of the liabilities.
Climate risk	The TWPS Trustee recognises that climate change is a financial risk affecting the TWPS assets. The TWPS Trustee integrates the monitoring of appropriate climate risk metrics into its risk management framework and considers these metrics when making investment decisions. The TWPS Trustee requires its appointed investment managers to integrate climate change risks and opportunities into their investment processes as applied to the assets of the TWPS.

22. Provisions

	Cladding fire safety £m	Leasehold £m	Other £m	Total £m
At 1 January 2021	28.6	59.6	42.3	130.5
Additions	125.0	–	19.8	144.8
Utilisation	(9.1)	(6.0)	(8.0)	(23.1)
Released	–	–	(6.8)	(6.8)
Foreign exchange	–	–	(0.3)	(0.3)
At 31 December 2021	144.5	53.6	47.0	245.1
Additions	**80.0**	**–**	**23.9**	**103.9**
Utilisation	**(15.8)**	**(30.1)**	**(7.6)**	**(53.5)**
Released	**–**	**–**	**(5.4)**	**(5.4)**
Foreign exchange	**–**	**–**	**0.2**	**0.2**
At 31 December 2022	**208.7**	**23.5**	**58.1**	**290.3**

	2022 £m	2021 £m
Current	**106.7**	125.4
Non-current	**183.6**	119.7
31 December	**290.3**	245.1

In 2018 the Group established an exceptional provision for the cost of replacing ACM on a small number of legacy developments, which was increased by £10.0 million in 2020 to reflect the latest estimate of costs to complete the planned works. Following the guidance issued by RICS in 2021 the Group announced an additional £125.0 million provision to fund cladding fire safety improvements and in 2022 recognised a further £80.0 million (see Note 6). It is expected that around a fifth of the remaining provision will be utilised over the next 12 months.

In 2017 the Group launched an assistance scheme to help certain customers restructure their ground rent agreements with their freeholder and established an associated provision of £130.0 million to fund this. Following the agreement of voluntary undertakings with the CMA the Group expects that the majority of the remaining provision will be utilised within the next 12 months.

Other provisions consist of a remedial work provision covering various obligations on a limited number of sites across the Group. Other provisions also include amounts for restructuring costs and legal claims and other contract-related costs associated with various matters arising across the Group, the majority of which are anticipated to be settled within a three-year period; however, there is some uncertainty regarding the timing of these outflows due to the nature of the claims and the length of time it can take to reach settlement.

23. Share capital

	2022 £m	2021 £m
Authorised:		
22,200,819,176 (2021: 22,200,819,176) ordinary shares of 1p each	**222.0**	222.0
1,158,299,201 (2021: 1,158,299,201) deferred ordinary shares of 24p each	**278.0**	278.0
	500.0	500.0

	Number of ordinary shares	Number of deferred ordinary shares	£m
Issued and fully paid:			
31 December 2021	3,648,591,179	1,065,566,274	292.2
Shares issued in year	**336,286**	**–**	**–**
Shares cancelled in year	**(91,942,362)**	**–**	**(0.9)**
31 December 2022	**3,556,985,103**	**1,065,566,274**	**291.3**

23. Share capital *continued*

The Placing, Retail and Subscription shares placed rank pari passu in all respects with the existing ordinary shares of the Company, including, without limitation, the right to receive all dividends and other distributions declared, made or paid after the date of issue.

During the year, the Company issued 0.3 million (2021: 3.2 million) ordinary shares to satisfy option exercises; and purchased 116,942,362 of its own ordinary shares, of which 25,000,000 were transferred to be held in treasury and the remainder cancelled. The average share price of the purchased shares was 128.27 pence for a total cost, including expenses, of £151.3 million.

The Company has two classes of shares:

- Ordinary shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association.
- Deferred ordinary shares of 24p, which carry no voting rights and no entitlement to any dividend. The deferred ordinary shares were issued as part of a capital reorganisation in 2009 and have not subsequently changed.

24. Share premium

	2022 £m	2021 £m
At 1 January	**777.5**	773.1
Shares issued in year	**0.4**	4.4
At 31 December	**777.9**	777.5

25. Other reserves

	Capital redemption reserve £m	Translation reserve £m	Other £m	Total other reserves £m
Balance at 1 January 2021	31.5	8.2	504.0	543.7
Exchange differences on translation of foreign operations	–	(6.9)	–	(6.9)
Movement in fair value of hedging instruments	–	4.8	–	4.8
Balance at 31 December 2021	31.5	6.1	504.0	541.6
Exchange differences on translation of foreign operations	**–**	**6.6**	**–**	**6.6**
Movement in fair value of hedging instruments	**–**	**(3.5)**	**–**	**(3.5)**
Shares repurchased and cancelled in year	**0.9**	**–**	**–**	**0.9**
Balance at 31 December 2022	**32.4**	**9.2**	**504.0**	**545.6**

Capital redemption reserve

The capital redemption reserve arose on a redemption of the Company's shares and is not distributable.

Translation reserve

The translation reserve consists of exchange differences arising on the translation of overseas operations. It also includes changes in the fair value of hedging instruments where such instruments are designated and effective as hedges of investment in overseas operations.

Other reserves

£499.1 million of other reserves arose on the cash box placing that occurred in June 2020 and qualified for merger relief under Section 612 of the Companies Act 2006.

26. Own shares

	£m
Balance at 1 January 2021	11.5
Shares acquired	4.2
Disposed of on exercise of options	(1.1)
Balance at 31 December 2021	14.6
Shares acquired	**33.8**
Disposed of on exercise of options	**(5.3)**
Balance at 31 December 2022	**43.1**

The own shares reserve represents the cost of shares in Taylor Wimpey plc purchased in the market, those held as treasury shares and those held by the Taylor Wimpey Employee Share Ownership Trusts to satisfy options and conditional share awards under the Group's share plans.

Million shares	2022	2021
Ordinary shares held in trust and treasury for bonus, option and performance award plans	**30.9**	9.1

During the year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs (2021: £4.2 million) and purchased £33.8 million of its own shares to be held in treasury (2021: none). The market value of the shares held in the ESOT and treasury at 31 December 2022 was £31.4 million (2021: £16.0 million) and their nominal value was £0.4 million (2021: £0.1 million). Dividends on these shares have been waived except for a nominal aggregate amount in pence.

ESOTs are used to hold the Company's shares which have been acquired on the market. These shares and those held in treasury are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme, Bonus Deferral Plan, Performance Share Plan, Savings-Related Share Option Scheme and the matching award of shares under the Share Incentive Plan.

The ESOTs' entire holding of shares and those held in treasury at 31 December 2022 were covered by outstanding options and conditional awards over shares at that date.

27. Notes to the cash flow statement

Cash and cash equivalents comprise cash at bank and other short term highly liquid investments with an original maturity of three months or less.

Movement in net cash

	Cash and cash equivalents £m	Bank and other loans £m	Total net cash £m
Balance at 1 January 2021	823.0	(103.6)	719.4
Net cash flow	99.9	12.7	112.6
Foreign exchange	(1.9)	6.9	5.0
Balance at 31 December 2021	921.0	(84.0)	837.0
Net cash flow	**28.7**	**–**	**28.7**
Foreign exchange	**2.6**	**(4.5)**	**(1.9)**
Balance at 31 December 2022	**952.3**	**(88.5)**	**863.8**

For movements in lease liabilities in the year see Note 19. Inventory working capital movements in the cashflow statement include the related movements in land debtors and land creditors.

28. Contingent liabilities and capital commitments

The Group in the normal course of business has given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts and has given guarantees in respect of the Group's share of certain contractual obligations of joint ventures. The possibility of any outflow in settlement for these is considered to be remote.

The Group has entered into counter-indemnities in the normal course of business in respect of performance bonds.

Provision is made for the Directors' best estimate of all known legal claims and all legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed.

The Group has no significant capital commitments at 31 December 2022 (2021: none).

29. Share-based payments

Equity-settled share option plan

Details of equity-settled share-based payment arrangements are set out in the Directors' Remuneration Report on pages 124 to 148. The tables below show the movements in the schemes in the year as well as their weighted average exercise price (WAEP).

	2022		2021	
Sharesave (SAYE):	Options	WAEP (in £)	Options	WAEP (in £)
Outstanding at the beginning of the year	**24,020,334**	**1.11**	28,381,982	1.10
Granted during the year	**15,785,250**	**0.83**	3,544,980	1.42
Forfeited during the year	**(9,591,033)**	**1.11**	(4,732,096)	1.10
Exercised during the year	**(805,811)**	**1.30**	(3,174,532)	1.39
Outstanding at the end of the year	**29,408,740**	**0.95**	24,020,334	1.11
Exercisable at the end of the year	**2,245,075**	**1.24**	1,189,180	1.31

The remaining Sharesave options outstanding at 31 December 2022 had a range of exercise prices from £0.83 to £1.59 (2021: £0.97 to £1.59) and a weighted average remaining contractual life of 3.03 years (2021: 2.89 years).

	2022		2021	
Share Incentive Plan (SIP):	Options	WAEP (in £)	Options	WAEP (in £)
Outstanding at the beginning of the year	**6,496,507**	**–**	6,722,389	–
Granted during the year	**2,012,970**	**–**	1,440,388	–
Forfeited during the year	**(713,665)**	**–**	(811,540)	–
Exercised during the year	**(507,114)**	**–**	(854,730)	–
Outstanding at the end of the year	**7,288,698**	**–**	6,496,507	–
Exercisable at the end of the year	**3,288,991**	**–**	2,891,221	–

The table above represents shares that are granted to employees on a matching basis; when the employee joins the scheme, purchased shares are matched on a 1:1 basis and these awards do not expire.

	2022		2021	
Performance Share Plan (PSP):	Options	WAEP (in £)	Options	WAEP (in £)
Outstanding at the beginning of the year	**15,731,848**	**–**	20,116,944	–
Granted during the year	**1,891,265**	**–**	1,967,813	–
Forfeited during the year	**(5,700,993)**	**–**	(5,995,692)	–
Exercised during the year	**(1,378,843)**	**–**	(357,217)	–
Outstanding at the end of the year	**10,543,277**	**–**	15,731,848	–
Exercisable at the end of the year	**–**	**–**	–	–

The conditional awards outstanding at 31 December 2022 had a weighted average remaining contractual life of 1.24 years (2021: 1.35 years).

The average share price at the date of exercise across all options exercised during the period was £1.32 (2021: £1.68). For share plans granted during the current and preceding year, the fair value of the awards at the grant date was determined as follows:

	Share awards with no market conditions		Share awards with market conditions	
	2022	2021	2022	2021
Model	**Binomial**	Binomial	**Monte Carlo**	Monte Carlo
Weighted average share price	**£0.93**	£1.61	**£1.30**	£1.79
Weighted average exercise price	**£0.77**	£1.07	**Nil**	Nil
Expected volatility	**41%**	41%	**42%**	41%
Expected life	**3/5 years**	3/5 years	**3 years**	3 years
Risk-free rate	**4.2%**	0.5%	**1.46%**	0.1%
Expected dividend yield	**4.24%**	4.36%	**0.0%**	0.0%
Weighted average fair value of options granted in year	**£0.34**	£0.73	**£0.72**	£0.95

Expected volatility was determined by calculating the historical volatility of the Group's share price over the expected term. The expected life used in the model was based on historical exercise patterns.

The Group recognised a share-based payment expense of £14.1 million in the year (2021: £13.3 million), which was composed of £14.0 million in relation to equity settled schemes and £0.1 million in relation to cash settled elements (2021: £13.2 million and £0.1 million).

30. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. The pension schemes of the Group are related parties. Arrangements between the Group and its pension schemes are disclosed in Note 21. Transactions between the Group and its joint ventures are disclosed below. The Group has loans with joint ventures that are detailed in Note 13.

Trading transactions

During the year, Group sales to joint ventures totalled £17.2 million (2021: £22.9 million) and purchases totalled £5.4 million (2021: £24.2 million). Interest received from joint ventures was £1.8 million (2021: £1.7 million). At 31 December 2022 receivables from joint ventures were £40.5 million (31 December 2021: £69.0 million) and payables were £0.9 million (31 December 2021: £0.7 million).

Remuneration of key management personnel

The key management personnel of the Group are the members of the Group Management Team (GMT) as presented on pages 92 to 93. The remuneration information for the Executive Directors is set out in the Remuneration Report on page 136. The aggregate compensation for the other members of the GMT is as follows:

	2022 £m	2021 £m
Short term employee benefits	**4.2**	4.6
Post-employment benefits	**0.3**	0.3
Total (excluding share-based payments charge)	**4.5**	4.9

In addition to the amounts above, a share-based payment charge of £2.1 million (2021: £1.7 million) related to share options held by members of the GMT.

31. Dividends

	2022 £m	2021 £m
Proposed		
Interim dividend 2022: 4.62p (2021: 4.14p) per ordinary share of 1p each	**162.9**	150.8
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**169.0**	162.0
	331.9	312.8
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2021: 4.44p (2020: 4.14p) per ordinary share of 1p each	**160.9**	150.7
Interim dividend 2022: 4.62p (2021: 4.14p) per ordinary share of 1p each	**162.9**	150.8
	323.8	301.5

The Directors recommend a final dividend for the year ended 31 December 2022 of 4.78 pence per share (2021: 4.44 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169.0 million based on the number of shares in issue at the end of the year (2021: £160.9 million). The final dividend will be paid on 12 May 2023 to all shareholders registered at the close of business on 31 March 2023.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2022.

32. Alternative performance measures

The Group uses a number of alternative performance measures (APMs) which are not defined within UK-adopted international accounting standards. The Directors use these measures in order to assess the underlying operational performance of the Group and, as such, these measures should be considered alongside statutory measures. The following APMs are referred to throughout the year end results.

Profit before taxation and exceptional items and profit for the period before exceptional items

The Directors consider the removal of exceptional items from the reported results provides more clarity on the performance of the Group. They are reconciled to profit before tax and profit for the period on the face of the consolidated income statement.

Operating profit and operating profit margin

Throughout the Annual Report and Accounts operating profit is used as one of the main measures of performance. Operating profit is defined as profit on ordinary activities before net finance costs, exceptional items and tax, after share of results of joint ventures. The Directors consider this to be an important measure of the underlying performance of the Group. Operating profit margin is calculated as operating profit divided by total revenue.

	2022	2021
Profit on ordinary activities before net finance costs (£m)	**827.5**	698.2
Adjusted for:		
Share of results of joint ventures (£m) (Note 13)	**15.9**	5.4
Exceptional items (£m) (Note 6)	**80.0**	125.0
Operating profit (£m)	**923.4**	828.6
Revenue (£m) (Note 4)	**4,419.9**	4,284.9
Operating profit margin	**20.9%**	19.3%

Net operating assets

Net operating assets is defined as basic net assets less net cash, excluding net taxation balances and accrued dividends. Average net operating assets is the average of the opening and closing net operating assets of the 12-month period. With return on net operating assets, the Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2022	2021	2020
Basic net assets (£m)	**4,502.1**	4,314.0	4,016.8
Adjusted for:			
Cash (£m) (Note 16)	**(952.3)**	(921.0)	(823.0)
Borrowings (£m) (Note 17)	**88.5**	84.0	103.6
Net taxation (£m)	**(18.8)**	(26.4)	(32.6)
Accrued dividends (£m)	**–**	–	–
Net operating assets (£m)	**3,619.5**	3,450.6	3,264.8
Average basic net assets (£m)	**4,408.1**	4,165.4	
Average net operating assets (£m)	**3,535.1**	3,357.7	

Return on net operating assets

Return on net operating assets is defined as rolling 12-month operating profit divided by the average of opening and closing net operating assets. The Directors consider this to be an important measure of the underlying operating efficiency and performance of the Group.

	2022	2021
Operating profit (£m)	**923.4**	828.6
Average net operating assets (£m)	**3,535.1**	3,357.7
Return on net operating assets	**26.1%**	24.7%

Tangible net assets per share

This is calculated as net assets before any accrued dividends, excluding goodwill and intangible assets, divided by the number of ordinary shares in issue at the end of the period. The Directors consider this to be a good measure of the value intrinsic within each ordinary share.

	2022	2021
Basic net assets (£m)	**4,502.1**	4,314.0
Adjusted for:		
Intangible assets (£m) (Note 11)	**(4.2)**	(6.6)
Tangible net assets (£m)	**4,497.9**	4,307.4
Ordinary shares in issue (millions)	**3,557.0**	3,648.6
Tangible net assets per share (pence)	**126.5**	118.1

32. Alternative performance measures *continued*

Adjusted basic and diluted earnings per share

This is calculated as earnings attributed to shareholders of the Parent, excluding exceptional items and tax on exceptional items, divided by the weighted average number of shares in issue during the period. The Directors consider this provides an important measure of the underlying earnings capacity of the Group. Note 10 shows a reconciliation from basic and diluted earnings per share to adjusted basic and diluted earnings per share.

Net operating asset turn

This is defined as 12-month rolling total revenue divided by the average of opening and closing net operating assets. The Directors consider this to be a good indicator of how efficiently the Group is utilising its assets to generate value for shareholders.

	2022	2021
Revenue (£m) (Note 4)	**4,419.9**	4,284.9
Average net operating assets (£m)	**3,535.1**	3,357.7
Net operating asset turn	**1.25**	1.28

Net cash

Net cash is defined as total cash less total borrowings (bank and other loans). This is considered by the Directors to be the best indicator of the financing position of the Group. This is reconciled in Note 27.

Cash conversion

This is defined as cash generated from operations, which excludes payments relating to exceptional charges, divided by operating profit on a rolling 12-month basis. The Directors consider this measure to be a good indication of how efficiently the Group is turning profit into cash.

	2022	2021
Cash generated from operations (£m)	**705.0**	574.7
Operating profit (£m)	**923.4**	828.6
Cash conversion	**76.3%**	69.4%

Adjusted gearing

This is defined as adjusted net debt divided by basic net assets. The Directors consider this to be a more representative measure of the Group's gearing levels. Adjusted net debt is defined as net cash less land creditors.

	2022	2021
Cash (£m) (Note 16)	**952.3**	921.0
Loans (£m) (Note 17)	**(88.5)**	(84.0)
Net cash (£m)	**863.8**	837.0
Land creditors (£m) (Note 18)	**(725.6)**	(806.4)
Adjusted net debt (£m)	**138.2**	30.6
Basic net assets (£m)	**4,502.1**	4,314.0
Adjusted gearing	**(3.1)%**	(0.7)%

33. Post balance sheet events

There were no material subsequent events affecting the Group after 31 December 2022.

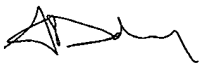
Company balance sheet

at 31 December 2022

	Note	2022 £m	2021 £m
Non-current assets			
Investments in Group undertakings	4	**4,500.6**	2,446.2
Trade and other receivables	5	**63.4**	2,243.0
		4,564.0	4,689.2
Current assets			
Trade and other receivables	5	**512.9**	609.2
Cash and cash equivalents		**868.3**	877.1
		1,381.2	1,486.3
Current liabilities			
Trade and other payables	6	**(766.5)**	(1,439.3)
Bank and other loans	7	**(88.5)**	–
		(855.0)	(1,439.3)
Net current assets		**526.2**	47.0
Total assets less current liabilities		**5,090.2**	4,736.2
Non-current liabilities			
Trade and other payables	6	**–**	(0.6)
Bank and other loans	7	**–**	(84.0)
Provisions		**(1.0)**	(1.0)
Net assets		**5,089.2**	4,650.6
Equity			
Share capital	8	**291.3**	292.2
Share premium	9	**777.9**	777.5
Own shares	10	**(43.1)**	(14.6)
Other reserves	11	**536.0**	535.1
Retained earnings	12	**3,527.1**	3,060.4
Total equity		**5,089.2**	4,650.6

As permitted by Section 408 of the Companies Act 2006, Taylor Wimpey plc has not presented its own income statement. The profit of the Company for the financial year was £897.6 million (2021: £519.3 million).

The financial statements were approved by the Board of Directors and authorised for issue on 1 March 2023. They were signed on its behalf by:



J Daly
Director

C Carney
Director

Company statement of changes in equity

for the year to 31 December 2022

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2021		292.2	773.1	(11.5)	535.1	2,830.0	4,418.9
Profit for the year		–	–	–	–	519.3	519.3
Total comprehensive income for the year		–	–	–	–	519.3	519.3
New share capital subscribed		–	4.4	–	–	–	4.4
Own shares acquired		–	–	(4.2)	–	–	(4.2)
Utilisation of own shares		–	–	1.1	–	–	1.1
Cash cost of satisfying share options		–	–	–	–	(0.6)	(0.6)
Capital contribution on share-based payments		–	–	–	–	13.2	13.2
Dividends approved and paid	15	–	–	–	–	(301.5)	(301.5)
Total equity at 31 December 2021		292.2	777.5	(14.6)	535.1	3,060.4	4,650.6
Profit for the year		**–**	**–**	**–**	**–**	**897.6**	**897.6**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**897.6**	**897.6**
New share capital subscribed		**–**	**0.4**	**–**	**–**	**–**	**0.4**
Own shares acquired and cancelled	8	**(0.9)**	**–**	**(33.8)**	**0.9**	**(117.5)**	**(151.3)**
Utilisation of own shares		**–**	**–**	**5.3**	**–**	**–**	**5.3**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(3.6)**	**(3.6)**
Capital contribution on share-based payments		**–**	**–**	**–**	**–**	**14.0**	**14.0**
Dividends approved and paid	15	**–**	**–**	**–**	**–**	**(323.8)**	**(323.8)**
Total equity at 31 December 2022		**291.3**	**777.9**	**(43.1)**	**536.0**	**3,527.1**	**5,089.2**

Notes to the Company financial statements

for the year to 31 December 2022

1. Significant accounting policies

The following accounting policies have been used consistently, unless otherwise stated, in dealing with items which are considered material.

Basis of preparation

The Company meets the definition of a qualifying entity under Financial Reporting Standard 101 (FRS 101) issued by the Financial Reporting Council. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework' as issued by the Financial Reporting Council as applied in conformity with the provisions of the Companies Act 2006 and under the historical cost convention except as otherwise stated below.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payments, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

The principal accounting policies adopted are set out below.

Going concern

The Group, which the Company heads, has prepared forecasts, including certain sensitivities, taking into account the Principal Risks identified on pages 75 to 79. Having considered these forecasts, the Directors remain of the view that the Group's financing arrangements and capital structure provide both the necessary facilities and covenant headroom to enable the Group to conduct its business for at least the next 12 months. Accordingly, the Company financial statements have been prepared on a going concern basis.

Critical accounting judgements and key sources of estimation uncertainty

Management has not made any individual accounting judgements that are material to the Company and does not consider there to be any key sources of estimation uncertainty.

Investments in Group undertakings

Investments are included in the balance sheet at cost less any provision for impairment. The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount of the investment. If the recoverable amount is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is expensed immediately. Where an impairment loss subsequently reverses, due to a change in circumstances or in the estimates used to determine the asset's recoverable amount, the carrying amount of the investment is increased to the revised estimate of its recoverable amount, so long as it does not exceed the original carrying value prior to the impairment being recognised.

The Company values its investments in subsidiary holding companies based on a comparison between the net assets recoverable by the subsidiary company and the investment held. Where the net assets are lower than the investment an impairment is recorded. For trading subsidiaries, the investment carrying value in the Company is assessed against the net present value of the cash flows of the subsidiary.

Taxation

The tax charge represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Any liability or credit in respect of group relief in lieu of current tax is also calculated using corporation tax rates that have been enacted or substantively enacted by the balance sheet date unless a different rate (including a nil rate) has been agreed within the Group.

Foreign currencies

Transactions denominated in foreign currencies are recorded in Sterling at actual rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rates of exchange prevailing at the year end.

Any gain or loss arising from a change in exchange rates after the date of the transaction is included as an exchange gain or loss in profit and loss.

Trade and other receivables

Trade and other receivables are measured at amortised cost, less any loss allowance based on expected credit losses. The measurement of expected credit losses is based on the probability of default and the magnitude of the loss if there is a default. The assessment of probability of default is based on historical data adjusted for any known factors that would influence the future amount to be received in relation to the receivable.

Trade and other payables

Trade and other payables are measured at amortised cost.

Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost.

Share-based payments

The Company issues equity-settled share-based payments to certain employees of its subsidiaries. Equity-settled share-based payments are measured at fair value at the grant date. The fair value is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will vest. The cost of equity-settled share-based payments granted to employees of subsidiary companies is borne by the employing company, without recharge. As such the Company's investment in the subsidiary is increased by an equivalent amount.

Own shares

The cost of the Company's investment in its own shares, which comprise shares held in treasury by the Company and shares held by employee benefit trusts for the purpose of funding certain of the Company's share option plans, is shown as a reduction in shareholders' equity.

Dividends paid

Dividends are charged to the Company's retained earnings reserve in the period of payment in respect of an interim dividend, and in the period in which shareholders' approval is obtained in respect of the Company's final dividend.

2. Particulars of employees

	2022 Number	2021 Number
Directors	**2**	3

The Executive Directors received all of their remuneration, as disclosed in the Annual Report on Remuneration on pages 124 to 148, from Taylor Wimpey UK Limited. This remuneration is reflective of the Directors' service to the Company and all its subsidiaries.

3. Auditors' remuneration

	2022 £m	2021 £m
Total audit fees	**0.2**	0.2
Non-audit fees	**–**	–
Total	**0.2**	0.2

A description of other services is included in Note 6 of the Group financial statements.

4. Investments in Group undertakings

	Shares £m
Cost	
At 1 January 2022	5,257.5
Additions	**2,153.7**
Capital contribution relating to share-based payments	**14.0**
At 31 December 2022	**7,425.2**
Provision for impairment	
At 1 January 2022	(2,811.3)
Charge for the year	**(113.3)**
At 31 December 2022	**(2,924.6)**
Carrying amount	
At 31 December 2022	**4,500.6**
At 31 December 2021	2,446.2

All investments are unlisted and information about all subsidiaries is listed on pages 203 to 207. During the year the Company increased its investment in Group undertakings, with a corresponding decrease in the amounts due from those Group undertakings.

5. Trade and other receivables

	Current		Non-current	
	2022 £m	2021 £m	2022 £m	2021 £m
Due from Group undertakings	**510.1**	607.8	**62.3**	2,240.9
Other receivables	**2.8**	1.4	**1.1**	2.1
	512.9	609.2	**63.4**	2,243.0

Amounts due from Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

6. Trade and other payables

	Current		Non-current	
	2022 £m	2021 £m	2022 £m	2021 £m
Due to Group undertakings	**762.6**	1,436.2	**–**	–
Other payables	**3.2**	1.4	**–**	0.6
Corporation tax creditor	**0.7**	1.7	**–**	–
	766.5	1,439.3	**–**	0.6

Amounts due to Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

7. Bank and other loans

	2022 £m	2021 £m
€100.0 million 2.02% Senior Loan Notes	**88.5**	84.0
These loans are repayable as follows:		
Amounts due for settlement within one year	**88.5**	–
Amounts due for settlement after one year	**–**	84.0

8. Share capital

	2022 £m	2021 £m
Authorised:		
22,200,819,176 (2021: 22,200,819,176) ordinary shares of 1p each	**222.0**	222.0
1,158,299,201 (2021: 1,158,299,201) deferred ordinary shares of 24p each	**278.0**	278.0
	500.0	500.0

	Number of ordinary shares	Number of deferred ordinary shares	£m
Issued and fully paid:			
31 December 2021	3,648,591,179	1,065,566,274	292.2
Shares issued in year	**336,286**	**–**	**–**
Shares cancelled in year	**(91,942,362)**	**–**	**(0.9)**
31 December 2022	**3,556,985,103**	**1,065,566,274**	**291.3**

The Company has two classes of shares:

- Ordinary shares of 1p, each of which carries the right to one vote at general meetings of the Company and such other rights and obligations as are set out in the Company's Articles of Association.
- Deferred ordinary shares of 24p, which carry no voting rights and no entitlement to any dividend. The deferred ordinary shares were issued as part of a capital reorganisation in 2009 and have not subsequently changed.

During the year, the Company issued 0.3 million (2021: 3.2 million) ordinary shares to satisfy option exercises; and purchased 116,942,362 of its own ordinary shares, of which 25,000,000 were transferred to be held in treasury and the remainder cancelled. The average share price of the purchased shares was 128.27 pence for a total cost, including expenses, of £151.3 million.

9. Share premium

	2022 £m	2021 £m
At 1 January	**777.5**	773.1
Shares issued in year	**0.4**	4.4
At 31 December	**777.9**	777.5

10. Own shares

	2022 £m	2021 £m
Own shares	**43.1**	14.6

These comprise ordinary shares of the Company:	Number	Number
Ordinary shares held in trust and treasury for bonus, option and performance award plans	**30.9m**	9.1m

10. Own shares *continued*

During the year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs (2021: £4.2 million) and purchased £33.8 million of its own shares to be held in treasury (2021: none). The market value of the shares held in the ESOT and treasury at 31 December 2022 was £31.4 million (2021: £16.0 million) and their nominal value was £0.4 million (2021: £0.1 million). Dividends on these shares have been waived except for a nominal aggregate amount in pence.

ESOTs are used to hold the Company's shares which have been acquired on the market. These shares and those held in treasury are used to meet the valid exercise of options and/or vesting of conditional awards and/or award of shares under the Executive Incentive Scheme, Bonus Deferral Plan, Performance Share Plan, Savings-Related Share Option Scheme and the matching award of shares under the Share Incentive Plan.

The ESOTs' entire holding of shares and those held in treasury at 31 December 2022 were covered by outstanding options and conditional awards over shares at that date.

11. Other reserves

	2022 £m	2021 £m
At 1 January	**535.1**	535.1
Shares repurchased and cancelled in year	**0.9**	–
At 31 December	**536.0**	535.1

£499.1 million of other reserves arose on the cash box placing that occurred in June 2020 and qualified for merger relief under Section 612 of the Companies Act 2006. Other reserves also includes £32.4 million (2021: £31.5 million) in respect of the redemption of the Company's shares, which is non distributable.

12. Retained earnings

Retained earnings of £3,527.1 million (2021: £3,060.4 million) includes profit for the year and dividends received from subsidiaries of £1,010.5 million (2021: £500.0 million). Included in retained earnings is £923.7 million (2021: £895.2 million) which is not distributable.

13. Share-based payments

The Company has taken advantage of the FRS 101 disclosure exemption in relation to share-based payments. Details of share awards granted by the Company to employees of subsidiaries, and that remain outstanding at the year end over the Company's shares, are set out in Note 29 of the Group financial statements. The Company did not recognise any expense related to equity-settled share-based payment transactions in the current or preceding year.

14. Contingent liabilities

The Company has, in the normal course of business, given guarantees and entered into counter-indemnities in respect of bonds relating to the Group's own contracts. The possibility of any outflow in settlement for these is considered to be remote.

Provision is made for the Directors' best estimate of known legal claims and legal actions in progress. The Group takes legal advice as to the likelihood of success of claims and actions and no provision is made where the Directors consider, based on that advice, that the action is unlikely to succeed.

The Company has in issue a guarantee in respect of the Taylor Wimpey Pension Scheme (TWPS), which had an underlying IAS 19 surplus of £76.6 million at 31 December 2022 (2021: £149.9 million). This guarantee commits the Company to ensuring that the participating subsidiary meets its obligations under any schedule of contributions agreed with the TWPS Trustee from time to time. Following the 2019 valuation, Taylor Wimpey UK Limited is required to contribute up to £20.0 million per annum into an escrow account between April 2021 and March 2024. The first six months of contributions (£10.0 million) between 1 April 2021 and 30 September 2021 were guaranteed. From 1 October 2021, payments into the escrow account are subject to a quarterly funding test with the first funding test having an effective date of 30 September 2021. In addition, £5.1 million per annum from the Pension Funding Partnership and £2.0 million per annum to cover scheme expenses is due.

15. Dividend

	2022 £m	2021 £m
Proposed		
Interim dividend 2022: 4.62p (2021: 4.14p) per ordinary share of 1p each	**162.9**	150.8
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**169.0**	162.0
	331.9	312.8
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2021: 4.44p (2020: 4.14p) per ordinary share of 1p each	**160.9**	150.7
Interim dividend 2022: 4.62p (2021: 4.14p) per ordinary share of 1p each	**162.9**	150.8
	323.8	301.5

The Directors recommend a final dividend for the year ended 31 December 2022 of 4.78 pence per share (2021: 4.44 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169.0 million based on the number of shares in issue at the end of the year (2021: £160.9 million). The final dividend will be paid on 12 May 2023 to all shareholders registered at the close of business on 31 March 2023.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2022.

Particulars of subsidiaries, associates and joint ventures

The entities listed below are companies incorporated in the United Kingdom and the registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR. All of the below are 100% subsidiaries of the Group, either directly or indirectly held by Taylor Wimpey plc, and only have ordinary share capital.

Admiral Developments Limited
Admiral Homes (Eastern) Limited
Admiral Homes Limited
Ashton Park Limited
BGS (Pentian Green) Holdings Limited
Bryad Developments Limited
Bryant Country Homes Limited
Bryant Group Services Limited
Bryant Homes Central Limited
Bryant Homes East Midlands Limited
Bryant Homes Limited
Bryant Homes North East Limited
Bryant Homes Northern Limited
Bryant Homes South West Limited
Bryant Homes Southern Limited
Bryant Properties Limited
Candlemakers (TW) Limited
Clipper Investments Limited
Compine Developments (Wootton) Limited
Dormant Nominees One Limited
Dormant Nominees Two Limited
Farrods Water Engineers Limited
Flyover House Limited
George Wimpey Limited
George Wimpey Bristol Limited
George Wimpey City Limited
George Wimpey City 2 Limited
George Wimpey East Anglia Limited
George Wimpey East London Limited
George Wimpey East Midlands Limited
George Wimpey Manchester Limited
George Wimpey Midland Limited
George Wimpey North East Limited
George Wimpey North London Limited
George Wimpey North Midlands Limited
George Wimpey North West Limited
George Wimpey North Yorkshire Limited
George Wimpey South East Limited
George Wimpey South Midlands Limited
George Wimpey South West Limited
George Wimpey South Yorkshire Limited
George Wimpey Southern Counties Limited
George Wimpey West London Limited
George Wimpey West Midlands Limited
George Wimpey West Yorkshire Limited
Globe Road Limited
Grand Union Vision Limited
Groveside Homes Limited
Hamme Construction Limited
Hanger Lane Holdings Limited
Hassall Homes (Cheshire) Limited
Hassall Homes (Mercia) Limited
Hassall Homes (Southern) Limited
Hassall Homes (Wessex) Limited
Haverhilll Developments Limited
J.R. Young (Assemblies) Limited
Jim 1 Limited
Jim 3 Limited
Jim 4 Limited
Jim 5 Limited
L. & A. Freeman Limited
Laing Homes Limited
Laing Land Limited
LandTrust Developments Limited
Limebrook Manor LLP
MCA Developments Limited
MCA East Limited
MCA Holdings Limited
MCA Land Limited
MCA Leicester Limited
MCA London Limited
MCA Northumbria Limited
MCA Partnership Housing Limited
MCA South West Limited
MCA West Midlands Limited
MCA Yorkshire Limited
McLean Homes Limited
McLean Homes Bristol & West Limited
McLean Homes Southern Limited
McLean TW Estates Limited
McLean TW (Chester) Limited
McLean TW (Northern) Limited
McLean TW (Southern) Limited
McLean TW (Yorkshire) Limited
McLean TW Group Limited
McLean TW Holdings Limited
McLean TW Limited
McLean TW No. 2 Limited
Melbourne Investments Limited
Pangbourne Developments Limited
Prestoplan Limited
River Farm Developments Limited
South Bristol (Ashton Park) Limited
Spinks & Denning Limited
St. Katharine By The Tower Limited
St. Katharine Haven Limited
Stone Pit Restoration Limited
Stonepit Limited
Tawnywood Developments Limited
Taylor Wimpey 2007 Limited
Taylor Wimpey Capital Developments Limited
Taylor Wimpey Commercial Properties Limited
Taylor Wimpey Developments Limited
Taylor Wimpey Garage Nominees No 1 Limited
Taylor Wimpey Garage Nominees No 2 Limited
Taylor Wimpey Holdings Limited
Taylor Wimpey International Limited
Taylor Wimpey Property Company Limited
Taylor Wimpey Property Management Limited
Taylor Wimpey SH Capital Limited
Taylor Wimpey UK Limited
Thameswey Homes Limited
The Garden Village Partnership Limited
The Wilson Connolly Employee Benefit Trust Limited
Thomas Lowe and Sons, Limited
Thomas Lowe Homes Limited
TW NCA Limited
TW Springboard Limited
Twyman Regent Limited
Valley Park Developments Limited
Whelmar (Chester) Limited
Whelmar (Lancashire) Limited
Whelmar (North Wales) Limited
Whelmar Developments Limited
Wilcon Homes Anglia Limited
Wilcon Homes Eastern Limited
Wilcon Homes Midlands Limited
Wilcon Homes Northern Limited
Wilcon Homes Southern Limited
Wilcon Homes Western Limited
Wilcon Lifestyle Homes Limited
Wilfrid Homes Limited
Wilson Connolly Holdings Limited
Wilson Connolly Investments Limited
Wilson Connolly Limited
Wilson Connolly Properties Limited
Wilson Connolly Quest Limited
Wimgrove Developments Limited
Wimgrove Property Trading Limited
Wimpey Construction Developments Limited
Wimpey Construction Overseas Limited
Wimpey Corporate Services Limited
Wimpey Dormant Investments Limited
Wimpey Geotech Limited
Wimpey Group Services Limited
Wimpey Gulf Holdings Limited
Wimpey Overseas Holdings Limited

Particulars of subsidiaries, associates and joint ventures *continued*

The entities listed below, with the Group's ownership share, are companies incorporated in the United Kingdom and the registered office is Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR.

Company Name	% Owned	Company Name	% Owned
Academy Central LLP	62%	Triumphdeal Limited	50%
Bordon Developments Holdings Limited	50%	Vumpine Limited	50%
Chobham Manor LLP	50%	Whitehill & Bordon Development Company BV Limited	50%
Chobham Manor Property Management Limited	50%	Whitehill & Bordon Development Company Phase 1a	50%
Falcon Wharf Limited	50%	Whitehill & Bordon Regeneration Company Limited	50%
GWNW City Developments Limited	50%	Wimpey Laing Overseas Limited	50%
Paycause Limited	66.67%	Wimpey Laing Limited	50%
Taylor Wimpey Pension Trustees Limited	99%	Winstanley & York Road Regeneration LLP	50%

The entities listed below, with the Group's ownership share, are companies incorporated in the United Kingdom and the registered office is Unit C, Ground Floor, Cirrus Glasgow Airport Business Park, Marchburn Drive, Abbotsinch, Paisley, PA3 2SJ.

Company Name	% Owned	Company Name	% Owned
Bryant Homes Scotland Limited	100%	Taylor Wimpey (General Partner) Limited	100%
George Wimpey East Scotland Limited	100%	Taylor Wimpey (Initial LP) Limited	100%
George Wimpey West Scotland Limited	100%	Taylor Wimpey Scottish Limited Partnership	100%
London and Clydeside Estates Limited	100%	Whatco England Limited	100%
London and Clydeside Holdings Limited	100%	Wilcon Homes Scotland Limited	100%
Strada Developments Limited	50%		

Other entities incorporated in the United Kingdom, unless otherwise stated, and the Group's ownership share are shown below.

Company Name	% Owned	Registered Office
Bishops Park Limited	50%	11 Tower View, Kings Hill, West Malling, ME19 4UY
Bishop's Stortford North Consortium Limited	33.14%	Bath House, 6-8 Bath Street, Bristol, BS1 6HL
Bromley Park (Holdings) Limited Bromley Park Limited	50%	Kent House, 14-17 Market Place, London, W1W 8AJ
Countryside 27 Limited	50%	Countryside House, The Drive, Great Warley, Brentwood, CM13 3AT
Emersons Green Urban Village Limited	54.44%	250 Aztec West, Almondsbury, Bristol, BS32 4TR
Gallagher Bathgate Limited	50%	Gallagher House, Gallagher Business Park, Warwick, CV34 6AF
Greenwich Millennium Village Limited	50%	Countryside House, The Drive, Great Warley, Brentwood, CM13 3AT
Haydon Development Company Limited	19.27%	6 Drakes Meadow, Penny Lane, Swindon, SN3 3LL
Morrison Land Development Inc	100%	9366, 49 St NW, Edmonton, AB T6B 2L7, Canada
Newcastle Great Park (Estates) Limited	50%	3rd Floor Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
North Swindon Development Company Limited	28.35%	6 Drakes Meadow, Penny Lane, Swindon, SN3 3LL
Padyear Limited	50%	Hanson House, 14 Castle Hill, Maidenhead, SL6 4JJ
Quedgeley Urban Village Limited	50%	250 Aztec West, Almondsbury, Bristol, BS32 4TR
St George Little Britain (No.1) Limited St George Little Britain (No.2) Limited	50%	Berkeley House, 19 Portsmouth Road, Cobham, KT11 1JG
Taylor Wimpey de España S.A.U.	100%	C/Aragón 223-223 A, 07008 Palma de Mallorca, Spain
Taylor Woodrow (Gibraltar) Limited	100%	17 Bayside Road, Gibraltar
Weaver Developments (Woodfield Plantation) Limited	50%	Quay Point, Lakeside Boulevard, Doncaster, DN4 5PL
Wisley Property Investments Limited	100%	190 Elgin Avenue, George Town, KY1-9008, Cayman Islands

The following entities are Management Companies that are limited by guarantee (unless otherwise stated) and are temporary parts of the Group. All are incorporated in the United Kingdom and their assets are not held for the benefit of the Group. The Group holds all of the issued share capital of each entity, where relevant, unless otherwise shown.

Company Name	Reference	Company Name	Reference
Abbotsford Park (No.3) Residents Association Limited	8	Franklin Park (Stevenage) Residents Management Company Limited	16
Albion Lock (Sandbach) Management Company Limited	13	Glasdir Management Company Limited	1
Alyn Meadows Management Company Limited	13	Great Hall Park Residents Association Limited	1
Apsham Grange (Topsham) Management Company Limited	4	Greenfields Park (EA) Management Company Limited	5
Barker Butts Lane Management Company Limited	1	Gresley Meadow Management Company Limited	17
Barry Waterfront Residents Management Company Limited	4	Handley Chase (Sleaford) Residents Management Company Limited	14
Battersea Exchange Management Company Limited	1	Handley Gardens (Lancaster Avenue) Block Management Company Limited	3
Biggleswade Management Company Limited*[1]	2	Handley Gardens Management CIC	6
Billington Grove (SM) Management Company Limited	3	Hanwell Fields 3B Management Company Limited	1
Brantham Residential Estate Management Company Limited	1	Hastings Manor (Hugglescote) Residents Management Company Limited	7
Broadleaf Park (Rownhams) Management Company Limited	4	Harebell Meadows and Hartburn Grange Residents Management Company Limited	18
Broadway Fields Residents Management Company Limited	1	Hay Common Management Company Limited	4
Broughton Gate (Milton Keynes) Management Company Limited	3	Haybridge (Wells) Management Company Limited	4
Brunswick Dock (Liverpool) Management Company Limited*	26	Hayes Green Management Company Limited	3
Buckingham Park (Weedon Hill) Management Company Limited	3	Heritage Park Gravesend Residents Association (No.1) Limited	1
Buckton Fields (Northampton) Apartment Management Company	14	Heritage Park Gravesend Residents Association (No.2) Limited	1
Buckton Fields (Northampton) Estate Management Company Limited	14	Heritage Park Gravesend Residents Association (No.3) Limited	1
Capital Court Property Management Limited*[2]	10	Heritage Park Gravesend Residents Association (No.4) Limited	1
Cliddesdon Reach Management Company Limited	1	Heritage Park Gravesend Residents Association (No.5) Limited	1
Clover House (Cranbrook) Management Company Limited	4	Hethersett Residents Management Company Limited	8
Coatham Vale and Berrymead Gardens Residents Management Company Limited	19	Humberstone Residents Estate Management Company Limited	7
Coed Issa Management Company Limited	8	Hunters Meadow Residents Association Limited	3
Concept (EA) Management Company Limited	3	Jasmine Park (Whirley) Management Company Limited	1
Coopers Grange (Bishop Stortford) Residents Management Company Ltd	8	K Reach (EA) Management Company Limited	3
Coppice Place Management Company Limited	3	Kentmere Place Residents Association Limited	1
Coronation Square Residents Management Company Limited	12	Kesgrave K Management Company Limited	1
Cotswold View Residents Association Limited	1	Kingsbourne (Nantwich) Community Management Company Limited	8
Crookham Park (Church Crookham) Management Company Limited*[4]	27	Kingsley Grange (Wickford) Residents Association Limited	8
Denne Road Management Company Limited	1	Leawood (Management) Company Limited*	1
Diglis Water Estate Management Company Limited	1	Lion Mills (EA) Management Company Limited	3
Dunton Green Management Company (No.1) Limited	1	Longshore and Shoreview Residents Management Company Limited	19
Dunton Green Management Company (No.2) Limited	1	Macintosh Mills Car Park (Management) Limited	1
Earls Court Farm Worcester Residents Management Company Limited	15	Maidenfields Estate Residents Management Company Limited	20
Edlogan Wharf Community Interest Company	1	Manor Court (Prescot) Management Company Limited	1
Elgar Place Management Company Limited	1	Manor Park Sprowston Residents Management Company Limited	8
Emberton Grange Management Company London	1	Mayfield Gardens Management Company Limited	3

Particulars of subsidiaries, associates and joint ventures *continued*

Company Name	Reference
Melton Manor (Melton Mowbray) Residents Company Limited	7
Millers Brow Management Company Limited	1
Monmore Grange Management Company Limited	1
Mountbatten Mews (Honiton) Management Company Limited	4
Netherton Grange Residents Management Company Limited	3
Newbridge Gardens Management Company (No 1) Limited	5
Newbridge Gardens Management Company (No 2) Limited	5
Newcastle Great Park (Estates) Limited*[3]	21
Newcastle Great Park Management Company Limited*[4]	21
NGP Management Company (Cell A) Limited*[3]	21
NGP Management Company (Cell D) Limited*[3]	21
NGP Management Company (Cell E) Limited*[3]	21
NGP Management Company (Cell F) Limited*[3]	21
NGP Management Company Residential (Cell G) Limited*[3]	21
NGP Management Company (Commercial) Limited*[3]	21
NGP Management Company (Town Centre) Limited*[3]	21
Nightingale Park Residents Association Limited	8
North Wharf Gardens Management Company Limited	1
Nunnery Fields (Management) Limited	5
Nunnery Fields (Management No.1) Limited	5
Oak Park (Cheddar) Management Company Limited	3
Oaklands Residents Management Company Limited	20
Orchard Grove (Comeytrowe) Management Company Limited	4
Orsett Village Residents Association Limited	8
Pages Priory Phase Two (Leighton Buzzard) Management Company Limited	3
Palace View Apartments Management Company Limited	1
Parc Nedd Residents Association Limited	1
Park Farm (South East) Management Company Limited	22
Parklands (Woburn Two) Management Company Limited	3
Parsons Chain Residents Management Company Limited	17
Pathfinder Place (Melksham) Management Company Limited	4
Peartree Village Management Limited	9
Plas Brymbo Landscaping Management Company Limited	1
Plas Brymbo Management Company Limited	1
Poppyfields (Benwick) Residents Association Limited	1
Postmark Residents Management Company Limited	1
Q.Hill (EA2) Management Company Limited	8
Queen Eleanor's Heights Residents Association Limited	1
Redhill Gardens Residents Management Company Limited	1
Redhill Park Limited*[3]	28
Regency Place (Shiplake) Management Company Limited	1
Romans Gate (Old Stratford) Residents Association Limited	1
Saxon Park Management Company Limited	1
Sherford 1A Parcel 4 Management Company Limited	12
Sherford 1A Parcel 5 Management Company Limited	12
Sherford 1B Parcel EFGJ Management Company Limited	12
Sherford Estate Management Company Limited	12
Southgate Maisonettes (27 and 28) Limited	1
Speakman Gardens Residents Association Limited	1
St Crispin Area H Management Company Limited	1
St Dunstans Apartment Management Company Limited*	1
Stanbury View (Parklands) Management Company Limited	17
Stonebrooke Gardens Management Company Limited	23
Stortford Fields Estate Management Company Limited	11
Stour Valley Management Phase 1 Limited	29
Summer Downs Residents Management Company Limited	1
Sunderland House (Handley Gardens) Resident Management Company Limited	3
Telford Millennium Management Company Limited	1
Tent 1 Management Company Limited	13
Thamesview (Plots 425 to 560) Residents Association Limited	1
The Asps Residents Management Company Limited	18
The Avenue Number 4 Management Company Limited	1
The Avenue Number 5 Management Company Limited	1
The Beaumont Park Management Company Limited*	1
The Breme Park (Bromsgrove) Management Company Limited	1
The Burleigh Rise Management Company Limited*	1
The Coach Houses (Northampton) Residents Association Limited	1
The Copse (Mawsley) Management Company Limited	7
The Grange at Newton Management Company Limited	3
The Grange Number One Desborough Management Company Limited	1
The Highgate (Durham) Management Company Limited*	1
The Junction Flat Management Company Limited*	1
The Laurels (Kirby Cross) Management Company Limited	1
The Merriemont Management Company Limited*	1
The Middlefield Springs Management Company Limited	1
The Orchard (Hadham) Residents Management Company Limited	8
The Orchard (Willow Street) Management Company Limited	1
The Orchard Grove (Playground) Management Company Limited*	1
The Pennington Wharf Community Management Company Limited	8
The Ruxley Towers Management Company Limited*	1
The Seasons Residents Association Limited	1
The Silverdale 9 Flats Management Company Limited	1
The Silverdale 9 Houses Management Company Limited	1
The Spinney Residents Management Company Limited*	1
The Swan Gardens Management Company Limited*	1
The Weekley Wood Management Company Limited*	1
The Wharf Lane (Solihull) No.1 Management Company Limited	1
The Whinmoor (Leeds) Management Company Limited	11

Company Name	Reference	Company Name	Reference
The Willowfields Management Company Limited*	1	Willow Lake (Bletchley Two) Management Company Limited	3
The Woodlands At Shevington Management Company Limited	13	Willowcroft (SM) Management Company Limited	7
The Woodway Gate Management Company No.1 Limited	1	Windermere Grange Residents Management Company Limited	17
Vision at Meanwood Residents Management Company Limited	18	Winnington Village Community Management Company Limited	13
Webheath (Redditch) Management Company Limited	12	Wool Gardens (Crewkerne) Management Company Limited	4
Westbridge Park (Auckley) Management Company Limited	13	Woodside Vale (Leeds) Residents Management Company Limited	18
Whalley Road (Barrow) Management Company Limited	8	Wootton Meadows Residents Association Limited	1
White House Farm (Emersons Green) Management Company Limited	4	Wrexham Road Garden Village Management Company Limited	8
Whitehouse Farm Apartments (Emersons Green) Management Company Limited	24	Wyrley View Residents Management Company Limited	25
Willow Lake (Bletchley One) Management Company Limited	3		

* Private Limited Company
[1] 60% Ownership
[2] 17.2% Ownership
[3] 50% Ownership
[4] Group representatives on Board only

Reference	Registered Address	Reference	Registered Address
1	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR	16	Imperial Place, Building 2, Maxwell Road, Borehamwood, WD6 1JN
2	Newton House, 2 Sark Drive, Newton Leys, Milton Keynes, MK3 5SD	17	Second Floor, Fore 2, Fore Business Park, Solihull, B90 4SS
3	Queensway House, 11 Queensway, New Milton, BH25 5NR	18	Unit 7, Portal Business Park, Easton Lane, Tarporley, Cheshire, CW6 9DL
4	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY	19	Cheviot House, Beaminster Way, Newcastle upon Tyne, NE3 2ER
5	94 Park Lane, Croydon, CR0 1JB	20	Vantage Point, 23 Mark Road, Hemel Hempstead, HP2 7DN
6	1 London Road, Brentwood, Essex, CM14 4QP	21	3rd Floor, Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
7	2 Hills Road, Cambridge, CB2 1JP	22	Foundation House, Coach & Horses Passage, Tunbridge Wells, TN2 5NP
8	RMG House, Essex Road, Hoddesdon, EN11 0DR	23	Boulton House, 17-21 Chorlton Street, Manchester, M1 3HY
9	Countryside House, The Drive Great Warley, Brentwood, Essex, CM13 3AT	24	730 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4SD
10	4 Capital Court, Bitten Road, Sowton Industrial Estate, Exeter, EX2 7FW	25	137 Newhall Street, Birmingham, B3 1SF
11	Gateway House, 10 Coopers Way, Southend-On-Sea, SS2 5TE	26	384a Deansgate, Manchester, Greater Manchester, M3 4LA
12	Whittington Hall, Whittington Road, Worcester, Worcestershire, WR5 2ZX	27	Victoria House, 178-180 Fleet Road, Fleet, GU51 4DA
13	Chiltern House, 72-74 King Edward Street, Macclesfield, Cheshire, SK10 1AT	28	5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ
14	Unit 2, The Osiers Business Park, Laversall Way, Leicester, LE19 1DX	29	2nd Floor, 154-155 Great Charles Street, Queensway, Birmingham, B3 3LP
15	Redrow House, St Davids Park, Ewloe, Flintshire, CH5 3RX		

Five year review (unaudited)

	2022 £m	2021 £m	2020 £m	2019 £m	2018 £m
Revenue	**4,419.9**	4,284.9	2,790.2	4,341.3	4,082.0
Profit on ordinary activities before net finance costs and tax	**827.5**	698.2	282.4	856.8	828.8
Adjust for: Share of results of joint ventures	**15.9**	5.4	7.9	8.0	5.3
Adjust for: Exceptional items	**80.0**	125.0	10.0	(14.3)	46.1
Operating profit	**923.4**	828.6	300.3	850.5	880.2
Net finance costs	**(15.5)**	(24.0)	(25.9)	(28.9)	(23.4)
Profit for the financial year before taxation and exceptional items	**907.9**	804.6	274.4	821.6	856.8
Exceptional items	**(80.0)**	(125.0)	(10.0)	14.3	(46.1)
Taxation charge including taxation on exceptional items	**(184.3)**	(124.1)	(47.4)	(162.0)	(154.1)
Profit for the financial year	**643.6**	555.5	217.0	673.9	656.6
Balance sheet					
Intangible assets	**4.2**	6.6	8.1	7.0	3.2
Property, plant and equipment	**17.3**	21.7	24.0	25.6	21.6
Right-of-use assets	**26.3**	26.5	27.5	27.4	27.1
Interests in joint ventures	**74.0**	85.4	82.2	55.3	48.3
Other financial assets	**10.0**	10.0	–	–	–
Non-current trade and other receivables	**12.2**	27.5	26.3	43.7	55.7
Non-current assets (excluding tax)	**144.0**	177.7	168.1	159.0	155.9
Inventories	**5,169.6**	4,945.7	4,534.7	4,196.0	4,188.2
Other current assets (excluding tax and cash)	**191.2**	168.2	189.1	161.0	134.7
Trade and other payables excluding land creditors	**(735.8)**	(587.7)	(571.4)	(634.9)	(684.8)
Land creditors	**(395.0)**	(314.2)	(347.9)	(339.9)	(359.5)
Lease liabilities	**(7.3)**	(7.0)	(6.4)	(7.6)	(8.2)
Provisions	**(106.7)**	(125.4)	(70.6)	(72.7)	(76.9)
Net current assets (excluding tax and net cash)	**4,116.0**	4,079.6	3,727.5	3,301.9	3,193.5
Trade and other payables excluding land creditors	**(76.7)**	(137.1)	(131.8)	(110.4)	(112.2)
Land creditors	**(330.6)**	(492.2)	(328.0)	(389.3)	(379.1)
Retirement benefit obligations	**(29.9)**	(37.3)	(89.5)	(85.0)	(133.6)
Lease liabilities	**(19.7)**	(20.4)	(21.6)	(20.3)	(19.2)
Provisions	**(183.6)**	(119.7)	(59.9)	(55.7)	(93.4)
Non-current liabilities (excluding debt)	**(640.5)**	(806.7)	(630.8)	(660.7)	(737.5)
Cash and cash equivalents	**952.3**	921.0	823.0	630.4	734.2
Bank and other loans	**(88.5)**	(84.0)	(103.6)	(84.7)	(90.1)
Taxation balances	**18.8**	26.4	32.6	(38.1)	(29.2)
Basic net assets	**4,502.1**	4,314.0	4,016.8	3,307.8	3,226.8

Statistics					
Basic earnings per share	**18.1p**	15.3p	6.3p	20.6p	20.1p
Adjusted basic earnings per share	**19.8p**	18.0p	6.5p	20.3p	21.3p
Tangible net assets per share	**126.5p**	118.1p	110.0p	100.5p	98.3p
Dividends paid (pence per share)	**9.06**	8.28	–	18.34	15.28
Number of ordinary shares in issue at the year end (millions)	**3,557.0**	3,648.6	3,645.4	3,283.1	3,278.1
UK short term landbank (plots)	**82,830**	85,376	77,435	75,612	75,995
UK average selling price (£000)	**313**	300	288	269	264
UK completions (homes including JVs)	**13,773**	14,087	9,609	15,719	14,933

2023 Annual General Meeting

Dear Shareholder

Annual General Meeting (AGM)

The 2023 AGM of Taylor Wimpey plc (the Company) will be held in the Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE on Thursday 27 April 2023 at 10:30am.

Attending the AGM

If you wish to attend and vote at the AGM in person, please bring with you the notice of availability letter. It will help to authenticate your right to attend, speak and vote, and will help us to register your attendance without delay.

For the safety and comfort of those attending the AGM, large bags, cameras, recording equipment and similar items will not be allowed into the building and in the interests of security, by attending the AGM you hereby agree to be searched, upon request, together with any bags and other possessions.

There is wheelchair access to the venue for shareholders who require it or those with reduced mobility. However, where required, attendees are strongly advised to bring their own carers to assist with their general mobility around the venue. Directions to the venue can be found on the reverse of your notice of availability.

Light refreshments comprising tea, coffee and pastries will be available from 9:30am and after the end of the AGM.

We will not permit behaviour that may interfere with anyone's security, safety, comfort or the good order of the meeting. Anyone who does not comply may be removed from the meeting.

Audiocast

This year we are pleased to provide an electronic facility for shareholders who are unable to attend the AGM in person, to follow the AGM remotely and submit questions to the Board on the business of the meeting, should they wish to do so. This can be accessed through the AGM section of our website at www.taylorwimpey.co.uk/2023AGM and following the link to the audiocast on the day of the AGM.

You will then be prompted to enter your 11-digit 'Investor Code' (IVC), including any leading zeros, and 'PIN'. Your PIN is the last four digits of your IVC. This will authenticate you as a shareholder. More information on how to join the AGM can be found on page 212.

Please note that shareholders joining the audiocast will not be able to vote in real time via the audiocast platform. To ensure your vote is counted, you are encouraged to appoint the Chair of the AGM as your proxy as early as possible. Further information on how to submit your proxy can be found in the 'how to vote' section below.

How to vote

If you would like to vote on the resolutions in this Notice of Meeting but cannot attend the AGM in person, or prefer to register your vote in advance, please register your proxy vote online at www.signalshares.com. In order for your proxy vote to count, our Registrar must receive your proxy vote no later than 10:30am on Tuesday 25 April 2023. If you would like a proxy form, please contact our Registrar on +44 (0)371 664 0300 and they will send one in the mail for you to complete and return. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00am and 5:30pm, Monday to Friday excluding public holidays in England and Wales.

If you are a CREST member, register your vote through the CREST system by completing and transmitting a CREST proxy instruction as described in the procedural notes on pages 218 and 219. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io.

Shareholder questions

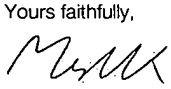
In the event that shareholders are unable to attend the AGM, shareholders are invited to submit questions by email to CoSec@taylorwimpey.com. Please provide any advance questions by 10:30am on Tuesday 25 April 2023. The questions will be answered by the Board during the AGM. The answers provided will be made available on the Company's website as soon as practicable following the conclusion of the AGM.

Should shareholders have further questions on the answers given to a question at the AGM, they may submit follow-up questions by email to CoSec@taylorwimpey.com.

Recommendation

Your Directors are of the opinion that the resolutions are in the best interests of the Company and its shareholders as a whole and recommend you to vote in favour of them. Each Director will be doing so in respect of all of their own beneficial shareholding.

Yours faithfully,



Ishaq Kayani
Group General Counsel and Company Secretary

Notice of Annual General Meeting

Notice is hereby given of the eighty eighth Annual General Meeting (the AGM) of the Company to be held on Thursday 27 April 2023 at 10:30am in the Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE for the purposes set out below.

Ordinary business

Ordinary resolutions:

1. To receive the Directors' Report, Strategic Report, Directors' Remuneration Report, Independent Auditors' Report and Financial Statements for the year ended 31 December 2022.
2. To declare due and payable on 12 May 2023 a final dividend of 4.78 pence per ordinary share of the Company for the year ended 31 December 2022 to shareholders on the register at close of business on 31 March 2023.
3. To re-elect as a Director, Irene Dorner.
4. To re-elect as a Director, Robert Noel.
5. To re-elect as a Director, Jennie Daly.
6. To re-elect as a Director, Chris Carney.
7. To re-elect as a Director, Humphrey Singer.
8. To re-elect as a Director, Lord Jitesh Gadhia.
9. To re-elect as a Director, Scilla Grimble.
10. To elect as a Director, Mark Castle.
11. To elect as a Director, Clodagh Moriarty.
12. To re-appoint PricewaterhouseCoopers LLP (PwC) as external Auditors of the Company, to hold office until the conclusion of the next general meeting at which accounts are laid before the Company.
13. Subject to the passing of resolution 12, to authorise the Audit Committee to determine the remuneration of the external Auditors on behalf of the Board.
14. That the Board be generally and unconditionally authorised to allot shares in the Company and to grant rights to subscribe for or convert any security into shares in the Company:
    a. up to a nominal amount of £11,773,283 (such amount to be reduced by any allotments or grants made under paragraph b below, in excess of £11,773,283); and
    b. comprising equity securities (as defined in the Companies Act 2006) up to a nominal amount of £23,596,567 (such amount to be reduced by any allotments or grants made under paragraph a above) in connection with an offer by way of a rights issue:
        i. to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
        ii. to holders of other equity securities as required by the rights of those securities or as the Board otherwise considers necessary, as permitted by the rights of those securities;

    and, in both cases, so the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter, such authorities to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 26 July 2024) but, in each case, so that the Company may make offers and enter into agreements during this period which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends; and the Board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended.

Special resolutions:

15. That if resolution 14 is passed, the Board be authorised to allot equity securities (as defined in the Companies Act 2006) for cash under the authority given by that resolution and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not apply to any such allotment or sale, such power to be limited:
    a. to the allotment of equity securities and sale of treasury shares in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph b of resolution 14, by way of a rights issue only):
        i. to ordinary shareholders in proportion (as nearly as practicable) to their existing holdings; and
        ii. to holders of other equity securities, as required by the rights of those securities, or as the Board otherwise considers necessary,

    and so that the Board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matters;
    b. in the case of the authority granted under paragraph a of resolution 14 and/or in the case of any sale of treasury shares, to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph a above) up to a nominal amount of £3,531,985; and
    c. to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph a or paragraph b above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph b above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 28 of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

    Such power to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 26 July 2024) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.
16. That if resolution 14 is passed, the Board be authorised in addition to any power granted under resolution 15 to allot equity securities (as defined in the Companies Act 2006) for cash under the authority granted under paragraph a of resolution 14 and/or to sell ordinary shares held by the Company as treasury shares for cash as if Section 561 of the Companies Act 2006 did not

This Notice of Meeting is important and requires your immediate attention. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, bank manager, accountant, or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all of your shares in Taylor Wimpey plc, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. If you have sold or transferred part only of your holding of shares in the Company, please consult the person who arranged the sale or transfer.

apply to any such allotment or sale, such authority to be:

a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,531,985, such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 months after the original transaction) a transaction which the Board determines to be either an acquisition or a specified capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice; and

b. limited to the allotment of equity securities or sale of treasury shares (otherwise than under paragraph a above) up to a nominal amount equal to 20% of any allotment of equity securities or sale of treasury shares from time to time under paragraph a above, such authority to be used only for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice.

Such authority to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 26 July 2024) but, in each case, during this period the Company may make offers, and enter into agreements, which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the Board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the authority had not expired.

17. That the Company be authorised for the purposes of Section 701 of the Companies Act 2006 to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of the ordinary shares of 1 pence each of the Company (ordinary shares), provided that:

    a. the maximum number of ordinary shares hereby authorised to be purchased shall be 353,198,510;

    b. the minimum price (exclusive of expenses) which may be paid for ordinary shares is 1 pence per ordinary share;

    c. the maximum price (exclusive of expenses) which may be paid for an ordinary share is the highest of:

        i. an amount equal to 105% of the average of the middle market quotations for an ordinary share (as derived from the London Stock Exchange Daily Official List) for the five business days immediately preceding the date on which such ordinary share is purchased; and

        ii. the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out;

    d. the authority hereby conferred shall expire at the earlier of the conclusion of the next Annual General Meeting of the Company and 26 October 2024 unless such authority is renewed prior to such time; and

    e. the Company may make contracts to purchase ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of such authority, and may purchase ordinary shares in pursuance of any such contracts, as if the authority conferred by this resolution had not expired.

Special business

Ordinary resolutions:

18. That the Directors' Remuneration Report for the year ended 31 December 2022, as set out on pages 124, 125 and 135 to 148 of the Annual Report and Accounts for the financial year ended 31 December 2022, be approved in accordance with Section 439 of the Companies Act 2006.

19. That the Directors' Remuneration Policy, the full text of which is set out on pages 128 to 134 of the Annual Report and Accounts for the financial year ended 31 December 2022, be approved in accordance with Section 439A of the Companies Act 2006, to take effect from the date of this Annual General Meeting.

20. That in accordance with Sections 366 and 367 of the Companies Act 2006, the Company and all companies which are its subsidiaries when this resolution is passed are authorised to:

    a. make political donations to political parties and/or independent election candidates not exceeding £250,000 in aggregate;

    b. make political donations to political organisations other than political parties not exceeding £250,000 in aggregate; and

    c. incur political expenditure not exceeding £250,000 in aggregate, during the period beginning with the date of passing this resolution and the conclusion of the next Annual General Meeting of the Company.

    For the purposes of this resolution the terms 'political donations', 'political parties', 'independent election candidates', 'political organisations' and 'political expenditure' have the meanings given by Sections 363 to 365 of the Companies Act 2006.

21. That the Taylor Wimpey Sharesave Plan 2023 (the Sharesave) summarised in Appendix A to this Notice and the rules of which are produced to this meeting and for the purposes of identification initialled by the Chair, be approved and the Board be authorised to do all such acts and things necessary or desirable to establish the Sharesave; and that the Board be authorised to adopt further plans based on the Sharesave but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any cash or shares made available under such further plans are treated as counting against any limits on individual or overall participation in the Sharesave.

22. That the rules of the Taylor Wimpey Share Incentive Plan (the SIP) in its amended form summarised in Appendix B to this Notice and which are produced to this meeting and for the purposes of identification initialled by the Chair, be approved and the Board be authorised to do all such acts and things necessary or desirable to implement the SIP in its amended form; and that the Board be authorised to adopt further plans based on the SIP but modified to take account of local tax, exchange control or securities laws in overseas territories, provided that any cash or shares made available under such further plans are treated as counting against any limits on individual or overall participation in the SIP.

Special resolution:

23. That a general meeting other than an Annual General Meeting of the Company may continue to be called on not less than 14 clear days' notice.

By order of the Board

Ishaq Kayani
Group General Counsel and Company Secretary

Taylor Wimpey plc
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR
Registered in England and Wales No. 296805
1 March 2023

Explanatory notes to the resolutions

The notes on the following pages explain the proposed resolutions.

Resolutions 1 to 14 and 18 to 22 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 15 to 17 and 23 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three quarters of the votes cast must be in favour of the resolution.

Notwithstanding this, the Board is mindful of the Investment Association's Public Register which identifies any listed company that has received 20% or more votes against a resolution put to shareholders. If such circumstance arose, the Board would adhere to the requirements under the 2018 UK Corporate Governance Code (the Code).

Voting on the resolutions at the AGM will be by way of a poll, rather than on a show of hands. This is a more transparent method of voting as shareholder votes are counted according to the number of shares held and this will ensure an exact and definitive result.

Ordinary business

Ordinary resolutions

Ordinary resolutions require more than half of the votes cast to be in favour.

Resolution 1: To receive the Annual Report and Financial Statements

English company law requires the Directors to lay the Financial Statements of the Company for the year ended 31 December 2022 and the reports of the Directors, namely the Strategic report, Directors' Report, Directors' Remuneration Report, and Auditors' Report (the Annual Report), before a general meeting of the Company.

Resolution 2: To declare a final dividend

The Directors recommend the payment of a final dividend of 4.78 pence per ordinary share in respect of the year ended 31 December 2022. If approved at the AGM, the dividend will be paid on 12 May 2023 to shareholders who are on the Register of Members at the close of business on 31 March 2023.

Dividend Re-Investment Plan

Subject to shareholders approving the dividend as set out in resolution 2 at the Annual General Meeting scheduled for 27 April 2023, the Company will be offering residents in the United Kingdom a Dividend Re-Investment Plan (DRIP). The DRIP is provided and administered by the DRIP plan administrator, Link Market Services Trustees Limited, which is authorised and regulated by the Financial Conduct Authority (FCA). The DRIP offers shareholders the opportunity to elect to invest cash dividends received on their ordinary shares, in purchasing further ordinary shares of the Company. These shares would be bought in the market, on competitive dealing terms.

The DRIP will operate automatically in respect of the final dividend for 2022 (unless varied beforehand by shareholders) and all future dividends, including any special dividends, until such time as you withdraw from the DRIP or the DRIP is suspended or terminated in accordance with its terms and conditions.

Shareholders are again reminded to check their position with regard to any dividend mandates that are in place, should you wish to either participate in the DRIP or to discontinue or vary any participation, as existing mandates will apply to all dividend payments (including special dividends) unless or until revoked.

CREST

For shares held in uncertificated form (CREST), please note that elections continue to apply only to one dividend and a fresh election must be made, via CREST, for each dividend.

How to join the audiocast

We are pleased to be able to provide an electronic facility for shareholders unable to attend the AGM in person to follow the AGM remotely and submit questions to the Board on the business of the meeting, should they wish to do so. This can be accessed through the AGM section of our website at www.taylorwimpey.co.uk/2023AGM and following the link to the audiocast on the day of the AGM.

Once you have followed the link, you will then be prompted to enter your unique 11 digit 'Investor Code' (IVC), including any leading zeros, and 'PIN'. Your PIN is the last 4 digits of your IVC. This will authenticate you as a shareholder. Your IVC can be found on your share certificate, or Signal Shares users (www.signalshares.com) will find this under 'Manage your account' when logged in to the Signal Shares portal. You can also obtain this by contacting Link Group, our Registrar, by calling +44 (0) 371 277 1020. Lines are open from 9:00am to 5:30pm Monday to Friday, calls are charged at the standard geographic rate and will vary by provider. Calls outside the UK will be charged at the applicable international rate.

Access to the audiocast will be available 30 minutes before the start of the AGM, although you will not be able to submit questions until the meeting is declared open.

If you wish to appoint someone to join the audiocast on your behalf, please contact Link Group on +44 (0) 371 277 1020 in order to obtain their IVC and PIN. It is suggested that you do this as soon as possible and at least 48 hours (excluding non-business days) before the meeting.

If your shares are held within a nominee and you wish to attend the AGM via the audiocast, you will need to contact your nominee as soon as possible. Your nominee will need to have completed a corporate letter of representation and presented this to Link Group, our Registrar, no later than 72 hours before the start of the meeting in order that they can obtain your unique IVC and PIN to enable you to attend the audiocast.

Audiocast

The electronic meeting will be broadcast in audio format with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to listen to the proceedings of the meeting on your device, as well as being able to see the slides of the meeting (which will include the resolutions to be put forward to the meeting); these slides will progress automatically as the meeting progresses.

Questions

Shareholders listening to the AGM via the audiocast will be invited to ask questions by the Chair. Shareholders may submit a question via the Q&A box which is found on the bottom right hand side of the player. Once you have typed your question please click the 'Submit' button.

Shareholders are also welcome to submit questions in advance of the meeting by email to CoSec@taylorwimpey.com. Please provide any advance questions by 10:30am on Tuesday 25 April 2023. A full transcript of the questions asked at the AGM and the answers provided will be made available on the Company's website as soon as practicable following the conclusion of the AGM.

Requirements

An active internet connection is required at all times in order to allow you to join the meeting, submit questions and listen to the audiocast. It is your responsibility to ensure you remain connected for the duration of the meeting.

Full details of the terms and conditions of the DRIP and the actions required to make or revoke an election, both in respect of ordinary dividends (i.e. in this case, the 2022 final dividend) and any special dividends, are available at www.signalshares.com or on request from the Registrar, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, email: shares@linkgroup.co.uk or call +44 (0)371 664 0381. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The Registrar is open between 9:00am and 5:30pm, Monday to Friday excluding public holidays in England and Wales.

Resolutions 3-11: Election and re-election of Directors

In accordance with the Code, which states that all directors should be subject to annual election by shareholders, the Board has resolved that all Directors of the Company will retire and, being eligible, offer themselves for election or re-election, as appropriate, by shareholders at the Annual General Meeting.

Details of the Directors' service contracts, remuneration and interests in the Company's shares and other securities are given in the Directors' Remuneration Report to shareholders on pages 124 to 148 of this Annual Report and Accounts. Full biographical information concerning each Director can be found on pages 88 to 90.

The following summary information is given in support of the Board's proposal for each Director standing for election or re-election:

Irene Dorner – offers herself for re-election

Irene was appointed as a Non Executive Director and Chair Designate on 1 December 2019 and formally assumed the position of Chair on 26 February 2020. Irene's strong leadership skills, coupled with her deep commercial experience, provide strong leadership of the Board; the effective independent challenge of the Non Executive Directors; and the further development of the Group's strong cultural principles. Irene also Chairs the Nomination and Governance Committee.

As explained in more details on pages 8, 95 and 107, Irene will step down as Chair, of both the Board and the Nomination and Governance Committee, and from membership of the Remuneration Committee, at the conclusion of the Annual General Meeting. She will thereafter continue to serve on the Board as a non-independent Non Executive Director in accordance with the Code provisions in such circumstances.

Robert Noel – offers himself for re-election

Robert has been a Non Executive Director since 1 October 2019; the Company's Senior Independent Director since 21 April 2020; and was appointed as the Board's Employee Champion on 26 April 2022. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board and of the Audit, Nomination and Governance, and Remuneration Committees, and that he will be able to allocate sufficient time to the Company to discharge his responsibilities effectively. Rob has experience as a Chair and as a Chief Executive of listed companies, and has particularly deep property expertise which assists the Board in assessing large-scale land opportunities.

As explained in more detail on pages 9, 95 and 108, Rob will succeed Irene Dorner as Chair at the conclusion of the 2023 Annual General Meeting. At that time, he will also assume the Chair of the Nomination and Governance Committee; and will, in accordance with the Code, step down from the Audit Committee.

Jennie Daly – offers herself for re-election

Jennie was appointed Chief Executive following the conclusion of the 2022 Annual General Meeting, having previously been the Group Operations Director since 20 April 2018.

Chris Carney – offers himself for re-election

Chris has been the Group Finance Director since 20 April 2018.

Humphrey Singer – offers himself for re-election

Humphrey has been a Non Executive Director since 9 December 2015. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board, the Audit Committee (which he Chairs) and the Nomination and Governance Committee, and that he will be able to allocate sufficient time to the Company to discharge his responsibilities effectively. Humphrey's detailed knowledge and experience of financial reporting by major listed companies makes him well-qualified to hold to account the external Auditors and properly assess the Group's internal audit and control processes.

Lord Jitesh Gadhia – offers himself for re-election

Jitesh has been a Non Executive Director since 1 March 2021. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board, the Remuneration Committee (of which he was appointed Chair on 26 April 2022) and the Nomination and Governance Committee, and that he will be able to allocate sufficient time to the Company to discharge his responsibilities effectively. Jitesh's executive and non executive experience and involvement in public affairs has added an additional perspective to the Board dynamic. He has extensive remuneration committee experience and serves as Chair of the Remuneration Committees of both Compare The Market Limited and Rolls-Royce Holdings plc.

Scilla Grimble – offers herself for re-election

Scilla has been a Non Executive Director since 1 March 2021. The Board is satisfied that she is independent in character and judgement in applying her expertise at meetings of the Board, the Audit Committee and the Nomination and Governance Committee, and that she will be able to allocate sufficient time to the Company to discharge her responsibilities effectively. Scilla has significant financial, risk, technology and property experience.

Mark Castle – offers himself for election

Mark was appointed as a Non Executive Director on 1 June 2022. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board, the Audit Committee and the Nomination and Governance Committee, and that he will be able to allocate sufficient time to the Company to discharge his responsibilities effectively. Mark brings significant operational experience in all aspects of the construction sector, including as Chief Operating Officer of Mace Finance Ltd until 2021.

Clodagh Moriarty – offers herself for election

Clodagh was appointed as a Non Executive Director on 1 June 2022. The Board is satisfied that she is independent in character and judgement in applying her expertise at meetings of the Board and the Nomination and Governance Committee, and that she will be able to allocate sufficient time to the Company to discharge her responsibilities effectively. Clodagh has 20 years of varied customer-focused experience across retail, strategy, digital transformation and e-commerce.

The Board confirms that each of the above Directors has recently been subject to formal performance evaluation, details of which are set out in the Nomination and Governance Committee report in the Annual Report on pages 112 and 113, and that each continues to demonstrate commitment and is an effective member of the Board who is able to devote sufficient time in line with the Code to fulfil their role and duties.

Resolution 12: Re-appointment of PwC as external Auditors of the Company

The Company is required to appoint external Auditors at each general meeting at which accounts are laid before the shareholders. It is therefore proposed that the external Auditors are appointed from the conclusion of the 2023 Annual General Meeting until the conclusion of the next general meeting at which accounts are laid before shareholders. The Board recommends the re-appointment of PwC as the Company's external Auditors.

Resolution 13: Authorisation of the Audit Committee to agree on behalf of the Board the remuneration of PwC as external Auditors

The Board seeks shareholders' authority for the Audit Committee to determine on behalf of the Board the remuneration of the external Auditors for their services. The Board has adopted a procedure governing the appointment of the external Auditors to carry out non-audit services, details of which are given in the Audit Committee report. Details of non-audit services performed by the external Auditors in 2022 are given in Note 6 on page 173 of the Annual Report.

Resolution 14: Authority to allot shares

The Directors wish to renew the existing authority to allot unissued shares in the Company, which was granted at the Company's last Annual General Meeting held on 26 April 2022 and which is due to expire at the conclusion of this Annual General Meeting. Accordingly, paragraph a of resolution 14 would give the Directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £11,773,283 (representing 1,177,328,367 ordinary shares). This amount represents approximately one third of the issued ordinary share capital of the Company as at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting.

In line with guidance issued by The Investment Association (The IA), paragraph b of resolution 14 would give the Directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £23,546,567 (representing 2,354,656,734 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph a of resolution 14. This amount (before any reduction) represents approximately two thirds of the issued ordinary share capital of the Company as at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting.

The Company holds 25 million shares in treasury, as described more fully on pages 149 and 150.

The authorities sought under paragraphs a and b of resolution 14 will expire at the earlier of 26 July 2024 and the conclusion of the next Annual General Meeting of the Company.

The Directors have no present intention to exercise either of the authorities sought under this resolution. However, if they do exercise the authorities, the Directors intend to follow The IA recommendations concerning their use (including as regards the Directors standing for re-election in certain cases).

Special resolutions

Special resolutions require at least three quarters of the votes cast to be in favour.

Resolutions 15 and 16: Authority to dis-apply pre-emption rights

Resolutions 15 and 16 would give the Directors the power to allot ordinary shares (or sell any ordinary shares which the Company holds in treasury) for cash (other than pursuant to an employee share scheme) without first offering them to existing shareholders pro rata to their existing shareholdings, as permitted by the Articles and as described below.

The Company follows the principles set out by The Pre-Emption Group and has taken the opportunity to increase the proportion of issued capital (excluding treasury shares) which may be allotted on the basis contemplated by resolutions 15 and 16, in each case as permitted in the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice (the Pre-emption Principles).

The power set out in resolution 15 seeks to renew the Directors' power to allot shares or grant rights to subscribe for, or convert securities into, shares or sell treasury shares where they propose to do so for cash (other than pursuant to an employee share scheme) otherwise than to existing shareholders pro rata to their holdings (i.e. non pre-emptively), as permitted by the Articles. The power will be limited to:

a. the allotment of shares for cash in connection with a rights issue, to allow the Directors to make appropriate exclusions and other arrangements to resolve legal or practical problems which, for example, might arise in relation to overseas shareholders;

b. the allotment of shares and treasury shares for cash up to an aggregate nominal value of £3,531,985 being approximately 10 percent of the issued ordinary share capital (excluding treasury shares) at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting; and

c. the allotment of shares and treasury shares for cash up to an aggregate nominal value of £706,397, being approximately 2 percent of the issued ordinary share capital (excluding treasury shares) at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting, for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Section 2B of the Pre-emption Principles.

Resolution 16 is a special resolution which seeks to give the Directors power to make non-pre-emptive issues of ordinary shares in connection with acquisitions and other capital investments as contemplated by the Pre-emption Principles. This power is intended to give the Directors flexibility in managing the Company's capital resources and is in addition to that proposed by resolution 15. It would be limited to allotments or sales of shares and treasury shares for cash up to:

(i) an aggregate nominal value of £3,531,985, being approximately 10 percent of the issued ordinary share capital (excluding treasury shares) at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting; and

(ii) an aggregate nominal value of £706,397, being approximately 2 percent of the issued ordinary share capital (excluding treasury shares) at 27 February 2023, the latest practicable date prior to publication of this Notice of Meeting, for the purposes of making a follow-on offer which the Board determines to be of a kind contemplated by paragraph 3 of Section 2B of the Pre-emption Principles.

If given, these authorities will expire at the conclusion of the Annual General Meeting in 2024 or at the close of business on 26 July 2024, whichever is the earlier (unless previously renewed, varied or revoked by the Company in a general meeting).

The Board will continue to seek to renew these authorities at each Annual General Meeting in accordance with best practice.

Resolution 17: Authority to make market purchases of shares

This resolution authorises the Company to make market purchases of its own ordinary shares as permitted by the Act.

Any purchases under this authority would be made in one or more tranches and would be limited in aggregate to 10% of the ordinary shares of the Company in issue at the close of business on 27 February 2023.

The minimum price (exclusive of expenses) which may be paid for an ordinary share is 1 pence per ordinary share. The maximum price to be paid on any exercise of the authority would not exceed the highest of:

(i) 105% of the average of the middle market quotations for the Company's ordinary shares for the five business days immediately preceding the date of the purchase; and

(ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

Shares purchased pursuant to these authorities could be held as treasury shares, which the Company can re-issue quickly and cost-effectively, providing the Company with additional flexibility in the management of its capital base. The total number of shares held

as treasury shares shall not at any one time exceed 10% of the Company's issued share capital. Accordingly, any shares bought back over the 10% limit will be cancelled. As at 27 February 2023, the Company holds 25 million shares in treasury.

This is a standard resolution, sought by the majority of public listed companies at Annual General Meetings.

As advised in last year's Annual Report and Accounts, the Board utilised this power during 2022 to return excess capital to its shareholders of £150 million through buying back 116.9 million shares, of which 25 million are being held in treasury and the remaining 91.9 million have been cancelled. That share buyback is expected to benefit shareholders through the opportunity for increased future dividends per share on the remaining shares. The Board currently intends that the shares held in treasury will be used for future obligations of the Company in respect of its employee share schemes, and are currently being used to meet the exercise of Sharesave options, as described in more detail in Note 26 on page 191.

The Directors have no present intention of exercising this authority other than for the reasons stated above, but will keep the matter under review, and would do so only after careful consideration, taking into account market conditions, the cash reserves of the Company, the Company's share price, appropriate gearing levels, other investment opportunities and the overall financial position of the Company. The authority will be exercised only if the Board believe that to do so would result in an increase in earnings per share and would be likely to promote the success of the Company for the benefit of its shareholders as a whole.

The total number of options and conditional share awards to subscribe for ordinary shares outstanding as at the close of business on 27 February 2023 was 29,666,405, representing approximately 0.8% of the issued ordinary share capital of the Company as at that date and approximately 0.9% of the Company's issued ordinary share capital following any exercise in full of this authority to make market purchases.

This authority will last until the earlier of 26 October 2024 and the conclusion of the Company's next Annual General Meeting.

Special business

Ordinary resolutions

Ordinary resolutions require more than half of the votes cast to be in favour.

Resolutions 18 and 19: Approval of the Directors' Remuneration Report and the Remuneration Policy

The Remuneration Committee of the Board (the Committee) is seeking shareholders' approval of the Directors' Remuneration Report and the new Directors' Remuneration Policy (the Directors' Remuneration Policy) in resolutions 18 and 19, which will each be proposed as an ordinary resolution.

The Directors are required to prepare the Directors' Remuneration Report, comprising an annual report detailing the remuneration of the Directors, a statement by the Chair of the Committee and the Remuneration at a glance section. The Company is required to seek shareholders' approval in respect of the contents of this Report on an annual basis (excluding the part containing the current Directors' Remuneration Policy, which was approved by shareholders at the Company's 2020 Annual General Meeting when it was proposed for its latest three-yearly vote; and the proposed Directors' Remuneration Policy, which is proposed under Resolution 19 for approval for three years from the date of the Annual General Meeting). This vote on the Directors' Remuneration Report is an advisory one only.

The shareholders are separately asked to approve the Directors' Remuneration Policy which is set out on pages 128 to 134 of the Annual Report and Accounts 2022. It is intended that this will take effect immediately after the Annual General Meeting and will replace the existing policy that was approved by shareholders in 2020 which is due to expire at the 2023 Annual General Meeting. It is anticipated that the Directors' Remuneration Policy will be in force for three years.

Resolution 20: Authority to make political donations

In order to comply with its obligations under the Companies Act 2006 and to avoid any inadvertent infringement of that Act, the Board wishes to renew its existing authority for a general level of political donation and/or expenditure. Resolution 20 seeks to renew the existing authority for the Company to make political donations and incur political expenditure.

The Companies Act 2006 requires this authority to be divided into three heads (as set out in resolution 20) with a separate amount specified as permitted for each. An amount not exceeding £250,000 for each head of the authority has been proposed. In accordance with the Companies Act 2006, resolution 20 extends approval to all of the Company's subsidiaries.

This authority will expire at the conclusion of the next Annual General Meeting of the Company unless renewal is sought at that meeting.

The Company and the Group do not make any donations to political parties or organisations and do not intend to going forward, but do support certain industry-wide bodies such as the Home Builders Federation in the UK. Whilst the Board does not regard this as political in nature, in certain circumstances such support together with donations made for charitable or similar purposes could possibly be treated as a donation to a political organisation under the relevant provisions of the Companies Act 2006. For example, a donation to a humanitarian charity which may also operate as a political lobby, sponsorship, subscriptions, paid leave to employees fulfilling public duties and payments to industry representative bodies could constitute a donation to a political organisation within the current definitions in the Companies Act 2006.

Details of the Company's and the Group's charitable donations appear on page 50 and 51 of the Annual Report and Accounts 2022.

Resolution 21: Taylor Wimpey Savings-Related Share Option Plan

The Taylor Wimpey Savings-Related Share Option Plan (the Sharesave) was last adopted by shareholders at the Company's Annual General Meeting in 2013, for a period not exceeding 10 years. The Company is now seeking approval to replace the Rules with new and updated Rules reflecting current legislation and best practice including to extend the term for its operation by a further 10 years.

The existing Sharesave, which is approved by HM Revenue & Customs (HMRC), is open to all UK employees with three months' service and offers the benefits set out on page 131 of this Annual Report and Accounts. The Company first offered Sharesave in 1982 and it has proved extremely popular with employees. Around 45 percent of our UK employees currently participate in Sharesave, which encourages employees to take an interest in the Company's share price performance, and helps to align their interests with those of shareholders.

Shareholder approval is being sought to extend the life of the Sharesave until 26 April 2033 (being 10 years from the date of the 2023 AGM) to enable the Company to continue to operate the Sharesave. The Remuneration Committee has also taken the opportunity to update the Sharesave Rules, taking into account modern practice.

Resolution 21 seeks approval for the new Rules of the Sharesave.

A summary of the proposed new Rules is set out in Appendix A on pages 216 and 217 and a copy of the new Sharesave Rules will be available for inspection by shareholders on the National Storage Mechanism (accessible at www.data.fca.org.uk/#/nsm/nationalstoragemechanism) from the date of publication of this Notice of Meeting and at the place of the Annual General Meeting from 15 minutes prior to its commencement until its conclusion.

Resolution 22: Taylor Wimpey Share Incentive Plan

The Taylor Wimpey Share Incentive Plan (the SIP) was last adopted by shareholders at the Company's AGM in 2013, for a period not exceeding 10 years. The Company is now seeking approval to amend the SIP Rules to reflect current legislation and best practice,

including to extend the term for its operation by a further 10 years.

The existing SIP, which is approved by HM Revenue & Customs (HMRC), is open to all UK employees with three months' service and offers the benefits set out on page 131 of this Annual Report. The Company first offered a SIP in 2004 and it has proved extremely popular with employees. Around 40 percent of our UK employees currently participate in the SIP, which encourages employees to take an interest in the Company's share price performance, and helps to align their interests with those of shareholders.

Shareholder approval is also being sought to extend the life of the SIP until 26 April 2033 (being 10 years from the date of the 2023 AGM) to enable the Company to continue to operate the SIP. The Remuneration Committee has also taken the opportunity to update the Rules of the SIP in some respects, taking into account current legislation and best practice.

Resolution 22 seeks approval for the new Rules of the SIP.

A summary of the proposed new Rules of the SIP is set out in Appendix B on page 217 and a copy of the SIP Rules will be available for inspection by shareholders on the National Storage Mechanism (accessible at www.data.fca.org.uk/#/nsm/nationalstoragemechanism) from the date of publication of this Notice and at the place of the Annual General Meeting from 15 minutes prior to its commencement until its conclusion.

Special resolution

Special resolutions require at least a 75% majority of votes cast to be cast in favour.

Resolution 23: Notice of general meetings

The Companies (Shareholders' Rights) Regulations 2009 have increased the notice period required for general meetings of the Company to 21 clear days unless shareholders agree to a shorter notice period, which cannot be less than 14 clear days. At the last Annual General Meeting, a resolution was passed approving the Company's ability to call general meetings (other than Annual General Meetings, which will continue to be held on at least 21 clear days' notice) on not less than 14 clear days' notice. As this approval will expire at the conclusion of this Annual General Meeting, resolution 23 proposes its renewal. The shorter notice period of 14 clear days would not be used as a matter of routine for any general meeting, but only where the flexibility is merited by the business of a particular meeting and is thought to be to the advantage of shareholders as a whole. The renewed approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed.

Note that in order to be able to call a general meeting on less than 21 clear days' notice, the Company must make available electronic voting to all shareholders in respect of that meeting.

Appendix A

Summary of the proposed new Rules of The Taylor Wimpey plc Sharesave Plan 2023 (the "Sharesave"):

Eligibility

Each time that the Board decides to issue an invitation to employees to participate in the Sharesave, all UK resident tax-paying employees and full time directors of the Company and its subsidiaries (the "Group") participating in the Sharesave must be offered the opportunity to participate. Other employees of the Group may be permitted to participate at the Board's discretion. If the Board so determines in line with the relevant legislation governing the Sharesave, employees who are invited to participate must have completed a minimum qualifying period of employment before they can participate (which currently can be up to 5 years before the grant date).

Savings contract

Under the Sharesave, eligible employees may enter into a linked savings contract to make savings over a three or five-year period. Monthly savings by an employee under all savings contracts linked to options granted under any tax-advantaged savings-related share option plan may not exceed the statutory maximum, which is currently set at £500 per month. The Board may set a lower limit in relation to any particular grant. At the end of the three-year or five-year savings contract, employees may either withdraw their savings on a tax-free basis or use their savings to acquire ordinary fully paid shares in the Company ("Shares").

Exercise price

The proceeds of the savings contract can be used to exercise an option to acquire Shares at an exercise price per Share set when employees were invited to participate in the Sharesave. The exercise price may not be manifestly less than 80 percent (or such other percentage as may be permitted by the relevant legislation) of the market value of a Share at the date of invitation.

The exercise price will normally be set using prices taken from a period of 42 days beginning on: (a) the first dealing day after the announcement of the Company's results for any period; (b) the day on which an announcement is made of an amendment to the Sharesave legislation or such legislation comes into force; (c) the day on which a new HMRC-approved savings contract is announced; or (d) to the extent that share dealing restrictions apply in any of the preceding three periods, the dealing day on which such dealing restrictions are lifted, unless the Board determines that exceptional circumstances exist which justify the issue of invitations under the Sharesave at another time.

Overall limit

The Sharesave may operate over new issue Shares, treasury Shares or Shares purchased in the market. The rules of the Sharesave provide that the number of Shares which may be issued to satisfy options or awards granted under the Sharesave and any other employee share plan adopted by the Company in any ten-year rolling period may not exceed 10 percent of the issued ordinary share capital of the Company from time to time.

Shares transferred out of treasury will count towards this limit for so long as this is required under institutional shareholder guidelines. However, options over, and awards of, Shares which are relinquished or lapse will be disregarded for the purposes of this limit.

Exercise of options

Ordinarily, an option may be exercised within six months of the date that the savings contract matures. Options not exercised by the end of this period will lapse. However, special provisions apply upon cessation of employment and in the case of certain corporate events.

Cessation of employment

Options will normally lapse immediately upon a participant ceasing to be employed by, or hold office with, the Group. However, if a participant ceases to hold office or employment because of injury, disability, redundancy, retirement or the sale of the individual's employing company or business out of the Group, their option will not lapse and may be exercised early for a period of up to six months after the participant's cessation of office or employment. If a participant dies, their option may be exercised for 12 months after their death by their personal representatives.

Corporate events

In the event of certain types of corporate event involving a change of control or winding-up of the Company, any outstanding options may be exercised early. Alternatively, participants may agree with the acquiring company to exchange their options for equivalent options over shares in a different company. If the change of control is an internal reorganisation of the Group and participants are offered equivalent options over shares in a different company, their options will not become exercisable and, if not so exchanged, will lapse.

Adjustments

In the event of a variation of the Company's share capital, the Board

may adjust the number or description of Shares subject to options and/or the exercise price applicable to options in such manner as it considers appropriate.

Rights attached to Shares

Options granted under the Sharesave will not confer shareholder rights on a participant (including an entitlement to vote or to receive dividends) until that participant has exercised their option and received the underlying Shares. Any Shares issued will rank equally with other Shares then in issue (except for rights arising by reference to a record date prior to their issue).

Amendments

The Board may, at any time, amend the Sharesave rules in any respect. The prior approval of the Company's shareholders must be obtained for any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits on Shares under the Sharesave, the basis for determining the entitlement to, and the terms of, Shares provided under the Sharesave, the adjustments that may be made in the event of any variation in the share capital of the Company and/or the rule relating to such prior approval. There are, however, exceptions to this requirement to obtain shareholder approval for any minor amendments to benefit the administration of the Sharesave, to take account of the provisions of any relevant legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group. An amendment which would be to the material disadvantage of participants in respect of subsisting rights under the Sharesave will only take effect with the approval of a majority of the participants who respond to an invitation to indicate their approval.

Non-transferability

Options are not transferable other than to the participant's personal representatives in the event of the participant's death.

Benefits not pensionable

Any benefits received under the Sharesave are not pensionable.

Termination

No options may be granted under the Sharesave more than ten years after the date it is approved by the Company's shareholders.

Appendix B

Summary of the proposed new Rules of The Taylor Wimpey plc Share Incentive Plan (the "SIP"):

Grant of SIP awards

Under the SIP, eligible employees may be: (a) awarded free ordinary shares up to a value of £3,600 ("Free Shares") each year; (b) offered the opportunity to buy ordinary shares up to a maximum value of the lesser of £1,800 and 10% of the employee's pre-tax salary each year ("Partnership Shares"); (c) given up to 2 free ordinary shares ("Matching Shares") for each Partnership Share bought; and/or (d) allowed or required to purchase ordinary shares using dividends received on ordinary shares held in the SIP ("Dividend Shares"). The Board may increase these limits in the future should the relevant legislation change the maximum levels of participation referred to above.

SIP Trust

The SIP operates through a UK resident trust (the "SIP Trust"). The trustee(s) of the SIP Trust purchases or subscribes for ordinary shares that are awarded to or purchased on behalf of participants in the SIP. A participant will be the beneficial owner of any ordinary shares held on their behalf by the trustee(s) of the SIP Trust.

Eligibility

Each time that the Board decides to make an award under the SIP, all UK resident tax-paying employees of the Company and its subsidiaries participating in the SIP must be offered the opportunity to participate. Other employees of the Company and its subsidiaries may be permitted to participate at the Board's discretion. Employees who are invited to participate must have completed a minimum qualifying period of employment (as determined by the Board in line with the relevant legislation) before they can participate.

Free Shares

There will be a holding period of between three and five years (or such other period as may be permitted by the relevant legislation from time to time) during which the participant cannot withdraw the Free Shares from the SIP Trust unless the participant ceases to be employed by the Group. The precise duration of this holding period will be determined by the Board each time Free Shares are awarded. The Board, in its discretion, may provide that the Free Shares will be forfeited if the participant ceases to be employed by the Group other than because of death, injury, disability, redundancy, retirement or the sale of the individual's employing company or business out of the Group (each a "SIP Good Leaver Reason").

Partnership Shares

The Board may allow an employee to use pre-tax salary to buy Partnership Shares at their then market value. Once acquired, Partnership Shares may be withdrawn from the SIP by the participant at any time.

Matching Shares

The Board may, in its discretion, offer free Matching Shares to an employee who has purchased Partnership Shares. There is a holding period of between three and five years (or such other period as may be permitted by the relevant legislation from time to time) during which the participant cannot withdraw the Matching Shares from the SIP Trust, unless the participant ceases to be employed by the Group. The precise duration of this holding period will be determined by the Board each time Matching Shares are awarded. The Board, in its discretion, may provide that the Matching Shares will be forfeited if the participant ceases to be employed by the Group other than for a SIP Good Leaver Reason or if the related Partnership Shares are withdrawn from the SIP.

Reinvestment of dividends

The Board may allow or require a participant to reinvest the whole or part of any dividends paid on ordinary shares held in the SIP on their behalf. Dividend Shares must be held in the SIP Trust for no less than three years, unless the participant ceases to be employed by the Group.

Corporate events

In the event of a general offer being made to shareholders (or a similar takeover event taking place), participants will be able to direct the trustee of the SIP Trust as to how to act in relation to their ordinary shares held in the SIP. In the event of an internal reorganisation, any ordinary shares held by participants may be replaced by equivalent shares in a new holding company.

Variation of capital

Ordinary shares acquired on a variation of the share capital of the Company will usually be treated in the same way as the ordinary shares originally acquired or awarded under the SIP in respect of which the rights were conferred and as if they were acquired or awarded at the same time.

Rights attaching to ordinary shares

Any ordinary shares issued to the trustee of the SIP Trust will rank equally with other ordinary shares then in issue (except for rights arising by reference to a record time or date prior to the time or date of issue). In the event of a rights issue, participants will be able to direct the trustee(s) of the SIP Trust as to how to act in respect of the ordinary shares held in the SIP on their behalf.

Overall limits

The SIP may operate over new issue ordinary shares, treasury shares or ordinary shares purchased in the market. The rules of the SIP provide that the number of ordinary shares which may be issued to satisfy awards granted in any ten-year rolling period under the SIP and any other employee share plan adopted by the Company may not exceed 10% of the issued ordinary share capital of the Company from time to time.

Amendments

The Board may, at any time, amend the provisions of the SIP in any respect. The prior approval of the Company's shareholders must be obtained in the case of any amendment which is made to the advantage of eligible employees and/or participants and relates to the provisions relating to eligibility, individual or overall limits, the basis for determining the entitlement to, and the terms of, awards, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval. There are, however, exceptions to this requirement to obtain shareholder approval for any minor amendments to benefit the administration of the SIP, to take account of the provisions of any legislation, or to obtain or maintain favourable tax, exchange control or regulatory treatment for any participant or member of the Group.

Non-transferability

Awards (other than where indicated otherwise above) are not transferable other than to the participant's personal representatives in the event of their death.

Benefits not pensionable

Benefits received under the SIP are not pensionable.

Termination

No awards may be granted under the SIP more than ten years after the date it is approved by the Company's shareholders.

Procedural notes

1. To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes which shareholders may cast), shareholders must be registered on the Register of Members of the Company by 6:00pm on Tuesday 25 April 2023 (or, in the event of any adjournment, on the date which is two working days before the time of the adjourned meeting).
2. As at 27 February 2023 (being the latest practicable date prior to the publication of this Notice of Meeting) the Company's issued share capital consisted of 3,556,985,103 ordinary shares, carrying one vote each. The Company holds 25,000,000 shares in treasury. Therefore, the total voting rights in the Company as at 27 February 2023 were 3,531,985,103.
3. A shareholder entitled to attend and vote at the Annual General Meeting may appoint a proxy or proxies to exercise all or any of their rights at the Annual General Meeting. A proxy need not be a shareholder of the Company. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holdings (the first-named being the most senior).
4. To be valid, any proxy appointment must be received by Link Group at PXS 1, Central Square, 29 Wellington Street, Leeds, LS1 4DL, or, if you want to use an envelope the address to use is FREEPOST PXS, Central Square, 29 Wellington Street, Leeds, LS1 4DL or, electronically via the internet at www.signalshares.com or, if you are a member of CREST, via the service provided by Euroclear UK & International Limited at the electronic address provided in note 9, in each case no later than 10:30am on Tuesday 25 April 2023. Please note that all proxy appointments received after this time will be void. A proxy appointment sent electronically at any time that is found to contain any virus will not be accepted.
5. If you require a paper proxy form, or if you require additional forms, please contact Link Group, by email at shareholderenquiries@linkgroup.co.uk, or by telephone on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00am to 5:30pm, Monday to Friday excluding public holidays in England and Wales).
6. Any person to whom this Notice of Meeting is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a 'Nominated Person') may, under an agreement between them and the shareholder by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights. Such persons should direct any communications and enquiries to the registered holder of the shares by whom they were nominated and not to the Company or its Registrar.
7. The statement of the rights of shareholders in relation to the appointment of proxies in notes 3 and 4 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by shareholders of the Company.
8. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
9. In order for a proxy appointment or instruction made using the CREST service to be valid, it must be properly authenticated in accordance with Euroclear UK & International Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by 10:30am on Tuesday 25 April 2023. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
10. The Company may treat as invalid a CREST Proxy instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
    If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10:30am on Tuesday 25 April 2023 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
11. Any corporation which is a member can appoint one or more

corporate representatives who may exercise on its behalf all of its powers as a member provided that, if two or more representatives purport to vote in respect of the same shares: (i) if they purport to exercise the power in the same way as each other, the power is treated as exercised in that way; and (ii) in other cases, the power is treated as not exercised.

12. Under Section 527 of the Companies Act 2006 members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
    - The audit of the Company's accounts (including the Auditors' Report and the conduct of the audit) that are to be laid before the Annual General Meeting; or
    - Any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006.

    The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's external Auditors not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.
13. Under Section 319A of the Companies Act 2006, shareholders have the right to ask questions at the Annual General Meeting relating to the business of the Annual General Meeting. The Company must cause to be answered any such question relating to the business being dealt with at the Annual General Meeting but no such answer need be given if:
    (i) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
    (ii) the answer has already been given on a website in the form of an answer to a question; or
    (iii) it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.
14. Shareholders have the right to request information to enable them to determine that their vote on a poll was validly recorded and counted. If you require confirmation please contact Link Group, by email at shareholderenquiries@linkgroup.co.uk, or by telephone on +44 (0) 371 664 0300 (calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00am to 5:30pm, Monday to Friday excluding public holidays in England and Wales).
15. A copy of this Notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.taylorwimpey.co.uk/corporate.
16. Voting on all resolutions at this year's Annual General Meeting will be conducted by way of a poll. The results of the poll will be announced via a Regulatory Information Service and made available at www.taylorwimpey.co.uk/corporate as soon as practicable after the Annual General Meeting.
17. A copy of the Company's Articles of Association will be available for inspection during normal business hours (excluding Saturdays, Sundays and public holidays) at the Company's registered office: Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR from the date of this Notice until the close of the Annual General Meeting.
18. The documents listed below are available for inspection at an agreed time at the Company's registered office. If you wish to inspect these documents, email CoSec@taylorwimpey.com during normal business hours (excluding Saturdays, Sundays and public holidays). Copies of these documents will also be available before and during the Annual General Meeting.
    - Copies of the Executive Directors' service contracts.
    - Copies of the letters of appointment of the Chair of the Board and the Non Executive Directors.
    - A copy of the full Annual Report and Accounts of the Company for the year ended 31 December 2022, including the Directors' Remuneration Report and Directors' Remuneration Policy referred to in resolution 19. This document is also available on our corporate website.
    - Rules of the proposed new Taylor Wimpey Savings-Related Share Option Plan.
    - Rules of the Taylor Wimpey Share Incentive Plan, amended as proposed.

    Since shareholders will be able to follow the Annual General Meeting remotely via an audiocast, these documents will be made available on the electronic facility for the duration of the meeting. The documents will also be available to view on the Annual General Meeting section of our website at www.taylorwimpey.co.uk/2023AGM.
19. Personal data provided by shareholders at or in relation to the Annual General Meeting (including names, contact details, votes and Investor Codes), will be processed in line with the Company's privacy policy which is available at www.taylorwimpey.co.uk/privacy-policy.
20. Under sections 338 and 338A of the Companies Act 2006, shareholders meeting the threshold requirements in those sections have the right to require the Company:
    i. to give, to shareholders of the Company entitled to receive notice of the Annual General Meeting, notice of a resolution which may properly be moved and is intended to be moved at that meeting, and/or
    ii. to include in the business to be dealt with at that meeting any matter (other than a proposed resolution) which may be properly included in the business. A resolution may properly be moved or a matter may properly be included in the business unless:
        a. (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the Company's constitution or otherwise),
        b. it is defamatory of any person, or
        c. it is frivolous or vexatious.

    Such a request may be in hard copy form or in electronic form, must identify the resolution of which notice is to be given or the matter to be included in the business, must be authenticated by the person or persons making it, must have been received by the Company no later than 15 March 2023, being the date six clear weeks before the Annual General Meeting, or if later, the time at which Notice of the Annual General Meeting is given and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

Shareholder facilities

Web communications

The Company makes documents and information available to shareholders by electronic means and via a website, rather than by sending hard copies. This way of communicating is enabled in accordance with the Companies Act 2006, Rule 6 of the Disclosure and Transparency Rules and the Company's Articles of Association.

Making documents and information available electronically:

- Enables the Company to reduce printing and postage costs.
- Allows faster access to information and enables shareholders to access documents on the day they are published on the Company's website.
- Reduces the amount of resources consumed, such as paper, and lessens the impact of printing and mailing activities on the environment.

Shareholder facilities

The Company provides hard copy documentation to those shareholders who have requested this and is, of course, happy to provide hard copies to any shareholders upon request.

The Company's website is www.taylorwimpey.co.uk and shareholder documentation made available electronically is generally accessible at www.taylorwimpey.co.uk/corporate.

Electronic communications

The Company also encourages shareholders to elect to receive notification of the availability of Company documentation by means of an email. Shareholders can sign up for this facility by registering on our website at www.taylorwimpey.co.uk/corporate/investors/shareholder-centre.

Online facilities for shareholders

You can access our Annual Report and Accounts, half year and full year statements, and copies of recent shareholder communications online via our website.

You can manage your shareholding in Taylor Wimpey plc via Link Group's shareholder portal, which can be accessed online at www.signalshares.com.

Dividend Re-Investment Plan

Residents in the United Kingdom can choose to invest their cash dividends, including any special dividends, in purchasing Taylor Wimpey plc shares on the market under the terms of the Dividend Re-Investment Plan (DRIP). For further information on the DRIP and how to join, contact Link Group.

Shareholders are again reminded to check their position with regard to any dividend mandates that are in place, should you wish to either participate in the DRIP or discontinue or vary any participation, as existing mandates will apply to all dividend payments (including any special dividends) unless or until revoked.

CREST

The Company offers shareholders who hold their Taylor Wimpey plc shares in CREST a facility for the receipt of dividends through the CREST system.

For shares held in uncertificated form (CREST), please note that elections continue to apply only to one dividend and a fresh election must be made, via CREST, for each dividend.

Full details of the terms and conditions of the DRIP and the actions required to make or revoke an election, both in respect of ordinary dividends (i.e. in this case, the 2022 final dividend) and any special dividends, are available at www.signalshares.com or on request from the Registrar, Link Group, 10th Floor, Central Square, 29 Wellington Street, Leeds, LS1 4DL, email: shares@linkgroup.co.uk, tel: +44 (0)371 664 0381. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. Lines are open between 9:00am and 5:30pm Monday to Friday excluding public holidays in England and Wales.

Dividend mandates

We strongly encourage all shareholders to receive their cash dividends by direct transfer to a bank or building society account. This ensures that dividends are credited promptly to shareholders without the cost and inconvenience of having to pay in dividend cheques at a bank. If you wish to use this cost-effective and simple facility, please register for the shareholder portal at www.signalshares.com and register your bank mandate online or complete and return the dividend mandate form attached to your dividend cheque. Additional mandate forms may be obtained from Link Group.

Duplicate share register accounts

If you are receiving more than one copy of our Annual Report and Accounts, it may be that your shares are registered in two or more accounts on our Register of Members. You might wish to consider merging them into one single account. Please contact Link Group who will be pleased to carry out your instructions in this regard.

Taylor Wimpey shares and CREST

Taylor Wimpey plc shares can be held in CREST accounts, which do not require share certificates. This may make it quicker and easier for some shareholders to settle stock market transactions. Shareholders who deal infrequently may, however, prefer to continue to hold their shares in certificated form and this facility will remain available for the time being, pending the likely general introduction of dematerialised shareholdings in due course.

Taylor Wimpey share price

Our share price is available on our website.

Gifting shares to charity

If you have a small holding of Taylor Wimpey plc shares, you may wish to consider gifting them to charity. You can do so through 'ShareGift', which is administered by a registered charity, the Orr Mackintosh Foundation Limited. Shares gifted are re-registered in the name of the charity, combined with other donated shares and then sold through stockbrokers who charge no commission. The proceeds are distributed to a wide range of recognised charities. For further details, please contact Link Group or approach ShareGift directly at www.sharegift.org or telephone them on +44 (0)20 7930 3737.

Unsolicited approaches to shareholders and 'Boiler Room' scams

We receive reports from time to time from Taylor Wimpey shareholders who have received what appear to be fraudulent approaches from third parties with respect to their shareholding in the Company. In some cases these are 'cold calls' and in others correspondence. They generally purport to be from a firm of solicitors or an investment company and offer, or hold out the prospect of, large gains on Taylor Wimpey plc shares or other investments you may hold.

The approaches normally include the seeking of an advance payment from the shareholder, the disclosure of the shareholder's bank details or the sale of an unrelated investment. Shareholders are advised to be extremely wary of such approaches. More information is available on our website www.taylorwimpey.co.uk/corporate/shareholder-information/boiler-room-scams and you can check whether an enquirer is properly authorised and report scam approaches by contacting the FCA on www.fca.org.uk/consumers or by calling 0800 111 6768. This is a freephone number from the UK and lines are open Monday to Friday, 8:00am to 6:00pm and Saturday 9:00am to 1:00pm.

Annual General Meeting

10:30am on 27 April 2023 at The Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE.

Proxy instructions must be received by 10:30am on Tuesday 25 April 2023.

Group General Counsel and Company Secretary

Ishaq Kayani
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For any enquiries concerning your shareholding or details of shareholder services, please contact:

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Email: shareholderenquiries@linkgroup.co.uk
Tel: +44 (0)371 664 0300

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External Auditors

PricewaterhouseCoopers LLP

Solicitors

Slaughter and May

Brokers

Citigroup Global Markets Limited
Bank of America

Principal operating addresses

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Website: www.taylorwimpey.co.uk

Registered in England and Wales number 296805

Details of all our operating locations are available on our website www.taylorwimpey.co.uk

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