Building for the future

Annual Report and Accounts 2023

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Our reporting suite

Our 2023 Annual Report is an integrated report which includes key sustainability and financial disclosures.

More information on our materiality process, sustainability activities and policies can be found in our Sustainability Summary 2023.

Scan to view our online Annual Report 2023

Scan for the full Sustainability Summary 2023

Building for **the future**

In 2023 we delivered a good performance in the face of challenging market conditions. Going forward, we remain focused on driving value and ensuring we are ready and able to take advantage of opportunities. We are **building for the future.**

2023 was a challenging year for the industry and our customers with rising interest rates and cost of living pressures impacting affordability.

Our clear purpose to build great homes and create thriving communities remains unchanged and is even more important today for our employees, customers, communities and partners.

With the benefit of a strong landbank and financial position and led by an experienced management team, Taylor Wimpey is well set to respond to changing market conditions in an agile way, building on momentum to ensure we optimise value and are poised for recovery and future growth from 2025, assuming supportive market conditions.

We have a compelling investment proposition:

A strong and resilient business, well positioned for all market conditions

see page 2

A high-quality landbank that differentiates us

see page 3

A sustainable and responsible business

see page 4

Reliable shareholder returns

see page 5

Our investment case

Strong and resilient

Experienced senior leadership and highly engaged employees

Strong balance sheet

Tight control of cost and work in progress, ensuring build rates are aligned with sales rates at a site level

Leveraging Taylor Wimpey Logistics and our new timber frame facility to support security of supply, increase visibility and speed of build

Increased standardisation to drive quality, savings and incremental operational efficiencies

Increased use of technology on site and data monitoring to aid simplification and drive decision-making

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

4.89
Construction Quality Review average score (out of 6)
(2022: 4.81)

13.4%
Operating profit margin*
(2022: 20.9%)

Our investment case continued

We have a balance sheet light, **industry leading strategic pipeline** of c.142k potential plots (31 Dec 2022: c.144k)

£61bn

potential revenue in our landbank across both the short term landbank and strategic pipeline
(31 Dec 2022: £61bn)

High-quality, well-located landbank in places people want to live

c.80k

plots in short term landbank
(31 Dec 2022: c.83k)

Differentiated by our landbank

c.8k

plots converted from strategic pipeline
(2022: c.4k)

Our **high-quality landbank** together with an industry-leading strategic land pipeline provides optionality throughout the cycle

We remain selective in acquiring new sites but will be **active where we see good opportunities** to create value for shareholders

We are driven by our purpose to build great homes and create thriving communities and by our core value to 'do the right thing'

98%

of our employees agree that we take health and safety seriously
(2022: 98%)

Sustainable and

responsible

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

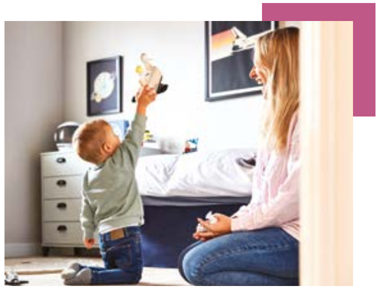
Net Zero Transition Plan targets validated by Science Based Targets initiative (SBTi)

Read more about our commitment to the environment on **pages 50 to 52**

In 2023, we launched our zero carbon ready prototype homes trial in Sudbury, the **first trial of its kind on a live development site** testing low carbon technologies

Read more on **page 36**

Our investment case continued

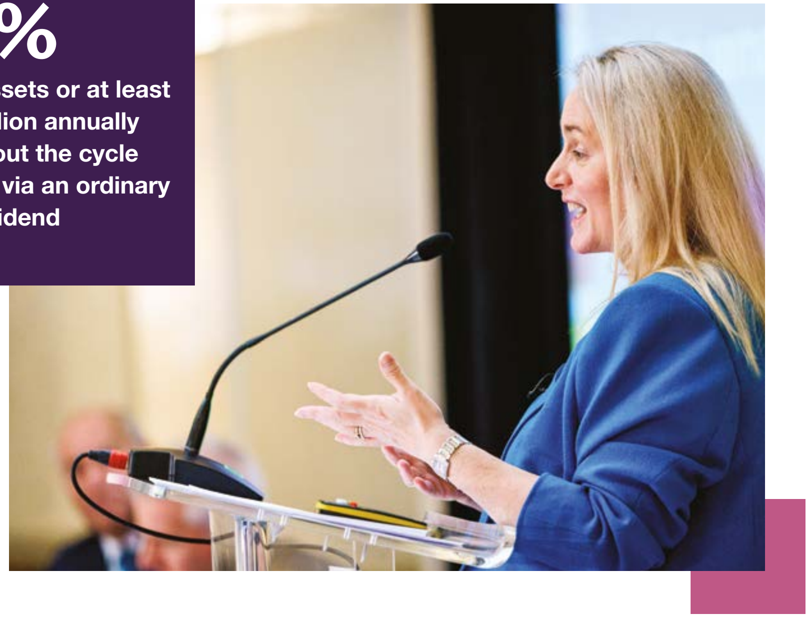


Reliable shareholder returns

We are committed to paying an **annual ordinary dividend** through the cycle, and returning surplus capital at the appropriate time

7.5%

of net assets or at least £250 million annually throughout the cycle paid out via an ordinary cash dividend



4.79p

2023 final ordinary dividend per share
(2022: 4.78p)

9.58p

2023 total ordinary dividend for the year
(2022: 9.40p)

Highly cash generative business – allows for investment for growth and attractive shareholder returns

Established, differentiated Ordinary Dividend Policy aimed at providing investors with visibility of the annual income stream they can expect throughout the cycle, including during a normal downturn

Read more about our capital allocation priorities on **page 37**

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Business overview

We built over 10,000 homes in 2023, making us **one of the UK's leading homebuilders.** We operate across **five divisions** and at a local level from **22 regional businesses** in the UK, with a small operation in Spain.

Where we operate

A national housebuilder operating at a local level.

Scotland, North East and North Yorkshire
4
regional businesses

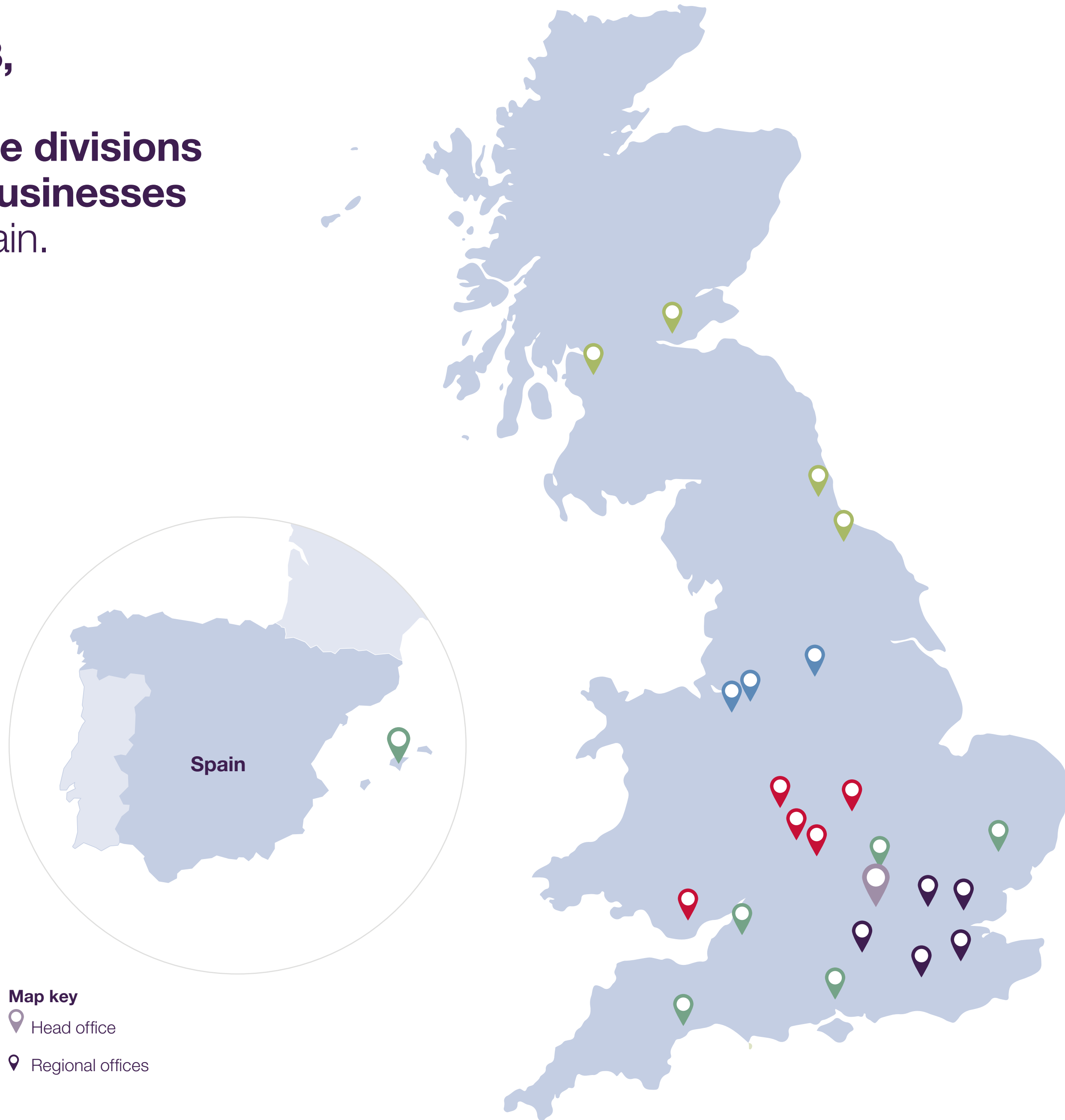
North West and Yorkshire
3
regional businesses

Midlands and Wales
5
regional businesses

London and South East
5
regional businesses

Central, South West and Spain
5
UK regional businesses

1
Spanish regional business



Net zero by 2045

Our net zero targets have been independently validated by the Science Based Targets initiative, and we were only the second UK housebuilder to achieve this

Read more about our Net Zero Transition Plan on **page 51**

ESG ratings and accreditations

More information about our approach to, and performance on, sustainability and ESG topics can be found throughout this report:

Built on a strong culture of doing the right thing

Respectful and fair

Take responsibility

Better tomorrow

Be proud

We are defined by our 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

Read more about our strategic cornerstones on **pages 31 to 38**

Delivering a good performance by managing through the cycle

Group financial highlights

10,848
Group completions including joint ventures

2023	10,848
2022	14,154
2021	14,302

£3,514.5m
Revenue

2023	£3,514.5m
2022	£4,419.9m
2021	£4,284.9m

£470.2m
Operating profit*

2023	£470.2m
2022	£923.4m
2021	£828.6m

£473.8m
Profit before tax

2023	£473.8m
2022	£827.9m
2021	£679.6m

9.57p
Total dividend per share paid in the year

2023	9.57p
2022	9.06p
2021	8.28p

£677.9m
Year end net cash*

2023	£677.9m
2022	£863.8m
2021	£837.0m

127.1p
Tangible net assets per share*

2023	127.1p
2022	126.5p
2021	118.1p

13.4%
Operating profit margin*

2023	13.4%
2022	20.9%
2021	19.3%

12.6%
Return on net operating assets*

2023	12.6%
2022	26.1%
2021	24.7%

***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 81 for definitions.

Business overview continued

UK highlights

92%
(2022: 90%)
Customer satisfaction 8-week score

151
(2022: 166)
Annual Injury Incidence Rate (per 100,000 employees and contractors)

35%
(2022: 26%)
Reduction in operational CO_2 emissions (absolute) since 2019

4.89
(2022: 4.81)
Construction Quality Review average score (out of 6)

47
(2022: 104)
New outlets opened in the year

93%
(2022: 93%)
Employee engagement score

£370k
(2022: £352k)
Average selling price on private completions

c.80k
(2022: c.83k)
Plots in short term landbank

£405m
(2022: £455m)
Contributions to local communities, via planning obligations

Optimising performance, investing in long term sustainability

> **We must optimise short term performance but continue to invest in areas that matter** for the future sustainability of the business."

Robert Noel
Chair

Dear shareholder,

In 2023, customers' affordability was significantly reduced by increased mortgage rates. This directly impacted Taylor Wimpey and the wider housebuilding sector's volumes, and earnings. In my first year as Chair, I am very pleased to report that, despite this backdrop, we have delivered a good financial performance which was in line with expectations, with revenue of £3.5 billion (2022: £4.4 billion) and operating profit* of £470.2 million (2022: £923.4 million). We have also delivered a resilient performance across each element of ESG (environmental, social and governance) which is important to us and you can read more about this on page 7.

As my predecessor, Irene Dorner, wrote in her letter last year, it is in changing market conditions where the experience and strength of our team really count. I am pleased to say that we have reaped the benefit of a very experienced management team, led by CEO Jennie Daly, who have responded proactively and decisively with an unwavering focus on cost and operating efficiency. I would also like to thank all our people and our partners for their continued hard work and dedication.

You can read more about our 2023 financial performance in Group Finance Director Chris Carney's section and how this was achieved in Jennie Daly's section and throughout this report.

Health and safety

Health and safety remains our number one priority in all markets and it is the first topic covered in every Board, Group Management Team (GMT) and local regional management team meeting across the country. Building sites are inherently dangerous places and so it is essential that strict safety protocols are identified, embedded, monitored and enforced, and a clear, consistent and disciplined approach to safety is key throughout the organisation. I am therefore delighted that 98% of our employees agree that we take health and safety seriously.

The Board is also pleased to see another year of progress in this area, even against a strong comparator, with our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors down to 151 in 2023 (2022: 166), remaining well below both the HBF Home Builder Average AIIR of 241 and the Health and Safety Executive construction industry average AIIR of 296. Maintaining and improving standards requires constant vigilance and part of this is identifying areas where we can do better. We are therefore reiterating and reinforcing our focus on health, safety and environmental compliance across the business, to include additional training.

Building for the future

The theme of this report is 'Building for the future', which underscores that while we must optimise short term performance for today's market, we have a long term focus and continue to invest today in areas that matter for the sustainability and success of the Company. I am pleased to say that your Board has the confidence that Taylor Wimpey has both the resilience and fundamentals in place to weather all market conditions and to capitalise on future market opportunities.

This year, 'Building for the future' has another, more literal meaning, given we launched our zero carbon ready homes prototypes, the first of their kind on a live development site. We are pleased with our progress on this project and our preparedness well ahead of future regulation – you can read more about this throughout this report.

Chair's statement continued

Stakeholder engagement

During my time as Board employee representative, I was privileged to hear the views of many of our colleagues first hand and to represent the employee voice in the boardroom. We continue to promote the employee voice through our local and national employee forums.

This year the Board has visited a number of regional business units and sites, including our Sudbury prototypes, which you can read about in more detail on page 36, and the strong and positive culture, to do the right thing, that permeates our organisation remains very evident.

Following interviews with all our key stakeholders, we have updated our material impacts which show the areas that are most material for our business, valued by our stakeholders and where we can have the most positive impact through our approach to every element of ESG. You can read more about this on page 49.

The executives and I have also continued to have a high level of engagement with institutional shareholders. We look forward to continuing this level of engagement at the AGM and in future institutional shareholder meetings.

This year's AGM will take place in person at the Crowne Plaza Hotel, Gerrards Cross. Like last year, a live audiocast of our AGM will be available to qualifying shareholders, to further encourage shareholder engagement and accessibility. Shareholders will also be able to submit their vote in advance by proxy and email questions in advance of the meeting.

Governance

Whilst the Board's composition was unchanged during 2023 in terms of personnel, there were changes in April to a number of key roles and to the membership of the Remuneration Committee.

Following my appointment as Chair, my predecessor Irene Dorner continues on the Board as a non-independent Non Executive Director and continues to give us the benefit of her wide experience.

Humphrey Singer succeeded me as Senior Independent Director and has over eight years' experience of the Company and its Board, to draw upon when engaging with stakeholders.

Mark Castle took over my role as the Board's Employee Champion and has further developed the Board's interaction with employees at all levels across the Group and the promotion of their views into relevant Board discussions. Finally, Mark Castle and Clodagh Moriarty joined the Remuneration Committee.

Non Executive Directors visited an increased number of the Group's regional businesses and sites during the year. We enjoyed and learned from the interaction with employees across the business.

ESG engagement at Board level was enhanced during 2023 with more regular and expanded reporting, supported by the introduction of a tracker of progress against key metrics.

Dividend

We are pleased to be able to provide a reliable return to our shareholders in line with our Ordinary Dividend Policy to return 7.5% of net assets per annum to shareholders throughout the cycle.

In line with this, at the time of our full year results in February 2024, we announced a 2023 final ordinary dividend payment of 4.79 pence per share, which is subject to shareholder approval at the Annual General Meeting. With the 2023 interim dividend payment of 4.79 pence per share, the total ordinary dividend for the year is 9.58 pence per share or approximately £339 million.

Looking forward

We operate in an undersupplied market, and remain determined to play our part in building much needed quality homes and creating thriving communities. We have a strong balance sheet, excellent landbank and highly experienced and engaged teams. We have a clear strategy to respond to all market conditions and are well positioned for future growth.

Robert Noel
Chair

98%
of employees feel we take health and safety seriously

£339m
Total ordinary dividend for 2023

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Delivering on what we set out to do and **building for the future**

> **Having successfully navigated through an uncertain 18 months,** our focus remains on optimising value across all areas of the business while investing in our long term success."
>
> Jennie Daly
> Chief Executive

Scan to see Chief Executive Jennie Daly and Group Finance Director Chris Carney presenting our Full Year 2023 results

Dear shareholder,

We came into 2023 in a strong financial position, which stood us in good stead in what was a challenging year for the industry and for our customers, who were impacted by both cost of living challenges and significantly increased mortgage rates. With a strong balance sheet and landbank, experienced management team and a focus on execution and cost discipline, I am extremely pleased to report to you that we delivered a good set of results in these challenging market conditions.

We couldn't achieve this without the dedication of our employees and supply chain partners. Almost 60% of our staff are currently shareholders or are participating in one or more employee share plan, further directly aligning their interests with you, our shareholders.

Delivering in a challenging market

2023 saw UK total housing transactions reduce substantially due to higher mortgage costs, cost of living pressures and lower consumer confidence. To give you a sense of the change experienced by our customers, in 2023, the base rate was at its highest since 2007, more than 15 years ago, and we entered the year with energy costs at historic highs.

Trading in the first quarter of 2023 was encouraging as mortgage rates eased back from the peak of 2022. However, higher than expected inflation in the second quarter led to rate increases culminating in the base rate rising to 5.25%, well above initial market expectations. Whilst remaining high compared to recent years, mortgage rates started to fall towards the end of the year. You can read more about the market environment on pages 21 to 29.

Against that backdrop, I am pleased we delivered Group completions, including joint ventures, of 10,848 homes (2022: 14,154) and £470.2 million operating profit*, which was at the top end of guidance (2022: £923.4 million), with an operating profit margin* of 13.4% (2022: 20.9%). You can read more about our financial performance on pages 78 to 81.

We operate in a cyclical industry, therefore the ability to navigate changing economic conditions is central to our success and we are pleased that we have been able to perform strongly in a weaker market.

Our business and strategy is deliberately set up to perform through the cycle and our differentiated Ordinary Dividend Policy reflects this and I'm very pleased that shareholders continue to see the benefit of this. Due to the strength of the balance sheet and having been tested against our clear capital allocation framework and Ordinary Dividend Policy, I am delighted we have continued to pay a dividend returning £337.9 million to our shareholders in 2023.

2023 decisive management action

Given the challenging market conditions in 2023, our highly experienced teams focused on driving value through all the levers available to us. Cost discipline was a core focus, especially given the inflationary environment and we took appropriate action across all areas of operations. In particular, we tightened controls across our work in progress and restricted all discretionary spend, including recruitment.

In 2023, we conducted a detailed review to ensure our customer offering remains competitive which targeted cost savings.

In early 2023, we delivered annualised cost savings of £19 million with a one off cost to achieve these of £8 million.

Chief Executive's statement continued

We also significantly reduced land approvals. With our sector leading strategic land pipeline and the expertise of our teams, we benefitted from a high level of strategic conversion in the year at c.8k plots (2022: c.4k plots). Our strategic land pipeline is a key competitive advantage in a challenging planning environment and, accordingly, our short term landbank remains strong at c.80k plots (2022: c.83k plots).

Building for the future

While much of our focus in 2023 has rightly been on protecting value and optimising the here and now, a key priority has been to continue to invest in the things that matter for the long term success of the business and to ensure we are poised for recovery and future growth, when conditions allow. This includes continuing to invest in training our highly engaged workforce to ensure they have the appropriate skills to drive the business forward. This is reflected by the theme of this year's Annual Report and Accounts, 'Building for the future'.

We believe a holistic future focus is needed for success across every area of the business which includes the important area of ESG. Continuous business improvement also remains fundamental to how we protect stakeholder value against a backdrop of increasing regulatory and economic demands. This includes componentisation, standardisation and modern methods of construction such as timber frame. Our approach to standardisation and simplification, which I first set out in May 2022, will play a crucial role in allowing us to protect value and scale up at the appropriate time and we have continued to embed this in the business. During 2023, as part of our investment in the future, we opened our own timber frame facility located adjacent to our logistics function in Peterborough to drive efficiencies, environmental benefits and enhance security of supply. In combination with our existing suppliers, our own facility will help us in our goal to increase timber frame usage to 30% of our production by 2030. The first units will be delivered to our business in 2024.

We are also ensuring a positive approach to continued innovation and R&D and we are pushing ourselves to be more ambitious, than we have been historically, in some areas such as IT which will benefit the business in the longer term.

This year we have launched our zero carbon ready homes prototypes as we prepare for the Future Homes Standard, a generational step change in building regulations. At our site in Sudbury, we delivered a Future Homes Standard pilot, which was an industry first on a live development site. Five prototype zero carbon ready homes tested a range of innovative technologies and over 450 stakeholders from employees, investors to MPs and customers have visited our site to ask questions and provide feedback. We fundamentally believe we have a responsibility to do what we can to support the wider sector, particularly smaller homebuilders (SMEs). Accordingly, we have shared the lessons and insights learnt on Sudbury with the Future Homes Hub and held a separate SME call and presentation.

Delivering value through our purpose

Our purpose is to build great homes and create thriving communities. We believe having a shared purpose across our whole business and value chain is critical and I am delighted to say I see this in action every day on our sites and in our local businesses. While relatively simple, our purpose not only is vital for our customers but also has far reaching societal impacts of which we are extremely proud.

Delivering for our communities

In 2023, we invested £405m in the communities in which we build via planning obligations, including:

Education

£53.2m

(2022: £47.5m)

Public transport

£6.0m

(2022: £4.8m)

Public open space / sports pitches / play areas

£5.9m

(2022: £5.8m)

Highways

£7.0m

(2022: £9.3m)

We build much needed homes, create new and enhance existing communities, deliver much needed infrastructure and are a significant contributor to local economies across the UK.

We are part of an industry that has the opportunity to transform not just places but the privilege to directly improve lives. New housing can contribute to improved economic and social mobility, community cohesion and renewal, better health outcomes and increased educational attainment.

As a national builder operating at a local level throughout the UK, we want to be seen as a valuable partner to the communities we work in and welcome the responsibility that goes along with this. We work hand in hand with local residents and other businesses to not only demonstrate the value of what we can bring to a local area, but to hear their aspirations and concerns and, where we can, look to fulfil and address these. A key part of this is a commitment to deliver on our promises, and address the things that haven't gone as we hoped, promptly and in the right way.

During 2024, the UK will be holding local and mayoral elections across the country, in addition to a General Election expected in the second half of the year. We welcome the recognition from both main political parties of the importance of housebuilding to economic growth and prosperity in the UK and continue to engage with the full range of political stakeholders at every level of the business.

We have a strong culture at Taylor Wimpey which is very visibly demonstrated in our latest employee survey with a 93% engagement score. We can gain more insight through our local and national employee forums and all employee Q&A and engagement sessions which I personally run regularly with the senior team.

Chief Executive's statement continued

I have spent a lot of this year out and about in the business and on site and speaking to employees, and their feedback has been extremely valuable. We are proud of our approach to talent development at Taylor Wimpey. 45% of our regional business unit management teams have been promoted from within Taylor Wimpey and 62% of Site Managers were promoted from within the business. We have a low voluntary turnover level of 14.2% (2022: 17.7%). During 2023 we introduced a new employee recognition scheme, giving employees with long service additional holiday.

While I am very pleased with the performance of the business, there are areas we need to continue to work on. Customer service was a real focus for 2023 and while we have increased our 8-week 'Would you recommend score' to 92% (2022: 90%), we have not yet seen the same increase in our 9-month score and we will be ensuring that we address this area in 2024.

Strategy and 2024 priorities

Our strategy is to build a stronger and more resilient business and deliver superior returns. This has been a consistent strategy for the Group over several years as we seek to manage the business through the cycle for the benefit of all stakeholders. Our strategy is centred on four strategic cornerstones: land, operational excellence, sustainability and capital allocation. These strategic cornerstones guide our principles of working but allow us to be flexible and agile even during challenging and volatile market conditions.

This approach enables us to optimise value for our stakeholders and, through our differentiated Ordinary Dividend Policy, to provide a reliable income stream for our investors through the cycle.

Our strategic cornerstones

Land

An agile approach to optimising value

- Focused on progressing land through the planning system to open quality outlets
- Strong landbank a benefit in difficult planning environment and enables a selective approach to new land, balancing value and risk

Read more on **pages 31 to 32**

Operational excellence

Driving efficiency and execution

- Continued focus on driving performance
- Investing in the long term success and sustainability of business
- Advanced preparation for changing regulations
- Optimising value across all areas of the business

Read more on **pages 33 to 34**

Sustainability

Investing to protect long term value for stakeholders

- Continue to advance environment strategy
- Embed net zero plan in business
- Creating thriving communities through placemaking
- Prioritise value over volume

Read more on **pages 35 to 36**

Capital allocation

A clear and disciplined approach

- Maintain a strong balance sheet
- Funding business needs including land investment and WIP
- Clear and sustainable ordinary dividend to provide visibility to shareholders

Read more on **pages 37 to 38**

2024 priorities

As we look forward in 2024 and beyond, we will continue to prioritise value over volume. Driving increased operating efficiency, cost savings and value improvement will remain a key focus for our business, but we will also continue to invest in areas that matter for the long term success and sustainability of the business to ensure we are poised for growth from 2025, assuming a supportive market.

Chief Executive's statement continued

Having successfully navigated through an uncertain 18 months, our focus remains on optimising value across all areas of the business. Our strategy encompasses building greater discipline through each element of our business model to improve efficiency, protect value and ensure we are fit for the future. In this year's Annual Report, we have increased disclosure in this important area to give you a greater insight into how we create, enhance and realise value at every stage.

Our key performance indicators, which we use to measure success and progress, are aligned to our strategic cornerstones and you can read more on pages 31 to 38.

As we look forward in 2024 and beyond, we will continue to prioritise value over volume. Driving increased operating efficiency, cost savings and value improvement will remain a key focus for our business but we will also continue to invest in areas that matter for the long term success and sustainability of the business to ensure we are poised for future growth, from 2025, assuming a supportive market.

Competition and Markets Authority (CMA) housebuilding market study

Taylor Wimpey welcomes the CMA's final report, published on 26 February 2024, from its housebuilding market study with its focus on improving the planning system, adoption of amenities and outcomes for house buyers. Taylor Wimpey notes the new investigation opened by the CMA under the Competition Act 1998, and we will cooperate fully in relation to this.

Current trading and outlook

Whilst still early in the year and at the beginning of the Spring selling season, current trading shows some encouraging signs of improvement with reduced mortgage rates positively impacting affordability and confidence in our customer base.

The year-to-date net private sales rate (w/e 25 February 2024) is 0.67 per outlet per week (2023 equivalent period: 0.62).

The cancellation rate is 12% (2023 equivalent period: 17%) and the level of down valuations remains low.

Appointments and overall customer interest in our homes remain at good levels, supported by our quality product, site locations and focused sales and marketing efforts. However, conversions from enquiry to reservation continue to take longer when compared to pre Q2 2023.

As previously noted, we came into 2024 with a lower order book against a strong comparator. As at 25 February 2024, our total order book excluding joint ventures was £1,949 million (2023 equivalent period: £2,154 million), comprising 7,402 homes (2023 equivalent period: 8,078 homes).

Accordingly, and given prevailing market conditions, we remain focused on optimising value and currently expect 2024 UK completions (excluding JVs) to be in the range of 9.5k to 10k homes, with completions weighted 45/55% in favour of the second half of the year. First half operating profit margin will reflect slightly lower pricing in the order book, build cost inflation embedded in work in progress of around 4% and investment in IT and timber frame to drive operational efficiencies.

The prevailing underlying annualised build cost inflation on new tenders is c.1% and reduces to zero when taking into account the savings arising from our value improvement programme.

Despite significantly reduced land approvals over the last 18 months our landbank, as at 31 December 2023, remains very strong at c.80k plots (2022: c.83k plots) and is underpinned by the supply of our industry leading strategic land pipeline. We will remain selective in our approach to land but will be active where we see opportunities that balance risk, reward and returns to create shareholder value. We have approved an additional c.1k plots in the year-to-date as we have crystallised deals that our teams have been working on for some time.

While the constraining impact of planning on site openings is unlikely to abate in the near-term for the sector, our strong landbank and highly experienced teams who take a proactive approach to generating high-quality planning applications, ensure we are well positioned for growth from 2025, assuming supportive market conditions. As a business in a strong financial position, we also continue to provide a reliable income stream to our investors via our differentiated Ordinary Dividend Policy to return 7.5% of net assets per annum, or at least £250 million annually throughout the cycle.

Looking ahead, Taylor Wimpey is a strong and resilient company with a strategy to manage the cycle over the long term. We operate in an attractive market with significant underlying demand for the quality homes we build. We have a clear strategy focused on driving value and operational excellence, while investing in the long term success and sustainability of the business.

Jennie Daly
Chief Executive

"Our strong landbank and proactive approach to planning ensures we are well positioned for growth from 2025, assuming supportive market conditions."

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

What we do

How we make money

Critical relationships

Key resources

We are one of the UK's leading homebuilders. We invest in land and develop high-quality homes and communities for customers in our 22 UK regional businesses and in our small Spanish operation.

We manage the homebuilding process through the value chain from original land investment decision to customer completion and after sales service.

We invest in our highly engaged and talented employees who are crucial to our success.

Our value chain

Creating
Make the right land investments

Enhancing
Manage the planning process

Protecting
Design and develop sustainable homes

Optimising
Build efficiently and deliver for our customers

Realising
Support customers through the homebuying process

Reinvesting and returning
Reinvest for growth or return value to shareholders

What we do

How we make money

Critical relationships

Key resources

1 Make the right land investments

We create value by buying land at the right price, using our longstanding land and planning expertise, enabling us to create high-quality developments in places customers want to live.

Our teams work to understand local housing needs in selecting the right locations and developing these through the planning system.

A detailed commercial assessment is established before we bid for land, including an assessment of local demographics, full costing of the site to development, and specific commercial and technical considerations. Site evaluation involves all areas of our regional business unit management teams, including land, sales and marketing, commercial, production, technical and finance.

Highly experienced teams

We invest in and develop our landbank and strategic land pipeline. There are two main types of land. Short term land, is land that has some form of planning for residential development, though it may still be months or years from attaining implementable planning allowing us to build.

We are also highly experienced in developing a second type, strategic land, which is land without any form of approval for residential development.

Our highly experienced strategic land teams often work on land long before it is earmarked for development. The majority of our strategic pipeline is not owned but is controlled by option agreements.

There can be no certainty that strategic land will achieve planning permission, but we only include plots in our pipeline where we see a greater than 50% probability of success. Our experienced team has a strong track record of identifying land that could become part of future local development plans, with over 50% of our landbank originating from the strategic pipeline.

This crucial first step in
creating
value

2 Manage the planning process

Our highly experienced land teams work closely with local authorities and other regulators to deliver our developments, meeting increasingly complex technical, environmental and health and safety requirements. We strive to open our sites as efficiently as possible. However, the time between acquiring land and opening our sites is dependent on the site-specific planning status and conditions.

Working with local authority partners

Short term land is land that has some form of residential planning permission. The type of permission can vary from 'resolution to grant' (RTG) status or 'outline planning', meaning it is permitted for residential development but the nature of that development (aesthetics, housing mix, density etc.) is still to be agreed. Progressing our land from those stages to 'implementable planning' (when we are permitted to start on site), can take months or even years. During this process our land, design, technical, production and legal teams consult with local authority partners and other interested parties to resolve issues and achieve the required permits to move our projects forward.

Preparation for infrastructure

Appropriately, there is a significant administrative burden to overcome before we can commence building. For example, we have to work with the Highways Agency, services such as electric, water and sewers, and establish infrastructure such as roads before we can start building homes on our sites.

Detailed planning

The final stages are achieving 'detailed planning', and after satisfying any pre-commencement conditions, we attain implementable planning, allowing us to start on site.

It is vital that we engage and consult with local communities to explain our plans throughout the planning process. Whilst we may not always achieve universal acceptance, we do our best to outline the benefits of our project and to minimise disruption to local residents.

Resolving issues

As stated, we engage with communities and key stakeholders on all of our proposed developments. However planning can be a contentious area. Our developments are sometimes challenged, and we may have to work with local residents and authorities to resolve issues and even appeal decisions through the legal process if a project has stalled and we believe we are fully meeting our obligations.

Affordable housing and community facilities

We create much needed housing and, as part of our planning obligations in 2023, 23% of our completions were affordable housing. We create significant local economic benefit, including employment, and through our planning obligations, build or fund the building of schools, leisure and recreational facilities.

Enhancing
our land assets and our strategic land pipeline

Our business model continued

What we do

How we make money

Critical relationships

Key resources

3 Design and develop sustainable homes

We design homes to meet the needs of our customers today and in the future. We build energy efficient homes that meet or exceed the regulatory requirements and we now deliver sites with greater biodiversity than prior to our involvement.

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. (Read more on page 55)

We focus on good placemaking which means that we consider how our developments work as a whole and how they will contribute to a thriving community. We design places where our customers can live well, feel part of a community and adopt an active, more sustainable lifestyle, establishing attractive landscaping, and shared communal and recreational areas. We design carefully considered street scenes and consider how our developments interact with existing nature and our nature enhancements.

Our plotting expertise and standard house types enable us to protect value. Good plotting means we are using our land resources efficiently and our standard house types helps us maintain high quality through contractor familiarity with our processes and materials and our ingrained quality control processes.

Our new house types were designed following extensive customer research and focus groups.

Protecting

land use via plotting and value through our efficient design and standard house types

4 Build efficiently and deliver for our customers

The health and safety of our employees and subcontractors is our number one priority.

Accurate budgeting and active management enable us to set up our sites to deliver on our targets. Our Taylor Wimpey Logistics and central procurement functions enable us to optimise our efficiency.

We focus on optimising the value of our investments by managing sites consistently.

We are delivering value by getting the basics right with right first time build leading to consistent delivery for customers and higher satisfaction. We are regularly one of the highest independently rated volume builders in terms of construction quality.

We aim to make Taylor Wimpey the partner of choice in our industry. Maintaining excellent supplier and subcontractor relationships is key to ensuring the highest standards on our sites.

Optimising

value, by working with our partners to focus on quality and efficiency

5 STAR HOME BUILDER CUSTOMER SATISFACTION HBF 2024 HOME BUILDERS FEDERATION

5 Support customers through the buying process

We realise the value created through the preceding stages and create future value by maximising our sales potential and protecting and building our brand and reputation.

Our large database and IT systems, enable our highly trained sales teams to identify customers and effectively manage our interactions throughout the buying journey.

This includes status reports, lead generation, and up to date management dashboards.

Our dedicated sales teams work with our customers to understand their needs, in relation to their preferred options that suit the way they want to live. This can include individually tailored incentives of home options or financial incentives to assist them in completing their homebuying journey.

Realising

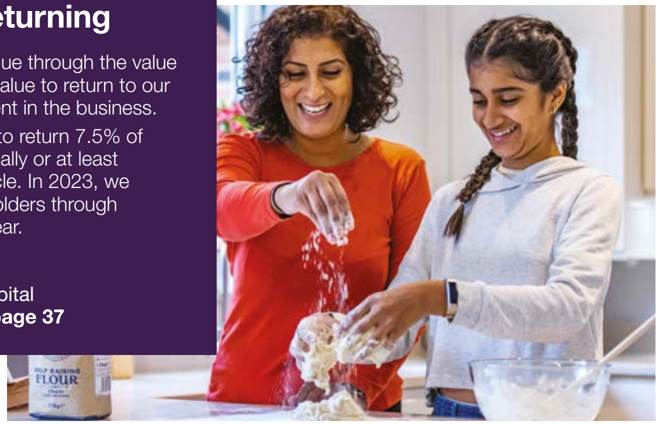
value created by focusing on creating a positive homebuying journey

Reinvesting and returning

By protecting and optimising value through the value chain we are able to maximise value to return to our shareholders and for reinvestment in the business.

Our Ordinary Dividend Policy is to return 7.5% of net assets to shareholders annually or at least £250 million, throughout the cycle. In 2023, we returned £338 million to shareholders through ordinary dividends paid in the year.

To read more about our capital allocation framework see **page 37**



Our business model continued

What we do

How we make money

Critical relationships

Key resources

A value mindset

We offer a high-quality standard product range which is adaptable to local planning requirements, to ensure a consistent high-quality offering for our customers. Our central logistics and procurement functions ensure we achieve the benefits our scale affords.

We have built up our expertise, national position and trusted reputation over many years.

In line with our culture of 'doing the right thing', our experienced teams and trusted partners – enabled by our capital and infrastructure – are focused on delivering a high-quality product for our customers.

We are focused on delivering quality homes for our customers and optimising value for our stakeholders.

As one of the UK's largest homebuilders, we have built a national presence via our 22 regional businesses, enabling us to deliver for customers in England, Scotland and Wales, with a small business in Spain.

Whilst our business model is straightforward, delivery involves the management of complex partnerships and processes throughout our value chain while maintaining the agility to adjust to varying market dynamics.

UK regional businesses

22

covering England, Scotland and Wales, providing truly national coverage for our customers

Upfront investment

Investing wisely in our land assets is the first step in establishing value, enabling us to use our expertise and tight operational controls to enhance and protect that value throughout the value chain.

We make our money when we complete a home, and our customer is able to move in. This can be several years on from our initial land investment decision.

Our ability to effectively deploy our balance sheet and retain our focus on value from initial land acquisition to home completion is vital.

We manage our investment closely to ensure we are maximising stakeholder value, staying alert to opportunities in the land market and adjusting our work in progress to meet market demand.

Ahead of bidding for land, we conduct a land purchase exercise (LPE), which involves the detailed costing of a proposed development, determining the margin profile and risk parameters that are acceptable to us.

Alongside our owned landbank, our strategic pipeline allows us to develop land in a balance sheet efficient way. We own around a quarter of our strategic pipeline and control the remainder. For the controlled portion we pay an option fee giving us the right to buy land at certain milestones rather than buying it outright. We then buy this land when we have achieved a certain planning status. This enhances our visibility of future years land supply and allows us to be selective in the short term land market.

Land value

£3.3bn

(2022: £3.4bn)

Key costs

Our key costs are land, building materials, labour and central overheads including design, finance, legal and administrative functions.

We operate with tight cost discipline and, over the past few years, have invested to improve management information systems, enabling us to keep close control on costs across our business.

We have also invested in a customer relationship management system to enable us to better target potential customers and better manage our relationships with existing customers and support them through their buying journey.

By developing excellent long term partner relationships with suppliers and subcontractors and deploying modern methods of construction, we are able to drive efficiencies across the business. Increasing subcontractor familiarity with our processes enables us to build right first time.

Utilising standard product helps us to achieve economies of scale from our suppliers. Standard product and procedures improve the efficiency of our build.

In 2023, we delivered

c.£19m

of annualised savings

Margins

We protect our margin throughout our value chain. However, current margin has been impacted by falling industry demand and rising costs.

We embed margin into our initial LPE and closely monitor our progress through the design and development stages to ensure we are meeting our targets and utilising our enhanced planning and management information.

Against a backdrop of rising regulatory costs, we work on continuous business improvement to identify efficiencies and cost savings across the business. This allows us to optimise margin in times of higher demand whist minimising margin impact in times of lower demand.

We have made significant reductions in our cost base over the past two years to reflect lower demand and protect margin. However, we have maintained a national footprint to enable us to capitalise on a stronger market in future years.

Upgrade options and financial incentives for our customers are a useful tool to cement interest, particularly in weaker markets. We carefully manage our offer in this regard since this directly impacts our profit margin. All reported selling prices are net of incentives.

Group operating margin*

13.4%

(2022: 20.9%)

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Read more about our performance through our KPIs on **pages 31 to 35** and about our Principal Risks on **pages 74 to 77**

Our business model continued

What we do

How we make money

Critical relationships

Key resources

Critical relationships across our value chain

Suppliers and subcontractors

Our suppliers and subcontractors play a major role in our business. We choose suppliers carefully, selecting partners that share our values. We have quarterly meetings with all UK national suppliers. We provide training and support for subcontractors in areas such as health, safety and environment and engage with them in product development.

Group suppliers are required to confirm compliance with our standards via our digital tender system. Our subcontractors sign up to Taylor Wimpey's code of conduct, agree to our quality standards and are added to our subcontractor portal to enable us to accurately monitor progress.

Government

We work with central government on issues connected to the UK housing and business agenda. We use our industry expertise to give central government our views on proposed legislation and policy changes.

We also engage with government agencies such as the Environment Agency and the Highways Agency.

Local authorities

We engage with local government across the UK as part of the planning process for our developments. We place significant importance on engaging with local government as it helps us reflect local priorities in our plans.

We engage with local authorities and parish councils and councillors and participate in the development of strategic frameworks, Local Plans and Neighbourhood Plans.

Wherever possible, we engage with planners through pre-application discussions.

Customers and communities

Our customer proposition is closely tied to our purpose and centres on building great homes and creating thriving communities.

We have a consistent and thorough community engagement process, with a framework in place that provides clear procedures for all of our regional businesses.

We engage with local communities at every site, from planning and throughout construction, including through meetings, exhibitions, workshops, newsletters, information boards, social media and our website. Engagement can be both face-to-face and virtual and helps us create developments that reflect local needs.

Key resources we rely on

Materials

Our key materials include brick, timber and roof tiles. Other items include external and internal doors, insulation and we increasingly use triple glazing and solar panels on our homes. We use a small amount of steel, mostly related to fixings. Other common materials include wiring, paint, gypsum (plasterboard), flooring and white goods. We seek to minimise supply chain disruption by operating at least a dual supplier strategy for key components.

Environment and climate

It is important that we work with our environment in the least disruptive way possible to provide attractive places to live for our customers and help preserve the UK's biodiversity. Building can be disruptive to the natural environment and construction is a major contributor to carbon emissions. We have targeted becoming net zero carbon by 2045, five years ahead of the Government target.

Our developments will now add to biodiversity (by at least 10% on site or via offsets where this is not achievable on site).

Workforce

Taylor Wimpey UK has around 4.5k employees. We have highly experienced and dedicated technical teams throughout our 22 regional businesses and in our head office, with expertise in land and planning, legal, commercial, production, technical, design and sales and marketing.

We manage each of our sites with our own team of Site Managers, health and safety personnel and Production and Technical Managers.

Regulatory and legal environment

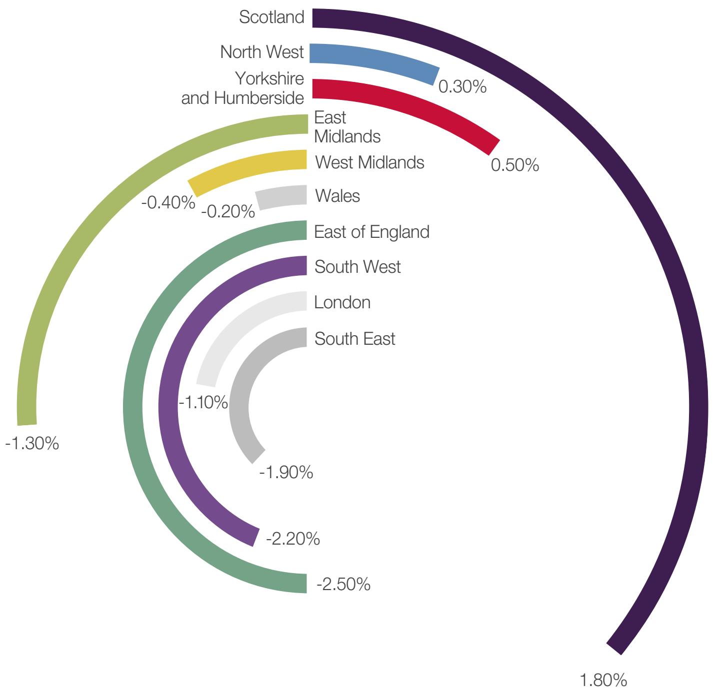
We recognise the need for updated regulation to tackle areas such as limiting climate change and we regularly cooperate with the Government on consultations around changing building regulations such as the Future Homes Standard.

We believe changes to the current planning system are required to ensure there is sufficient future land supply to meet the UK's housing needs.

Our market environment

The 2023 market demonstrates the cyclical nature of our sector and this is reflected in the way we manage our business

UK house prices were strongest in lower priced regions in Scotland and Northern England



Source: Zoopla, December 2023

We manage our business with the cycle in mind, maintaining a strong balance sheet, tight operational controls and an agile approach, and we entered the changing market from a position of strength.

A cyclical industry

The UK housebuilding sector is cyclical therefore we manage our business to navigate changing market conditions.

We have focused on optimising value as the sector experienced lower transactions in 2023.

It is, however, equally important to retain the ability to respond to a better market. There is a recognised UK housing shortage, estimated by some at over four million. Therefore, there is likely to be significant demand for the homes we build in the medium to long term.

Some of the key factors that influence our market are:

- **Interest and mortgage rates** – major factors in affordability and accessibility for customers
- **Employment and consumer confidence** – affects the ability and confidence of consumers to purchase houses
- **Planning backdrop and land availability** – impacts the supply and timing of land available for building, the industry's ability to meet housing demand and affects land prices
- **House prices and build costs** – impacts the affordability of housing and the profitability of housebuilding
- **Secondhand transactions** – set the price for the overall housing market
- **Population growth** – impacts the availability of housing and therefore the demand and pricing dynamics
- **Rental cost** – influences the relative attractiveness of ownership versus renting and therefore affects demand for new homes

Weaker market conditions in 2023

As a new build developer, we are part of a wider market where secondhand homes generally account for 80-85% of total UK housing transactions. Therefore, market pricing is generally led by the secondhand market.

Overall, UK house prices began to consistently fall on a month by month basis from the third quarter of 2022, and by October 2023 had fallen by 1.2% on a year on year basis (source: ONS). However, prices began stabilising towards the end of the year and recent trends have shown price recovery.

Our market environment continued

Regionally, prices fell more in areas of higher price such as London and the South East. Real house prices (adjusted for inflation) have fallen in the last two years (see chart opposite). However, cost of living pressures have offset some of the positive impact on affordability of this fall.

Underlying prices on our 2023 completions excluding mix impacts (relating to different house sizes as well as the geographic make up of sales) were 1% higher year-on-year.

Industry commentators have differing views on the house price outlook for 2024. Capital Economics now expects house price growth of up to 5% while Halifax predicts that house prices will fall by between 2-4% in 2024.

Given conditions in the land market and the economic backdrop in 2023, we were extremely selective in our landbuying, approving only c.3k plots, which was significantly below replacement levels.

Market change resulted in reduced transactions levels

While price declines have been moderate during this downturn, the fall in transactions has been more significant.

According to the ONS's provisional estimate, April to November 2023 saw a greater than 20% decline in UK residential property transactions to 687.3k, against 863.2k for the comparable period in 2022.

During 2023, we closely monitored our build rates to ensure our deliveries were matching market demand.

High build cost inflation moderated throughout 2023

Build costs are driven by several factors, chief amongst these being the availability of labour and materials. Industry volumes and sector profitability play a large part in determining the supply and demand characteristics that impact build cost inflation or deflation.

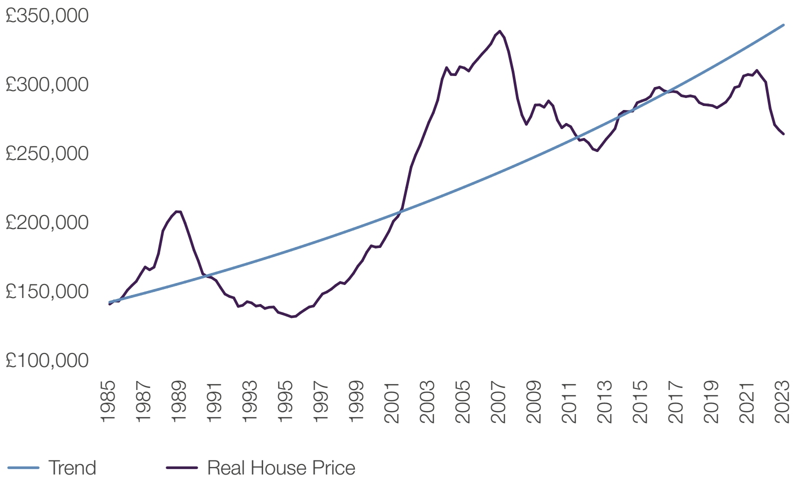
In times of strong industry growth, house price growth and tight labour and materials supply can drive build cost inflation, whilst surplus capacity, in times of downturn, can lead to lower inflation or deflation. However, the movement in labour and materials prices can often lag changing market conditions.

We experience housebuilding specific cost impacts as well as some in relation to the wider construction industry. For example, certain trades such as bricklayers and carpenters are more focused on new build whilst other trades such as groundworkers can have more of a crossover into commercial or infrastructure projects.

In terms of materials, timber, steel, sand and cement are also widely employed in commercial and infrastructure projects. Therefore, competing demands for labour and materials (e.g. infrastructure projects such as HS2, home refurbishment, DIY, etc.) can also impact our market.

Additionally, the last few years have demonstrated underlying inflation in other input costs such as energy, and global commodities can have a major bearing on our cost environment.

House prices have fallen in real terms (adjusted for inflation) in the last two years

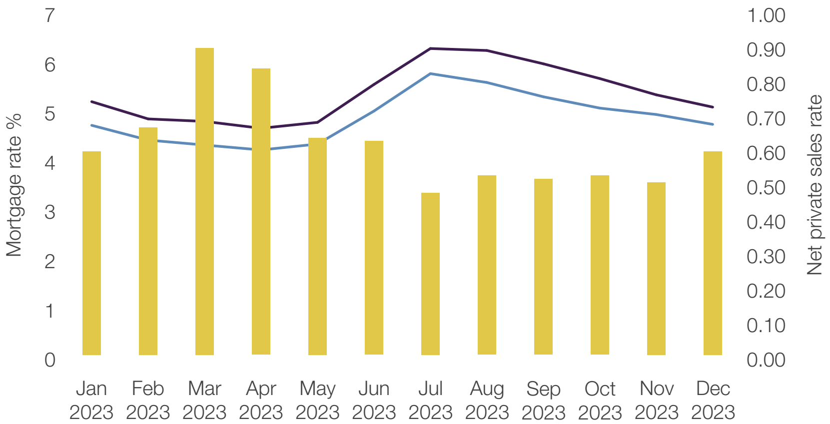


UK house prices adjusted for inflation

Source: Nationwide Building Society

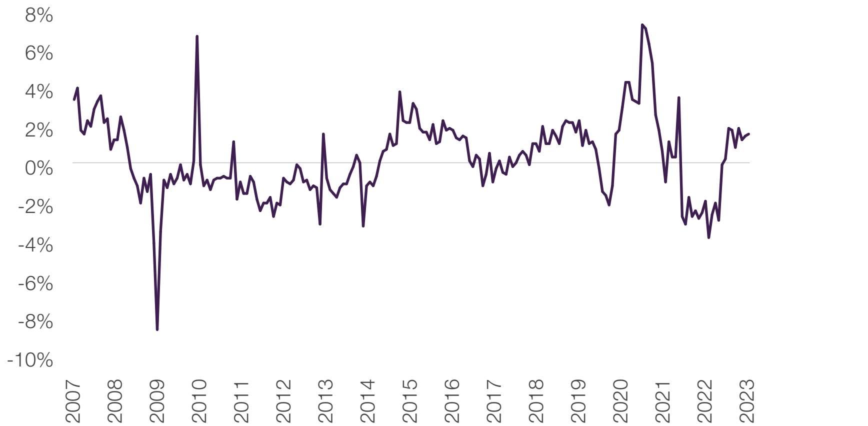
Our market environment continued

Mortgage rates impacted selling rates during 2023



Source: Bank of England, Taylor Wimpey

Under pressure household finances beginning to recover as pay growth exceeds inflation



Source: Monthly Wages and Salaries Survey, ONS

2023 started with double digit levels of general UK (CPI) inflation and the building sector was not immune. We experienced prevailing rates of build cost inflation of 9-10% in the initial months of 2023. As stated, changes in market conditions (house price and production rates) generally feed into changes in our input costs, albeit with a time lag. Last year, build cost inflation moderated to reflect sector trading conditions, in particular falling output. Consequently, the build cost inflation we experienced in our operations reduced to around 6% in the summer, around 2-3% in the final quarter, and, as we entered 2024, inflation was in the region of 0-1%.

Other key 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.

Given it takes around nine months to complete a standard home, there is a natural lag in between prevailing rates of build cost inflation / deflation and when these costs are reflected in our results.

Potential easing of the interest rate tightening cycle

The last two years have seen interest rates rising from below 0.25% to the current base rate of 5.25%. This led the average monthly mortgage rates for a five year fixed mortgage with a 75% loan to value (LTV) to increase from 1.6% in December 2021 to 5.7% by July 2023, before moderating to 4.68% in December 2023.

Interest rates have a significant bearing on the cost of borrowing and the affordability of homes for our customers. Therefore, it was unsurprising to see industry sales rates fall significantly, reflecting the higher cost of borrowing.

The Bank Rate was raised by the Bank of England five successive times in 2023, continuing the upward trend that began in December 2021, settling at 5.25%. On the last three occasions that the Monetary Policy Committee has met, the rate has been held at 5.25%.

Traditionally, performance in the UK housing market has been strongly correlated to the UK interest rate cycle. Mortgage rates reflect interest rate expectations so it was not surprising to see our own and industry sales reduce following mortgage rate increases (see chart: Mortgage rates impacted selling rates during 2023).

In 2023, sales rates across the industry were severely impacted by factors such as rising borrowing cost and consumer confidence. Uncertainty over house prices, the economic outlook, employment prospects and future interest rates are all areas of concern for consumers that are likely to impact their buying decisions.

Rising mortgage rates particularly impacted first time buyers who generally require larger LTV ratios. Reduced market activity as a result of rising mortgage rates and other factors (particularly first time buyers) has knock-on effects for chains, impacting the overall health of the market.

Our market environment continued

Easing inflation outlook

The Bank of England (BoE) has increased the interest rate primarily to combat inflation, which has been running significantly higher than its 2% target.

External factors such as global conflicts, supply chain issues, energy and food prices have had a major bearing on interest rate policy in this rate cycle. Domestically, and partly as a consequence of these external inflationary pressures, public and private sector wage increases have also added to inflation.

Inflation peaked at 11.1% in October 2022, reducing to 6.7% in the summer of 2023 and, as at February 2024, stands at 4%, mirroring earlier predictions by the BoE. Oxford Economics predicts that CPI inflation will reach 2% by April 2024, in line with BoE target.

4%
current rate of inflation

2%
estimate of inflation for April 2024

4.8%
average cost of a 75% LTV two year fixed term mortgage

Opinion amongst commentators varies as to whether a rate cut may occur in the first quarter, second half or at all. Ultimately, the BoE's mandate is to reach target inflation of 2%, and the inflationary backdrop is the key element in determining the future direction of interest rates.

Capital Economics now expects interest rate reductions to start in June in 2024 and reach 3% in 2025 and mortgage rates have already moved to reflect an expected reduction in interest rates. Opinion around timing on a potential cut varies and the Governor of the Bank of England, Andrew Bailey, has repeatedly cautioned the market that interest rates may need to stay higher for longer.

Interest rate and mortgage rate reductions could help more people access housing, which would be a positive for our market. However, the extent to which they will impact our trading depends on if and when rate cuts occur. For example, a first quarter rate cut could have an impact on 2024 sales, but a third quarter rate cut would likely mostly benefit 2025, given the time lag between sales in order book and completions.

Mortgage rates can, and often do, move ahead of the Bank Rate in anticipation of future moves. As Capital Economics points out, "the fall in some mortgage rates to below 4% means the effect of future cuts in Bank Rate are already being felt".

Challenged affordability beginning to ease

The fall in transactions shows rising interest rates, coupled with the cost of living pressures, stretched the affordability of housing for many over the past 18 months.

However, following the BoE's decision to hold interest rates at current levels, mortgage rates eased to their lowest levels in many months. According to Rightmove, as at 7 February 2024, the average cost of a two year fixed mortgage at a 75% loan to value (LTV) was 4.8%. On the same basis the average five year fixed mortgage rate was 4.55%.

Affordability and consumer confidence are also impacted by other factors such as wage growth, the general level of inflation and employment levels as well as the cost and availability of alternative rental properties.

Wage growth now exceeds the level of house price inflation, which together with falling overall inflation is offsetting the impact of increased borrowing costs. However, whilst all the factors outlined here will help determine overall affordability, interest rates will generally have the greatest impact.

Therefore, any rate decrease will offer the greatest benefit to our sector.

Consumer service Which? estimates that a 0.5% rise in rates is likely to add around £64 per month to the average mortgage cost on the basis of a 25-year mortgage with a £250k loan. It is worth noting that the cost is dependent on the homeowner's LTV ratio with the increase higher for a high LTV (low deposit) mortgage and lower for those with more equity, meaning that first time buyers with lower deposits are most affected.

Our market environment continued

Lack of distress in housing market

A lower level of transactions may mean that many people have chosen not to sell in a difficult market. However, there have been times, such as the global financial crisis, when people have been forced to sell owing to financial stress and indebtedness.

The Financial Conduct Authority expected around 1.7 million existing fixed rate deals to expire in 2023. This means many people will face higher mortgage payments this year than under their previous deals.

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. Therefore, though likely to be challenging, the more stringent lending criteria of the last decade should mean that increased payments are affordable for the majority of mortgage holders.

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, which could be positive for house price stability.

High employment and real wage growth

UK unemployment was 3.8% in the three months to December 2023, a modest rise on the 3.7% in the three months to December 2022.

According to the ONS, annual growth in regular earnings was 7.3% in August to October 2023. This translated to annual growth in real terms (adjusted for inflation) of 1.3%.

Long term housing need

Notwithstanding our sector's cyclicality, 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 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 in 1977 (source: Statista).

According to the think tank Centre for Cities, the UK has a 4.3 million housing shortfall that would take 50 years to fill even if the industry were to meet the 300k per year guidance for new housing. Given that this target has never been met, there is likely to be significant undersupply for some years.

Population growth

Demographics and population growth impact housing need. As the chart opposite shows UK population growth is not being matched by new housing.

The UK Government's English Housing Survey (EHS), suggests the home ownership rate is 65% in England. According the EHS, the average age of a first time buyer outside London is 33 (35 for a first time buyer in London), compared with 30.5 in 2007/08.

Therefore, having peaked at 71% in 2003 (source: EHS 2022-23) the current level of home ownership is below the aspirations of both the Conservative Government and the Labour Opposition.

Ageing housing stock

With 38% of our housing built pre-1946, the UK has the oldest housing stock in Europe. This is increasingly problematic when considering the UK's 2050 net zero carbon agenda, given only a small percentage of this old housing stock meets the highest energy efficiency ratings.

Existing housing stock is likely to require major retrofit of new technology. Statista estimates that around 78% of UK homes have gas central heating systems. The cost of converting this housing stock to electrical heating will be considerable.

Financial website This is Money estimates the cost of electrification for an existing home to be £26,000. In addition, consumer group Which? suggests the cost of an air source heat pump (one of the world's most widely used electric heating technologies) to be £10,000 on its own.

3.8%

UK unemployment, 3 months to December 2023

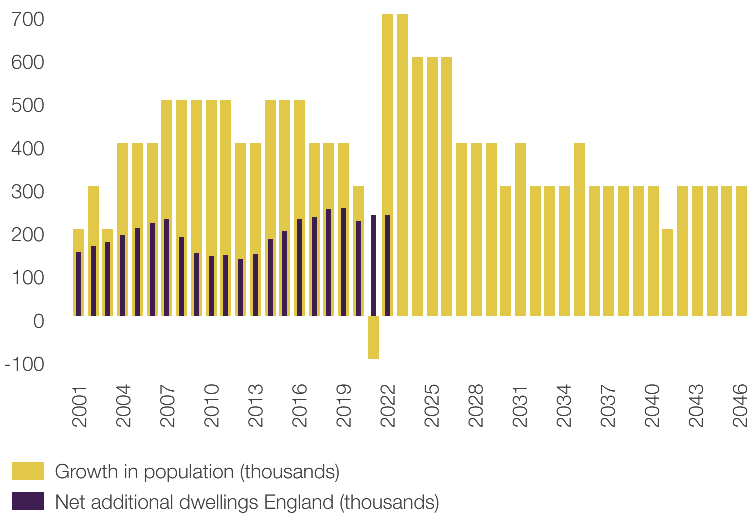
65%

UK home ownership rate, compared to 71% peak

33yrs

average age of first time buyer (excluding London)

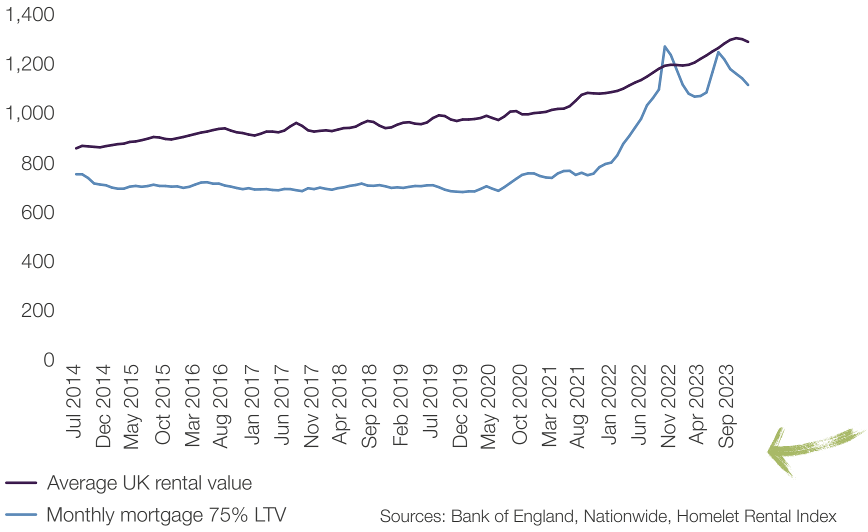
UK population growth continues to drive housing need



Source: ONS, DLUHC

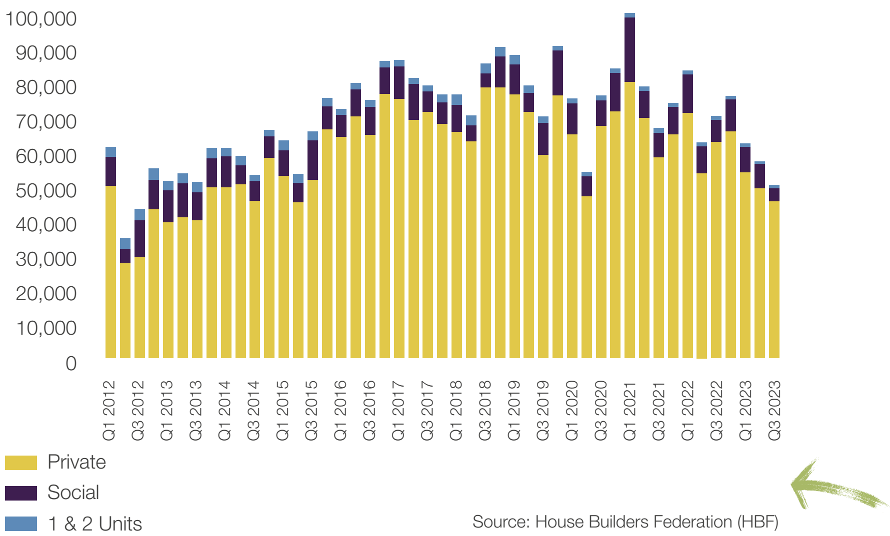
Our market environment continued

Monthly rental once again rising above monthly mortgage costs for 75% LTV loan



Sources: Bank of England, Nationwide, Homelet Rental Index

English residential planning approvals continue to fall from 2021 peak



Source: House Builders Federation (HBF)

The homes we build at Taylor Wimpey are already around twice as energy efficient as an average existing secondhand home and it remains the Government's intention that new build homes transition to be zero carbon ready from 2025.

At that point the homes we produce will be fully electric and would be zero carbon 'homes in use' once the UK's grid infrastructure is powered by renewable sources.

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 2022 when mortgage costs rose above rental comparators.

However, subsequent house price weakness and strong growth in rental costs now mean that the monthly cost of new homes is cheaper than the rental alternative for a number of our UK regions (see chart: Monthly rental once again rising above monthly mortgage costs for 75% LTV loan).

The land and planning backdrop remains a bottleneck

A healthy and functioning housing market requires a reliable supply of land for developers to plan and build. In 2023, there was a significant slowdown in planning approvals as shown in the chart: English Residential Planning approvals.

The latest HBF Housing Pipeline report for Q3 2023 shows planning permission grants are continuing to fall and are at the lowest levels since 2015, with c.246k plots approved in the 12-month period to September 2023. The HBF believes this could lead to as few as 200k plots being supplied in 2024.

In past markets, land prices have generally responded to changes in demand and industry output, rising in periods of high demand but reducing when industry output falls. In market downturns, it has often been possible to acquire cheaper land that benefited margin in future years.

However, over this period, given planning constraints, land has generally been in short supply and prices have not adjusted to reflect market conditions in the manner they have in previous downturns.

In December, the Government confirmed changes to the National Planning and Policy Framework (NPPF) that will place more emphasis on devolving planning decisions to a local authority level.

Whilst there was emphasis from the Government statement on enforcement measures, the success of the NPPF has traditionally relied on a level of top down scrutiny that may not be present in the current regulation. In addition, the absence of the requirement for a five-year housing land supply is a key concern.

Other problems faced by our planning system are more structural in nature. Data from Institute for Fiscal Studies suggests an almost 60% reduction in real planning budgets over the 10 years to 2019. This lack of resources has contributed to a backlog of applications and at Taylor Wimpey we have seen a major increase in the number of plots we have in the planning system.

Our market environment continued

Our teams have been extremely proactive and have tried, where possible, to ease the burden on the planning system.

Whilst progressing our land through planning remains a key priority for the business, a difficult planning system continues to impact our outlet openings and we currently have around 30k plots in the planning system, much higher levels than in prior years.

Improving planning may require further policy changes and greater resource allocation to local authority planning teams.

In 2024, scheduled local elections and the UK's General Election are likely to lead to further disruption in the planning system.

Nutrient Neutrality

The Nutrient Neutrality issue relates to excessive growth of algae in water that can disrupt ecosystems and impact wildlife. This growth is predominantly caused by nitrates and phosphates entering the water course.

The source of excess nutrients are wastewater and agricultural run-off (fertilisers and animal waste, which accounts for 70% of the overall nutrient load) with around 1% of the nutrient load relating to housing.

Prior to early 2022, this issue had been largely confined to the Solent and Somerset Levels. However, after March 2022 many additional catchments were added, resulting in development stops in 74 council areas and, in 2023, the HBF suggested this is affecting 150,000 homes at various stages in planning.

"Progressing our land through planning remains a key priority for the business, as a difficult planning system continues to impact our outlet openings."

Mark Skilbeck
Director of Planning

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local councils affected by Nutrient Neutrality regulations

£1bn

paid by housebuilders to water authorities in three years

Recent studies commissioned by the HBF suggest new homes have a very low impact on Nutrient Neutrality. Therefore, Nutrient Neutrality is an issue that needs to be addressed by waste water authorities, to which, according to the HBF, homebuilders have paid £1 billion in the last three years to September 2023.

Evidence suggests relatively small movements in agricultural practices would offset the impact of new homes. 2023 saw a bill put forward by the Government in an attempt to unlock as many as 100,000 affected plots between 2023 and 2030. However, this was later rejected by the House of Lords, meaning Nutrient Neutrality remains an ongoing issue, that has the potential to impact industry build volumes in future years.

Market trends, opportunities and risks

Key driver	Interest rates and mortgage availability	Employment, skills and labour availability
	Link to Principal Risks B: Mortgage availability and housing demand C: Availability and costs of materials and subcontractors **Material impacts** Our homes and places	**Link to Principal Risks** D: Attract and retain high-calibre employees **Material impacts** Our people and suppliers
	Interest rates and mortgage availability are key 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. Interest rates are the BoE's main tool in managing economic demand to meet the inflation target. Mortgage providers use the Bank Rate as a base and charge an additional margin to their customers and often move ahead to factor in expectations of future interest rates.	The UK employment rate has implications for consumer confidence and our customers' desire and ability to buy homes. A healthy employment outlook is important for general consumer confidence, the housing market, and the wider economy. In previous cycles, higher unemployment has been a factor in weaker demand for housing.
2023 backdrop	UK Consumer Price Index (CPI) inflation remained higher than expectations in the Q1 2023, prompting significant increases in mortgage rates from lenders in Q2 as lenders anticipated that rate rises would be higher and longer lasting. Interest rates peaked last year at 5.25% against initial expectation of around 4.5% (source: Capital Economics). However, inflation fell from 10.5% in December 2022 to 4.0% by December 2023 as the impacts of rising energy prices unwound and BoE's tightening policy took effect.	Having peaked at 4.3% for May to July 2023, UK unemployment was 3.8% for the three months to December 2023 (3.7% for the three months to December 2022). According to the ONS, annual growth in regular earnings was 7.3% in August to October 2023 which translated to annual real term growth (adjusted for inflation) of 1.3%. Wage increases have been a factor contributing to inflation. Labour market tightness meant pressure on both public and private sector wages with a number of high profile industrial actions, including in transport and the NHS. Job vacancy numbers fell from December 2022's 1.2 million but remain significant at 949k for September to November 2023. While there were still areas of tightness in the first half, labour cost inflation in the building sector was more moderate than materials cost inflation throughout the year. Construction labour availability improved because of falling industry output and, sector specific labour inflation was negligible by the end of the year.
Drivers, short term opportunities and risks	As lenders anticipate future interest rate cuts, we are seeing mortgage rates below the current base rate widely available. UK inflation of 4% remains higher than the UK target of 2% but is expected to fall sharply in 2024 with the Office of Budgetary Responsibility (OBR) predicting inflation of 1.5% in Q1 2024. Wage growth in excess of house price growth and general inflation should help affordability and there may be potential for interest rate cuts this year. Lenders are offering longer term mortgages (beyond 30 years) to improve monthly affordability. There is potential for fiscal stimulus in the UK budget on 6 March 2024.	Whilst there may continue to be some pressure on UK wages in 2024, there is potential that this lessens due to a number of multi-year settlements during 2023. Economic forecasts vary for 2024. Some view stagnation likely given weak economic conditions and a difficult global geopolitical backdrop. However, other commentators are more optimistic, given the potential end of the rate tightening cycle. The 2024 spring budget may have a bearing on the outlook for the year. Gov.uk predicts that unemployment will rise modestly to c.4.6% in 2024. This compares to a high of c.8.5% in 2011 following the global financial crisis.
Drivers, long term opportunities and risks	The Bank Rate is expected to moderate gradually downwards to 3% in 2025 (source: Capital Economics). This is a higher levels than most of the previous decade so the expense of monthly mortgage costs is also likely to remain higher. Wage growth may help improve affordability dependent on the level of future house price inflation.	The employment outlook will impact consumer confidence and is important for the housing sector and the wider economy. If the economic backdrop is benign then it is likely that future industry output could increase substantially to meet pent up demand, which offers both opportunity and risk. Attracting and retaining skilled workers to construction is key to the long term yet remains challenging. At Taylor Wimpey, a key focus is attracting new talent to the industry. We are increasingly seeking ways to mitigate risk, driving efficiencies through modern methods of construction and have recently established our own timber frame facility.

Market trends, opportunities and risks continued

Key driver	Climate change	Land and planning
	Link to Principal Risks A: Government policies, regulations and planning H: Natural resources and climate change **Material impacts** Our planet	**Link to Principal Risks** A: Government policies, regulations and planning E: Land availability **Material impacts** Responsible and resilient business
	The Future Homes Standard (FHS) outlines new regulations aimed at making new homes more energy efficient and is currently due to come into effect from 2025. At that point (and following any transitional arrangements) gas central heating systems will no longer be allowed in new developments.	Land is the key component for a housebuilder, therefore 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.
2023 backdrop	From 15 June 2023, parts L, F, S and O changes to the Building Regulations requiring 31% savings in carbon emissions (from a 2013 baseline) came into effect, following a one year transitional period. All of our homes started since then incorporate the material enhancements needed to meet the new standards. We progressed our work in preparedness for the Future Homes Standards (FHS) regulation that will require a 75% reduction in carbon emissions from 2025, successfully launching our zero carbon ready homes trial in June 2023. We also launched our Net Zero Transition Plan publicly in 2023 and will continue to work towards our science-based targets. The Government announced that it would no longer go ahead with the proposal that rental properties would require an average Energy Performance Certificate (EPC) rating of C by 2025 for new tenancies and by 2028 for existing tenancies. Any change could mean costly retrofits for private landlords.	We continued to limit our land spend given the tightness in the land market and the economic backdrop. The land market continued to be challenging in 2023 with limited land available at an attractive value and a slow planning system. Delays and resource constraints in the planning system are impacting the supply of land for housing, with some of our developments also impacted by Nutrient Neutrality legislation. Amendments to the National Planning Policy Framework announced by the Government in December 2023 removed the need for Planning Authorities to maintain a five-year supply of deliverable housing sites which could result in further delays and a shortfall in the supply of land available for development.
Drivers, short term opportunities and risks	The 2025 FHS marks a major change in the way we will build. The transitional period for moving to the standard is yet to be confirmed. However, after mid 2025 and a suitable transitional period the homes we build will be zero carbon ready. Whilst we have a good understanding of the technology options we can employ, there remain risks until the Government outlines the final results of the consultation, allowing us to refine the specification of our homes. Adjusting to this regulation will add further cost to our build process. This cost is generally reflected in residual land values.	The backdrop will depend on the intentions of the party/ies that form/s the next Government following the 2024 General Election. However, there is recognition in political parties of the importance of housing.
Drivers, long term opportunities and risks	Less than 2% of UK housing stock scores at the highest energy efficiency rating. We see potential for a competitive advantage and price premium for new, more energy-efficient homes. For example, we have already seen slightly cheaper 'Green mortgages' making new homes comparably cheaper to buy than less energy-efficient second-hand stock. Our future homes should benefit consumers who should not be exposed to the retrofit costs owners of older homes may face. In addition, depending on changes to energy tariffs, our customers could achieve meaningful savings in the cost of running their homes. A combination of these factors may mean that new homes can attract a future pricing advantage over older stock.	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 2024 General Election, there is potential for further changes to the planning regime by whichever party or parties form/s the next Government. With housing vital to growth in the UK economy we expect this to be a major focus during the next parliament and for the land and planning backdrop to improve, albeit from a low base.

Focused on creating value for our stakeholders

Our purpose

We are defined by our clear purpose to build great homes and create thriving communities.

We seek to deliver superior returns for shareholders through our high-quality landbank and enhance value through sharper operational focus.

Our values

Built on a strong culture of doing the right thing

Respectful and fair

Take responsibility

Better tomorrow

Be proud

Our strategy

Our strategic cornerstones allow us to be flexible and agile

Land

An agile approach to optimising value

Read more on **pages 31 to 32**

Sustainability

Investing to protect long term value for stakeholders

Read more on **pages 35 to 36**

Operational excellence

Driving efficiency and execution

Read more on **pages 33 to 34**

Capital allocation

A clear and disciplined approach

Read more on **pages 37 to 38**

Land

Our excellent landbank and strategic pipeline enabled us to be highly selective in the land market in 2023.

Key performance indicators

Land cost as % of average selling price on approvals

2023	15.2%
2022	19.0%
2021	16.1%

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

2023	c.7.7
2022	c.6.0
2021	c.6.1

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

2023	45%
2022	52%
2021	50%

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.

2023 highlights

- Strong short term landbank of c.80k plots as at 31 December 2023 (2022: c.83k plots)
- Balance sheet light, industry leading strategic pipeline of c.142k potential plots as at 31 December 2023 (2022: c.144k plots)
- High level of strategic conversions with c.8k plots converted from the strategic land pipeline to the short term landbank (2022: c.4k plots)

Priorities going forward

Short term

- Remain highly selective in acquiring new sites but will be active where we see good opportunities
- Progressing planning in our short term landbank to open new outlets
- Securing delivery from our strategic land pipeline, transferring assets to the operational business

Medium term

- Continuing to invest in quality land at the right time
- Adding value by progressing land through the planning system and creating high-quality developments

Coronation Square, Leyton

This development is a regeneration project in partnership with Waltham Forest Council

Performance and strategy continued

Land
Strategic cornerstone in action

In 2023, we completed our first home compliant with new building regulations, Parts L and F

Herrington View, Penshaw

Located in the former mining village of Penshaw, near Sunderland, Herrington View is a good example of a site originating from Taylor Wimpey's strong strategic pipeline. The site demonstrates the hard work and expertise and high-quality planning applications needed to successfully progress a strategic site. Herrington View also highlights our strategy to develop desirable locations, close to major transport and employment hubs with the potential to deliver a resilient performance through changing markets.

We originally optioned the land in 2016 with the agreement running until 2024. The strategic land team worked with Sunderland City Council to progress the land to development status with the authority allocating Penshaw to its Core Strategy Development Plan in January 2020.

Working in partnership with Sunderland council

Sunderland council was early to recognise the benefits our development would bring to the area. Our teams meet regularly with the council to manage workload and expectations and, work together constructively to resolve any issues. The Decision Notice awarding hybrid planning was received in September 2022, allowing us to start work in January 2023, less than six years since the start of our option.

We began actively selling from the site in June 2023 having established show homes and our sales centre, and first legal completions took place in November the same year.

Comprising 34 net acres, Herrington View will provide 440 new homes, of which 66 will be designated affordable housing. The first phase of 116 homes has full planning permission, and the remaining 324 plots currently have outline planning.

Carefully designed landscaped corridors will allow customers views of the historic Penshaw Monument and natural play areas within the development will provide a safe place for children to play and neighbours to meet. The site is adjacent to the Herrington Country Park, allowing our customers to get closer to nature. We are fitting bird and bat boxes to 88 plots and we are contributing towards Biodiversity Net Gain enhancements in the Herrington Country Park.

Well-located site

The site is close to larger towns and cities with Chester le Street four miles to the west and Sunderland five miles to the east, while Durham and Newcastle are less than 12 miles away. Herrington View has excellent nearby road links including the A19 and the A1(M), connecting our customers to major transport networks and employment hubs.

The site is also close to a wide range of local amenities including Doxford shopping and Washington Galleries.

Our first completions incorporating revised Building Regulations

Working with Group Technical, the local team decided on the early implementation of Part L and F of the Building Regulations. As a result, Herrington View is responsible for our first UK legal completion built to the new building regulations, making our homes 31% more energy efficient than homes built to the previous standard.

Phase 1 of the site is expected to complete in 2026. Depending on the market and our sales rate future phases of the scheme will then give us a site presence into the early 2030s.

Operational excellence

We seek to drive continuous improvement and efficiency benefits through relentless focus on operational excellence throughout the business.

Key performance indicators

Construction Quality Review

(average score/6)

2023	4.89
2022	4.81
2021	4.67

2023 remuneration measure.
Read more on **page 143**

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. Construction Quality Reviews focus on construction quality and understanding 'why or how' given levels of quality have resulted.

Average reportable items per inspection

2023	0.28
2022	0.32
2021	0.26

Objective

Reduce defects found during build stages.

Definition

The average number of defects found per plot during National House Building Council (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

2023	151
2022	166
2021	214

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)

2023	93%
2022	93%
2021	91%

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 and 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.

2023 highlights

- 98% of our employees agree that we take health and safety seriously (2022: 98%)
- Driving efficiencies through increased use of technology, data monitoring and trend analysis, and continued focus on defect prevention and continuous improvement
- Conducted a detailed value exercise to ensure our customer offering continues to be of high-quality and the specification valued by our customers whilst at the same time targeting cost savings

Priorities going forward

Short term

- Health and safety remains our number one priority in all markets
- Optimising value across all areas of the business and increasing efficiency
- Continue to ensure consistent high quality

Medium term

- Continuous business improvement including investment in technology to protect stakeholder value against a backdrop of increasing regulatory demands
- Continuing to invest in training our highly engaged workforce to ensure they have the appropriate skills to drive the business forward

Performance and strategy continued

Operational excellence
Strategic cornerstone in action

Developing our own timber frame production

We took possession of our 240,000 square foot timber frame facility in the summer of 2023 and have since completed an extensive fit out. The large facility is ideally located in Peterborough, close to our Taylor Wimpey Logistics business.

Alongside the efficiency benefits, increasing our use of timber frame will aid us in our carbon reduction goals, since the timber frame process produces less carbon than masonry construction. Timber frame construction is currently slightly higher cost than conventional brick and block construction but enables us to speed up build, allowing earlier commencement of all follow on trades whilst slightly reducing our reliance on bricklaying resources.

Increasing security and reliability of supply

In recent years, the supply and pricing of timber has been volatile due to global supply chain issues. In establishing our own facility, we can hold our own buffer stock enabling us to better manage any future supply chain challenges. As we progress, there is the potential to drive future savings for our businesses.

A measured roll out

Production commenced in early 2024 with first kits to be delivered to site in the first half of the year. We are taking a measured approach to rolling out our production. We have management with vast experience in timber frame to ensure that proper processes are in place before scaling up over the next two years.

Environment and efficiency benefits

Timber frame could reduce embodied carbon from the materials in a typical home by around 15%

Our skilled employees will be provided with the necessary training in the fundamentals of timber frame production and health and safety. When fully operational, we expect to run two shifts employing around 100 people.

This year, the facility will produce several hundred units, with first deliveries to our sites in the first half of the year. At full capacity in two to three years' time, we expect to produce around 3,000 kits per year which, in combination with our external suppliers, will support our goal of increasing timber frame usage to 30% of our production by 2030.

c.3k

kits per year once at full capacity

Performance and strategy continued

Sustainability

Investing to protect long term value for all stakeholders, prepare for regulatory change, continue to develop sustainable communities and play our part in limiting climate change.

Key performance indicators

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

2023	92%
2022	90%
2021	92%

2023 remuneration measure. Read more on **page 143**

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.

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

2023	77%
2022	78%
2021	79%

Objective

We strive to improve this score and to 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)

2023	5%
2022	15%
2021	13%

2023 remuneration measure. Read more on **page 143**

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 square 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.

2023 highlights

- Rated five-star for customer service in the Home Builders Federation (HBF) survey
- Published our Net Zero Transition Plan to reach net zero carbon emissions across our value chain by 2045, ahead of regulation
- Delivered the UK's first zero carbon ready scheme on a live site at Sudbury, including industry leading interactive models which will help communicate the benefits of the new technology to customers and sharing best practice with industry and SMEs
- Net zero targets independently validated by the Science Based Targets initiative and achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level

Priorities going forward

Short term

- Continue to invest in the long term sustainability of the business including training our highly engaged employees
- Continue to prioritise value over volume and seek to increase volumes where market conditions allow in a value enhancing way

Medium term

- Investing to protect long term value for all stakeholders
- Further progress on our path to net zero

Cultivating biodiversity

We integrate hedgehog highways and bug hotels or bee bricks on new sites

Read more on **page 52**

Interactive models

Helping to communicate the benefits of new technologies to customers

Sustainability
Strategic cornerstone in action

An industry first
Taylor Wimpey installed the UK's first roof mounted air source heat pump on a live development site

Scan to hear more about our trial homes at Sudbury

Developing net zero ready homes with our Sudbury prototypes

The Future Homes Standard (FHS), is due to take effect in England from 2025 (with associated transitional arrangements). We expect the FHS to require a 75-80% reduction in carbon emissions from new homes. In Scotland, the New Build Heat Standard is being introduced in April 2024.

This will represent a step change in the way we build as well as the way customers live, with the key requirement to move from gas central heating and hot water to all electric homes.

Learning valuable lessons from the trials

In 2023, we completed our zero carbon ready homes trial at our Chilton Woods development in Sudbury, Suffolk. Zero carbon ready means the homes should be net zero in use once the UK energy grid is decarbonised.

The launch of the prototypes was a major milestone. The trial, comprising five multi-specification prototype homes, was the industry's first research concept testing low carbon technologies on a live development site.

The homes have allowed us to review construction methodologies, determine the design and technical implications of integrating into Taylor Wimpey homes, review the skills required to install the new technologies and share lessons learnt across the business.

The trials will continue once the homes are sold, allowing us to measure performance of the new technologies, obtain customer feedback enabling us to optimise our approach, and refine our approach ahead of and in response to final regulation.

We tested a combination of fabric and technology solutions to achieve zero carbon ready homes, designed to ensure they meet customers' living requirements.

In developing these homes, we adopted a 'fabric first' approach to raise the energy performance (addressing walls structure, doors, windows, insulation). Technology will continue to evolve, while the fabric will be there for the lifespan of the homes. Fabric enhancements include triple glazed windows, wider cavity walls to allow for greater thermal insulation and thermal lintels.

The five prototypes each tested different technology combinations such as air source heat pumps, underfloor heating, infrared panels, solar panels, battery storage and mechanical ventilation and heat recovery.

Preparing for the change

While innovative, these combinations are generally well established technologies that are widely used globally, so are relatively low risk. However, there remain significant educational challenges in terms of the supply, installation and importantly, customer readiness for these new solutions.

Apart from one home deliberately designed to push the boundaries of what is possible, the homes were completed within budget, including the costs to meet changes in line with updates to the building regulations that came into place in June 2023. We factor these costs into the residual value calculations when we make land acquisitions.

We are pleased these trials successfully delivered homes capable of meeting zero carbon ready status, within budget and well ahead of regulation.

Capital allocation

Our clear and disciplined capital allocation framework balances investment in our future with sustainable dividends and cash returns for investors at the appropriate time in the cycle.

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 work in progress (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 throughout the cycle

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

£677.9m
Net cash*
(2022: £863.8m)

£516.1m
Land creditors
(2022: £725.6m)

9.57p
Total ordinary dividend per share paid in the year
(2022: 9.06p)

Capital allocation
Strategic cornerstone in action

Consistently evaluating capital allocation

Every day we make capital allocation decisions when we assess our land and commit capital to work in progress on our sites (the investment in labour, materials and direct costs attributable to our developments that is held in inventory until completion, when it is recognised in cost of sales).

Our investment criteria are subject to a rigorous process and includes detailed land assessment against numerous financial metrics, subject to sign off by senior management levels including the Chief Executive.

In 2023, we reduced our land commitments due to conditions in both the land and the wider housing market. We also tightly controlled release of work in progress with each of our businesses working hard to closely match our build output to levels of customer demand.

Providing visibility to investors

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

Our Ordinary Dividend Policy is to pay out 7.5% of net assets or at least £250 million annually throughout the cycle.

Our Ordinary Dividend Policy has been stress tested to withstand conditions beyond what we would consider a normal downturn, including up to a 20% fall in house prices and 30% decline in volumes.

In line with our policy, we announced a final Ordinary Dividend payment of 4.79 pence per share, which is subject to shareholder approval at the Annual General Meeting.

With the 2023 Interim Dividend payment of 4.79 pence per share, the total Ordinary Dividend for the year is 9.58 pence per share or approximately £339 million.

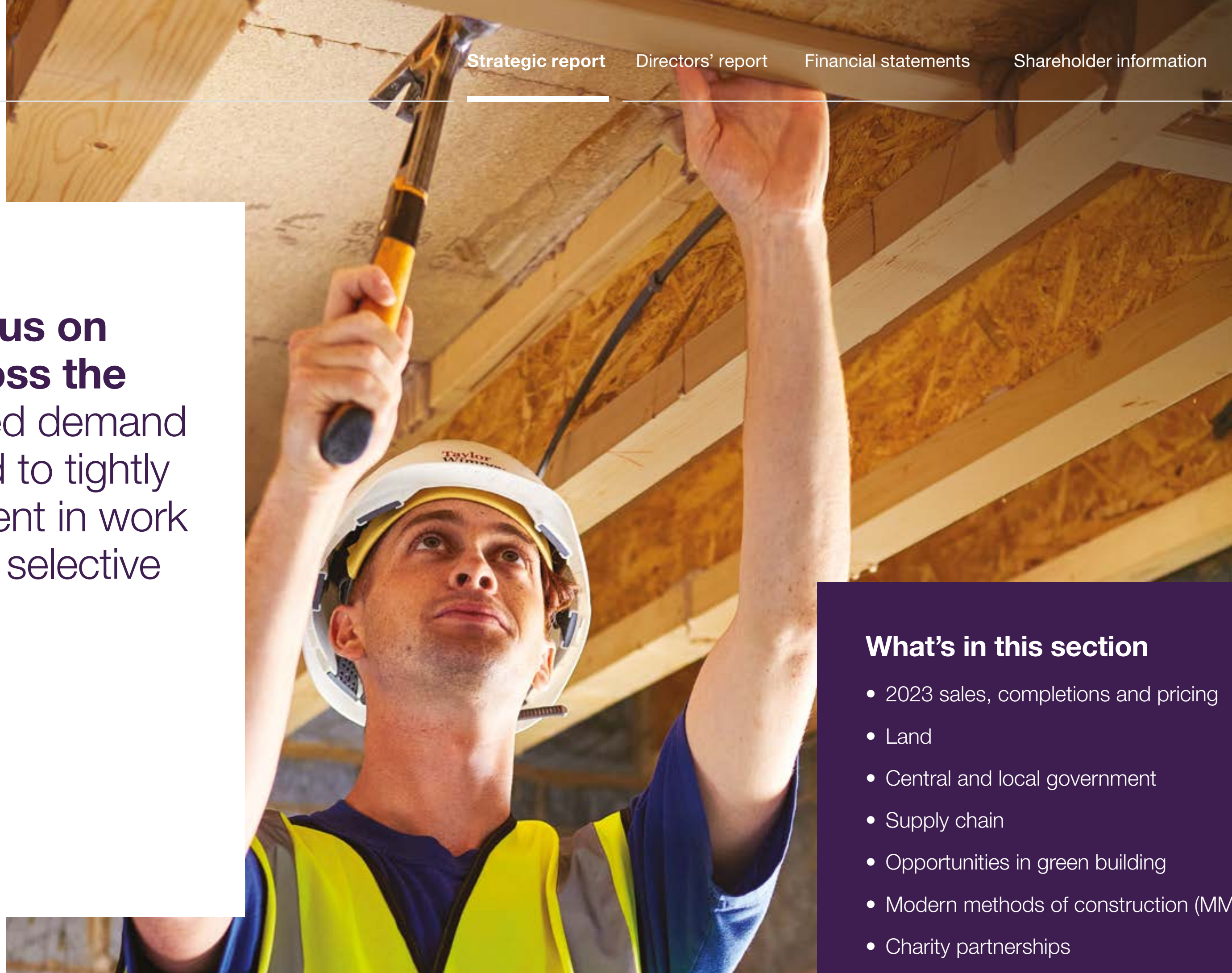
It remains our policy to return to shareholders surplus cash generated by the business, and which is in excess of that needed by the Group to fund land investment, working capital, taxation and other cash requirements, and after the ordinary dividend.

9.58p
2023 dividend pence per share

£339m
total dividend for the year

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Operational review



In 2023 we increased focus on operational controls across the business. In light of reduced demand in our market, we continued to tightly manage costs and investment in work in progress and were highly selective in our land investment.

What's in this section

- 2023 sales, completions and pricing
- Land
- Central and local government
- Supply chain
- Opportunities in green building
- Modern methods of construction (MMC)
- Charity partnerships

Highlights for 2023

UK completions including joint ventures

10.4k

(2022: 13.8k)

Reduction in absolute operational carbon emissions intensity since 2019

35%

(2022: 26%)

Group operating profit margin*

13.4%

(2022: 20.9%)

Operational review continued

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.

2023 sales, completions and pricing

Total Group completions (including joint ventures) were 10,848 (2022: 14,154). UK home completions (including joint ventures) were 10,438 (2022: 13,773), which included 2,388 affordable homes (2022: 2,920) equating to 23% of total completions (2022: 21%). Completions from joint ventures in the year were 82 (2022: 222). Our net private reservation rate for 2023 was 0.62 homes per outlet per week (2022: 0.68). The cancellation rate for the full year was 18% (2022: 18%).

UK average selling prices on private completions increased by 5.1% to £370k (2022: £352k) with the overall average selling price increasing by 3.5% to £324k (2022: £313k).

We estimate that market-led house price growth for our regional mix was c.1% for completions in the 12 months to 31 December 2023 (2022: c.8%).

Underlying build cost inflation in 2023 was c.8.5% (2022: c.8%). At the start of 2024, prevailing build cost inflation is running at around 1% and reduces to zero when taking into account the savings arising from our value improvement programme.

During 2023, we continued to focus on using the levers within our control to reduce cost including retendering of site phases and a full review of specification to identify savings without impacting health and safety, quality or customer satisfaction.

We ended the year with an order book valued at £1,772 million (31 December 2022: £1,941 million), excluding joint ventures, which represents 6,999 homes (31 December 2022: 7,499 homes). In the UK, we traded from an average of 238 outlets in 2023 (2022: 232). We ended the year with 237 outlets (31 December 2022: 259).

Land

We have a strong short term landbank of c.80k plots as at 31 December 2023 (31 December 2022: c.83k). During 2023 we acquired 1,572 plots (2022: 7,716) for the short term landbank. The average cost of land as a proportion of average selling price within the short term owned landbank remains low at 13.7% (2022: 14.0%).

The average selling price in the short term owned landbank in 2023 increased by 1.6% to £327k (2022: £322k). Our focus is on progressing planning in our short term landbank to open new outlets and secure delivery from our strategic pipeline, transferring assets to the operational business.

As at 31 December 2023, we were building on, or due to start in the first quarter of 2024, on 99.6% of sites with implementable planning.

Our strong land position has benefitted from conversions from our strategic pipeline. We saw fewer opportunities to buy land at attractive valuations in 2023 and accordingly were highly selective in land acquisition with approvals at c.3k plots (2022: c.7k). The quality of our strategic pipeline of c.142k potential plots (31 December 2022: c.144k), continues to provide differentiation offering optionality and flexibility for the foreseeable future.

Benefiting from a strong land position

Our short term landbank is supported by a strong strategic pipeline, with 54% of our short term landbank strategically sourced

Our success in developing our strong strategic pipeline means that 54% of our short term landbank has originated from this source (2022: 50%). In the year, 45% of our completions were sourced from the strategic pipeline (2022: 52%).

During 2023, we converted a further c.8k plots from the strategic pipeline to the short term landbank (2022: c.4k plots) and added a net c.6k new potential plots to the strategic pipeline (2022: c.3k).

Despite continuing delays in plan-making across the country, our high-quality strategic 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.

Central and local government

During 2024, the UK will be holding local elections across the country, in addition to a General Election expected in the second half of the year. We welcome the recognition from both main political parties of the importance of housebuilding to the country and continue to engage with all stakeholders at every level of the business.

Operational review continued

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

However, other changes, including softening of the requirement to meet local planning targets, the 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.

We continue to engage 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.

During 2023, Biodiversity Net Gain (BNG) requirements in England were published and came into effect in February 2024. We have published guidance and have held training sessions for our regional businesses to support them to manage the risks, costs and opportunities associated with Biodiversity Net Gain. BNG was effectively introduced via changes to the NPPF in 2018 so we have factored the associated costs into our land acquisition since that time.

We published guidance on Mandatory Net Gain and land contracts in 2021 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.

Supply chain

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, including 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.

Taylor Wimpey Logistics (TWL)

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

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

Nick Wright
Manufacturing and Supply Chain Director

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

The benefit of TWL can be seen in our site deliveries. TWL supplies our businesses 99% on time in full (OTIF), compared to receiving its supplies 87% OTIF.

Operational review continued

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.

Changes to Building Regulations

2023 was a transitional year for our build teams as we successfully adapted our production to meet the revised Building Regulations. Our homes have enhanced fabric standards following the phasing in of the Part L (conservation of fuel and power), and Part F (ventilation) of the Building Regulations in England from June 2022 (with a one year transitional period), Parts L & F from November 2022 for Wales, and Section 6 in Scotland from February 2023. Additional features in our homes include wastewater heat recovery systems, triple glazing and photovoltaic (solar) panels. Collectively, this will achieve a 31% reduction in carbon emissions compared with our previous specification across England and similar carbon reductions across Wales and Scotland.

Future Homes Standard 2025

We are also preparing for the phase-out of gas central heating and hot water systems from 2025 in England and Wales and 2024 in Scotland. In 2023, we delivered the UK's first zero carbon ready homes on a live development site at Sudbury to understand the opportunities and challenges posed by the Future Homes Standard.

"2023 was a transitional year for our teams as we adapted our designs, specifications and production to meet the revised building standards. We were also proud to deliver the UK's first zero carbon ready homes on a live development site."

Stephen Andrew
Group Technical Director

75%

target reduction in carbon emissions for homes in use by 2030

Over 450

stakeholders visited our future homes prototypes

This included industry leading interactive augmented reality models which will help communicate the benefits of the new technology to customers. Over 450 stakeholders have visited the site and we have shared best practice and our lessons learnt with small and medium enterprises (SMEs).

Feedback from the visits and a customer focus group showed that 81% of visitors felt that the use of low carbon technologies enhances the value of new homes.

Read more on **page 36**

Modern methods of construction (MMC)

Componentisation and other modern methods of construction also form part of our strategy for dealing with a skills shortage in our industry. Whilst products such as smart roofs (where the roof structure is manufactured off site and the components are craned into place on site), which we use for our 'room in a roof' homes, provide both health and safety and efficiency benefits.

Developing our own timber frame production

A key part of our strategy is to increase the use of timber frame in our construction, to 30% of our production by 2030. Alongside efficiency benefits, use of timber frame can reduce embodied carbon in materials by around 15%, compared to traditional brick and block building techniques, supporting progress towards our net zero target.

In 2023 we established our own timber frame facility that will enable us to increase security and reliability of supply. In combination with our existing suppliers, our own facility will help us in our goal to increase timber frame usage to 30% of our production by 2030.

Read more on **page 34**

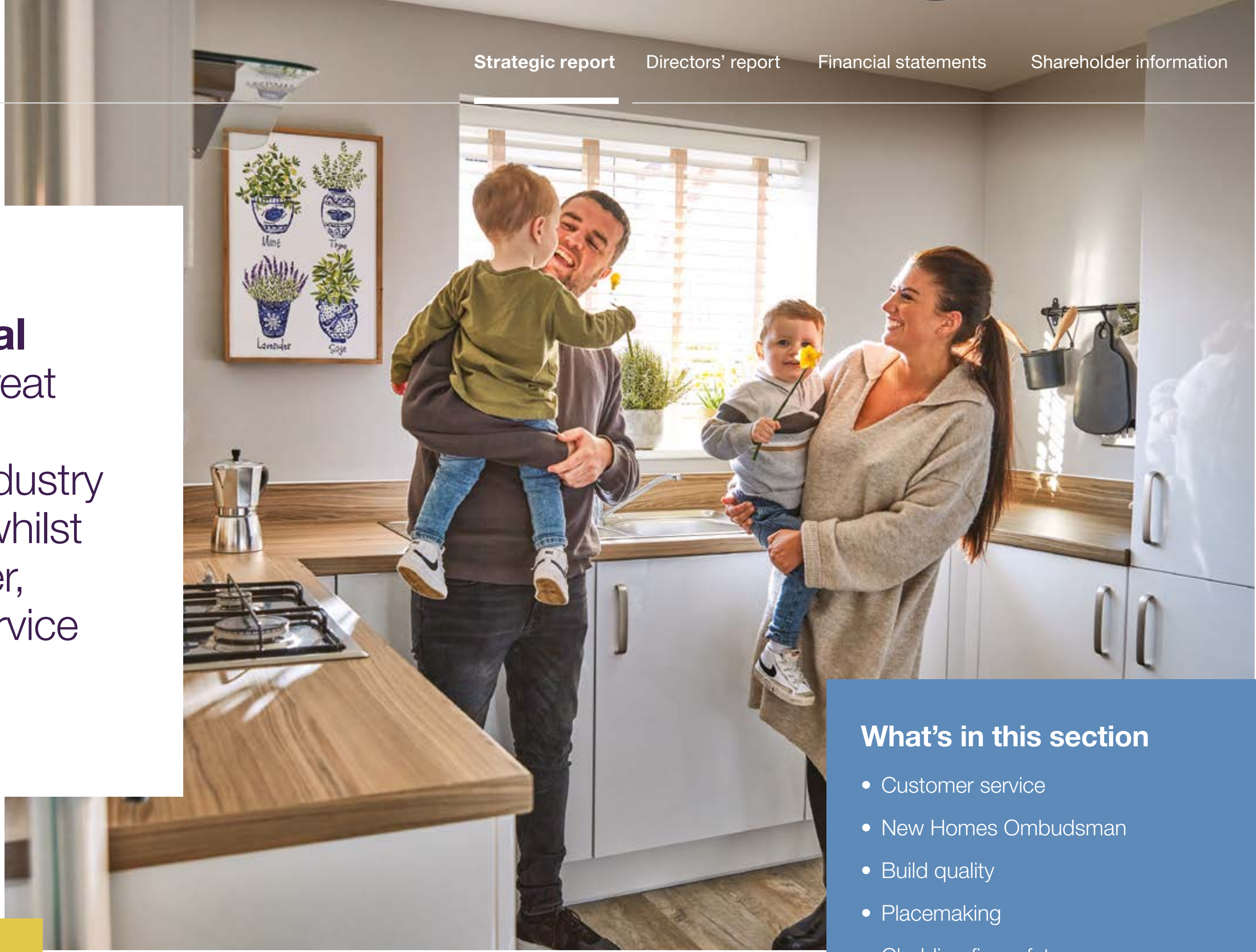
Charity partnerships

During 2023, we continued our partnership with our national charities as well as local charity partners across the UK. Our national partners are Youth Adventure Trust, Every Youth (previously End Youth Homelessness), Crisis, Magic Breakfast, and St Mungo's.

In total, during 2023, we donated and fundraised c.£1 million for registered charities (2022: 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.

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Building for our customers



Our customers are central to our purpose 'to build great homes and create thriving communities'. We are an industry leader in build quality and, whilst already a 5-star rated builder, enhancing our customer service was a key priority in 2023.

What's in this section

Highlights for 2023

Customers in 8-week survey who would recommend us to a friend

92%

(2022: 90%)

Construction Quality Review average score (out of 6)

4.89

(2022: 4.81)

Trustpilot rating

4 out of 5

(2022: 4 out of 5)

Building for our customers continued

Customer service

Customer service was a major focus for 2023 and we are delighted to have increased our Home Builders Federation (HBF) 8-week 'would you recommend?' score to 92% (2022: 90%) and retained our five star rating. However, we have not yet seen the same increase in our 9-month score which gives us insight into how customers feel about the homes and places we build over the longer term. Our score for 2023 was 77% (2022: 78%) and we will be prioritising improvements in this area in 2024.

We encourage customers to leave reviews on Trustpilot. At the end of 2023, with 8,950 reviews, we had a 4 out of 5 star rating (end of 2022: 4 out of 5) with a trust score of 3.9 out of 5 (2022: 3.9 out of 5).

We have prioritised working with all our partners to deliver excellent customer service and leverage our customer database capabilities, in order to build a strong order book. In a more challenging market, understanding our customers is more important than ever.

We are using the data insights provided by our fully integrated customer relationship management system to better support our customers and align our marketing strategy.

Our systems enable us to identify potential new leads, be proactive with our current customers (with visibility of key customer and plot dates) and pre-empt potential issues.

As part of our drive to ensure we are delivering for our customers, in 2023 we have conducted more widespread and consistent follow up with customers to understand their views after they have moved into their new home.

New Homes Ombudsman

We signed up to the New Homes Quality Code in November 2022 and aligned our processes to its requirements. Customer-facing employees are trained on the Code as well as many colleagues in our commercial and technical functions and some of our subcontractors.

In 2023, we introduced a policy on how to support potentially vulnerable customers as part of our alignment to the Code requirements. This has now been rolled out to our businesses.

Build quality

We continue to see improvements in our build quality as measured by the NHBC Construction Quality Review (CQR) score, which measures build quality at key build stages. In 2023, we scored an average of 4.89 (2022: 4.81) from a possible score of six. This compares with an industry benchmark group average score of 4.67.

We aim to further improve this by ensuring our quality assurance processes are embedded at every stage of the build. We clearly communicate our quality standards to subcontractors and invest in training, process improvements and regular inspections throughout the build process to ensure consistently high standards and prevent quality issues from occurring.

Construction Quality Review scores (out of 6)

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.

92%
five star customer service rating
(2022: 90%)

3.9
out of 5 trust score
(2022: 3.9 out of 5)

Building for our customers continued

Placemaking

Good placemaking ensures our teams plan, design, 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. There is an internal design review process for all new schemes to ensure consistent design quality.

Our schemes are also reviewed more than once during design development by our Director of Design (a qualified architect and urban designer) and must be signed off before they can proceed to planning application.

Access to transport and local infrastructure and facilities contributes to the success of our schemes. In 2023, we contributed £405 million to local communities in which we build across the UK via planning obligations (2022: £455 million).

This funded a range of infrastructure and facilities including affordable housing, green space, community facilities, 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 2023, 70% of our UK completions were within 500 metres of a public transport node and 90% were within 1,000 metres.

Cladding fire safety

It is our long held view that leaseholders should not have to pay for the cost of remediation and our programme started several years prior to signing the Government Building Safety pledge. We voluntarily signed the Government's Building Safety Pledge for Developers in April 2022, the Welsh Government's Pact in September 2022, and the commitment letter to the Scottish Accord in June 2023.

In total, we have made provisions amounting to £245 million, which remains our best estimate of the cost of our commitments to bring affected buildings in line with the standards as set out in the agreements reached with the governments.

We have identified 214 buildings that are within the scope of our provisions, around half of which we have either remediated, started work on or expect to commence work on this year. To date, we have fully completed 38 buildings with another nine remediated and awaiting paperwork. A further 19 buildings had works underway at the end of 2023.

We have a dedicated team in place to manage our remediation programme, progress our work on these buildings as quickly as possible and to ensure high-quality delivery. It is expected, given the size and nature of the projects, the multiple stakeholders involved and the availability of appropriately qualified consultants and contractors, that work will take around five years to complete in its entirety.

70%

of UK completions within 500 metres of public transport node

90%

of UK completions within 1,000 metres of public transport node

Building for our people

Our people and culture are key to our progress. We have a highly talented and engaged workforce that continues to drive Taylor Wimpey forward for the benefit of all stakeholders.

What's in this section

- Health and safety
- Culture and people
- Skills
- Equality, diversity and inclusion

Highlights for 2023

Employee engagement score

93%

(2022: 93%)

Quality awards

51

(2022: 62)

Voluntary employee turnover

14.2%

(2022: 17.7%)

Building for our people continued

Health and safety

Health and safety remains our number one priority in all markets and it is the first topic covered in every Board, Group Management Team (GMT) and local regional management team meeting across the country. Building sites are inherently dangerous places and so it is essential that strict safety protocols are identified, embedded, monitored and enforced and a clear, consistent and disciplined approach to safety is key throughout the organisation. 98% of our employees agree that we take health and safety seriously (2022: 98%).

Our Annual Injury Incidence Rate (AIIR) for reportable injuries per 100,000 employees and contractors was 151 in 2023 (2022: 166), remaining well below both the HBF Home Builder average AIIR of 241 and the Health and Safety Executive construction industry average AIIR of 296.

However, our commitment goes beyond industry benchmarks and we will continue to seek to improve this. Around 37% of accidents are slips, trips and falls. Our AIIR for major injuries per 100,000 employees and contractors was 65 in 2023 (2022: 68).

Culture and people

We have a strong culture at Taylor Wimpey which we and our employees are proud of. This is demonstrated in our latest employee survey with an overall employee engagement score of 93% (2022: 93%), with a 69% response rate. Our overarching value is 'do the right thing'. Our Taylor Wimpey Inspire Awards recognise our employees who go above and beyond.

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, National Young Person's Forum and Local Employee Forums 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.

During 2023, our voluntary employee turnover rate was 14.2% (2022: 17.7%).

We are pleased to report that Taylor Wimpey was once again recognised in the NHBC Pride in the Job Awards, achieving a total of 51 Quality Awards (2022: 62) and 13 Seal of Excellence Awards (2022: 15).

Skills

During 2023, we directly employed, on average, 4,618 people across the UK (2022: 5,140) and provided opportunities for, on average, a further 9.3k operatives (2022:11.1k) on our sites.

We are proud of our approach to talent development at Taylor Wimpey. 45% of our regional management teams have been promoted internally and 62% of Site Managers were promoted from within the business.

We recognise that 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.

> "I believe strongly that having a diverse workforce is crucial to strengthening our business for the future, and this becomes even more important in a challenging market."
>
> Anne Billson-Ross
> Group Human Resources Director

To support entry level Trainees, competency levelling was launched in April 2023. Competency levelling enables Trainees to have a clear path of progression into a target role, as well as rewarding them according to their experience and competence as they progress through their training.

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. In 2023, we strengthened our schools outreach programme working with a specialist company and developed our career converters programme for ex-service personnel.

Working with partners to promote industry skills

We continue to work closely with our partners, peer companies, industry associations and educational organisations to identify and address skills gaps and upskill our workforce, and also share best practice within the industry bodies.

In 2023, we led a collaboration with five other major housebuilders to identify tangible ways in which we could address the skills shortage facing our sector, leading to the creation of a Sector Skills Plan

Recognising that the majority of our trades on site are performed by our supply chain, Taylor Wimpey has been instrumental in developing a support model with the CITB whereby we provide free support to our subcontractors to enable them to recruit, train, manage and claim grant funding for their apprentices.

Building for our people continued

We have seen some early successes with subcontractors based in Exeter and the Midlands, where the plan has helped provide recruitment support as well as identifying colleges and signing apprentices up for courses. In addition, we have seen the plan has helped subcontractors to claim funding to offset the cost of their apprenticeship training – in some cases helping with backdated claims that they were unaware would be eligible.

The pilot will be extended to others in the Sector so that more subcontractors can take advantage of this free of charge support structure. We are proud of our approach to talent development at Taylor Wimpey.

Equality, diversity and inclusion (ED&I)

We remain committed to creating a more diverse workforce and will publish our second Diversity and Inclusion Report in 2024. We have set quantitative targets to improve gender balance at all levels and to increase ethnic minority representation. Our targets are aspirational, but we believe that it is important to be ambitious and hold ourselves to account.

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.

Investment in ED&I is a long term commitment for Taylor Wimpey, supported by our Board, and all levels of our leadership. Alongside our successes, we remain focused on the areas we still need to progress.

Our workforce is not yet reflective of the UK's ethnic diversity. As at 31 December 2023, 5.7% of our employees were from a Black, Asian or other minority ethnic background (2022: 5.0%) and 3.7% at regional business management level (2022: 2.5%).

We had a gender mix of 66% male (2022: 67%) and 34% female (2022: 33%) across the Company. Our GMT was 33% female (2022: 38%) and our Board of Directors was 44% female (2022: 44%). Women in the GMT and direct reports to GMT rose to 28% (2022: 21%). The proportion of women in management roles across the Group rose to 38% from 30% in 2022.

We have more work to do in our regional business management teams to address gender balance. Women made up 27% of these roles in 2023 (2022: 31%). Whilst the employment freeze impacted our efforts in terms of graduate and trainee manager recruitment, our pipeline is strong, with females accounting for 62% of our graduate programme (2022: 64%).

In line with the Gender Pay Gap regulations, we calculated our 2023 gender pay gap based on data at the 'snapshot date' of 5 April 2023 and bonuses paid over the preceding 12 months.

The calculations cover all staff employed by Taylor Wimpey UK Limited as at 5 April 2023. Our latest data shows that our mean gender pay gap was 6% in favour of men (2022: 2% in favour of women) and median pay gap 2% in favour of men (2022: 1% in favour of men).

The shift in our pay gap this year reflects a number of factors, including a reduction in the overall size of our workforce, more highly paid women than men leaving the business, and a reduction in commission due to market conditions which affects our sales function, which is 83% women.

We will continue to focus on our programmes to increase female representation across different functions and levels of the business which will reduce the pay gap over time.

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

62%

Female representation in our graduate programme

6%

Gender pay gap in favour of men

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements. Please see page 81 for definitions.

Materiality assessment

We have updated our materiality assessment, which helps us to identify the most relevant and significant impacts for our business and our stakeholders.

We have taken a 'double materiality' approach to identify the socio-economic and environmental issues that have most impact on the value of our business and those where our business activities have most impact on people or the environment.

Comparing the significance of different types of impacts is not straightforward, particularly where quantitative and comparable data is not available. We will continue to develop our approach to materiality and impact assessment and we will regularly update our assessment.

Our methodology

Key steps in our methodology include:

- **Identifying impacts** – we identified a long list of impact areas based on our previous materiality processes and a review of external reporting standards.
- **Evaluation and prioritisation** – we used stakeholder input and analysed a range of sources to prioritise the identified impact areas. This included stakeholder interviews, a media and policy review, reference to sector-specific standards, multi-stakeholder and corporate benchmarks, and alignment with our business strategy and risk management process.
- **Review and validation** – the findings were reviewed by members of our senior leadership, and some minor adjustments were made to reflect business priorities.

Key findings

Some of our most material impacts relate to our product – the new homes and communities we build. This reflects the significant impact that homes and communities have on the wellbeing and quality of life of customers and future residents, as well as people's ability to lead a more sustainable lifestyle. Our other most material impacts include the health and safety of people working on our sites, and our impact on the climate and nature.

We set targets for many of our material impacts and a full list can be found in our Sustainability Summary 2023

In recognising the important link between the Company's material impacts and risk management, our material impacts have been aligned to our Principal Risks, as set out on **pages 74 to 77**

Our material impacts

Stakeholder impact | Financial impact

High | Medium | **Material impacts** | Medium | High

1. Our homes and places
- Customer wellbeing in our homes*
- Quality and sustainability of new communities
- Affordability and accessibility of new homes

2. Our people and suppliers
- Health, safety and wellbeing
- Inclusion and equality
- Skills development
- Employment practices
- Responsible sourcing and human rights

3. Our planet
- Climate change
- Nature
- Resource use and waste
- Water quality and management
- Site environmental impacts

4. Responsible and resilient business
- Financial performance and economic contribution
- Governance and transparency
- Ethical and responsible business practices

* Includes customer service.

Our commitment to the environment

Our Environment Strategy, Building a Better World, sets out how we will play our part in creating a greener, healthier future for our customers, colleagues and communities, while reducing and mitigating environmental risks to our business.

It includes ambitious targets up to 2030 and we have committed to achieve net zero emissions by 2045, five years ahead of the Government's target.

What's in this section?

- Climate change
- Our net zero target
- Nature
- Resources and waste
- Task Force on Climate-related Financial Disclosures
- Non-financial information and sustainability statement

Highlights from 2023

Our net zero target was validated by the Science Based Targets initiative

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Reduced operational emissions by
35%
since 2019 (absolute)

3.5k
wildlife enhancements installed on our sites since 2021

279
sites with hedgehog highways since 2021

98%
of construction waste diverted from landfill

Our commitment to the environment continued

Climate change and net zero

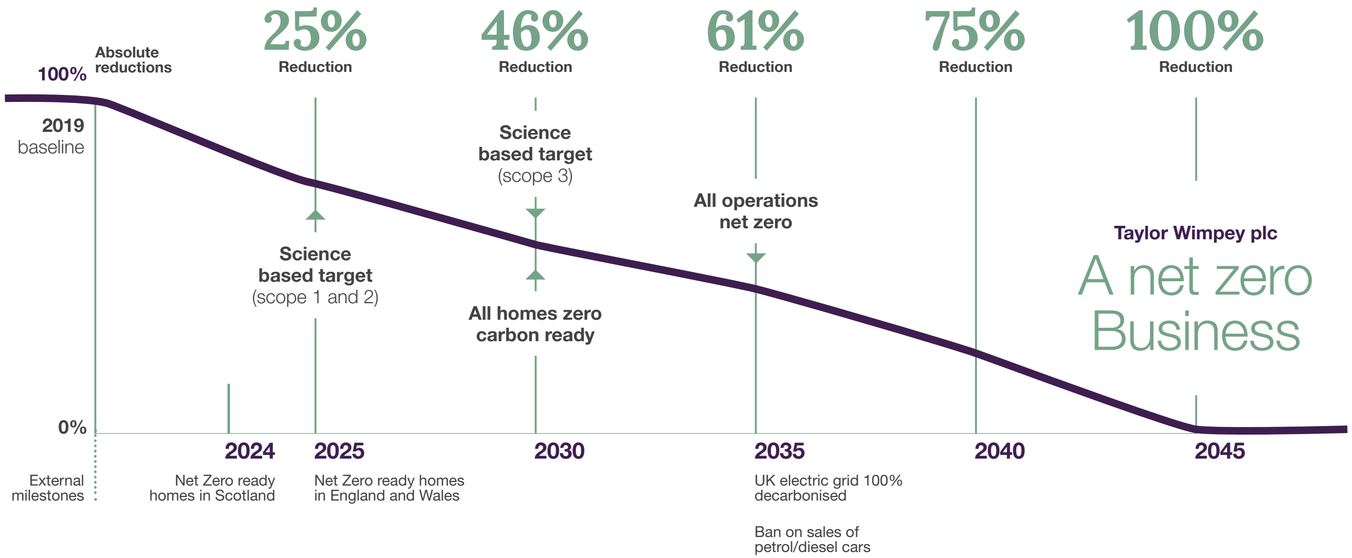
We have set an ambitious target to be net zero aligned in our operations by 2035 and reach net zero across our value chain by 2045 – ahead of the UK's national target.

Our net zero target for 2045 has been independently validated by the Science Based Targets initiative (SBTi). It is supported by our Transition Plan and four-stage roadmap, detailing the actions we will take, including the construction of low and zero carbon homes, use of low carbon construction materials, transitioning to 100% renewable electricity, reducing and replacing fossil fuels and decarbonising our fleet. Our target and roadmap will enable us to reduce emissions in line with the 1.5°C ambition of the Paris Climate Agreement and support the wider transition to a low carbon economy through zero carbon ready homes for customers and collaboration with suppliers.

More detail and a summary of our roadmap is included in our Net Zero Transition Plan www.taylorwimpey.co.uk/corporate/sustainability/net-zero

2035
operations will be net zero aligned

90%
reduction in value chain emissions by 2045 and neutralising 10% residual emissions



Our commitment to the environment continued

Nature

We want to create space for nature on our sites and contribute to improving biodiversity to benefit both our customers and the environment. Our approach starts with site design and layout, and encompasses use of green infrastructure, habitat improvements, wildlife enhancements and wildlife friendly planting.

We published our first biodiversity policy in 2023 and have prepared our teams for the Biodiversity Net Gain requirements which came into force in England in February 2024.

Wildlife enhancements can play an important role in supporting native species. We aim to integrate enhancements on all suitable new sites and have started with hedgehog highways, bee bricks, bug hotels, and bird and bat boxes.

We partner with nature organisations to ensure our actions reflect best practice. Our current partners are Hedgehog Street, a campaign by the British Hedgehog Preservation Society and People's Trust for Endangered Species, and Buglife – the Invertebrate Conservation Trust.

We recognise our business dependencies on nature and the ecosystem services provided by the natural world. We are reviewing the recommendations of the Taskforce on Nature-related Financial Disclosures and will publish our first disclosure against its recommendations in our sustainability reporting.

Resources and waste

Our Towards Zero Waste strategy and action plan sets out a three-year programme of action and capacity building across all stages of development from land acquisition to construction, occupancy and end of life. It focuses on:

- Achieve and build on the resource targets in our Environment Strategy
- Quantify value chain resources and waste to improve our data and enable us to adopt more circular approaches. This covers soils, demolition, packaging, materials and construction waste
- Other actions including setting targets, incentivising resource-efficient behaviours, supplier engagement and action plans for key waste streams

We are working with our suppliers to reduce waste from packaging, increase recycling and identify opportunities to increase use of sustainable and recycled materials.

We publish a Sustainability Summary with additional data which includes the Sustainability Accounting Standards Board (SASB) recommended disclosures for our sector.

57,800
paint cans recycled in 2023

105,180
pallets returned in 2023

ESG credentials

We participate in several global and sectoral benchmarks. We are a constituent of the Dow Jones Sustainability Europe Index and included in the S&P Sustainability Yearbook 2024. We are a part of FTSE4Good, have an AAA rating from MSCI and have received an ESG Risk Rating of Low from Sustainalytics and been included in its 2023 Top-Rated ESG Companies List. We are a member of Next Generation, the sustainability benchmark for UK housebuilders, and ranked joint third with a gold rating in 2023. We disclose our performance to CDP and scored: CDP Climate Change A- (2022: A-), CDP Water B (2022: B), and CDP Forests C for deforestation and forest risk commodities (2022: B-).

Task Force on Climate-related Financial Disclosures

We seek to understand and address the impacts of climate change on our business, and to build new homes and communities that enable customers to adopt a lower carbon lifestyle.

We use the Task Force on Climate-related Financial Disclosures and IFRS Sustainability Disclosure Standard 2 to report on our climate-related risks and opportunities.

A-
CDP Climate score

35%
reduction in operational carbon emissions since 2019 (absolute)

48%
reduction in operational carbon emissions since 2013 (absolute)

The Financial Conduct Authority requires UK premium listed companies to report against the Task Force on Climate-related Financial Disclosures (TCFD) framework in Listing Rule 9.8.6R.

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 guidance in the TCFD Annex including the Guidance for All Sectors and the Supplemental Guidance for Non-Financial Groups in relation to the Materials and Buildings Group. A summary is included on pages 66 to 67.

In 2023, we reviewed our reporting against the new IFRS Sustainability Disclosure Standard 2 – Climate-related Disclosures and believe our reporting covers the majority of its criteria. We will look to further increase our alignment over the next few years including in relation to the anticipated financial effects of climate-related risks and opportunities in the medium and long term.

In preparing our disclosures we have also referred to the SASB standards and drawn on the outcomes of our materiality process, our risk assessment process, our climate scenario analysis and stakeholder feedback.

Task Force on Climate-related Financial Disclosures continued

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

Legacy, Engagement and Action for the Future (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
Road to Net Zero Carbon Working Group

Construction Waste Group

Groundworks Group

Governance for climate change

Board level: Our Board of Directors is responsible for oversight of our environmental, social and governance (ESG) initiatives including climate-related risks and opportunities. The Board receives an ESG update at every meeting, including a quarterly ESG scorecard with key performance indicators and progress towards climate targets. The Board visited our zero carbon ready trial homes in Sudbury in 2023. The Board has conducted a mapping exercise to ensure that all ESG matters are considered by the Board or one of its Committees. Board ESG competencies are indicated on page 94.

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. A scope 1 and 2 carbon reduction measure was included in the incentive plans for senior management and regional management in 2023, to support progress on our near term carbon reduction targets. We updated our Environment Policy in 2023, which covers climate change and is reviewed and approved by our Chief Executive.

LEAF Committee: Ingrid Osborne, Divisional Chair for London and South East and a member of our GMT, was executive sponsor for our Environment Strategy. In 2023, Ingrid chaired 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 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 has annual energy and carbon reduction targets up to 2025. Business Unit Management Teams receive a quarterly report on carbon, energy and resource use, which enables them to compare performance against targets and other regional businesses.

Task Force on Climate-related Financial Disclosures continued

The teams are kept updated about climate-related issues and we build knowledge and expertise through training workshops, masterclasses and briefings. A scope 1 and 2 carbon reduction measure was included in the medium term incentive plans for regional management from 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. We collaborate with suppliers through the Supply Chain Sustainability School and our procurement processes, and with others in our industry through the Future Homes Hub (FHH). We chair and are involved in a number of FHH working groups including those on metrics, embodied and whole life carbon and zero-carbon ready homes. Read more about our stakeholder engagement on pages 84 to 86.

We participate in CDP Climate Change and publish our submission on our website. We received a score of A- for 2023 (2022: A-). We were included on the Financial Times Europe's Climate Leaders list 2023. Our Net Zero Transition Plan has been shortlisted in the Edie Awards for 2024.

We work with the Carbon Trust on many aspects of climate change. From 2017 to 2023 we 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. In early 2024, we achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, the only housebuilder to hold this new standard.

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 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. We also refer to industry-based guidance such as criteria set by the SASB Standard for the Home Builders sector, the Next Generation benchmark and the work of the Future Homes Hub, a collaboration for the UK new homes sector.

Climate risks and opportunities are relevant across our value chain and business model. In cases where risks and opportunities are concentrated on particular aspects of our business model or value chain, we have indicated this in the tables on pages 58 to 61 and in the metrics section on pages 62 to 63.

For example, some climate risks are more relevant to our supply chain, while others impact our construction sites or customers and homes in use.

Transition plan

We have published a detailed Net Zero Transition Plan setting out how we will respond to our identified climate risks and opportunities and achieve our net zero target. This includes our roadmap up to 2045 incorporating workstreams such as the construction of low and zero carbon homes, increasing the use of construction materials with lower embodied carbon such as timber frame, transitioning to 100% renewable electricity, reducing or replacing fossil fuels and decarbonising our fleet. The Transition Plan is available on our website at www.taylorwimpey.co.uk/corporate/sustainability/net-zero.

Climate scenario analysis

We have analysed the resilience of our business model and strategy, taking into consideration different climate-related scenarios. We conducted climate scenario analysis in 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 (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.

ROUTE TO Net Zero STANDARD ADVANCING

New Carbon Trust Standard – In early 2024 we achieved certification to the Carbon Trust's Route to Net Zero Standard, Advancing level, and are the only housebuilder to hold this new standard.

Taskforce on Nature-related Financial Disclosures

We participated in the Taskforce on Nature-related Financial Disclosures (TNFD) Forum. Our first disclosure against the TNFD recommendations will be published on our website.

Task Force on Climate-related Financial Disclosures continued

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 incoming Future Homes Standard, as well as from moving to lower emission technologies 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 68.

We used the findings 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 built 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 Agreement on Climate Change 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

Climate-related risks and opportunities have not significantly affected our financial position, financial performance or cash flows during the year and we do not foresee any significant financial impact over the next annual reporting period. We are reviewing how we can enhance our reporting on the anticipated financial effects of climate-related risks and opportunities in the medium and long term.

Cost allocation and margin recognition

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. See page 181 for further details of the accounting policies in relation to cost allocation and recognition.

Inventories

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. In particular, in relation 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 accounting policy for inventories is described on page 180 and the outcome of the net realisable value exercise is disclosed on page 191.

Delivered the

UK's first

multi-specification zero carbon ready scheme on a live development site in Sudbury

Goodwill and intangible assets

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 (such as estimates for the Future Homes Standard) 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 to address 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.

Sustainability linked loan

In July 2023 Taylor Wimpey signed a new Revolving Credit Facility containing three sustainability linked performance targets which are to adjust the interest margin up or down by a small amount. The three performance targets are: (1) reductions in scope 1 and 2 GHG emissions; (2) reductions in waste; and (3) reductions in carbon emissions of the homes we build.

Task Force on Climate-related Financial Disclosures continued

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 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.

The assessment, mitigation and monitoring of sustainability and climate-related risks is included as part of our overall risk management process, which has remained unchanged since the previous reporting period. 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. Management consider 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.

In identifying risks, both internal and external factors are considered, and they are assessed using quantitative and qualitative (reputational, customer, health and safety, employees, environmental, operational, legal and regulatory and IT) criteria. The top-down review of key, Principal and emerging risks by our GMT considers their relative significance to the business, including climate-related risks. This process covers the whole of Taylor Wimpey Group.

The Group's Principal Risk 'Natural resources and climate change' (see page 77), 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. This Principal Risk is monitored by the Audit Committee and senior management, together with all other Principal Risks, as detailed on page 71, as part of our risk management process, assessing their impact on the Group's strategic objectives and ensuring appropriate mitigations are in place.

Our Environment Risk Register guides the climate change adaptation of our business practices and the homes we build. Our climate scenario analysis is one of the inputs into the risk register. 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.

During 2023, we have updated our process for monitoring scope 1 and 2 emissions to a quarterly basis for all our regional businesses to enable us to better monitor short term risks relating to our performance against our climate targets.

Read more about our risk management process on **pages 71 to 73**

Task Force on Climate-related Financial Disclosures continued

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

Residual risks or opportunities (moderate to high):
Time frame analysed: Short term (up to 2025), **Medium term** (up to 2030)

Risk type: Transition (policy and legal)

	Description	Example risks / opportunities	Our mitigations	Residual risk after mitigation (1.5°C scenario unless stated)
R	**Increasingly stringent regulatory requirements (e.g. Future Homes Standard)**	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 land pipeline	• We engage and consult regularly with government to understand its priorities • We have established a Research & Development (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.
R	**Increasingly stringent local planning requirements (e.g. in relation to flooding and biodiversity) and potential for variation in standards between authorities**	Risk of delay and increased cost as local councils introduce additional local planning requirements or go beyond the requirements of the FHS	• 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.
R	**Climate change-related litigation claims bought by stakeholders**	Risk of claims relating to our approach to climate change adaptation, our disclosure of climate-related material financial risks or green marketing claims	• We disclose our climate change approach and performance and continually review and improve our data • We have asked our agencies to confirm their review process for validating green marketing claims	Short term moderate risk exposure, likelihood considered rare with impact on the financial statements considered immaterial as we 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.

Other residual risks or opportunities (currently identified as low):
- Enhanced emissions reporting obligations
- Potential future carbon pricing
- Cost of purchasing emissions offsets

Key
R Risk
O Opportunity

Task Force on Climate-related Financial Disclosures continued

Technology

Residual risks or opportunities (moderate to high): **Risk type:** Transition (technology)

Time frame analysed: Short term (up to 2025), **Medium term** (up to 2030)

	Description	Example risks / opportunities	Our mitigations	Residual risk after mitigation (1.5°C scenario unless stated)
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**	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 sub-stations	• 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 exploring innovative local solutions to power supply storage such as the sustainable energy and heat hub at our development in Sudbury • Communicating risk to regional teams	Short term major risk exposure, almost certain likelihood with impact on the financial statements is not considered material as the risk is 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.
R	**Substitution of existing technologies with lower emission alternatives (eg PV panels, EV charging infrastructure, all electric homes and construction equipment) to comply with the Future Homes Standard and emissions reduction targets**	Risk of increased costs associated with new technologies and potential availability challenges Risk that current new technology solutions quickly become outdated	• We have an ongoing R&D and programme supplier engagement 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 is included in the future cost of land or passed on through house prices.
R	**Skills shortages impacting ability to install low carbon technologies**	Risk of shortfall in supply of suitably qualified professionals	• 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 • We have led a collaboration with housebuilders and the HBF to create a sector wide skills plan and are partnering with the Construction Industry Training Board, the Home Building Skills Partnership and some of our mid-sized sub-contractors to help more sub-contractors to recruit apprentices	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.

Key

R Risk O Opportunity

Task Force on Climate-related Financial Disclosures continued

Market and reputation (stakeholder)

Residual risks or opportunities (moderate to high):
Time frame analysed: Short term (up to 2025), **Medium term** (up to 2030)

Risk type: Transition (market, reputation)
Opportunity type: Products, markets

	Description	Example risks / opportunities	Our mitigations	Residual risk after mitigation (1.5°C scenario unless stated)
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**	Opportunity if more efficient and lower emission homes become more attractive to customers than secondhand market.	• We conduct regular research to monitor and understand changing customer attitudes to sustainability issues, including low carbon homes • We engage customer, sales and marketing teams and marketing agencies to ensure the benefits of new low carbon homes are communicated effectively • We partner with peers through the Future Homes Hub and engage with government to ensure the benefits of low carbon homes are communicated, 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.
R	**Changing customer demands in relation to low carbon homes**	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	• We will be communicating with customers and training customer, 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 homes	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.
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**	Risk of increased development costs that the business will need to absorb	• We will be monitoring carbon pricing developments 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% Renewable Guarantee of Origin (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.
R	**Increased investor expectations in relation to sustainability performance and disclosure**	Risk that failing to meet changing investor expectations affects revenue and investment streams	• 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 update (every three years) 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.
O	**Increased investor expectations in relation to sustainability performance and disclosure**	Opportunities to attract increased investment by differentiating on sustainability performance	• 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 update (every three years) 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 an opportunity of increased revenues through enhanced reputation in the market, but this is not possible to quantify reliably.

Other residual risks or opportunities (currently identified as low):

- 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

Key
R Risk   O Opportunity

Task Force on Climate-related Financial Disclosures continued

Physical impacts

Residual risks or opportunities (moderate to high):
Time frame analysed: Medium term (up to 2030), **Long term** – (beyond 2030)

Risk type: Physical (acute and chronic)

	Description	Example risks / opportunities	Our mitigations	Residual risk after mitigation (1.5°C scenario unless stated)
R	**Changing weather patterns and an increase in number and severity of extreme weather events, including issues relating to heat stress, flooding, drought, wildfire, windstorm, subsidence**	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	• 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.

Other residual risks or opportunities (currently identified as low):

- Assets 1.5°C (2030 and beyond 2030) – flooding, heat stress, drought, wildfire, subsidence
- Assets 4°C (beyond 2030) – heat stress, wildfire, subsidence
- Supply chain 1.5°C (2030 and beyond 2030) – heat stress, drought, and wildfire
- Supply chain 4°C (2030 and beyond 2030) – heat stress and wildfire

Key
R Risk   O Opportunity

Task Force on Climate-related Financial Disclosures continued

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 net zero commitment. Metrics and targets apply to the whole Group unless stated.

Our targets

Our net zero target for 2045 has been validated by the SBTi confirming that it is aligned with the SBTi's 1.5°C mitigation pathways for reaching net zero by 2050 or sooner. This is currently the most ambitious designation available through the SBTi process. The SBTi has also approved our scope 1 and 2 near term reduction target and determined that it is in line with a 1.5°C trajectory and determined that our long-term targets for scope 1, 2 and 3 are aligned with the SBTi's 1.5°C mitigation pathways for reaching net zero by 2050 or sooner.

Our net zero target was developed with the Carbon Trust in line with the requirements of the SBTi Corporate Net Zero Standard. 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.

Our near term scope 1 and 2 science-based carbon reduction target is based on absolute emissions reduction and is expressed as an intensity reduction, which enables us to monitor progress more effectively during different stages of the housing cycle.

Our carbon and energy use data is externally assured by Carbon Trust Assurance to a limited assurance level. This includes verification to ISO 14064 for our scope 1 and 2 footprint, and three selected scope 3 categories (Purchased Goods and Services, Fuel and Energy-related Activities and Use of Sold Products).

We monitor performance on energy and carbon emissions for each of our regional businesses on a quarterly basis. Progress against our targets is reviewed by the GMT and Board of Directors at least annually.

Use of carbon credits

We do not currently use carbon credits. Once we have reduced our greenhouse gas emissions by at least 90% we will neutralise the remaining emissions through the removal and storage of carbon from the atmosphere, in line with SBTi requirements. There is a high likelihood that we will need to use carbon removal offsets from 2035 for operational emissions and 2045 for value chain emissions. In our Net Zero Transition Plan we have set out three principles to guide our approach to neutralising emissions. We will use standards such as the Verified Carbon Standard (VCS), Gold Standard Verified Emissions Reduction (GS VER), Voluntary Offset Standard (VOS) and Climate Community and Biodiversity Standards (CCB).

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 World Resources Institute (WRI) / World Business Council for Sustainable Development (WBCSD) GHG Protocol.

We plan to re-baseline our Purchased Good and Services (supply chain) 2019 footprint using the more accurate measurement methodology that we implemented in 2022, which is based on the quantities of materials purchased. We will use this to adjust our overall scope 3 baseline and report progress against this. We were not able to complete this process in 2023 but plan to do so in 2024.

Measurement approach, inputs and assumptions

We measure progress against our targets by calculating emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004). We use emission factors from the UK Government's GHG Conversion Factors for our corporate reporting and data from Environmental Product Declarations provided by our Group suppliers where these are available and up to date.

The majority of our footprint is CO_2 but N_2O and CH_4 are included in conversion factors, for example in relation to gas and diesel usage. We currently exclude refrigerants (HFCs, PFCs, SF_6) from our footprint as these are not material for our business.

More detail is included in the footnotes on **page 68**.
We also publish our carbon reporting methodology on our website www.taylorwimpey.co.uk/corporate/sustainability

Task Force on Climate-related Financial Disclosures continued

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 (WRI) Water Risk Atlas tool, Aqueduct. Our approach to mitigating physical risks is explained on page 61.

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 page 64 and 68 and information on remuneration on page 143.

Industry-based metrics

We report against the criteria and metrics established by the Sustainability Accounting Standards Board (SASB) Standard for the Home Builders sector in our Sustainability Summary 2023.

We are active participants in the Future Homes Hub, an industry collaboration for the UK new homes sector, that is working to deliver the targets established in the Future Homes Delivery Plan – the UK homebuilding sector's climate and environment plan. Our Sustainability Director chairs the working group established to develop a shared set of metrics on climate change and sustainability performance for the industry.

Performance in 2023

In 2023, our absolute operational carbon emissions (scopes 1 and 2) reduced by 13.1% year on year but our operational emissions intensity increased by 12.2%. While we completed fewer homes, there was only a small reduction in the number of outlets which meant we continued to use energy for site compounds, street lighting and pumping stations as well as our fixed facilities such as offices, IT systems and our logistics warehouse.

Since 2019, our absolute operational emissions have fallen by 35.3% and operational emissions intensity has decreased by 5%. This reflects the drop in completions in 2023 and the impact of our carbon reduction measures, including increased use of renewable electricity, energy efficiency improvements, a reduction in diesel use on our sites and decarbonisation of the UK's national grid.

Our total carbon footprint (scopes 1, 2 and 3) was 1.94 million tonnes in 2023 (2022: 2.54 million tonnes). Total intensity was 187 tonnes per 100 sqm of build (2022: 190.0 tonnes per 100 sqm).

We are re-baselining our scope 3 emissions following an update to our methodology. This will enable us to report progress against our net zero and scope 3 target.

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

72%

EV or hybrid cars in our fleet

79%

of electricity from REGO-backed renewable sources

20%

of homes included PV panels in 2023

Task Force on Climate-related Financial Disclosures continued

Progress against climate targets

Key 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)	We will re-baseline our Purchased Good and Services (supply chain) 2019 footprint using the more accurate measurement methodology that we implemented in 2022 based on the quantities of materials purchased. We will use this to adjust our overall scope 3 baseline and report progress against this target. We were not able to complete this process in 2023 but plan to do so in 2024. This target has been approved by the SBTi.	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 (based on a reduction of 25.8% in absolute emissions against the base year) and reach net zero emissions by 2035	Since 2019, our absolute operational emissions (scopes 1 and 2), have fallen by 35.3% and operational emissions intensity has decreased by 5%. The decrease in absolute emissions is due to a reduction in the number of completions in 2023 as well as carbon reduction measures including our use of green electricity and hybrid generators, and decarbonisation of the UK's national grid. Our emissions intensity increased by 12.2% year on year in large part due to the impact of challenging economic conditions. While we completed fewer homes, there was only a small reduction in the number of outlets which meant we continued to use energy for site compounds, street lighting and pumping stations as well as our fixed facilities such as offices, IT systems and our logistics warehouse. We remain focused on meeting our reduction target by 2025. The emissions reduction element of this target has been approved by the SBTi.	Policy and legal Technology Market and reputation Physical
32% reduction in operational energy intensity for UK building sites by 2025	Operational energy use on UK building sites was 77,215 MWh. This is a 21.4% reduction on 2019, however energy use intensity increased by 17.5% over the same period. This reflects the reduction in completions in 2023 but continued energy use needed to run our sites. We have further work to do to meet our target 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 79% of our total Group electricity consumption (2022: 70%).	Policy and legal Technology Market and reputation
50% reduction in car and grey fleet emissions by 2025	We have reduced company car and grey fleet emissions by 21.1% since 2019. Around 72% of vehicles in our company car fleet are now electric or hybrid (2022: 55%).	Policy and legal Technology
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 started to roll-out changes to our homes in line with the updates to Building Regulations Parts L and F. In England, these are, on average, 31% more carbon efficient in use compared to our previous specification, with similar reductions in Scotland and Wales. We are also piloting technologies to explore how we will move towards zero carbon ready homes from 2025 in England and Wales and 2024 in Scotland.	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)	We will report progress against this target once the re-baseline of our scope 3 footprint is complete. This target has been approved by the SBTi.	Policy and legal Technology
21% reduction in embodied carbon per home by 2030	We will report progress against this target once the re-baseline of our scope 3 footprint is complete. We are working with suppliers to identify and select products with a lower carbon footprint and have established our timber frame facility to increase our use of timber frame which can reduce embodied carbon from materials.	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. Around 20% of our homes included PV panels in 2023.	Policy and legal Technology Market and reputation

Task Force on Climate-related Financial Disclosures continued

Key climate targets	Progress	Link to TCFD risks and opportunities
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 have 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 installed over 1,380 EV charging points in 2023, and over 3,700 since 2019. We expect the number of charging points installed to increase more quickly as we roll out the new specification for our homes.	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 have used the results to inform our Net Zero Transition Plan, our TCFD disclosure and risk management processes. We published an updated environment policy in 2023 and are working to further embed climate risks into our environmental management system. We will no longer report progress against this target from 2024.	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	The volume of waste produced in 2023 was 28% lower than in 2019, however our waste intensity increased by 9.8% against our 2019 baseline. We believe the increase in intensity this year is partly due to disruptions in our build programme as a result of market challenges which led to materials being stored for longer on site. 98% of construction waste was diverted from landfill. We have further work to do to meet our target and will continue to focus on this in 2024. At the time of publication, our waste data was undergoing verification by the Carbon Trust. We will publish the final audited figures on our website on completion of this process which could differ from those reported here. We have launched our Towards Zero Waste Strategy and Action Plan to guide our progress on waste reduction and increased use of recycled materials.	Policy and legal
Reduce operational mains water intensity by 10% from a 2019 baseline by 2025	Water consumption has reduced by 28% since 2019, however, water intensity has increased by 9.3% over the same period. We believe the increase in intensity this year is due to the drop in number of completions. While we completed fewer homes there was only a small reduction in the number of outlets which meant we continued to use water for activities such as dust suppression and in our offices and site compounds.	Physical

Task Force on Climate-related Financial Disclosures continued

Implementing the TCFD recommendations – progress to date

	TCFD recommendation	Progress to date	Next steps
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 71 to 73.	To further embed climate risks into business planning and decision making processes.
	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 57. In 2023, a carbon reduction target was included in the incentive plans for senior management and regional management, read more on page 143. Climate change has been included within the Principal Risk 'Natural resources and climate change'. Read more on page 77.	A carbon reduction target will be included in senior and regional management incentive plans again in 2024. We will look to strengthen our governance on climate-related and other environmental risks and opportunities through reviewing the role of our LEAF group and improving operational integration through our working groups.
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 pages 58 to 61 include the risks and opportunities we have identified and reflects our updated climate scenario analysis from 2022. The table 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.
	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 pages 55 and 56, 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.
	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 55 and 56. We have previously considered the impacts of a disorderly transition scenario. Our first Net Zero Transition Plan outlines how we will decarbonise our business up to 2045. It is available on our website.	We will update our Transition Plan regularly and at least every three years. We will undertake regular scenario analysis.

Task Force on Climate-related Financial Disclosures continued

	TCFD recommendation	Progress to date	Next steps
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 57 and in Principal Risks and uncertainties on page 77. 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.
	Describe the organisation's processes for managing climate-related risks.	This process, including our Climate Risk Register is outlined in risk management on page 57 and in Principal Risks and uncertainties on page 77. 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 are outlined in our Net Zero Transition Plan.	Continue to further strengthen our risk processes in relation to climate change.
	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 included within the Principal Risk '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 page 57.	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.
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 net zero commitment and supporting targets page 51, and 64 to 65. We report against several of the cross-industry, climate-related metric categories recommended by TCFD. Industry-specific metrics are included in the SASB Index in our Sustainability Summary and ESG Addendum.	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.
	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.	We are committed to continuous improvement in our data processes and data quality.
	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 this has now been validated by the Science Based Targets initiative (SBTi). Our ambitious scopes 1 and 2 science-based carbon reduction target for 2025 has also been approved by the SBTi, see page 51. We 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.

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

Task Force on Climate-related Financial Disclosures continued

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

		2023	2022	2021	2020	2019
Scope 1 GHG emissions – combustion of fuel	tonnes CO_2e	**14,275**	15,975	17,464	16,522	21,018
Scope 2 GHG emissions – market based	tonnes CO_2e	**1,628**	2,331	2,272	1,981	3,563
Scope 2 GHG emissions – location based	tonnes CO_2e	**4,649**	4,279	5,406	5,272	6,172
Total scopes 1 and 2 – market based	tonnes CO_2e	**15,902**	18,306	19,736	18,503	24,581
Emissions per 100 sqm completed homes (scope 1 and 2)	tonnes CO_2e/100 sqm	**1.53**	1.37	1.41	1.96	1.62
Total scope 3 emissions**	tonnes CO_2e	**1,922,202**	2,519,103	2,383,398	–	–
Purchased goods and services	tonnes CO_2e	**852,593**	1,309,017	1,413,410	–	–
Waste generated in operations	tonnes CO_2e	**18,294**	15,089	15,446	–	–
Business travel	tonnes CO_2e	**2,087**	1,553	1,464	–	–
Fuel and energy-related activities	tonnes CO_2e	**4,591**	4,886	5,802	–	–
Downstream leased assets	tonnes CO_2e	**7,008**	6,399	6,592	–	–
Use of sold products	tonnes CO_2e	**914,417**	1,044,294	1,107,417	–	–
Upstream transport and distribution	tonnes CO_2e	**46,064**	34,351	39,891	–	–
End of life treatment of sold products	tonnes CO_2e	**24,627**	29,166	29,210	–	–
Employee commuting	tonnes CO_2e	**52,521**	74,348	13,189	–	–
Emissions per 100 sqm completed homes (scope 1, 2 and 3)	tonnes CO_2e/100 sqm	**187**	190	190	–	–
Total scope 3 emissions (previous methodology)**	tonnes CO_2e	**–**	–	2,632,421	1,961,431	3,869,583
Energy use						
Operational energy use (fuel and electricity consumption from sites, offices and fleet)	MWh	**85,741**	92,312	104,870	85,422	101,352
Operational energy intensity (site and office fuel and electricity intensity – MWh/100 sqm)	MWh/100 sqm	**8.27**	6.9	7.5	9.3	6.8

Our carbon and energy use data is externally assured by Carbon Trust Assurance 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.

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 and other infrastructure such as feeder stations and streetlights where these have remained unadopted. 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. This reporting meets the SECR (Streamlined Energy and Carbon Reporting) requirements.

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

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

Scope 3 emissions

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. 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. Following the update, our data is no longer comparable with emissions calculated using the previous methodology. For transparency, we continue to report scope 3 emissions prior to 2021 using our previous methodology.

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. 97.8% of total scope 1 and scope 2 emissions are from the UK and offshore areas and 2.2% 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 and integrating carbon reduction targets into our PSP and MTIP schemes, 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.

Based on advice from the Carbon Trust we updated our methodology for calculating emissions in relation to some joint ventures, joint projects and central London sites from 2023 onwards. Under the previous methodology the operational intensity figure for 2023 would be 1.56 tonnes CO_2e/100 sqm completed build.

Non-financial and sustainability information statement

The following table constitutes our Non-Financial and Sustainability Information Statement in compliance with Sections 414CA and 414CB of the Companies Act 2006. The information listed is included by cross-reference. Further Non-Financial Information is available in our Sustainability Summary and on our website.

Reporting requirement and key performance information	Relevant policies	Read more on pages
Environmental matters		
• Published our Net Zero Transition Plan and our net zero target was validated by the Science Based Targets initiative (SBTi) • 48% reduction in direct carbon emissions since 2013 • Published our 'Towards Zero Waste' strategy	**Environment Policy** – Outlines our commitment to the environment and incorporates our policies on climate change, nature, waste and resources, sustainable timber and water **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	**More information can be found within:** Strategic cornerstones – Sustainability 35 to 36 TCFD 53 to 68 Operational review 39 to 42 **Related Principal Risks:** H: Natural resources and climate change G: Health, safety and environment
Climate-related financial disclosures		
• Reported against the recommendations of the Task force on Climate-related Financial Disclosures (TCFD) and IFRS Sustainability Disclosure Standard 2 criteria	**Environment Policy**	**More information can be found within:** TCFD 53 to 68 **Related Principal Risks:** H: Natural resources and climate change
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 84 to 86 Building for our people 46 to 48 Nomination and Governance Committee report 107 to 112 **Related Principal Risks:** D: Attract and retain high-calibre employees
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 84 to 86 Building for our people 46 to 48 **Related Principal Risks:** A: Government policies, regulations and planning C: Availability and costs of materials and subcontractors

Non-financial and sustainability information statement continued

Reporting requirement and key performance information	Relevant policies	Read more on pages
Social matters		
• Contributed £405 million to communities via our planning obligations • In 2023, around 23% 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 84 to 86 Building for our customers 43 to 45 **Related Principal Risks:** B: Mortgage availability and housing demand
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:** Board leadership 104 Audit Committee Report 113 to 124 **Related Principal Risks:** A: Government policies, regulations and planning
Business model		
• c.10.4k new homes completed for customers in the UK in 2023, including joint ventures • Strong short term landbank of c.80k plots, as at 31 December 2023	**Community Policy** **Environment Policy** **Customer Service Policy** – Our approach and commitments to provide excellent customer service	**More information can be found within:** Business model 16 to 20 **Related Principal Risks:** E: Land availability
Non-financial KPIs		
• Achieved a recommend score of 92% 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 151 in 2023	**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	**More information can be found within:** Performance and strategy 31 to 36 Stakeholder engagement and priorities 84 to 86 Board activities 100 Board leadership 104 **Related Principal Risks:** F: Quality and reputation G: Health, safety and environment

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 and emerging risks to ensure they remain appropriate as well as a review of the key risks identified by the business, their risk profiles and mitigating factors. At the Board meeting in February 2024, the Board completed its annual assessment of risks. This followed the Audit Committee's formal assessment of risks in December 2023, 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 72 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.

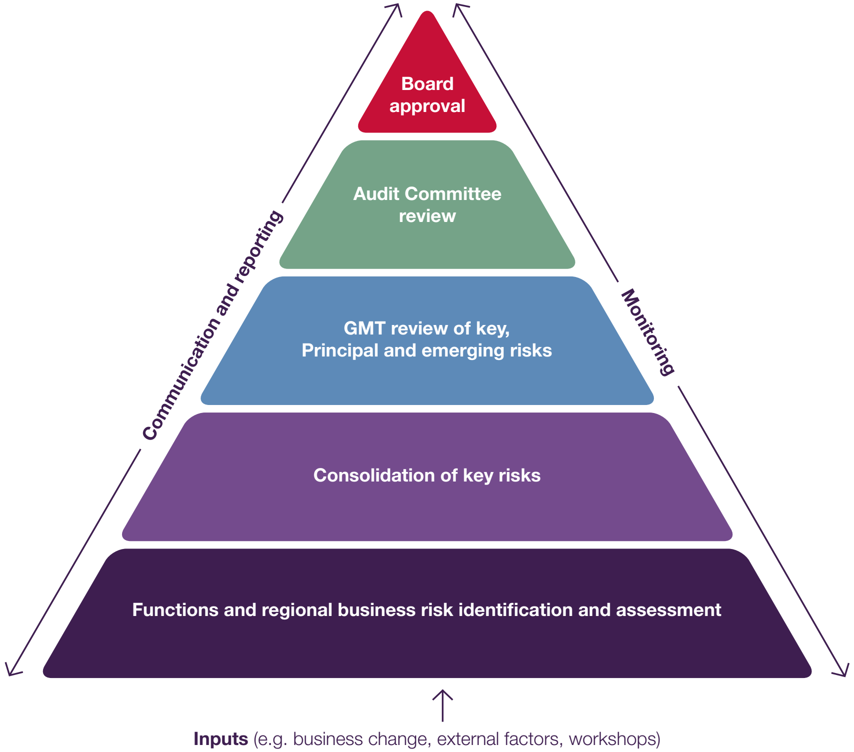
Identifying risks is a continual process and risk registers are maintained throughout the Group at an individual site level, at the regional business level and at Group-wide functional levels.

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



Risk management continued

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 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.

As part of the risk management process, the risk appetite and tolerance levels were reviewed and approved by the Board in December 2023 to ensure they were still appropriate in the current operating climate. The conclusion was reached that no changes were required and that they represented an appropriate level of risk acceptance for the Group.

Approved risk appetite levels for each of our Principal Risks are detailed in the Principal Risk tables on pages 75 to 77. 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 with 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 still remain high on the agendas of the Government and the main political parties, with the sector continuing to face increasing scrutiny and pressure from social media and pressure groups, together with greater oversight from the 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, strategic cornerstones and our material impacts, which are detailed on page 49. Control of each of these Principal Risks 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 75 to 77.

During the year, three of our Principal Risks ('Government policies, regulations and planning', 'Mortgage availability and housing demand', and 'Quality and reputation') have seen an increase in their inherent and residual risk profiles, and our 'Cyber security' Principal Risk has seen an increase in its inherent profile, as reflected in the table below and on pages 75 to 77.

These movements are primarily driven by the ongoing economic, political and increasing regulatory 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.

Category	Our values	Strategic cornerstones	Risk change in year: Inherent risk change in year	Risk change in year: Residual risk change in year	Material impacts
A Government policies, regulations and planning	Respectful and fair; Take responsibility; Better tomorrow	Land; Operational excellence; Sustainability	Increased risk	Increased risk	Our planet; Responsible and resilient business
B Mortgage availability and housing demand	Take responsibility; Better tomorrow	Land; Operational excellence; Sustainability; Capital allocation	Increased risk	Increased risk	Our homes and places; Responsible and resilient business
C Availability and costs of materials and subcontractors	Respectful and fair; Take responsibility; Better tomorrow	Operational excellence; Sustainability	No change	No change	Our people and suppliers
D Attract and retain high-calibre employees	Respectful and fair; Better tomorrow; Be proud	Operational excellence; Sustainability	No change	No change	Our people and suppliers
E Land availability	Respectful and fair; Take responsibility	Land; Capital allocation	No change	No change	Our homes and places
F Quality and reputation	Respectful and fair; Take responsibility; Better tomorrow; Be proud	Operational excellence; Sustainability	Increased risk	Increased risk	Our homes and places; Responsible and resilient business
G Health, safety and environment	Respectful and fair; Take responsibility	Operational excellence; Sustainability	No change	No change	Our people and suppliers; Our planet; Responsible and resilient business
H Natural resources and climate change	Take responsibility; Better tomorrow	Land; Sustainability	No change	No change	Our homes and places; Our planet
I Cyber security	Respectful and fair; Take responsibility; Better tomorrow	Operational excellence	Increased risk	No change	Responsible and resilient business

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

Key to our strategic cornerstones
- Land
- Operational excellence
- Sustainability
- Capital allocation

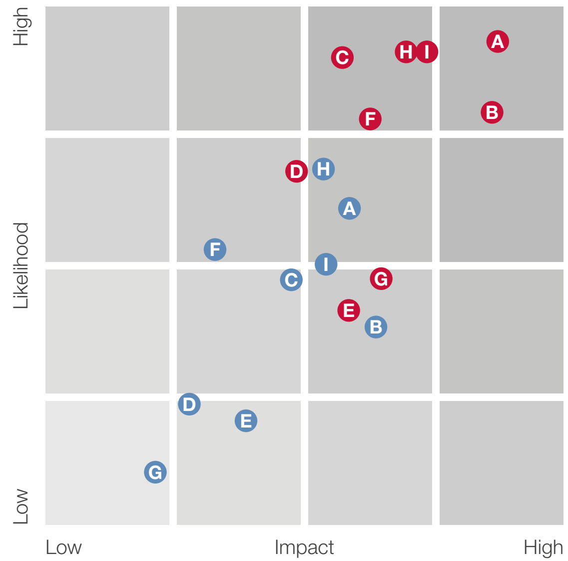
Key to risk change
- Increased risk
- No change
- Decreased risk

Key to material impacts
- Our homes and places
- Our people and suppliers
- Our planet
- Responsible and resilient business

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 75 to 77.

Key
Inherent
Residual



Principal Risks and uncertainties continued

Principal Risk	A Government policies, regulations and planning	B Mortgage availability and housing demand	C Availability and costs of materials and subcontractors
Inherent risk change in year	Increased risk	Increased risk	No change
Residual risk change in year	Increased risk	Increased risk	No change
Residual rating	Moderate	Moderate	Moderate
Risk appetite	Low	Low	Low-moderate
Link to values	Respectful and fair; Take responsibility; Better tomorrow	Take responsibility; Better tomorrow	Respectful and fair; Take responsibility; Better tomorrow
Link to strategic cornerstones	Land; Operational excellence; Sustainability	Land; Operational excellence; Sustainability; Capital allocation	Operational excellence; Sustainability
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.	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.
Key mitigations	• Research conducted to update technical specification of our new house type range, in preparation for the Future Homes Standard (FHS), including a trial of five FHS-compliant plots • Consultation with government agencies • 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	• Central procurement and key supplier agreements • Supplier and subcontractor relationships • Disaster recovery and business continuity plans with all key suppliers • Buffer stock with key suppliers • 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
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	• 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
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	• To develop and implement different build methods as alternatives to conventional brick and block
Link to material impacts	Our planet; Responsible and resilient business	Our homes and places; Responsible and resilient business	Our people and suppliers
Accountability	• Group Technical Director • Director of Planning • Regional Managing Directors	• UK Sales and Marketing Director • Regional Sales and Marketing Directors	• Supply Chain Director • Procurement Director • Group Commercial Director

Key to our values

Respectful and fair
Take responsibility
Better tomorrow
Be proud

Key to our strategic cornerstones

Land
Operational excellence
Sustainability
Capital allocation

Key to risk change

Increased risk
No change
Decreased risk

Principal Risks and uncertainties continued

Principal Risk	D Attract and retain high-calibre employees	E Land availability	F Quality and reputation
Inherent risk change in year	No change	No change	Increased risk
Residual risk change in year	No change	No change	Increased risk
Residual rating	Low	Low	Moderate
Risk appetite	Moderate	Moderate	Low
Link to values	Respectful and fair; Better tomorrow; Be proud	Respectful and fair; Take responsibility	Respectful and fair; Take responsibility; Better tomorrow; Be proud
Link to strategic cornerstones	Operational excellence; Sustainability	Land; Capital allocation	Operational excellence; Sustainability
Description	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.	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	• Production Academy and Production Manager succession development programme • Schools outreach strategy • Collaboration with major organisations on a sector skills plan • Graduate and apprenticeship programmes • Management training • Enhanced remote working procedures • Educational masterclasses • Salary benchmarking	• 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 • Consistent Quality Approach • Quality Managers in the business • Customer-driven strategy • Enhanced data analytics • Ombudsman readiness
Example key risk indicators	• Employee engagement score • Number of, and time to fill, vacancies • Employee turnover levels	• 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	• To further develop in-house capability, expertise and knowledge	• 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 impacts	Our people and suppliers	Our homes and places	Our homes and places; Responsible and resilient business
Accountability	• Group HR Director • Every employee managing people	• 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 our values

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

Key to our strategic cornerstones

- Land
- Sustainability
- Operational excellence
- Capital allocation

Key to risk change

- Increased risk
- No change
- Decreased risk

Principal Risks and uncertainties continued

Principal Risk	G Health, safety and environment	H Natural resources and climate change	I Cyber security
Inherent risk change in year	No change	No change	Increased risk
Residual risk change in year	No change	No change	No change
Residual rating	Low	Moderate	Moderate
Risk appetite	Low	Low	Low-moderate
Link to values	Respectful and fair; Take responsibility	Take responsibility; Better tomorrow	Respectful and fair; Take responsibility; Better tomorrow
Link to strategic cornerstones	Operational excellence; Sustainability	Land; Sustainability	Operational excellence
Description	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.	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.	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.
Key mitigations	• Embedded HSE system • HSE training and inductions • Mental health training and support for all employees • Robust monitoring and reporting procedures • Utilisation of certified operatives • Identification, review and evaluation of the impact of new construction methods and materials	• Net Zero Transition Plan • Published Environment Strategy • Adopted and verified science-based targets • Climate change governance, including LEAF Committee and sustainability champions • Achievement of Carbon Trust Standard • HBF and investor liaison • Training and development in-house and in our supply chain • External benchmarking • Collection and interpretation of data to drive relevant actions	• 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 • Dedicated Head of Cyber Security • Cyber security KPIs • Enhanced end-point protection software implemented across the IT estate • Blocked traffic originating from countries deemed a threat to the UK
Example key risk indicators	• Increase in near misses and fatalities • Health and safety audit outcomes • Number of reportable health and safety incidents	• Energy use and greenhouse gas emissions • Biodiversity net gain % • Construction waste generation and waste to landfill	• 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
Opportunities	• To lead the industry in health and safety and to reduce the amount and level of incidents	• Sustainable homes and developments attractive to customers • A sustainable business of choice for investors • Advantageous planning positions	• Together with our service partners, provide a level of security to reinforce our reputation as a trusted partner
Link to material impacts	Our people and suppliers; Our planet; Responsible and resilient business	Our homes and places; Our planet	Responsible and resilient business
Accountability	• Head of Health, Safety and Environment • Regional Managing Directors	• Director of Sustainability • Regional Managing Directors	• IT Director

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

Key to our strategic cornerstones
- Land
- Operational excellence
- Sustainability
- Capital allocation

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

Focused on driving performance and protecting value

> I am pleased with the operational discipline our teams have shown in controlling costs and managing working capital to protect stakeholder value."

Chris Carney
Group Finance Director

Income statement

Group revenue was £3,514.5 million in 2023 (2022: £4,419.9 million), with Group completions, excluding JVs, being 22.7% lower at 10,766 (2022: 13,932). The UK average selling price on private completions increased by 5.1% to £370k (2022: £352k), due to both house price inflation and positive mix. The increase in the total UK average selling price was 3.5% to £324k (2022: £313k) as a result of the greater proportion of affordable housing in 2023 (23%) than the prior year (2022: 21%), and a small increase in the UK average selling price on affordable housing to £168k (2022: £166k).

Group gross profit decreased to £716.5 million (2022: £1,132.4 million), the impact of build cost inflation and fixed build and selling costs being absorbed over fewer completions, resulting in a gross margin of 20.4% (2022: 25.6%).

Net operating expenses were £248.7 million (2022: £304.9 million), the comparative including £80.0 million of exceptional costs relating to the cladding fire safety provision following the signing of the Government's Building Safety Pledge for Developers in April 2022, with no such amount in the current year. Excluding exceptional costs, the net operating expenses were £248.7 million (2022: £224.9 million), which was predominantly made up of administrative costs of £232.7 million (2022: £220.7 million). The increase in administrative costs over the comparative period was driven mainly by the non-recurring costs associated with the change programme announced at the start of the year and the annual pay review process, partially offset by a portion of the savings associated with the change programme. This resulted in a profit on ordinary activities before financing of £467.8 million (2022: £827.5 million), £467.8 million (2022: £907.5 million) excluding exceptional items.

Value distributed during 2023

Contribution to local communities via planning obligations

£405.2m

(2022: £454.6m)

Employment

£270.7m

(2022: £290.0m)

Dividends paid in year

£337.9m

(2022: £323.8m)

Group financial review continued

Completions from joint ventures in the year were 82 (2022: 222). The lower level was a result of both the current market and the status of the joint ventures' developments. As a result of the decreased joint venture completions, the share of joint ventures' profit in the period was £2.4 million (2022: £15.9 million). When including this in the profit on ordinary activities before financing, the resulting operating profit* was £470.2 million (2022: £923.4 million), delivering an operating profit margin* of 13.4% (2022: 20.9%). The total order book value of joint ventures as at 31 December 2023 decreased to £6 million (31 December 2022: £26 million), representing nine homes (31 December 2022: 56).

The net finance income of £3.6 million (2022: £15.5 million expense) represents interest earned on deposits in the current year, more than offsetting the imputed interest on land acquired on deferred terms, bank interest and interest on the pension scheme.

Profit on ordinary activities before tax decreased to £473.8 million (2022: £827.9 million). The total tax charge for the period was £124.8 million (2022: £184.3 million), a rate of 26.3% (2022: 22.3%); the prior year included a credit of £17.6 million in respect of the exceptional charge recognised in that year and a £1.7 million credit arising from the remeasurement of the Group's UK deferred tax assets following the introduction of the new Residential Property Developer Tax. The pre-exceptional tax charge was £124.8 million (2022: £201.9 million), representing an underlying tax rate of 26.3% (2022: 22.2%).

As a result, profit for the year was £349.0 million (2022: £643.6 million).

Basic earnings per share was 9.9 pence (2022: 18.1 pence). The adjusted basic earnings per share* was 9.9 pence (2022: 19.8 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 Spanish occupiers. The business completed 410 homes (2022: 381) with the average selling price increasing to €400k (2022: €383k), due to regional mix. The total order book as at 31 December 2023 increased to 490 homes (31 December 2022: 448 homes).

Gross margin decreased to 28.1% (2022: 29.7%), due to timing variances on the recognition of sales commissions that had a positive impact on the prior year; this flowed through to an operating profit* of £35.3 million (2022: £32.6 million) and an operating profit margin* of 24.7% (2022: 26.2%).

The total plots in the landbank stood at 2,755 (31 December 2022: 2,544), with net operating assets* of £94.0 million (31 December 2022: £89.8 million).

2023 Group results

	UK	Spain	Group
Completions including joint ventures	10,438	410	**10,848**
Revenue (£m)	3,371.7	142.8	**3,514.5**
Operating profit* (£m)	434.9	35.3	**470.2**
Operating profit margin* (%)	12.9	24.7	**13.4**
Profit before tax and exceptional items (£m)			**473.8**
Profit for the year (£m)			**349.0**
Basic earnings per share (p)			**9.9**
Adjusted basic earnings per share* (p)			**9.9**

Group financial review continued

Balance sheet

Net assets at 31 December 2023 increased marginally to £4,523.4 million (31 December 2022: £4,502.1 million), with net operating assets* increasing by £204.2 million, 5.6%, to £3,823.7 million (31 December 2022: £3,619.5 million). Return on net operating assets* decreased to 12.6% (31 December 2022: 26.1%) primarily due to the reduction in Group operating profit in the year, and to a lesser extent by the increase in average net operating assets. Group net operating asset turn* was 0.94 times (31 December 2022: 1.25), reflecting the decreased revenue in the year.

Land

Land as at 31 December 2023 decreased by £158.8 million in the year to £3,269.5 million as the highly selective approach to acquiring new land continued throughout the year, resulting in land creditors decreasing to £516.1 million (31 December 2022: £725.6 million). Included within the gross land creditor balance is £44.9 million of UK land overage commitments (31 December 2022: £43.0 million). £301.2 million of the land creditors is expected to be paid within 12 months and £214.9 million thereafter.

As at 31 December 2023, the UK short term landbank comprised 80,323 plots (31 December 2022: 82,830), with a net book value of £2.8 billion (31 December 2022: £2.9 billion). Short term owned land had a net book value of £2.7 billion (31 December 2022: £2.8 billion), representing 61,190 plots (31 December 2022: 63,088). The controlled short term landbank represented 19,133 plots (31 December 2022: 19,742).

The value of long term owned land decreased to £242 million (31 December 2022: £311 million), representing 34,319 plots (31 December 2022: 36,646), with a further total controlled strategic pipeline of 107,676 plots (31 December 2022: 107,739). Total potential revenue in the short and long term owned and controlled landbank was £61 billion (31 December 2022: £61 billion).

Work in progress (WIP)

Total WIP investment, excluding part exchange and other, increased to £1,871.0 million (31 December 2022: £1,725.9 million) due primarily to build cost inflation. This also resulted in average WIP per UK outlet to increase to £7.6 million (31 December 2022: £6.4 million).

Provisions and deferred tax

Provisions decreased to £286.7 million (31 December 2022: £290.3 million), primarily due to utilisation of the cladding fire safety provision (£16.8 million) as works have been carried out, which was offset by increases in other provisions which largely relate to remedial works on a limited number of sites around the Group.

Our net deferred tax asset of £23.4 million (31 December 2022: £26.0 million) relates to our pension deficit and UK and Spanish provisions that are tax deductible when the expenditure is incurred.

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.

"As at 31 December 2023, the UK short term owned landbank comprised 61,190 plots, with a net book value of £2.7 billion."

Chris Carney
Group Finance Director

Pension contributions

£22.2m

(2022: £22.5m)

Taxes

£155.9m

(2022: £208.7m)

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 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 100% since then and therefore escrow payments were suspended on, and from, 1 October 2021. The most recent funding test at 31 December 2023 showed a surplus of £54 million and a funding level of 103.3% and as a result no payment into escrow is due in the first quarter of 2024.

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 period were £7.1 million (2022: £7.1 million) with no further amounts paid into the escrow account (2022: nil). At 31 December 2023, the IAS 19 valuation of the Scheme was a surplus of £76.7 million (31 December 2022: £76.6 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 £26.5 million at 31 December 2023 (31 December 2022: £29.9 million) comprise a defined benefit pension liability of £26.3 million (31 December 2022: £29.6 million) and a post-retirement healthcare liability of £0.2 million (31 December 2022: £0.3 million).

Group financial review continued

The Group continues to work closely with the Trustee in managing pension risks, including management of interest rate, inflation and longevity risks. The triennial valuation of the TWPS with a reference date of 31 December 2022 is in progress.

Net cash and financing position

Net cash decreased to £677.9 million at 31 December 2023 from £863.8 million at 31 December 2022, due to the settlement of land creditors and payment of dividends in the year. Average net cash for the year was £606.6 million (2022: £595.7 million).

The decrease in completions caused cash generated from operations to decrease in the year and resulted in a cash conversion* of 61.4% of operating profit for the year ended 31 December 2023 (2022: 76.3%).

Net cash, combined with land creditors, resulted in an adjusted gearing* of (3.6)% (31 December 2022: (3.1)%).

At 31 December 2023, our committed borrowing facilities were £687 million, of which the revolving credit facility was undrawn throughout the year. In July 2023, the Group renewed its revolving credit facility, increasing it to £600 million with a maturity of July 2028 and the option to request an extension for two further years. In December 2022, the Group entered into an agreement to refinance the €100 million 2.02% senior loan notes due June 2023 with €100 million 5.08% senior loan notes due June 2030. The weighted average maturity of the committed borrowing facilities at 31 December 2023 was 4.8 years (31 December 2022: 1.9 years).

The new revolving credit facility includes three sustainability-linked performance targets, which adjust the margin by a small amount. The three performance targets are: (1) reductions in scope 1 and 2 GHG emissions; (2) reductions in waste; and (3) reductions in carbon emissions of the homes we build.

Dividends

Subject to shareholder approval at the AGM scheduled for 23 April 2024, the 2023 final ordinary dividend of 4.79 pence per share will be paid on 10 May 2024 to shareholders on the register at the close of business on 2 April 2024 (2022 final dividend: 4.78 pence per share). In combination with the 2023 interim dividend of 4.79 pence per share, this gives total ordinary dividends for the year of 9.58 pence per share (2022 ordinary dividend: 9.40 pence per share).

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 of APMs

- Operating profit is defined as profit on ordinary activities before financing, 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 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.

* Definitions and reconciliations of our APMs to the equivalent statutory measures are included in Note 32 of the financial statements.

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.
- 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 land pipeline.
- 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 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 customer dynamics and approach to land investment.
- 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 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).
- 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.

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').

Viability statement continued

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 Future Homes Standard.
- Working capital requirements.
- 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 per annum, 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 macroeconomic 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 2023. 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 market dynamics encountered at those times, as well as the mitigations adopted, to our 2024 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 further decline in total volumes of 10% in 2024 from 2023 levels, before recovering back to 2023 levels by 2026.

Price (Principal Risk: B) – a reduction to current selling prices of 10%, remaining at these levels across 2024 and 2025 before recovering to 2023 levels by 2026.

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 2024.

Within the scenario, build costs are forecast to reduce across 2024 and 2025 with lower volumes reducing demand for 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 Standard has been assumed.

The mitigating actions considered in the model include a continued reduction in land investment, a reduction in the level of production and work in progress held and further 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 2023, the Group had a cash balance of £765 million and access to £600 million from a fully undrawn revolving credit facility, together totalling £1,365 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.

We believe **engaging with all our stakeholders and hearing their feedback** will make us a better business.

During 2023, we continued to engage with our stakeholders, seeking their views, listening to and responding to their feedback.

Read more about stakeholder engagement and climate change on **page 49**

Our customers

Buying a home is likely to be the biggest and most personal purchase any of us ever make.

Customer engagement, at all stages of the journey, is very important to ensure we are delivering the high-quality product and service our customers expect.

While we strive to deliver excellent customer service, we know we don't always get it right. Feedback is key to ensure we continue to improve.

How we engage

- We engage with customers throughout the customer journey – at our developments, over the phone, via email, letters, our customer portal (Touchpoint) and through social media
- We have a dedicated customer Hub
- We monitor customer views through focus groups, satisfaction surveys, Trustpilot reviews and customer research on specific issues
- We have a clear complaint process and are fully signed up to the New Homes Ombudsman
- Our website is updated with relevant information and 'how to' videos
- All customers receive a full 'From House to Home' pack with information on their home and contact details

Key challenges

- Maintaining high levels of customer satisfaction
- Increasing longer term customer satisfaction

Engagement performance metrics and highlights in 2023

- Updated our sales communication toolkit which is aligned to our Customer Journey key principles
- Industry first roll out of interactive QR codes in show homes to educate customers on new technology
- Customer research into views of FHS and implications

Priorities for 2024

- Embedding a consistent sales journey communication plan
- Customer education on the implications of new technology
- Increasing 9-month customer satisfaction

Material impacts

- Our homes and places
- Our planet
- Responsible and resilient business

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

- Land
- Operational excellence
- Sustainability

Stakeholder engagement and priorities continued

Our employees

Our employees are key to our success and we strive to ensure all our employees have a voice, and feel supported and valued.

How we engage

- Annual employee survey
- Company-wide emails
- Regular Q&A Teams meetings with CEO and senior management
- Dedicated employee helpline available to all employees
- National Employee Forum, Local Employee Forums, Young Persons Forum
- System of employee networks sponsored by senior management to support employees and actively promote diversity

Key challenges

- Ensuring all employees across the business feel heard
- Attracting and retaining the best people in the industry
- Driving high engagement with site-based employees
- Increasing diversity

Engagement performance metrics and highlights in 2023

- Employee engagement score of 93% (2022: 93%)
- Low voluntary turnover of 14.2% (2022:17.7%)
- 51 Pride in the Job Quality Awards (2022: 62) and 13 Seals of Excellence (2022: 15)
- Published second Diversity and Inclusion Report

Priorities for 2024

- Continued commitment to diversity
- Continue to offer a number of engagement and communication channels including introducing monthly newsletter for all employees and site-specific quarterly newsletter
- Implementation of new HR system

Material impacts

- Our people and suppliers
- Responsible and resilient business

Relevant KPIs

- Health and Safety Injury Incidence Rate
- Employee engagement

Strategic cornerstones

- Operational excellence
- Sustainability

Our partners

We value collaboration with our partners and seek to support them.

How we engage

- Supply Chain Sustainability School
- Letters, emails, calls, meetings, conferences, site visits
- Training sessions
- Supporting our local and national charities, overseen by our Charity Committee
- Through membership of industry organisations such as HBF and the British Property Federation

Key challenges

- Understanding and highlighting risk across whole supply chain

Engagement performance metrics and highlights in 2023

- Introduced new subcontractor portal
- Donated or fundraised £1 million for national and local charities (2022: £1 million)
- Industry first zero carbon ready homes pilot testing new technology on a live site, using our own subcontractors and suppliers
- Led a collaboration with five other major housebuilders, helping create a Sector Skills Plan to provide free support to our subcontractors in relation to skills and training (in particular apprenticeships)

Priorities for 2024

- Further improve health and safety and environmental protection
- Continue to engage with suppliers and subcontractors
- Continue to engage with local and national stakeholders
- Continue to engage with government and across political parties
- Maintain engagement with industry bodies across key areas

Material impacts

- Our homes and places
- Our people and suppliers
- Our planet
- Responsible and resilient business

Relevant KPIs

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

Strategic cornerstones

- Land
- Operational excellence
- Sustainability

Stakeholder engagement and priorities continued

Our investors

Engaging with investors at regular intervals ensures they are well informed and have access to accurate information. We aim to be accessible and transparent.

How we engage

- Results presentations, meetings, roadshows, conferences
- Emails, calls and video conferences
- Site visits
- Website
- Benchmarks and disclosure initiatives

Key challenges

- Ensuring investors understand the investment proposition and what differentiates Taylor Wimpey

Engagement performance metrics and highlights in 2023

- Site visit with investors and analysts to Sudbury
- Stakeholder interviews
- Award-winning Annual Report and awarded Silver for our Sustainability Supplement

Priorities for 2024

- Continued commitment to best practice disclosure
- Continue to regularly engage with existing and prospective investors

Material impacts

- Our homes and places
- Our people and suppliers
- Our planet
- Responsible and resilient business

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

- Land
- Operational excellence
- Sustainability
- Capital allocation

Accreditation

Chartered Governance Institute UK & Ireland

Our communities

Housebuilding can be disruptive but brings huge benefits to existing communities. Engaging with new and existing communities throughout the life cycle of a development enables us to hear their aspirations, concerns and, where possible, incorporate their feedback in our plans.

How we engage

- Meetings, exhibitions, workshops
- Newsletters, information boards
- Surveys
- Social media

Key challenges

- Ensuring communities understand the value that Taylor Wimpey can bring to their local area

Engagement performance metrics and highlights in 2023

- Invested £405 million in local communities via planning obligations
- Supported local community organisations
- Utilised our Engagement Academy to equip our land, planning and technical teams with best practice

Priorities for 2024

- Continued commitment to local engagement
- Remain focused on strong placemaking

Material impacts

- Our homes and places
- Our people and suppliers
- Our planet
- Responsible and resilient business

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

- Land
- Sustainability

How the Board considered stakeholders during the year

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 30, 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 2023 and how this informed what the Board considers matters to them most can be found on pages 100 to 103.

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 were standing agenda items at each meeting to ensure that the Board received 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 had 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 received in-depth updates about each group of stakeholders. In addition, the Board regularly engaged directly with our investors and employees, and further information around the direct engagement that took place in 2023 can be found on pages 101 and 103.

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 table to the right 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.

Read more on **page 100**

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 comprehensive 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 100 to 103 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 continued

Diversity and Inclusion Report

One of the key decisions made by the Board in the past year was to approve the Diversity and Inclusion Report, which outlined our progress and challenges in promoting diversity, equality and inclusion across our organisation.

Criteria considered

A, B, C, D, E, F

Relevant stakeholders

- Employees
- Customers
- Investors
- Communities

Decision making process

- The Board recognised the importance of this issue for our employees, customers, partners and society at large, and committed to taking further actions to improve our performance and culture in this area.
- The Group HR Director, prepared a draft Report, disclosing data from the Gender Pay Gap Report and the progress against key diversity and inclusion focus areas and targets.
- The draft Report was presented to the Nomination and Governance Committee which discussed the stretching nature of the targets and the initiatives to drive progress.
- The Committee agreed with the content of the draft Report, suggested some adjustments to the commentary and resolved to recommend the aspirational targets to the Board for approval, subject to the amendments.
- The draft Report, with the recommended amendments was presented to the Board and recommended for approval.
- The Board approved the Diversity and Inclusion Report, and it was published in March 2023.

Further information can be found on **page 108**

Audiocast at AGM

The Board decided to continue using an audiocast facility for the 2024 Annual General Meeting (AGM), enabling shareholders to join and participate remotely.

Criteria considered

A, B, D, E, F

Relevant stakeholders

- Employees
- Investors
- Regulators

Decision making process

- In response to changing circumstances and technological advancements, the Board deliberated on enhancing shareholder engagement at the AGM, with the aim of facilitating broader participation while maintaining transparency and compliance.
- The Board discussed the audiocast facility to be used and approved the implementation of using an audiocast for the AGM; a decision that allows shareholders to listen to proceedings and send in questions, virtually.
- The audiocast facility also enables employee shareholders, who would have otherwise been working, to access the meeting. This also includes the Share Incentive Plan (SIP) shareholders who are provided with login access to the meeting.
- The Board's decision to continue with audiocasting for the AGM reflects a commitment to modernising shareholder interactions and enhancing engagement.

Further information can be found on **page 227**

Board decision making: Market Conditions and Macroeconomic Context

The Board deliberated on critical decisions impacting our business. Informed by market dynamics and the broader economic landscape, discussions centred around strategic choices that would shape our future.

Criteria considered

A, B, C, D, E, F

Relevant stakeholders

- Employees
- Customers
- Investors
- Communities

Decision making process

- The Board discussed the market conditions and macroeconomic context in the UK and Spain, including challenges and opportunities faced by stakeholders, such as interest rate changes, government policies, and housing market developments.
- The Board deliberated on the company's performance and outlook, and approved various financial and operational decisions, such as the dividend payment, the timber frame strategy, the 2024 Budget and Business Plan, and the approach to cladding remediation.
- The Board reviewed and noted the progress and actions taken on the health, safety and environmental aspects of the business, and its impact on the communities we serve. Updates on the ESG balanced scorecard, investor feedback, and the external economic outlook were also received and deliberated on by the Board.

Further information can be found on **pages 97 to 98**

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

Approval of the Strategic report

This Strategic report on pages 1 to 88 was approved by the Board of Directors and signed on its behalf by

Jennie Daly
Chief Executive

In this section

Directors' report

Governance at a glance

Your Board is committed to high governance standards

"Good governance is a top priority for your Board"

Robert Noel
Chair

"Our commitment to good governance helps us to deliver our Company purpose"

Jennie Daly
Chief Executive

"The Company is committed to strong financial governance"

Chris Carney
Group Finance Director

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.

The Company has generally sought to comply with new provisions of the Code in advance of their formal application. We are reviewing the recent announcement of the revised 2024 edition of the Code to assess whether and to what extent we can and should comply in advance of its formal application from 1 January 2025. This will be reported on more fully in next year's Annual Report and Accounts.

Actions taken in 2023

Additional reporting on succession and development plans was introduced to facilitate the Board's close attention to progress and future plans in these areas, explained in more detail on page 110.

The Board undertook increased engagement with members of the Group Management Team and Heads of Functions, explained in greater detail on page 112.

The Board's agenda layouts were amended and an ESG scorecard introduced, in order to facilitate a better understanding of the Company's ESG priorities and progress towards their achievement, as described in more detail on page 104.

Actions for 2024

Action to give greater focus to Board preparation and discussions, including summaries of key matters and greater time for Non Executive Director input and challenge.

Action to give additional focus to people issues; leadership development; and general succession planning.

Arranging a greater proportion of external input into discussion of key topics in order to promote collective discussion whilst taking into account opposing views.

Governance at a glance continued

Proportion of the Board that is independent

56%

Read more on **page 130**

Board ethnic diversity

11%

person from minority ethnic background

Read more on **page 106**

Board gender diversity

44%

female

Read more on **page 106**

Fully compliant

with the 2018 UK Corporate Governance Code from 27 April 2023, when the composition of the Remuneration Committee was changed.

Read more on **pages 125 to 128**

Mean gender pay gap

6%

Read more on **page 150**

Gender diversity among senior Board positions

25%

female

Read more on **page 106**

Workforce engagement sessions

26

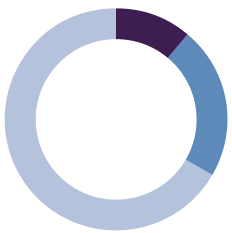
Read more on **page 102**

Investor engagement sessions

119

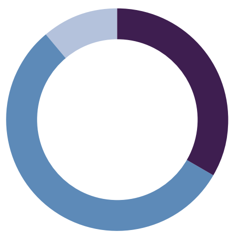
Read more on **page 101**

Board roles



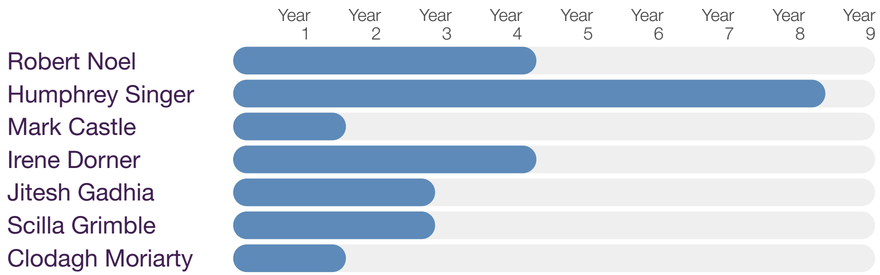
Chair	1
Executive Director	2
Non Executive Director	6

Board age diversity



40-50	3
51-60	5
61-70	1

Non Executive Director tenure



Building on our board leadership

Key

- **A** Audit Committee
- **R** Remuneration Committee
- **N** Nomination and Governance Committee
- ■ Committee Chair

Robert Noel
Chair

N **R** Chair

Date of appointment

Appointed as a Non Executive Director on 1 October 2019

Appointed as Chair on 27 April 2023

Board tenure

4 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

Robert 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 at Hammerson plc
- Trustee of the National History Museum
- Non Executive Director at GMS Estates Limited

Jennie Daly
Chief Executive

Executive Director

Date of appointment

Appointed as Group Operations Director on 20 April 2018

Appointed as Chief Executive on 26 April 2022

Board tenure

5 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, progressing to 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 at the Home Builders Federation
- Non Executive Director at New Homes Quality Board Limited
- Member of the Government's AI Opportunity Forum

Chris Carney
Group Finance Director

Executive Director

Date of appointment

20 April 2018

Board tenure

5 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

Board of Directors continued

Humphrey Singer
Senior Independent Director

A N Senior Independent Director

Date of appointment
Appointed as a Non Executive Director on 9 December 2015

Appointed as Senior Independent Director on 27 April 2023

Board tenure
8 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

Mark Castle
Independent Non Executive Director

A N R Independent Non Executive Director

Date of appointment
Appointed as a Non Executive Director on 1 June 2022

Appointed as the Board's Employee Champion on 27 April 2023

Board tenure
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 Group 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
- Chair of Eleco plc
- Chair of Triangle Group

Irene Dorner
Non-independent Non Executive Director

N Non-independent Non Executive Director

Date of appointment
Appointed as a Non Executive Director on 1 December 2019

Appointed as Chair on 26 February 2020

Stepped down as Chair and appointed as a Non Executive Director on 27 April 2023

Board tenure
4 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 Chair of Virgin Money (UK) plc, Non Executive Director of AXA SA and Chair of its Audit Committee, and Non Executive Director of Rolls-Royce Holdings plc and Chair of its Remuneration Committee.

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

Lord Jitesh Gadhia
Independent Non Executive Director

N R Independent Non Executive Director

Date of appointment
1 March 2021

Board tenure
3 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 also has extensive remuneration committee experience, across both 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 at Compare The Market Limited
- Non Executive Director at Rolls-Royce Holdings plc
- Director at Accord Healthcare Limited
- Chair and Trustee of the British Asian Trust
- Non Executive Director at Bard Topco Limited

Board of Directors continued

Scilla Grimble

Independent Non Executive Director

A N Independent Non Executive Director

Date of appointment
1 March 2021

Board tenure
3 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

Clodagh Moriarty

Independent Non Executive Director

N R Independent Non Executive Director

Date of appointment
1 June 2022

Board tenure
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 has since held a range of positions at J Sainsbury PLC, including Head of Strategy and Chief Digital Officer. Clodagh was also a Non Executive Director of Sainsburys Bank.

External appointments

- Chief Retail and Technology Officer at J Sainsbury PLC

Ishaq Kayani

Group General Counsel and Company Secretary

Date of appointment
21 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 housebuilding industry

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

External appointments
None

2023 Board attendance

	Board	Audit Committee	Nomination and Governance Committee	Remuneration Committee
Robert Noel	9/9	1/1	3/3	5/5
Jennie Daly	9/9	–	–	–
Chris Carney	9/9	–	–	–
Humphrey Singer	9/9	3/3	3/3	–
Mark Castle	9/9	3/3	3/3	2/2
Irene Dorner	7/9	–	3/3	3/3
Jitesh Gadhia	9/9	–	2/3	5/5
Scilla Grimble	9/9	3/3	3/3	–
Clodagh Moriarty	9/9	–	3/3	2/2

There was full attendance at all meetings, except Irene Dorner who was unavailable for two Board meetings; and Jitesh Gadhia who was unavailable for one Nomination and Governance Committee meeting. Prior to those meetings, the Non Executive Directors' views on the meeting agenda items were sought and subsequently shared with the other Board or Committee members during the meeting. Following the meeting they were briefed on the business of the respective meeting and any decisions that were taken.

Board skills

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 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 information technology function.

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, driving a clear employee value proposition, which focuses on culture, skill acquisition, pay, total reward, benefits, talent identification and development, succession planning, wellbeing, driving high performance and employee engagement. Anne also oversees the implementation of the Company's Diversity, Equality and Inclusion Strategy and the charitable aims of the business.

Ishaq Kayani
Group General Counsel and Company Secretary

Ishaq was appointed as Group General Counsel and Company Secretary in February 2023. 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. Ishaq is a member of the IT Steering Committee and the Treasury Committee.

Ingrid Osborne
Divisional Chair, London and South East

Ingrid has been with the business for 23 years 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 is a member of the Treasury Committee and is 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 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. He was Chair of our Equality, Diversity and Inclusion Committee until the end of 2023.

Shaun White
Divisional Chair, Midlands and Wales

Shaun joined the Company over 23 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. As of January 2024 Shaun is a member of our IT Steering Committee.

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. As of January 2024, Ian is Chair of our LEAF Committee.

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

Lee joined the business in 1984 and has held Managing Director and Divisional Managing Director roles. Lee now oversees our divisional North and South Strategic Land teams and is Divisional Chair overseeing our Manchester, North West and Yorkshire regional businesses. As of January 2024, Lee is Chair of our Equality, Diversity and Inclusion Committee.

Chair's Q&A

What have been the key highlights for the Board this year?

Our team have delivered a good performance, despite the challenging market conditions that continued throughout 2023.

The way in which we run our business remains 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 relies on us having strong governance standards to underpin our activities and as a Board, we have ensured that we remain well positioned as a business to optimise performance, deliver quality homes to our customers and deliver long term value to all of our stakeholders. This includes remaining agile and making robust decisions at the right time throughout the year.

More information about key Board activities can be found on **page 100**

How has the Board engaged with its stakeholders during 2023?

The Board always has the interests of all of our stakeholders at the heart of our decision making throughout the year.

During the year, we continued to engage with our shareholders proactively, including meetings with institutional investors to discuss a range of topics which are of mutual interest to the Company and its shareholders in relation to performance, market outlook, and macro-economic influences.

In 2023, Mark Castle became the Board's Employee Champion. Mark has since visited a number of regional businesses, discussing key matters with our employees across the business.

In addition, our Non Executive Directors also visited regional businesses and development sites across the country to engage with employees and see our culture in action.

More information about key Board activities can be found on **page 100**. More information on engagement with our employees and shareholders can be found on **pages 101 and 102**

How does the Board take into account ESG matters?

The Board's engagement with ESG matters was enhanced during 2023 with the introduction of a regular report at every Board meeting which sets out key ESG matters and tracks progress against a framework of key metrics. This enhanced engagement with ESG matters has led to increased discussion at Board meetings on key matters and will continue to support the Board's delivery of long term sustainable value for our stakeholders.

In addition, equality, diversity and inclusion continues to be a regular agenda item for the Board, and the Nomination and Governance Committee, and is a key area of focus as we build on the progress we have made towards the targets we have set for ourselves.

More information about ESG matters can be found on **page 104**

What was the outcome of the external Board evaluation and what are the next steps?

The external Board evaluation concluded that the Board is functioning well, governance is strong, with a good degree of trust, confidence and a healthy level of respect between all Board members. The Board has committed Non Executive Directors, who are knowledgeable and well prepared for meetings. They bring strong, diverse perspectives and experience to Board discussions.

The key actions resulting from the evaluation were to enhance preparations for Board discussions; to allow additional time for thoughts and reflections; to increase reporting on talent management, leadership development and succession planning; and to increase external input on key topics.

More information about the 2023 external Board evaluation process and outcomes can be found on **page 111**

What are the key priorities for the Board in 2024?

Looking to 2024, the priorities for the Board are to continue to operate a strong Board to support and challenge our Group Management Team in delivering our strategy and creating long term success for our stakeholders. We will remain focused on our strategic cornerstones, and ensure we remain well positioned to optimise performance in all market conditions.

More information about 2024 priorities can be found on **page 15**

Robert Noel
Chair

Building strong governance

I look forward to maintaining our strong relationships with both shareholders and key stakeholders."

Robert Noel
Chair

Dear Shareholder

I am pleased to present the Corporate Governance Report for 2023, which sets out the key areas considered by the Board and its Committees during the year and in preparation for 2024.

Despite challenging market conditions during 2023, the Company maintained its progress and underpinned this with a focus on strong governance, which I have been proud to lead since my appointment as Chair in April 2023.

During 2023 and into 2024, the Board has carefully monitored and reviewed progress and performance against our strategic cornerstones whilst paying close attention to the further development of our initiatives in the areas of stakeholder engagement; championing the 'employee voice' in the Boardroom; progressing towards our ESG targets; improving diversity and inclusivity throughout the Group as well as at senior levels; and structuring the Board and its discussions to give additional time to consideration of these key areas.

This report seeks to explain how the Board ensures that the progress we are making in our operations is married to our continuing belief that business should be carried on in a responsible and compliant manner, which can be summed up as 'doing the right thing' by all of our stakeholders.

Key to this approach is the culture within which we approach our business, to ensure that we have effective systems and processes in place to monitor how we do business, including actively recognising and managing risks arising from our operations and the macroeconomic conditions within which we operate, and continuing to strive for continuous improvement and innovation in our business practices.

That ensures that business decisions are made in the right way, as described more fully on page 100 of this Corporate Governance Report.

Stakeholder engagement

Our Board continues to place the interest of stakeholders at the forefront of decision making. We believe this is the correct way in which to progress our strategy and deliver sustainable, long term success. Further details on how we, as a Board, have fulfilled our duties under section 172(1) of the Companies Act 2006, to consider all stakeholders relevant to a decision and satisfy ourselves that each decision is in line with our business culture, is set out on page 101 and an explanation as to how we engaged with our different stakeholders during 2023 can be found on pages 84 to 88.

Building strong governance continued

We continued our practice of engaging with our shareholders in a proactive manner, holding 119 meetings with institutional investors, including 10 visits to our operations, to discuss a variety of key themes, including results and performance, current trading, market backdrop and outlook, responding to market conditions, upcoming changes to regulation and ESG matters. We held 10 site visits with both analysts and investors including visits to our net zero ready prototype homes in Sudbury. (Read more about our prototype homes on page 36.) We also held a number of management meetings for analysts of the 17 investment brokers covering the sector on behalf of investors.

Employee voice

When I was appointed Chair in April 2023, my previous role as the Board's Employee Champion was passed to Mark Castle. I am delighted with the way he has further developed the ongoing consultation and communication channels between the Board and the Group's employees ensuring that their views are properly explained and championed to the Board, and taken into account, when making decisions that could affect them.

In addition to these ongoing communication and consultation channels, the Non Executive Directors visited 11 regional businesses and 18 sites across the country and took these opportunities to see our culture in action as evidenced by their interactions with employees during these visits.

Further information on shareholder and employee engagement during the year can be found on **pages 101 to 103**

Focused on ESG

Our ESG initiatives were a constant feature of Board discussions during 2023 and the agendas of Board and Board Committee meetings were reorganised during the year in order to give these a more prominent position in Directors' deliberations at meetings.

Progress against our ESG strategy, with independently verified science based targets and performance reviews, is carefully monitored by the Board, which ensures that these 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 reports on the progress of our Net Zero Transition Plan. Further information on the Board's actions during 2023 to drive this element of our strategy are set out on pages 7 and 36.

Further developing equality, diversity and inclusion

Equality, diversity and inclusion remain key priorities for the Board. The Nomination and Governance Committee received an update during the year on progress made towards achieving our Equality, Diversity and Inclusion aspirations and increasingly becoming a more diverse and inclusive employer, where everyone is welcome.

Further details on progress made during 2023 and our plans for 2024 can be found on **page 106**

Preparing for planned financial governance changes

A significant area of focus during 2023 was on the FRC consultation around proposed changes to the Code to introduce the principles designed to meet the Government's consultation on 'Restoring Trust in Audit and Corporate Governance'. Details on how we have prepared to meet the new compliance requirements are set out in the Audit Committee Report on page 120.

The Board 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.

Building strong governance continued

Board composition

After a period of transition on the Board during 2022, this year saw a settled Board focusing on driving the strategy and progressing key governance initiatives described in this letter and in more detail throughout this report.

The only changes to the Board during the year were to the roles of individual Directors:

On 27 April 2023 I succeeded Irene Dorner as Chair; Humphrey Singer succeeded me as Senior Independent Director; and Mark Castle took over my former role as the Board's Employee Champion. Irene kindly agreed to remain as a Non Executive Director and continues to bring her deep commercial experience and strong cultural principles to the Board.

Appropriate changes were also made at that time to the composition of certain Board Committees, which remain in full compliance with the Code.

Culture

The key to maintaining strong governance principles across an organisation is having a culture of doing the right thing. The Board recognises the importance of having a strong culture and appropriate values embedded throughout the organisation and it is responsible for defining and setting the culture from the top and leading by example.

The Board monitors a number of cultural indicators, including information and impressions gained during the interaction with executives and other employees at all levels of the Company, during Board presentations and visits to Company offices and operations by the Board and individual Directors.

More details of these indicators and the insight gained from them, appear on **page 105**

I believe the Company's culture remains strong and the Board will continue to consider a wide range of indicators during 2024 to ensure that this continues to be the case.

Annual General Meeting

This year's Annual General Meeting (AGM) will take place in person in the Gerrards Suite at the Crowne Plaza Hotel in Gerrards Cross on Tuesday 23 April 2024 at 10:30am. I hope you will be able to attend and the Board looks forward to meeting shareholders and to hearing their 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 227 to 238.

Conclusion

Finally, I would like to again 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 strong performance for 2023 in tough conditions, and our prospects for 2024.

Robert Noel
Chair

Board activities

Board meetings

During 2023, the Board held nine formal meetings, one of which was a business update call. The Board considers that the usual eight meetings plus one business call per year remains appropriate and there are processes in place to convene additional Board meetings when considered necessary.

There was full attendance at all Board meetings, except Irene Dorner who was not available for two meetings. Prior to each meeting, Irene's views on the meeting agenda items were sought and subsequently shared with the other Board members during the meeting. Following the meeting, Irene was briefed on the business of the meeting and any decisions taken.

Matters considered and approved at Board meetings during 2023

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. 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 to discuss progress made on actions arising from the previous meeting. Any additional topics are then added to the agenda.

During 2023, the Board considered a number of topics regularly, including:

- 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
- Reports from each operating division, HR and Customer Service

In addition to the regular topics discussed, the Board also considered and approved the matters set out below.

<table>
<tr><th></th><th>Matters approved</th><th>Read more</th><th>Matters considered</th><th>Read more</th><th>Stakeholders considered</th></tr>
<tr><td>Strategy

Link to strategic cornerstones</td><td>• Business restructure plans which right-sized the business in response to market challenges</td><td></td><td>• Business restructure plans
• Updates on ESG initiatives
• Investor feedback on results announcements and investor events
• Managing market changes
• Regular review of the Company's strategic dashboard
• External review of the UK housing market outlook</td><td>
104
101

</td><td>• Customers
• Employees
• Investors
• Communities
• Partners</td></tr>
<tr><td>Operations

Link to strategic cornerstones</td><td>• Land acquisitions
• Land sale
• Fire safety and cladding updates</td><td>31
31
115</td><td>• Customer service performance and progress update
• Supply chain management performance and progress update
• Sales and Marketing performance and progress update
• Divisional updates
• Land position update
• Employee survey results and resulting action plan
• Employee value proposition
• Updates on engagement with the Competition and Markets Authority in respect of the Housebuilding Market Study</td><td>
41

31

</td><td>• Customers
• Employees
• Communities
• Partners</td></tr>
<tr><td>Finance

Link to strategic cornerstones</td><td>• Results announcements and trading statements
• Dividend payments to shareholders
• The Company's Principal and emerging Risks, including risk appetite
• Annual Budget for 2024
• Annual review of Treasury Policies</td><td>78
78
71
78
78</td><td>• Regular review of the strategic dashboard indicators
• Forward strategic plans for 2024-2028
• Annual forecasts for 2024-2028
• Finance projections versus strategic plans and budgets</td><td></td><td>• Employees
• Investors</td></tr>
<tr><td>Governance

Link to strategic cornerstones</td><td>• Board and Committee changes
• Diversity and Inclusion Report
• Modern Slavery Statement
• Board evaluation action plans for 2022 and 2023
• Board annual plan for 2024
• Annual review and confirmation of governance framework documents
• Updates to conflicts register</td><td>99
108
155
111

109
104</td><td>• Reports from the Board's Employee Champion
• Regular review of whistleblowing reports and response
• Annual report from the National Employee Forum
• Review of progress and plans on employee engagement
• Review of progress on diversity and inclusion strategy
• Board evaluation outcomes
• Preparations; draft structure and messaging for Annual Report</td><td>102
104

102
106
111
</td><td>• Customers
• Employees
• Investors
• Communities
• Partners</td></tr>
</table>

Key to our strategic cornerstones

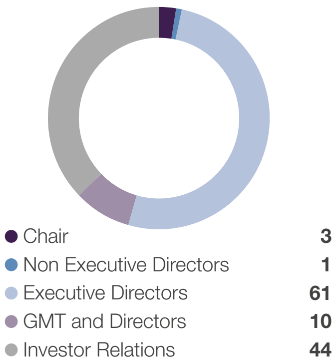
Land | Operational excellence | Sustainability | Capital allocation

Shareholder engagement

The Board actively seeks and encourages engagement with investors, including its major institutional shareholders and shareholder representative bodies. During 2023, 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, the GMT and our Investor Relations team. These meetings include one-to-one meetings, group and conference meetings.

Number of shareholder meetings in 2023



Investor and analyst updates

We hosted visits for institutional investors and analysts over four days, in June and September 2023, to view our flagship zero carbon ready homes trial at our Chilton Woods development in Sudbury, Suffolk.

Chair meetings

Irene Dorner, prior to stepping down as Chair on 27 April 2023, and Robert Noel, following his appointment as Chair on that date, held a total of three meetings with key institutional shareholders representing c.5% of our issued share capital.

Key themes discussed at those meetings were our results and performance, current trading, market backdrop and outlook, responding to market conditions, upcoming changes to regulation and ESG matters.

Investor relations programme

We operate a structured investor relations programme, based around formal announcements and publication 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, including specific consideration of investor feedback following key engagements.

Our corporate brokers also attend Board meetings as required to give their perspective on institutional shareholder sentiment.

Remuneration consultation

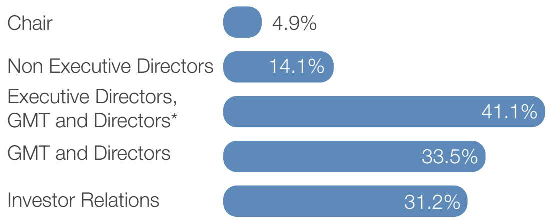
During 2023 Jitesh Gadhia, in his capacity as Chair of the Remuneration Committee, wrote to our major institutional shareholders to explain, and seek feedback on the Remuneration Committee's proposals for applying the Remuneration Policy adopted by shareholders at the 2023 AGM.

Annual General Meeting (AGM)

We look forward to engaging with our retail shareholders at the AGM, which will again be held in person. We are pleased to again provide an audiocast facility for shareholders who are unable to attend the AGM in person, so they may follow proceedings 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.

Further details on the 2024 AGM can be found in the Notice of Meeting on page 227.

Percentage of the share register met in 2023



* Investor Relations also attended.

Workforce engagement

Mark Castle
The Board's Employee Champion

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 is Mark Castle, who took the position when the previous Champion, Robert Noel, was appointed Chair in April 2023. Mark 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, Mark identifies any areas of concern and feeds these back to the Board to consider.

Over 20,000 individual comments were reviewed and the key themes and trends were addressed. The next page explains five matters raised by employees during employee engagement sessions, actions taken in response to those matters and the outcome.

National Employee Forum and Local Employee Forums

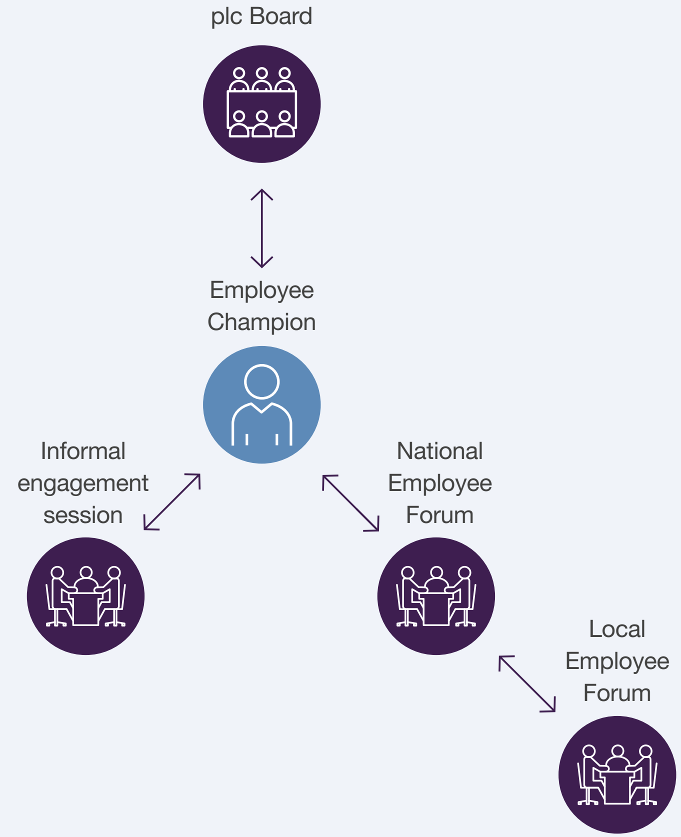
The National Employee Forum (NEF) members represent all parts of the business. The NEF is chaired by a regional managing director and the Employee Champion attends each meeting.

Each regional business also has its own Local Employee Forum (LEF) and comprises 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



Workforce engagement continued

	Communication	Long service	Uniforms	Expenses	Employee value proposition
When	January 2023	January 2023	April 2023	April 2023	January 2024
Matter raised	Facilitating communication between Executives and Employees by way of webinars	Recommended a review of how the Company recognises and rewards long service	Concerns regarding the range of sizes of uniforms available and whether the interim wear is compliant with tax regulations	Recommended a review of the expenses policy, with regard to the cost of hotel accommodation outside central London	Views were sought on the way in which we articulate our employee value proposition
Action taken	The process and timings for accessing future webinars was reviewed	A full review of long service awards was undertaken	A review of uniform policies was undertaken which took into account the ability to order any gender uniform; ensure a larger range of boot sizes was available; and that interim wear is compliant with tax regulations	A review was undertaken to assess the current cost of hotel accommodation when travelling on business	A focus group was arranged, including the NEF representatives, to ensure that their voice was represented in the design of our employee value proposition
Impact/ Outcome	The live webinar session sign-up process was changed to make it easier to access and future live sessions are also being delivered within a core period of the day	New reward enhancements have been introduced, which celebrate significant milestones for long service and provide additional holiday days for long-serving employees	All of the feedback from the NEF has been incorporated into the current uniform review and trials	As a result of the review, changes were made to the expenses policy with regard to hotel accommodation	All of the feedback from the NEF has been incorporated into the design of our employee value proposition

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 Q&A sessions	●	●			●			●			●	
Employee survey									●			

Board leadership

Operational and strategic oversight

The Board sets the strategic direction of the Company and agrees the annual budget, whereby the necessary resources to achieve sufficient progress towards achievement of the agreed strategy, are made available.

The execution of our strategy and the day to day management of the Company's operations is led by the Chief Executive who is assisted by the GMT. This is a vastly experienced team that has operated in a variety of market conditions, both with the Company and in the industry generally, and its members, and their respective roles, responsibilities and experience, are set out on page 95.

The Board receives at each meeting a detailed update on progress and plans towards the achievement of the strategy, and the day to day performance and prospects for the Company, from the CEO, together with similar reports from each GMT member for their respective areas. These are supplemented by reports from certain key Heads of Function who 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 authorities, approved by the Board, within which individual responsibilities of senior executives of Group companies are identified and can be monitored.

The Board also receives 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 consideration and, if appropriate, 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 2023, four proposed external appointments were considered by the Board, Jennie Daly's appointments as a member of the Business Council, and as a member of the AI Opportunity Forum, Mark Castle's appointment as Chair of Eleco plc, and Irene Dorner's appointment as a Member of the Council of Chatham House. 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 (the Hotline).

The Hotline is also available for use by suppliers, subcontractors, customers and members of the public, for reporting any matters of concern to the Company.

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 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, the Hotline, and their 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 version 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 is an important part of working for Taylor Wimpey and how we do business, and the Board is responsible for overseeing our ESG initiatives. During 2023, the Board received regular briefings and updates on progress towards the achievement of our Net Zero Policy; our science based targets; our Environmental Policy; and the strategic cornerstone of 'sustainability' as part of our overall Strategy with its associated specific key performance indicators.

The Board also receives 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 CEO 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.

Monitoring culture

The Board recognises the importance of a healthy company 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

Culture

The Board reviewed a number of cultural indicators throughout 2023, including the following:

151
Annual Injury Incidence Rate per 100,000 employees and contractors (2022: 166)

34%
of our employees are women (2022: 33%)

93%
employee engagement score (2022: 93%)

98%
of employees agreed that Taylor Wimpey takes health and safety in the workplace seriously (2022: 98%)

6
Employee Champion engagement sessions (2022: 7)

30
Non Executive Director visits to regional businesses (2022: 10)

14.2%
voluntary employee turnover (2022: 17.7%)

95%
of employees agreed that Taylor Wimpey is committed to supporting charities doing important work around issues connected to our business and the surrounding communities (2022: 97%)

5.7%
of employees are from ethnic minorities (2022: 5.0%)

20
Non Executive Director visits to sites (2022: 9)

96%
of employees are proud to work for Taylor Wimpey (2022: 96%)

95%
of employees agreed that Taylor Wimpey offers opportunities for employees of all backgrounds to progress (2022: 95%)

During 2023, the Board undertook a number of additional actions to further support and monitor the Company's culture, including reviewing the Company's approach to diversity and inclusion, supporting the work to articulate our employee value proposition, and representatives attending the National Employee Forum.

After considering the Company's cultural indicators throughout 2023, there have been a number of actions taken to further support and monitor the Company's culture, including:

- The Board members undertook a programme of regional business and site visits during 2023, at which they engaged with employees at all levels of the business or site; seeking their views on the Company, its performance, and their contribution to its success. These visits will continue during 2024.
- The Board and GMT considered feedback from the Employee Survey and oversaw action plans designed to address various matters raised.
- The Board and GMT continued to consider employee feedback resulting from the various employee engagement methods as set out on pages 102 and 103 and monitored actions taken as a result.

These processes continue into 2024, when the Board will continue to consider a wide range of cultural indicators and will take action as considered appropriate throughout the year.

Diversity

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
Men	5	55.6%	3	6	66.7%
Women	4	44.4%	1	3	33.3%
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
White British or other white	8	88.9%	4	8	88.9%
Mixed/multiple ethnic groups	–	–	–	–	–
Asian/Asian British	1	11.1%	–	1	11.1%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group including Arab	–	–	–	–	–
Not specified/prefer not to say	–	–	–	–	–

Diversity data

Our diversity data is collated through our HR management system. We encourage all to self-report information such as gender, gender identity, ethnicity, age, sexual orientation, disability and military background, and include the option to 'prefer not to say'.

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. This Policy was reviewed and approved during 2023 and is available on our website.

The Board fully supports the FTSE Women Leaders Review target of 40% female representation on the Board and the Leadership Team by 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 Leadership Team.

The Board also fully supports the Parker Review's 'Beyond One by 21' recommendation and is pleased to confirm compliance with this recommendation as at 31 December 2023.

The Board is pleased to report compliance with the FCA's diversity disclosure requirements, as set out in the table above. At Taylor Wimpey, 'executive management' is defined as the Group Management Team. The figures in the table are stated as at 31 December 2023.

Diversity remains a key consideration during recruitment and will continue to be referenced in all search and recruitment processes.

Employee diversity

Employee diversity remains a key priority for the Board, and across the Company as a whole.

In 2023, the Board 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 development of a number of aspirational diversity metrics to be achieved by 2025, and the publication of our Diversity and Inclusion Report.

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 in our Diversity and Inclusion Report on our website.

34%
of our workforce identify as women

33%
of GMT positions held by women

28%
of Leadership Team positions are held by women

5.7%
of the workforce is from a minority ethnic background

44%
of our Board are women

Nomination and Governance Committee report

"The Committee has maintained high standards of governance and talent development."

Robert Noel
Chair of the Nomination and Governance Committee

Committee members

Committee members	Meeting attendance
1. Robert Noel (Chair)[a]	3/3
2. Humphrey Singer	3/3
3. Mark Castle	3/3
4. Irene Dorner	3/3
5. Jitesh Gadhia[b]	2/3
6. Scilla Grimble	3/3
7. Clodagh Moriarty	3/3

(a) Robert Noel was appointed as Chair on 27 April 2023.

(b) Jitesh Gadhia was unavailable for the meeting on 25 May 2023.

Committee meetings were also attended, by invitation, by the Chief Executive, Group HR Director, Group General Counsel and Company Secretary, members of the Company Secretariat team, Head of Talent, Head of HR, Chair of the National Employee Forum, Future Talent Development Manager and Co-Chairs of the Proud2Be Employee Network.

Key activities and areas of focus

- Reviewed and recommended the approval of an externally facilitated Board evaluation
- Oversaw the appointments of Humphrey Singer as the Senior Independent Director and Mark Castle as Board Employee Champion
- Reviewed the Group Management Team, Heads of Functions and wider workforce talent and succession plans
- Reviewed and recommended the approval of the Company's equality, diversity and inclusion activities, progress and targets

"The Committee has been committed to identifying and overseeing the nomination of visionary leaders and creating a pipeline of succession that upholds the Company's values and strategic focus."

Robert Noel
Chair of the Nomination and Governance Committee

Quick links

Nomination and Governance Committee report continued

Dear Shareholder

As Chair, I am pleased to present the 2023 report of the Nomination and Governance Committee (the Committee) on behalf of the Board.

2023 Priorities

The Committee met three times during the year and reviewed various matters, including:

- An external evaluation of the Board, its committees, and individual directors, as well as the feedback and action plans arising from the evaluation process.
- Board Succession Planning and Group Management Team performance, development and organisation structure.
- The Diversity and Inclusion Report (including the approval of diversity targets) as well as progress made towards achieving the Board's diversity objectives, including gender, ethnic, and cultural diversity.
- The corporate governance framework and practices of the Company, including the review and approval of the annual corporate governance disclosures and assessing alignment with best practices and regulatory requirements.

As a Committee, we have overseen the appointments of Humphrey Singer as Senior Independent Director, and Mark Castle as the Board's Employee Champion, as well as the transition from Irene Dorner to me as Chair. More information on the Board changes can be found on page 110.

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 100.

Embedding good corporate governance throughout the Company will remain an important area of focus for the Committee throughout 2024.

External Board evaluation

I am pleased to report that the results of our annual Board evaluation concluded that the Board continues to be effective, with appropriate challenge and support at Board meetings. The 2023 Board evaluation was externally facilitated by Manchester Square Partners.

Whilst conducting the 2023 Board evaluation, we also reviewed the key actions identified in the 2022 Board evaluation and reviewed progress made against these actions during 2023.

More information about the outcomes of the 2023 external Board evaluation can be found on page 111.

"We have made significant progress in advancing our strategic priorities and enhancing our governance standards."

Robert Noel
Chair of the Nomination and Governance Committee

Equality, diversity and inclusion

Our focus on equality, diversity and inclusion remains unchanged. It would be easy, in times of challenge, to reduce activities and attention to this important area of work.

In 2023, we made progress on our aspirational targets, became a Level 2 Disability Confident employer, undertook a wide range of actions led by our employee affinity groups, and most importantly, our employees have told us in our engagement survey that they recognise that we are working hard to become as diverse as the communities in which we operate.

We will be publishing our second Diversity and Inclusion Report with the full details of our achievements in this area.

Whilst we are pleased with our progress, we recognise that in reality our Company is still working towards diversity and we will continue to aspire to be reflective of the communities in which we operate; to this end we have set diversity targets in line with the Parker Review.

More information about our future focus on equality, diversity and inclusion can be found on page 106 and also in our Diversity and Inclusion Report which can be found on our website.

Robert Noel
Chair of the Nomination and Governance Committee
27 February 2024

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 and induction of new Directors to the Board, its Committees and other senior positions in the Company; and 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 2023, the Committee oversaw a number of governance matters, including:

- Approved the 2023 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 the 2023 external Board evaluation process
- Approved the Committee's annual plan for 2024

Each Director is required to seek election or re-election, as appropriate, at each year's Annual General Meeting. As part of this election and re-election process, the Committee has assessed each Non Executive Director's independence and is satisfied that five of the seven Non Executive Directors 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 he became Chair of the Board.

Irene Dorner, having stepped down from the role of Chair of the Board in 2023, is now considered a non-independent Non Executive Director. 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 2023 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 2024 Annual General Meeting each Director, irrespective of their appointment date, will be submitted for re-election. More information can be found on page 229.

Governance documents

The below governance related documents can be found on our website.

- Articles of Association
- Matters Reserved for the Board
- Division of Responsibilities
- Terms of Reference for the Board Committees
- Board mandated policies

Board balance and skills

During 2023, 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 2023, of the Chair, two Executive Directors and six Non Executive Directors remains appropriate. This balance will be kept under review during 2024. In addition, the skills of each member of the Board, as set out on pages 92 to 94, 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.

Nomination and Governance Committee report continued

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 no new appointments made to the Board during 2023; Humphrey Singer was appointed the Senior Independent Director and Mark Castle, the Board's Employee Champion.

More information on the Board changes during 2023 can be found on **pages 99, 102, and 108**

Succession planning

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 and therefore is mindful of the tenure of each Non Executive Director. When reviewing its annual agenda plan, the Committee is aware of any likely upcoming Board changes as a result of this, and is therefore in a position to begin the succession and recruitment process at an early stage. To this end, the Committee will begin, in early 2024, to make arrangements for the succession and recruitment of a new Non Executive Director as Humphrey Singer finishes a nine year term.

During 2023, the Committee considered the succession planning for both the Group Management Team 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 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 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. During 2023, actions taken to support succession plans included Senior Management development and engagement, the discussion of aspirational diversity targets, and early talent capability levelling.

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 2023, a number of individuals were invited to present to the Board on topics including customer service, sales and marketing, production, supply chain, employee engagement, and land.

Contingency planning

During 2023, 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.

Nomination and Governance Committee report continued

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 2023 Board evaluation being externally facilitated by Manchester Square Partners (MSP). MSP also carried out the 2017 and 2020 externally facilitated evaluations and it was considered that their insight into the significant evolution of the Board since 2017 (which has included two Chair changes, a new Chief Executive, various Non Executive Director changes and Group General Counsel and Company Secretary changes) would be invaluable. The Committee noted that MSP have no other connection to the Company and were chosen for their constructive and direct evaluation style.

Year 1 (2023)
Externally facilitated Board evaluation by MSP

Year 2 (2024)
Internal evaluation facilitated by the Chair and Group General Counsel and Company Secretary

Year 3 (2025)
Internal evaluation facilitated by the Chair and Group General Counsel and Company Secretary

Stage 1
May 2023
The Nomination and Governance Committee reviewed and approved the proposal to appoint MSP to conduct the 2023 externally facilitated Board evaluation.

Stage 2
June 2023
The Chair and MSP agreed the scope of the Board evaluation and developed an outline framework to ensure that the specific objectives of the Board evaluation were met. MSP were provided access to the Board and Committee papers for the prior 12 months. MSP observed the June Board meeting.

Stage 3
July 2023
MSP observed the July Board and Audit Committee meetings.

Stage 4
August 2023
Individual interviews were conducted with each of the Board members and the Group General Counsel and Company Secretary.

Stage 5
September 2023
MSP prepared a summary paper of key findings and themes for an initial discussion with the Chair.

Stage 6
October 2023
MSP produced a report to the Board on their findings and recommendations and attended the October Board meeting to discuss the report.

Stage 7
December 2023
The Board agreed a set of actions to be implemented during 2024 which will address the points raised in the evaluation report.

Nomination and Governance Committee report continued

MSP concluded that the Board functions well and governance is strong at Taylor Wimpey. There is a good degree of trust, confidence and healthy respect between the Directors; with all Directors being aligned in respect of the role of the Board over the next few years. MSP confirmed that the relationship between the Chair and Chief Executive is developing well with regular open dialogue. The Committees are functioning effectively with praise for the work and rigour the respective Committee Chairs bring. The Non Executive Directors are committed, knowledgeable and well prepared; and bring strong diverse perspectives and experiences.

Some areas for further enhancements were identified and the Board developed an action plan designed to address the findings of the evaluation, which will be actioned during 2024. In addition, the Committee reviewed progress made against the agreed 2022 Board evaluation actions. Further information can be found in the tables below.

2022 recommendations	Actions taken in 2023
Increase exposure to members of Senior Management	The Group Management Team and Heads of Functions met with the Board on a more frequent basis during 2023, through a mixture of additional meetings and dinners.
Increase reporting on succession and development plans	The Committee received regular updates on talent and succession planning at all levels of the business, from early entry to the GMT. As part of these updates, the Committee were provided with overviews of the development plans in place to strengthen our succession pipeline.
Ensure progress against ESG initiatives are clear	An ESG balanced scorecard has been developed during 2023 which the Board reviews at least on a quarterly basis. The scorecard captures key areas of importance to Taylor Wimpey and increases visibility of progress. There is also a standing ESG item at each Board meeting which provides key ESG updates since the last meeting. More information can be found on pages 98 and 104.

2023 recommendations	Proposals planned for 2024
Additional external input on key topics to provoke collective discussion and hear opposing views	Additional items will be included on Board agendas throughout the year for one or two external speakers to present on key topics.
Further enhance discussions at Board and Committee meetings	All papers submitted to the Board to include an executive summary which note any particular questions Management would like the Non Executive Directors to consider in advance of the meetings. A brief biography of all presenters to be included in the Board packs.
Development of an Employee Value Proposition	The Board to contribute to the development of an Employee Value Proposition throughout 2024 to ensure an interconnection between purpose, values and culture.

Audit Committee report

The Audit Committee supports the Board in fulfilling its corporate governance responsibilities to maintain the integrity of the Group's financial reporting within a framework of strong internal controls."

Humphrey Singer
Senior Independent Director

Committee members

Committee members	Meeting attendance
1. Humphrey Singer (Chair)	3/3
2. Robert Noel[(a)]	1/1
3. Scilla Grimble	3/3
4. Mark Castle	3/3

(a) Stepped down from the Committee on 27 April 2023 when he became Chair of the Board.

Committee meetings were also attended, by invitation, by the Chair, Chief Executive, Group Finance Director, other Non Executive Directors, Group General Counsel and Company Secretary in his capacity as Secretary to the Committee, other members of the Company Secretariat team to minute proceedings, Group Financial Controller, Head of Internal Audit, Head of Tax, Head of Group Reporting, 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 117.

Key activities and areas of focus

- Sought and received assurance that management action on, and investment in, cyber security, and the programme to digitise the Company's production procedures, will each further strengthen our overall control environment
- Monitored 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)
- Sought and received assurance that key business controls, in particular segregation of duties and delegation of authority, remain effective following the change programme undertaken early in 2023

2024 key areas of focus

- To gain assurance that the transition to a new IT service provider is appropriately managed, minimising operational disruption and associated risks
- To oversee the development of the changes required in response to the 2024 Corporate Governance Code
- To gain assurance that the new HR and Payroll system is implemented within a robust framework

"The Audit Committee is focused on maintaining strong financial governance and welcomes its further enhancement through the latest revisions to the Code by the Financial Reporting Council."

Humphrey Singer
Chair of the Audit Committee

Quick links

Audit Committee report continued

Dear Shareholder

On behalf of the Board, I am pleased to present the 2023 report of the Audit Committee (the Committee).

We fulfil the Committee's responsibilities through the activities undertaken throughout the year, as detailed on pages 116 to 117.

Committee changes

As foreshadowed in last year's report, Robert Noel stood down from the Committee on 27 April 2023, in compliance with the Code, upon his appointment as Chair of the Board.

In preparation for that change, we considered the Committee's composition and the balance of its experience and expertise, and are confident that the remaining three members of the Committee are sufficient in number and experience, including recent and relevant financial experience, to continue the work of the Committee on behalf of shareholders, in an effective and compliant manner.

Key areas of focus during 2023

Our key areas of focus during 2023 were addressed as set out below:

Cyber security and digitisation of production procedures

We oversaw, and received regular updates on, plans and progress to maintain and enhance the resilience of the Company's cyber defences, through the implementation of a new end point protection service using a new XDR (Extended detection and response) service from a specialist security service provider.

We also monitored progress in the digitisation of the Company's production procedures, through the delivery of new devices and mobile apps and sought and received assurance from Management and the Executive Directors that these will deliver appropriate controls across the Company's UK business.

More information on the ways in which, during 2023, we drove further improvements in cyber resilience and business controls, and plans for further enhancements during 2024, are set out on page 121.

Preparing for planned financial governance changes

We continued and built upon the work commenced during 2022 in preparation for the recently announced changes to the Code to reflect the outcome of the Government's consultation on its initiative, by BEIS, entitled 'Restoring Trust in Audit and Corporate Governance'.

The primary change is to require an explanation in each year's Annual Report as to how the Board has monitored the Company's risk management and internal control framework during the year and carried out a review of its effectiveness.

Whilst these changes do not apply until later reporting periods, we will be continuing to prepare for compliance and will also be considering whether it is possible and appropriate to introduce systems and processes to enable us to comply with some of the provisions during 2024.

Further information on our activities during 2023 and plans for 2024 in meeting the revised requirements of the Code; the wider responsibility to ensure that all applicable laws and regulations are complied with; and to assure ourselves that the business continues to operate in a controlled and well-managed way, are set out on page 120.

Key business controls

We sought and received assurances from Management, underpinned by the summary findings from Internal Audit reports conducted during the year, that key business controls, including proper segregation of duties and appropriate delegation of authority, remained effective throughout the reporting period and to the date of this report.

More information on our activities during 2023 in this area can be found on page 123.

Our interim review of progress and our final review prior to signing this report each concluded that all of those key areas of focus were satisfactorily addressed or progressed during 2023.

Audit Committee report continued

Significant items

In addition to the key areas of focus during 2023, the other key area addressed by the Committee, as it does every year, were the significant items raised during the preparation and audit of the Group's accounts for 2023. The following significant items are those that the Committee has identified and considered in discharging its duties and in considering the financial reporting of the Group:

Significant item description	Action taken
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 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 carefully considered 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.
Cladding fire safety provision	
The Company entered into the Developer Remediation Contracts with the UK Government on 13 March 2023 and the Welsh Government on 18 April 2023. These were legally binding agreements which followed the commitments previously given under the Pledge and Pact respectively. Under these agreements the Company pledged to bring all Taylor Wimpey apartment buildings built since 1992 up to the standard required by the PAS9980 guidance.	The Committee reviewed and challenged Senior Management's assessment of the costs to comply with these obligations. The Committee also reviewed updates on the progress of the rectification of buildings 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.

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. This provides each audit activity with direct access in the event that they wish to raise any matters without the presence of Management.

The audit of the 2023 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 2022.

Detection and prevention of fraud

The first full year of the new Head of Internal Audit has focused particularly on assessing and further improving the continued effectiveness of the Company's processes; controls; and reporting mechanisms for the detection and prevention of fraud in the Company's business activities. More information is set out on page 119.

Key areas of focus during 2024

Alongside fulfilling our statutory and governance functions as normal during 2024, we will give particular focus to certain key areas which we believe are important for the coming year. These are set out on page 113.

These areas are key from a Group perspective because they will influence our ways of working on a day to day basis from an IT service perspective and the assurance we have over our control environment.

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 125 to 128.

Humphrey Singer
Chair of the Audit Committee
27 February 2024

Audit Committee report continued

Committee activities during 2023

The February 2024 meeting concluded the Committee’s activities with regard to the Group’s 2023 reporting cycle which have accordingly been included in the table below.

Topic	Activity/review	February 2023	July 2023	December 2023	February 2024
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			●	
External audit	Recommended to the Board the re-appointment of PricewaterhouseCoopers LLP (PwC) as external Auditors	●			●
	Reviewed PwC’s plan for the scope of the audit of the Annual Report and Accounts 2023, 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 2022, 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	●			●

Topic	Activity/review	February 2023	July 2023	December 2023	February 2024
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 Governance assurance map		●		●
	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		●	●	
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			●	

Audit Committee report continued

Committee activities during 2023 continued

Topic	Activity/review	February 2023	July 2023	December 2023	February 2024
Internal audit	Received activity reports from Internal Audit	●	●	●	●
	Agreed Internal Audit's programme of work for the year	●			●
	Reviewed progress against Internal Audit's priorities and work plan for the year		●		●
	Reviewed the effectiveness of the Internal Audit			●	
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 2023, in order to provide a forum to raise and discuss any matters which either may wish to raise in confidence.

The Committee considers guidance as to the number of Audit Committee meetings considered to be appropriate for FTSE 100 companies such as ours, in relation to the Committee's annual plan for each year. 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 has done so on occasion in the past.

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, internal and external auditing, 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 and are reviewed each year, when assessing performance against each one, to ensure that they remain appropriate.

Committee competence

One of the key requirements 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, and that the Committee as a whole should have sufficient recent and relevant financial experience as required by the Code.

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 two other Non Executive Directors:

Mark Castle has significant operational experience in all aspects of the construction sector from his time as Chief Operating Officer of Mace Finance Ltd and previously from executive roles at Structuretone Inc and Wates Group Ltd. This particularly assists the Committee in its assessment of operational risk.

Scilla Grimble has over 17 years' executive experience in corporate finance; is currently the Chief Financial Officer at Deliveroo plc; and brings significant financial and risk-related experience.

Audit Committee report continued

Prior to stepping down from the Committee, in accordance with good governance, upon his appointment as Chair of the Board, Robert Noel brought 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 Robert Noel stepped down from the Committee, its composition was considered in relation to its annual plan, areas of focus, and expertise, and it was decided that an additional appointee was not necessary.

The Committee believes that its members collectively have the necessary competence relevant for the housebuilding sector and that its composition, balance, and expertise can give shareholders confidence that the financial reporting, internal and external auditing, 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 page 110, 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. This 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 2023, which is described more fully on page 111, and which was externally-facilitated by Manchester Square Partners, 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's audit of the Company's 2023 accounts and reports was its third since appointment as the external Auditors at the 2021 AGM. The Audit Partner is Sonia Copeland, who has held the role since PwC were appointed as external Auditors.

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.

As in previous years, a full evaluation of PwC's performance in relation to the audit of the full year results for 2022 was performed. The process followed was as set out below:

A questionnaire was distributed to the Board and key stakeholders in the audit process to evaluate the effectiveness of the external audit process.

The Committee considered the nature and extent of the non-audit work performed by PwC during the year.

The Committee considered whether PwC had appropriately challenged Management's estimates and judgements.

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.

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.

Audit Committee report continued

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. More details appear on pages 53 to 68.

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 2024 AGM (in the Notice of AGM on page 229), 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 2024.

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 2023 half year results. This non-audit service is of direct benefit to shareholders.
- By making 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.
- By providing a report for the Spanish authorities, which was required to come from the subsidiary's external Auditors, to support an application for property taxes available for land under development.

The Committee recognises and supports the importance of the independence of auditors. It reviewed each separate proposed non-audit procedure; and PwC's overall performance of non-audit services during 2023; and is satisfied that it did not, and will not going forward, impair the independence of the external Auditors. The value of non-audit services work by PwC was £0.1 million in 2023 (2022: £0.1 million) which represents approximately 9% (2022: 10%) of the audit fee as set out in Note 6 to the Accounts on page 184.

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 senior Management, 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.

Audit Committee report continued

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. Internal Audit's mandate is Group-wide and their reviews during 2023 have considered financial, operational and compliance controls.

The Internal Audit plan, and the individual audits conducted in line with that 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 combating 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.

Preparation for planned financial governance changes

The Committee has overseen preparations to comply with the recently-published UK Corporate Governance Code 2024, which embodies regulatory changes, including the minimum standards for Audit Committees, resulting from the BEIS consultation into restoring trust in audit and corporate governance. The likely general requirements have been clear for some time previously, and accordingly preparatory work has been taking place throughout 2023 and into 2024, overseen by the Committee, to ensure the Company is ready to comply from the required application timescale of 1 January 2025 (1 January 2026 for certain measures).

These preparations involved establishing a project dedicated to preparing for the Corporate Governance Reform requirements. The project steering committee is chaired by the Group Finance Director and its membership includes the Group General Counsel and Company Secretary, Group Financial Controller, IT Director and Head of Internal Audit.

The initial scope of the project focused on internal controls over financial reporting, which confirmed that there continue to be strong processes in place, including the Operating Framework and a comprehensive Finance Manual.

The scope of the project has evolved in response to FRC updates and will move into preparing for the known requirements. This will be an area of focus for the Committee in 2024 as noted on page 113.

These actions have been overseen and monitored by the Committee during 2023 and will continue to be monitored into 2024, to ensure that they are effective; that they meet the requirements of the Code; and that their implementation and embedding into the Company's processes is progressing satisfactorily.

Further details on how the Company will comply with these new measures for reporting periods 2025 and 2026 will be included in next year's Audit Committee Report.

Risk management and internal control

During 2023, the Board, assisted and advised by the Audit Committee, has carried out a robust assessment of the Company's emerging and Principal risks.

The Group has an established ongoing process of risk management, which is detailed further on pages 71 to 77. 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.

Audit Committee report continued

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 comply with the revisions to the Code in respect of strengthening the reporting on internal controls over financial, operational and compliance reporting;
- To continue to develop the Group's risk processes in light of evolving best practice; and
- To consider emerging risks that could impact on the Group's longer term strategy.

To achieve these objectives, the Committee undertook the following during 2023:

Detailed risk reviews were conducted twice during the year, at the Committee's July (half year) and December (full year) meetings and covered both the systems used and the reported risks. These considered the outputs from a bottom-up and top-down review of risk in all areas of the business and 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.

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 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 and improve the security of systems and data.

The Board was advised by the Committee 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 73.

The Committee also oversaw the further embedding of improvements in the area of risk. These related to:

Cyber security

Recognising the evolving threat landscape, we have strategically allocated resources to further strengthen our cyber defences and resilience. Investments have been made in advanced threat detection and incident response capabilities which both formed part of the Cyber Security Roadmap which set out the programme of activity for the coming years. Internal Audit, with external subject matter expert support, reviewed the development of the roadmap and their conclusion was that it was comprehensive and delivery of the roadmap initiatives is well managed. We have also focused employee training and awareness on the threats in this area as we recognise the important role of our employees in helping to identify and report potential cyber breaches. Training completion is regularly checked by Internal Audit and we have seen the completion rate improve year on year both from Internal Audit's support and the benefits of our awareness programmes.

Production processes

The programme to digitalise our production processes made good progress during 2023. Its objective is to deliver an improvement in production build quality, efficiency and productivity, and site staff wellbeing through the better use of technology, including simple applications and user-friendly devices. Internal Audit attends the programme board meetings and updates the committee on progress. The Committee also receives updates directly on these important initiatives from the IT Director.

Change programme

The Group delivered a change programme at the beginning of 2023, the objective of which was to right-size the business in response to the changing and uncertain market conditions. The Committee sought assurance that key business controls, in particular segregation of duties and delegation of authority remain effective. Internal Audit considered this in their workplan and has confirmed that key business controls remain effective.

Action to mitigate the effect of each risk is led by the Chief Executive in conjunction with the relevant member of the GMT.

Risk management and mitigation 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 74 to 77 together with information on the mitigations for each risk.

Audit Committee report continued

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 2024, 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 71 to 77 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 2023 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 Committee reviewed details of the proposed enhancements to the Group's cyber resilience and assured itself, prior to their introduction, that they were appropriate and could reasonably be expected to deliver enhanced protection to the Group's key operating systems.

The Head of Internal Audit attends the IT Steering Committee meetings; and Internal Audit is represented on key project teams, including the upgrade of the financial consolidation and reporting system and the bank payment system.

Internal Audit has taken on the function of Business Continuity and will be improving response planning to a business impacting level incident in 2024.

Both our Logistics and financial consolidation and reporting solutions were upgraded during 2023 with both hardware and software improvements completed.

Other improvements included:

- Increased resources and improved approach to working with projects to ensure security is embedded by design.
- Extending our security controls to cover a wider range of IT services.
- A step improvement in monitoring vulnerabilities and remediating them promptly.
- Introducing a more extensive testing regime for security vulnerabilities in legacy systems.

Plans for further enhancements to cyber resilience during 2024 include:

- Further development of our business continuity readiness plan, being undertaken by Internal Audit.
- Transition to a new approach for managing IT services within the Group, including new security services.
- Improving our monitoring of key suppliers' cyber security ratings.

Read more about cyber risks and our response and mitigation processes on **page 77**

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

Audit Committee report continued

Key processes and controls

Another key area of focus for the Committee during 2023 was gaining assurance on required changes to key processes and controls that might have been affected by known legislative changes impacting the industry through 2023 and into 2024, in particular the requirements of the New Homes Quality Code (NHQC), Parts L and F of the Future Homes Standard and expected requirements of the FRC's Corporate Governance reforms.

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 continue to monitor performance of, and compliance with, NHQC mandatory requirements.

Group assurance map

A Group assurance map has been developed to provide a summary of the three lines of assurance: management, oversight function and Internal Audit; to the GMT, the Audit Committee and the Board. Assurance is mapped against our recognised key risks and 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. The Head of Internal Audit coordinates this process and updates the Audit Committee at its July and December meetings.

Going concern

The Group has prepared forecasts, including various sensitivities, and has taken account of the Principal Risks and uncertainties identified on pages 71 to 77. The Committee reviewed the forecasts and the Directors' expectations based thereon; questioned Management as to the source; robustness; and efficacy of them; and agreed that they were reasonable. In consequence, the Committee advised the Board that in its view they appropriately supported an assessment that the Company remains a going concern. Having independently considered these forecasts and the advice thereon from the Committee, 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 12 months from the date of this report. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Read more about our Principal Risks on **pages 71 to 77**

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 the methodology; the outputs; and whether there should be any change to the five-year period chosen for the statement. 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 outcome of this assessment was that they advised the Board that in their view, the Company can give the viability statement incorporated into this Annual Report and Accounts, and that the five-year period over which it applied, 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 statement appears on pages 82 to 83 together with details of the processes, assumptions and testing which underpin it.

Audit Committee report continued

Annual Report and Accounts 2023

Fair, balanced and understandable

The Committee considered whether, in its opinion, the Annual Report and Accounts 2023, taken as a whole, is fair, balanced and understandable, and that it included the information necessary for shareholders to assess the Group's position, performance, business model and strategy.
The process followed in making that assessment was as follows:

→ The Committee monitors the integrity of the Group's reporting process and financial management and the work of the external Auditors.

→ The Committee challenges any significant financial judgements and estimates made by Management and the external Auditors' review of them.

← The Committee considers the output from the review process and reviews the full year and half year financial statements before proposing them to the Board for consideration and approval.

← The review of the Company's Annual Report and Accounts 2023 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, all overseen by the Executive Directors and Group General Counsel and Company Secretary.

← The Committee ensured that there is a clear and unified link between the 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 considered the following in relation to this Annual Report and Accounts:

- Reviewed all material matters, including the significant items set out on page 115.
- Reviewed with Management the overall presentation of Alternative Performance Measures (APMs), which the Company uses as important financial performance indicators to assess the underlying performance of the Group, to ensure the APMs are not given undue prominence and that any adjustments are explained clearly.
- Considered the Directors' statements as to the amount and availability of distributable reserves in relation to dividends proposed by the Board.
- 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.

Recommendation to the Board

The outcome of the above process, together with the views presented by the External Auditors PwC, was that the Committee recommended to the Board that it could give the confirmation on page 156, that the Annual Report and Accounts 2023, 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.

Compliance statement

Our compliance statement sets out how the principles of the 2018 UK Corporate Governance Code (the Code) have been applied for the year ended 31 December 2023.

The Company complied with all provisions of the Code throughout the year, having eliminated at the end of 2022 the non-compliance with Provision 38 (executive director pension contributions) as reported in last year's Annual Report and Accounts, save for Code Provision 32 (Remuneration Committee composition) in respect of which the non-compliance ended with the appointment of two additional independent Non Executive Directors, Mark Castle and Clodagh Moriarty to the Remuneration Committee on 27 April 2023. More information can be found on page 152.

1. Board leadership and Company purpose

Principle	Application
A. A successful company is led by an effective and entrepreneurial board, whose role is to promote the long term sustainable success of the company, generating value for shareholders and contributing to wider society.	The Taylor Wimpey plc Board is collectively responsible for creating the sustainable long term success of the business 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. The Company's clear and effective governance structure is a key foundation to success. This framework is clearly documented in the Articles of Association, Division of Responsibilities, Schedule of Matters Reserved for the Board and Terms of Reference for each Board Committee, which can all be found on our website. Our governance structure ensures that the Board and its Committees, the Group Management Team (GMT) and Senior Management are able to make decisions effectively for the benefit of all of our stakeholders.
B. The board should establish the company's purpose, values and strategy, and satisfy itself that these and its culture are aligned. All directors must act with integrity, lead by example and promote the desired culture.	The Board ensures that the Company's purpose, values, strategy and culture are aligned. Our purpose is to build great homes and create thriving communities and our values are to be respectful and fair, take responsibility, create a better tomorrow and to be proud. 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.
C. The board should ensure that the necessary resources are in place for the company to meet its objectives and measure performance against them. The board should also establish a framework of prudent and effective controls, which enable risk to be assessed and managed.	Our Chief Executive leads the GMT in the execution of 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 collectively over 150 years of service at Taylor Wimpey and even longer in the housebuilding industry. At each Board meeting, the Board receives updates from each GMT member, along with key Heads of Functions to provide updates on key stakeholder groups, performance in the period and employee matters. The Board also receive regular reports and minutes from the Company's Treasury Committee, which is chaired by the Group Finance Director. There is a framework of delegated authority approved by the Board, within which the individual responsibilities of Senior Management are identified and can be monitored.
D. In order for the company to meet its responsibilities to shareholders and stakeholders, the board should ensure effective engagement with, and encourage participation from, these parties.	The Board actively seeks and encourages regular engagement with all of our stakeholders and believes that responding to feedback supports the long term sustainability of our business.
E. The board should ensure that workforce policies and practices are consistent with the company's values and support its long term sustainable success. The workforce should be able to raise any matters of concern.	The Company has a number of workforce policies and practices which are available on our website. The Whistleblowing Policy provides a clear procedure for employees to report concerns either to their line manager or through a third party whistleblowing hotline if they wish to remain anonymous. All whistleblowing cases are investigated by the Head of Internal Audit, Group HR Director, the Head of HSE and /or the Group General Counsel and Company Secretary, depending on the nature of the matter. The Board receives half yearly whistleblowing updates which set out any issues raised during the period and interim updates on significant matters. The updates provided are anonymous and summarise the result of any investigation. The Company has policies on its zero tolerance approach to bribery and corruption which are shared across the business annually. Individuals are requested to review training videos on anti-corruption; anti money laundering and competition law and are asked to confirm continued compliance with the policies.

Compliance statement continued

2. Division of responsibilities

Principle	Application
F. The chair leads the board and is responsible for its overall effectiveness in directing the company. They should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate. In addition, the chair facilitates constructive board relations and the effective contribution of all non executive directors, and ensures that directors receive accurate, timely and clear information.	The roles and responsibilities of the Chair, Chief Executive, Senior Independent Director and Employee Champion are reviewed annually and signed by the relevant parties. The Division of Responsibilities document is available on our website. To support the effective discharge of the Board's responsibilities, the Chair and Chief Executive maintain regular dialogue outside of the boardroom to ensure an effective and ongoing flow of information. The Chair is also in contact with the Group Finance Director and Non Executive Directors on a regular basis between meetings.
G. The board should include an appropriate combination of executive and non executive (and, in particular, independent non executive) directors, such that no one individual or small group of individuals dominates the board's decision making. There should be a clear division of responsibilities between the leadership of the board and the executive leadership of the company's business.	The Board consists of nine Directors, including the Chair, two Executive Directors, five independent Non Executive Directors and one non independent Non Executive Director. The Board considers this balance to remain appropriate and will continue to keep this under review during 2024. The roles of the Chair and the Chief Executive are separate; clearly defined in detail; and reviewed annually. The Board and individual Directors are supported by the Group General Counsel and Company Secretary, to whom they have access at all times.
H. Non executive directors should have sufficient time to meet their board responsibilities. They should provide constructive challenge, strategic guidance, offer specialist advice and hold management to account.	In between Board meetings, Non Executive Directors have access to Senior Management at all times. Non Executive Directors are encouraged to visit regional businesses and sites. In 2023, the Non Executive Directors completed 30 regional business visits and 20 site visits. In 2024, each Non Executive Director is requested to visit at least one regional business or site per quarter.
I. The board, supported by the company secretary, should ensure that it has the policies, processes, information, time and resources it needs in order to function effectively and efficiently.	The Directors receive information one week before meetings take place to allow sufficient time for a detailed review of the documentation.

Compliance statement continued

3. Composition, succession and evaluation

Principle	Application
J. Appointments to the board should be subject to formal, rigorous and transparent procedure, and an effective succession plan should be maintained for board and senior management. Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social and ethnic backgrounds, cognitive and personal strengths.	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. The Nomination and Governance Committee considers the succession plans for the Board, GMT, Heads of Functions as well as wider workforce planning for certain roles including our regional businesses' managing directors.
K. The board and its committees should have a combination of skills, experience and knowledge. Consideration should be given to the length of service of the board as a whole and membership regularly refreshed.	The Board members' skills, experience and knowledge are considered to be varied and appropriately balanced. The Nomination and Governance Committee consider the tenure of Non Executive Directors and are conscious that the Code does not consider them to be independent after they have served on the Board for nine years.
L. Annual evaluation of the board should consider its composition, diversity and how effectively members work together to achieve objectives. Individual evaluation should demonstrate whether each director continues to contribute effectively.	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. At least every three years, this process is externally facilitated, most recently for the 2023 Board evaluation.

4. Audit, risk and internal control

Principle	Application
M. The board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements.	The Audit Committee evaluated the performance of the external Auditor and concluded that the audit process continues to be effective; that the quality and sufficiency of PwC's engagement team remains appropriate; that PwC remain independent; and that there continue to be effective and independent reporting lines available to the external Auditors direct to the Committee and its Chair. The Head of Internal Audit reports directly to the Chair of the Audit Committee, with a secondary reporting line to the Group Finance Director, which 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.
N. The board should present a fair, balanced and understandable assessment of the company's position and prospects.	The Audit Committee considered whether, in its opinion, the Annual Report and Accounts 2023, taken as a whole is 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 Audit Committee completed a review process and recommended to the Board the approval of the Annual Report and Accounts 2023.

Compliance statement continued

4. Audit, risk and internal control continued

Principle	Application
O. The board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the Principal risks the company is willing to take in order to achieve its long term strategic objectives.	The Company has an established ongoing process of risk management and the Audit Committee monitors the 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.

5. Remuneration

Principle	Application
P. Remuneration policies and practices should be designed to support strategy and promote long term sustainable success. Executive remuneration should be aligned to company purpose and values, and be clearly linked to the successful delivery of the company's long term strategy.	The Remuneration Committee ensures 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 to the long term interests of the Company's stakeholders.
Q. A formal and transparent procedure for developing policy on executive remuneration and determining director and senior management remuneration should be established. No director should be involved in deciding their own remuneration outcome.	The Remuneration Committee regularly reviews the Remuneration Policy (the Policy) and it is put to a shareholder vote at least every three years. The Committee considers that the Policy aligns with market practice, the Code requirements and investor guidelines. No Director or Senior Management is involved in any decisions about his or her own remuneration.
R. Directors should exercise independent judgement and discretion when authorising remuneration outcomes, taking account of company and individual performance, and wider circumstances.	The Remuneration 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 the Remuneration Policy 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.

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 101**

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 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 113**

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 107**

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 131**

Group Management Team

The Company's Executive Committee, the Group Management Team (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 comprises the Group Finance Director, Group HR Director, Group General Counsel and Company Secretary, Group Managing Director Strategic Land and the Divisional Chairs.

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 2023 and signed by Robert Noel, Jennie Daly and Humphrey Singer 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
Robert Noel

- Lead and ensure the effectiveness of the Board in directing the Group
- 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 Group's stakeholders and maintain an appropriate balance between the interests of all stakeholders
- Demonstrate objective judgement

Senior Independent Director
Humphrey Singer

- 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

Non Executive Directors
Mark Castle, Irene Dorner, Lord Jitesh Gadhia, Scilla Grimble, Clodagh Moriarty

- Provide constructive challenge to the Executive Directors
- Provide strategic guidance to the Group
- 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 Group to meet their responsibilities

Executive Directors

Chief Executive
Jennie Daly

- Ensure effective leadership and day to day running of the Group
- Lead the GMT and oversee key functions
- Develop and implement the Group'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 Group'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 Group's finances, including treasury and tax matters
- Lead the finance, tax, treasury, IT, internal audit and pensions functions
- Oversee the Group's risk profile, in conjunction with the GMT
- Agree the Group'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
- Responsible for all legal and compliance matters relating to the Group
- Oversee the Group's Legal and Secretariat functions

Employee Champion

Mark Castle

- 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

Remuneration Committee report

Management has delivered a good financial performance with profit at the top end of our guidance and completions in line with guidance. We also delivered good progress against our ESG measures in 2023."

Lord Jitesh Gadhia
Chair of the Remuneration Committee

Committee members

Committee members	Meeting attendance
1. Lord Jitesh Gadhia (Chair)	5/5
2. Robert Noel	5/5
3. Mark Castle[(a)]	2/2
4. Clodagh Moriarty[(a)]	2/2
5. Irene Dorner[(b)]	3/3

(a) Appointed to the Committee on 27 April 2023.
(b) Stood down from the Committee on 27 April 2023.

Key activities of the Remuneration Committee in 2023

- Implemented the Directors' Remuneration Policy (the Policy) following shareholder approval at the 2023 AGM
- Determined the 2023 salary levels for the Chief Executive and Group Finance Director
- Agreed the targets applicable to the 2023 Executive Incentive Scheme and 2023 Performance Share Plan Awards
- Reviewed base salary levels for Senior Management
- Considered wider workforce remuneration arrangements
- Considered how the Policy should be applied in 2024

"The Committee reviewed the approach taken in respect of wider workforce remuneration in light of the continuing cost of living challenges and approved a tiered approach to salary increases during 2023 with higher percentage increases for lower paid employees. The Committee was pleased with the positive feedback received from the NEF members regarding the approach taken by the Committee."

Lord Jitesh Gadhia
Chair of the Remuneration Committee

Quick links

Remuneration Committee report continued

Dear Shareholder

As Chair of the Remuneration Committee (the Committee), I am pleased to present our 2023 Directors' Remuneration Report on behalf of the Board.

Remuneration Policy

Following our detailed policy review in late 2022 and early 2023, our current Policy was approved by shareholders at the 2023 AGM with over 91% of shareholders voting in favour. I would like to thank you all for your engagement throughout the Policy review process and your continued support.

The Committee considers that the Policy continues to remain appropriate and should therefore continue to operate in the same manner during 2024.

Executive Director remuneration decisions and outcomes

Variable incentive schemes

In 2023, Taylor Wimpey and the wider housebuilding sector's volumes and earnings were impacted by the reduction in customers' affordability as a result of increased mortgage rates. Under the 2023 Executive Incentive Scheme (EIS), Management has delivered a good financial performance with profit at the top end of our guidance and completions in line with guidance and has also delivered good progress against our ESG measures in 2023. Based on the performance assessment set out on page 142, this resulted in an overall outcome of 91% of maximum. In line with the Policy, one third of the 2023 EIS will be deferred into shares for three years.

The Performance Share Plan (PSP) awarded in 2021, measuring performance in the 2021 to 2023 period, will vest at 40% of maximum. The Company did not meet threshold performance for return on net operation assets (RONOA), operating profit margin and customer service but Taylor Wimpey's total shareholder return (TSR) of +7.7% placed the Company in the top quartile of the housebuilding peer group over this period. The shares vesting will be subject to a two year post-vesting holding period.

No discretion was used or deemed to be required by the Committee under either the EIS or PSP. The Committee noted the delay to the EIS and PSP target-setting process in 2023 as a result of the market conditions at the time. The later timing of the target-setting process enabled more appropriate target ranges to be set for the financial measures, which were higher than the ranges that would have been set around the original business plan numbers at the start of the year, with the target level of performance set ahead of the budget level.

Furthermore, at the end of the year the Committee assessed the formula-driven outturn and determined that the level of payout across the EIS measures was appropriate and reflective of strong management performance in the face of significant headwinds, with a rigorous focus on cost discipline and volumes in order to deliver profit for the year at the top end of guidance. The Committee also considered shareholder and broader stakeholder experience over the year. In particular, the differentiated dividend policy underpinning shareholder returns and the payout levels under the broader all employee bonus plans which is broadly reflective of the 2023 EIS.

Accordingly, the Committee did not exercise any discretion to adjust any formula driven outturn in relation to the EIS.

The Committee has also determined that the PSP Award value on vesting was in line with underlying performance and there was no windfall gain due to market share price movements.

The Committee did not adjust the EIS or PSP performance targets during 2023. Further details on both the EIS and PSP outcomes can be found on page 142.

Looking ahead to 2024

Salary and pension

The salaries for the Executive Directors will be increased by 3% with effect from 1 April 2024. This is in line with the Senior Management population, and lower than the 5% average increase for the wider workforce.

EIS

Executive Directors will continue to be able to earn up to 150% of salary under the 2024 EIS. The EIS performance measures for 2024 remain unchanged from 2023, with 70% of the outcome to be determined against financial metrics, and the remainder against build quality and customer satisfaction assessments.

The measures are set out on page 144 together with the strategic rationale. We consider the target ranges carefully each year, ensuring an appropriate balance between achievability and stretch. Detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

Remuneration Committee report continued

PSP

The PSP will operate in accordance with the Policy and it is expected that Executive Directors will be granted awards to the value of 200% of salary.

In line with the 2023 Award, the measures for the 2024 Award will be based on relative TSR versus a sector peer group, operating profit margin, RONOA, customer service and carbon emissions reductions. The measures and targets are set out on page 145 together with the strategic rationale.

To the extent the awards vest, any shares will be subject to a two year holding period.

Chair and Non Executive Director

The Committee reviewed the Chair's fee and agreed an increase of 3%, in line with the increase provided to the Executive Directors. The Board, excluding the Non Executive Directors who were conflicted, also reviewed the fees payable to the Non Executive Directors and agreed the same increase of 3% with effect from 1 April 2024. Further information on the Chair and Non Executive Director fees is set out on page 147.

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 continuing cost of living challenges and approved the continuation of the tiered approach to the salary review process for 2024, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 3% to 6%, and as previously mentioned, the Executive Directors and Senior Management will all receive 3%. The average workforce increase is 5%. 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 149 to 151.

Stakeholder engagement

As part of the Policy review process undertaken in 2023, I wrote to 26 institutional shareholders representing circa 60% of our issued share capital to provide an overview of the proposed minor amendments. The feedback received was positive and constructive.

The Employee Champions Robert Noel and subsequently Mark Castle (who are also members of the Committee) engaged with the workforce via the National Employee Forum (NEF) through the year and brought this perspective into the Committee discussions. The NEF received three updates on remuneration during the year; one relating to the Policy review process and two relating to wider workforce remuneration where the NEF received an overview of the 2023 bonus payment and 2023 salary review process. The Committee were pleased with the positive feedback received from the NEF members regarding the tiered approach taken by the Committee for the 2023 salary review.

Closing remarks

On behalf of the Committee, I would like to thank shareholders for their engagement to date and look forward to their support for the decisions and rationale set forth in this report.

Lord Jitesh Gadhia
Chair of the Remuneration Committee
27 February 2024

Introduction

The 2023 Remuneration Committee report includes disclosures which reflect in full the Regulations (as defined below) on remuneration reporting, divided into three sections:

- The annual statement from the Committee Chair.
- Remuneration Policy: a summary of the Policy that was approved by shareholders at the 2023 AGM, describing the framework within which the Company remunerates its Directors.
- Annual Report on Remuneration: this sets out how the current Policy was applied during 2023 and how the Policy will be operated during 2024.

The Policy and these remuneration reports have been prepared in accordance with the relevant provisions 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:

1 Attraction

Attracting talent to our Company through a competitive compensation package

2 Engagement

Incentivising, motivating, and recognising success

3 Retention

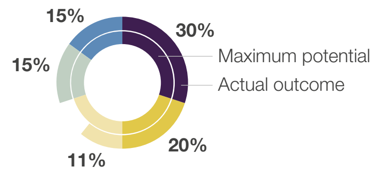
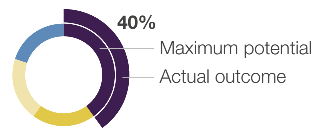
Remaining agile to employee needs and market changes

Overview of key elements included in the Directors' Remuneration Policy

Fixed pay

Remuneration element	Element timeline (years)	Implementation in 2023
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.	0 1 2 3 4 5 Base salary	**3%** **Salary increase for the Executive Directors effective 1 April 2023**

Variable pay

	Element timeline (years)	Implementation in 2023
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	0 1 2 3 4 5 Two thirds cash One third deferred into shares for three years	**2023 EIS outcome** 
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	0 1 2 3 4 5 Performance period Holding period post-vesting	**2021 PSP Award outcome** 

Remuneration Committee report continued

Proposed application of the Policy in 2024

	Measure	Rationale	Link to strategic cornerstone	Link to Group financial target	Link to Group KPI / APM	Link to stakeholder
EIS	**Operating profit**	Maximise aggregate profit	Operational excellence		✓	✓
	Operating profit margin	Optimise sales prices and improve cost discipline	Operational excellence	✓		✓
	Cash conversion	Maximise the generation of cashflow from profits	Capital allocation		✓	✓
	Build quality	Deliver high quality homes with the need for less remediation	Operational excellence, Sustainability		✓	✓
	Customer service (8-week)	Maintain customer trust and endorse Company reputation	Sustainability		✓	✓
PSP	**TSR v peer group**	Align the rewards received by executives with the returns received by shareholders	Sustainability, Capital allocation			✓
	Operating profit margin	Optimise sales prices and improve cost discipline	Operational excellence	✓		✓
	RONOA	Maintain focus on driving increased capital efficiency	Capital allocation	✓		✓
	Customer service (9-month)	Maintain customer trust and endorse Company reputation	Sustainability		✓	✓
	Carbon emissions reduction	Support the Company's strategy on carbon emissions reductions across our operations	Sustainability		✓	✓

Read more about our strategic cornerstones and KPIs on **pages 30 to 38;** our financial targets on **page 8;** our APMs on **page 81;** and our stakeholders on **pages 84 to 86**

Key to our strategic cornerstones

- Land
- Operational excellence
- Sustainability
- Capital allocation

Key wider workforce highlights in 2023:

59%

of employees are either shareholders or participate in an all-employee share plan (2022: 58%)

Real Living Wage employer accreditation

7.6%

increase in average salary below the GMT

Read more about wider workforce remuneration on **pages 149 to 151**

Summary of the Remuneration Policy

The current Directors' Remuneration Policy (the Policy) was approved by 91.7% of shareholders at the 2023 AGM. The 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.

A summary of the Policy is set out in this report with the full version, as approved by shareholders, available to view on the Company's website and in the 2022 Annual Report and Accounts.

When the Committee designed the Policy and its operation, it has considered the factors in Provision 40 of the 2018 UK Corporate Governance Code (the Code). Full details on how clarity, simplicity, risk, predictability, proportionality and alignment to culture are addressed can be found on page 140.

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 malus and clawback 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.

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; and • 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 are not limited to: • Company-provided car or a cash allowance; • Healthcare; • Life assurance; and • A 5% discount on the price of a new home acquired from the Group. 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.	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

Remuneration Committee report continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
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.
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

Remuneration Committee report continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
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.

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)
Robert Noel[(b)]	15 December 2022	6
Mark Castle	1 June 2022	6
Irene Dorner	1 December 2019	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.

(b) Robert Noel signed a new letter of appointment when he was appointed as Chair that superseded his original service agreement dated 1 October 2019.

Remuneration Committee report continued

Annual Report on Remuneration

This section sets out how the Policy was applied for the year ended 31 December 2023. The Annual Report on Remuneration, including the Chair's annual statement on pages 131 to 133, will be put to an advisory shareholder vote at the AGM on 23 April 2024. Details of the resolution are set out in the Notice of Meeting on page 231.

During the year, the Policy (as approved by shareholders at the 2023 AGM), operated as intended providing a robust link between Company performance and remuneration and the Committee has not used discretion or adjusted performance measures and the respective targets during the year.

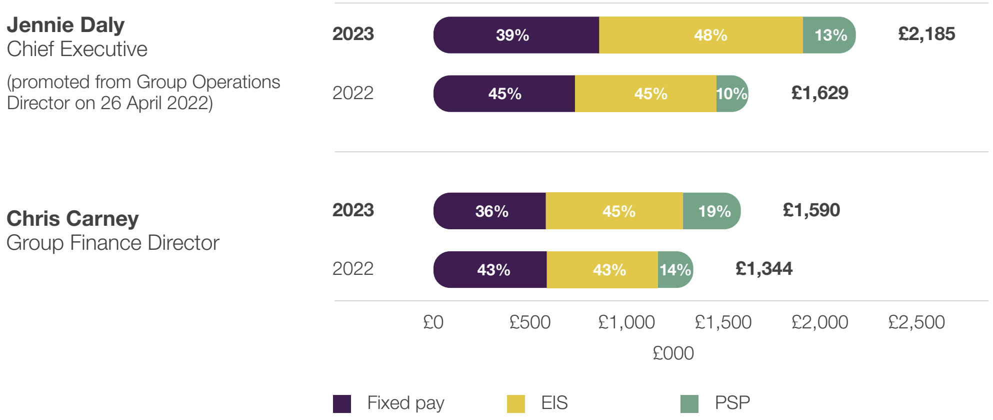
Complying with the UK Corporate Governance Code in 2023

Clarity – remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• A consistent approach to Directors' remuneration has operated over many years and our disclosures in the Directors' Remuneration Reports are set out in a transparent manner. • There is a proactive and open approach to engaging with shareholders and the wider workforce, as described on page 133.
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 tables on pages 134 and 135 show 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 performance measures and targets used for the incentive plans 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.	• The range of likely performance outcomes is considered when setting performance target ranges and discretion is used 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 purpose and values. Decisions on executive pay are taken in the context of the wider stakeholder experience.

Implementation in 2023

Total remuneration received (£000) (audited)

The chart below compares the 2023 single figure total remuneration for each of the Executive Directors with the equivalent figure for 2022.



Remuneration Committee report continued

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 2023 and 2022.

	Jennie Daly[(a)]		Chris Carney	
£000	**2023**	2022	**2023**	2022
Base salary	**767**	642	**516**	501
Benefits[(b)]	**13**	19	**13**	12
Pension[(c)]	**77**	71	**52**	73
Total fixed pay	**857**	732	**581**	586
EIS[(d)]	**1,054**	730	**710**	575
PSP[(e)]	**274**	167	**299**	183
Total variable pay	**1,328**	897	**1,009**	758
Total pay	**2,185**	1,629	**1,590**	1,344

(a) Jennie Daly – Jennie became Chief Executive on 26 April 2022 and her 2022 EIS payment was pro-rated to time as Group Operations Director and Chief Executive.
(b) Benefits – corresponds to the value of taxable benefits in respect of the year ended 31 December 2023, as set out in the table below.
(c) Pension – these figures represent pension contributions up to the amount permissible under HMRC rules and cash allowances beyond that level.
(d) EIS – the 2023 EIS outcome was 91% and further details can be found on this page and page 142. The 2022 EIS outcome was 76%. 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.
(e) PSP – the outcomes of the 2020 and 2021 PSP Awards included in the 2022 and 2023 columns can be found on page 143. 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 2022 figure has been restated to reflect the share price on the date the Award vested. The 2023 figure has been calculated using a share price of 123.30 pence as this was the average share price for the dealing days in the last three months of the financial year.

Salaries in 2023 (audited)

The Committee awarded Jennie Daly and Chris Carney a 3% increase, with effect from 1 April 2023, which was lower than the average increase for the general workforce.

Benefits (audited)

£000 **Benefits**	**Jennie Daly** **2023**	**Chris Carney** **2023**
Car	**5**	**2**
Healthcare	**2**	**6**
Life assurance	**4**	**3**
All-employee share schemes[(a)]	**2**	**2**
Total	**13**	**13**

(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 was 10%, which is the same rate available to the majority of the workforce (10%) and as such, the Company was compliant with Provision 38 of the Code from 1 January 2023.

The value of Company pension contributions in 2023 for Jennie Daly and Chris Carney was:

Director	**2023** **(£)**	2022 (£)
Jennie Daly	**8,500**	3,974
Chris Carney	**8,500**	3,994

Jennie and Chris also received pension allowances of £68,183 (2022: £67,407) and £43,103 (2022: £68,600) respectively in lieu of Company pension contributions over the Tapered Annual Allowance limit introduced in April 2016. No additional benefit is accrued if an Executive Director retires early.

EIS in 2023 (audited)

At the start of the year, the Committee carefully considered the approach to target setting for the 2023 EIS, in light of the sharp and sudden downturn in market conditions during Autumn 2022, relating to volume and the continuing volatility in build cost inflation.

As noted in last year's Directors' Remuneration Report, recognising that the uncertain market conditions required an enhanced focus on financial performance, the proportion based on financial measures was increased from 60% to 70% of the overall bonus opportunity. It was also noted that the finalisation of the precise weightings and targets would be delayed slightly until after the publication of the 2022 Annual Report and Accounts.

The Committee finalised the weightings and targets in early April 2023. Within the 70% financial element, the balance between operating profit, operating profit margin and cash conversion changed slightly from the 2022 EIS, to give a higher proportionate focus on margin and cash conversion. The timing of the target-setting process enabled more appropriate target ranges to be set for the financial measures, which were higher than the ranges that would have been set around the original business plan numbers at the start of the year, with the target level of performance set ahead of the budget level.

Remuneration Committee report continued

The outcome of the 2023 EIS is 91% of the maximum and the chart below shows the performance against the targets set and the payout level under each element.

Performance measure	Weighting	Summary of targets Entry (10%)	Target (50%)	Stretch (100%)	Result	Payout (%)
Operating profit	30%	£353m	£413m	£453m	£470.2m	30%
Operating profit margin	20%	10.0%	11.8%	13.0%	13.4%	20%
Cash conversion	20%	160%	180%	200%	181.8%	11%
Build quality[a]	15%	92.0%	93.0%	94.0%	95.6%	15%
Customer service 8-week[b]	15%	90.5%	91.0%	92.0%	92.1%	15%
Total	**100%**					**91%**

(a) Build quality is measured externally through the NHBC Construction Quality Reviews (CQR).

(b) Percentage of customers who would recommend Taylor Wimpey to a friend from the independently measured NHBC 8-week survey.

At the end of the year the Committee assessed the formula-driven outturn and determined that the level of payout across the EIS measures was appropriate and reflective of strong management performance with a rigorous focus on cost discipline and volumes delivering full year profit at the top end of guidance in light of significant market uncertainty. The Committee also considered shareholder and broader stakeholder experience over the year. In particular, the differentiated dividend policy underpinning shareholder returns and the payout levels under the broader all employee bonus plans which is broadly reflective of the 2023 EIS. Accordingly, the Committee did not exercise any discretion to adjust any formula driven outturns in relation to the EIS.

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.

PSP in 2023 (audited)

2021 PSP Award outcome

The PSP awarded in 2021, measuring performance in the 2021 to 2023 period, will vest at 40% of maximum. The Company did not meet threshold performance for RONOA, operating profit margin and customer service but Taylor Wimpey's TSR of +7.7% placed the Company in the top quartile of the housebuilding peer group over this period. The Committee determined that the outcome was not inflated by windfall gains as the 2021 Award was granted using a share price of 174.02 pence.

The chart below shows the performance against the 2021 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: 7.7% Upper quartile: 7.3%	40%
RONOA[b]	20%	22.0%	25.0%	21.1%	0%
Operating profit margin[b]	20%	18.5%	20.5%	17.9%	0%
Customer service 9-month[c]	20%	78.0%	81.0%	77.7%	0%
Total	**100%**				**40%**

(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 operating profit margin measures, which are based on the average annual performance over the three-year performance period.

(c) The customer service measure is based on the single question 'Would you recommend your builder to a friend?' from the independently measured NHBC 8-week survey.

Remuneration Committee report continued

PSP Awards included in the 2022 and 2023 single total figure of remuneration table

The table below sets out the number of shares each Executive Director received after the vesting of the 2020 and 2021 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)
2023[(a)]	**Jennie Daly**	**459,726**	**800**	**31/12/2023**	**40.0%**	**183,890**	**37,898**	**221,788**	**28/02/2024**	**–**	**274**
	Chris Carney	**503,400**	**877**	**31/12/2023**	**40.0%**	**201,360**	**41,499**	**242,859**	**28/02/2024**	**–**	**299**
2022[(b)]	Jennie Daly	391,581	800	31/12/2022	32.3%	126,480	16,395	142,875	02/03/2023	–	167
	Chris Carney	429,368	877	31/12/2022	32.3%	138,685	17,977	156,662	02/03/2023	–	183

(a) The 2021 PSP Award is included in the 2023 single total remuneration figure. The performance against each of the performance measures is noted in the graph on page 142. A share price of 123.30 pence was used to calculate the value of the Award vesting on 28 February 2024 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 2024 to reflect the share price on the date the Award vests. Dividend equivalents will be paid in shares.

(b) The 2020 PSP Award is included in the 2022 single total remuneration figure. The overall performance of the Award can be seen on page 139 of the Annual Report and Accounts 2022. The closing share price on the date the Award vested (116.75 pence) has been used to recalculate the Award. Dividend equivalents were paid in shares.

PSP Awards granted during 2023

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.

Recognising the outlook over the performance period for lower profitability across the entire housing sector and continuing economic uncertainty, the Committee set the target ranges for operating profit margin and RONOA at lower levels and with a broader range between threshold and maximum than in previous years, to provide the appropriate balance between setting targets that are achievable, but at the same time stretching. The target ranges for all measures are, in the view of the Committee, equivalently challenging to the ranges set in prior years. Operating profit margin and RONOA will be assessed based on performance in 2025. This was considered preferable to measuring performance based on a three-year average, due to continued unusually high volatility in the market in 2023 and which was considered likely to continue into 2024.

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	28/04/2023	£1,500,000	1,207,243	31/12/2025
Chris Carney[(a)]	Nil-cost option	200	28/04/2023	£1,009,400	812,394	31/12/2025

(a) The share price (124.25 pence) used to calculate the number of shares awarded to Jennie and Chris was based on the average closing share price over the three business days prior to grant (25, 26 and 27 April 2023).

Performance measure	Weighting	Threshold (25%)	Maximum (100%)
TSR v peer group[(a)]	40%	Median	Upper quartile
Operating profit margin in 2025	15%	13%	18%
RONOA in 2025	15%	14%	19%
Customer service in 2025[(b)]	15%	78.5%	81.5%
Carbon reduction in 2025 (from a 2019 baseline)[(c)]	15%	-34%	-38%

(a) The peer group comprises Barratt Developments, Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Redrow and Vistry Group.

(b) 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 2023 EIS customer service measure.

(c) This will be based on a reduction in absolute Scope 1 and 2 carbon emissions based on the 2019 baseline.

Remuneration Committee report continued

Payments for loss of office and payments to former Directors (audited)

No payments have been made for loss of office during 2023.

Pete Redfern, former Chief Executive, received a 2021 PSP Award of 1,004,687 shares, which has been pro-rated to the date he left the business on 8 December 2022. The basis for the treatment of this Award, together with other elements of his remuneration, was set out in the Annual Report and Accounts 2022 and as set out on page 142 of this report, the Award will vest at 40% of maximum based on performance from 1 January 2021 to 31 December 2023. Accordingly, Pete will receive 309,665 shares (which includes accrued dividend shares) on 28 February 2024, which are equivalent in value to £381,817. Pete will be required to retain the vested shares for a two year holding period. This is consistent with Pete's remuneration arrangements as disclosed in the Annual Report and Accounts 2022.

Approach to remuneration in 2024

2024 salary review

The Committee has approved a tiered approach to the Group salary review process for 2024, ensuring that lower paid employees receive a higher percentage. The salary increases approved by the Committee range from 3% to 6%, and the Executive Directors and Senior Management will all receive 3%.

Executive Director	As at 1 April 2023	**As at 1 April 2024**	% Change
Jennie Daly	£772,500	**£795,675**	3%
Chris Carney	£519,841	**£535,436**	3%

2024 EIS

Directors will be able to earn up to 150% of salary under the 2024 EIS. The EIS performance measures for 2024 also remain in line with 2023, with a 70% weighting on financial performance recognising the importance in a challenging market. 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. Detailed retrospective disclosure of the weightings, targets and performance against them will be provided next year in the usual way.

Performance measure	Weighting	Rationale
Operating profit	30%	Maximise aggregate profit
Operating profit margin	20%	Optimise sales prices and improving cost discipline
Cash conversion	20%	Maximise the generation of cashflow from profits
Build quality[a]	15%	Deliver high quality homes with the need for less remediation
Customer service (8-week)[b]	15%	Maintain customer trust and endorse the Company's reputation

(a) Build quality is measured externally through the NHBC CQR.

(b) Percentage of customers who would recommend Taylor Wimpey to a friend from the independently measured NHBC 8-week survey.

Remuneration Committee report continued

2024 PSP Awards

The 2024 PSP awards will operate in accordance with the Policy as set out on page 138. In line with normal practice, it is expected that Directors will be granted awards to the value of 200% of salary.

The measures and weightings will be in line with the 2023 Awards, which for the first time included an ESG measure based on a reduction to our Scope 1 and 2 targets linked to our zero carbon strategy. This provides a balanced approach to assessing long-term performance including financial, shareholder and customer metrics.

Performance measure	Rationale	Weighting	Threshold (25%)	Maximum (100%)
TSR v peer group[a]	Align the rewards received by executives with the returns received by shareholders	40%	Median	Upper quartile
Operating profit margin (2026)[b]	Optimise sales prices and improving cost discipline	15%	13%	17%
RONOA (2026)	Maintain focus on driving increased capital efficiency	15%	14%	19%
Customer service (2026)[c]	Maintain customer trust and endorse Company reputation	15%	78.5%	81.5%
Carbon reduction (from a 2019 baseline) (2026)[d]	Support the Board's strategy on carbon emissions reductions across our operations	15%	-34%	-40%

(a) The peer group comprises Barratt Developments, Bellway, Berkeley Homes, Crest Nicholson, Persimmon, Redrow and Vistry Group. Should the proposed acquisition of Redrow PLC by Barratt Developments complete, Redrow would be removed from the peer group. It may be replaced by another housebuilder and the basis for measuring TSR performance may change from a peer group approach to a different methodology, including basing the performance assessment on an index of the housebuilding sector.

(b) An operating profit margin measure will also operate in both the EIS and PSP in 2024. 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.

(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 2024 EIS customer service measure. 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.

(d) This will be based on a reduction in absolute Scope 1 and 2 carbon emissions and the target range takes into account the anticipated higher volumes in 2026.

Remuneration Committee report continued

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 01/01/2023	Additional maximum potential shares awarded during the year	Exercised/ released during the year	Lapsed during the year	Maximum potential shares as at 31/12/2023[a]	Maximum shares vesting / available in: 2024	2025	2026	2027
Jennie Daly									
Deferred shares (EIS)[b]	98,670	–	98,670	–	–	**–**	**–**	**–**	**–**
PSP[c]	1,992,859	1,207,243	126,480	265,101	2,808,521	**459,726**	**1,141,552**	**1,207,243**	**–**
Sharesave plan[d]	36,057	–	–	–	36,057	**–**	**–**	**–**	**36,057**
Total	2,127,586	1,207,243	225,150	265,101	2,844,578	**459,726**	**1,141,552**	**1,207,243**	**36,057**
Chris Carney									
Deferred shares (EIS)[b]	108,191	–	108,191	–	–	**–**	**–**	**–**	**–**
PSP[c]	1,682,481	812,394	138,685	290,683	2,065,507	**503,400**	**749,713**	**812,394**	**–**
Sharesave plan[d]	45,488	–	–	9,431	36,057	**–**	**–**	**–**	**36,057**
Total	1,836,160	812,394	246,876	300,114	2,101,564	**503,400**	**749,713**	**812,394**	**36,057**

(a) All outstanding awards are options. The Directors do not hold any vested but unexercised share options.

(b) The Executive Directors exercised an EIS deferred share award on 27 March 2023 when the share price was 117.13 pence. These shares were awarded on 25 March 2020 using a share price of 116.30 pence to calculate the number of shares awarded. From March 2022, all EIS deferred shares are now beneficially owned from the outset and are included in the table on page 147. The beneficially owned EIS deferred shares are not subject to further performance conditions.

(c) The Executive Directors exercised their 2020 PSP Award on 2 March 2023 when the share price was 117.7 pence. These shares were awarded on 4 March 2020 using a share price of 204.30 pence to calculate the Award.

(d) Chris Carney had 9,431 Sharesave options lapse on 31 May 2023. Jennie Daly and Chris each hold 36,057 Sharesave options which were granted 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. The Sharesave options are not subject to any performance conditions.

The vesting of the PSP is subject to the achievement of performance conditions and for 2023 Awards onwards 25% of maximum is receivable if threshold performance is achieved (2022 Awards and prior, 20% of maximum is 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 29 December 2023 was 147.05 pence and the range during the year was 99.70 pence to 147.05 pence.

Remuneration Committee report continued

Single total figure of remuneration for the Chair and Non Executive Directors (audited)

	Total fees (£000)	
	2023	2022
Robert Noel[(a)]	**257**	89
Mark Castle[(a)(b)]	**72**	38
Irene Dorner[(a)]	**152**	335
Jitesh Gadhia[(c)]	**83**	77
Scilla Grimble	**65**	65
Clodagh Moriarty[(b)]	**65**	38
Humphrey Singer[(a)]	**94**	83

(a) On 27 April 2023, Irene Dorner stood down as Chair; Robert Noel became Chair and stood down as the Senior Independent Director and Employee Champion; Humphrey Singer became the Senior Independent Director and Mark Castle became the Employee Champion.

(b) Mark Castle and Clodagh Moriarty both joined the Board on 1 June 2022.

(c) 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.

Chair and Non Executive Director fees

The Committee reviewed the Chair's fee and agreed an increase of 3%, in line with the increase provided to the Executive Directors. The Board, excluding the Non Executive Directors who were conflicted, also reviewed the fees payable to the Non Executive Directors and agreed the same increase of 3%. The 3% increase will also be applied to the additional fees for the roles of Chair of the Audit Committee, Chair of the Remuneration Committee, Senior Independent Director and Employee Champion.

Role	**As at 1 April 2023**	As at 1 April 2024	% change
Chair of the Board	**£335,000**	£345,050	3%
Independent Non Executive Director	**£65,000**	£66,950	3%
Senior Independent Director	**£17,500**	£18,025	3%
Audit/Remuneration Committee Chair	**£17,500**	£18,025	3%
Employee Champion	**£10,000**	£10,300	3%

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 139. 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. Executive Directors are required to retain any shares received from shares in the Employee Benefit Trust.

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 01/01/2023	at 31/12/2023[(a)]	PSP[(b)]	Sharesave	Value of beneficially owned shares as at 31/12/2023[(c)]	Share interests expressed as a % of shareholding requirement
Robert Noel	84,100	311,187				
Jennie Daly[(d)]	423,374	679,767	2,808,521	36,057	£999,597	129%
Chris Carney[(d)]	625,770	870,153	2,065,507	36,057	£1,279,560	246%
Mark Castle	41,678	44,711	–	–	–	–
Irene Dorner	164,952	164,952	–	–	–	–
Jitesh Gadhia	100,000	100,000	–	–	–	–
Scilla Grimble	15,000	15,000	–	–	–	–
Clodagh Moriarty	25,025	25,025	–	–	–	–
Humphrey Singer	31,896	31,896	–	–	–	–

(a) Shares owned outright includes the net-of-tax shares received by the Executive Directors in March 2022 and March 2023 following the one third deferral of the EIS paid in respect of 2021 and 2022 performance. The EIS deferred shares are not subject to further performance conditions.

(b) Vesting is subject to the achievement of performance conditions.

(c) This has been calculated on the basis of beneficially owned shares. The share price on 29 December 2023 (147.05 pence) has been used to calculate Jennie Daly and Chris Carney's share interest expressed as a percentage of salary as at 31 December 2023.

(d) A proportion of shares are held by a connected person.

The only changes to the Directors' interests as set out above during the period between 31 December 2023 and 27 February 2024 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 410 shares each.

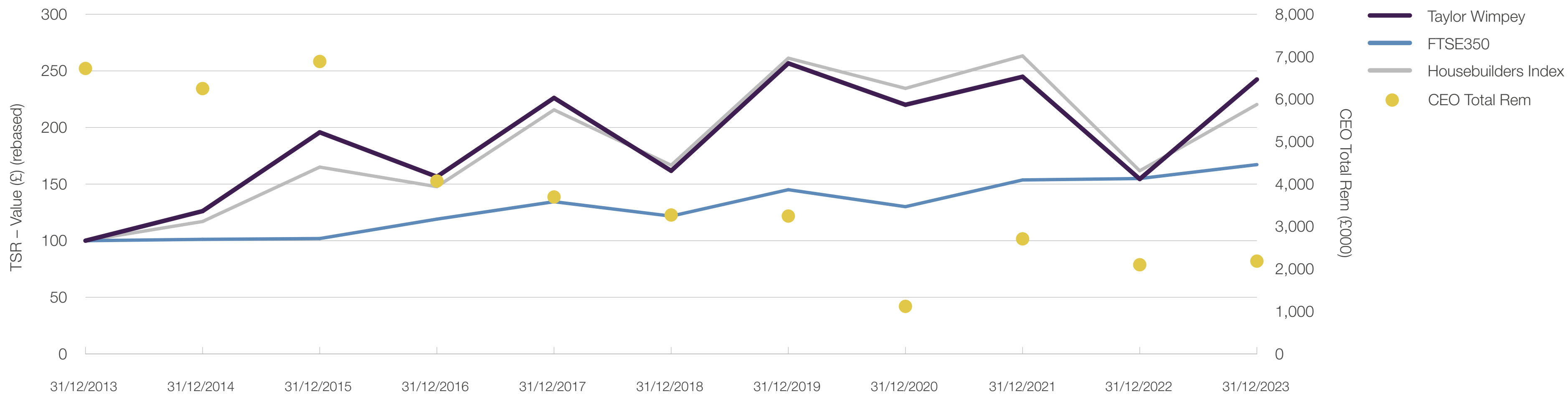
Remuneration Committee report continued

Historic TSR performance and Chief Executive historic remuneration

The graph below shows Taylor Wimpey's 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.

TSR versus CEO Total Single Figure



Single total figure (£000)	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Jennie Daly	–	–	–	–	–	–	–	–	1,175[(a)]	**2,185**
Pete Redfern	6,250	6,888	4,072	3,697	3,272	3,247	1,120	2,710	925[(b)]	**–**
Annual bonus (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	76	**91**
Pete Redfern	90	78	80	66	96	50.6	–	95	76	**–**
PSP (% of maximum)										
Jennie Daly	–	–	–	–	–	–	–	–	32.3	**40**
Pete Redfern	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 in 2023

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 2023, 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 of 3% approved by the Committee	**Salary**	Increases of 3% to 6% 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. Shareholding requirements are in place	**Share based incentive schemes**	Eligible for SIP and Sharesave
10% pension contribution	**Pension**	10% pension contribution available to the majority of the workforce
All employees receive private medical healthcare	**Private healthcare**	All employees receive private medical healthcare

Remuneration Committee report continued

Wider workforce salary review

In recognition of the high levels of inflation that have created the cost of living crisis impacting lower paid employees most, the Committee also approved a tiered approach to the salary reviews in 2023 and 2024, to ensure that those that are impacted most receive higher levels of support.

CEO pay ratio

Year	Method	CEO single figure[a]		Lower quartile	Median	Upper quartile
2023[b]	Option B	£2,185,041	**Ratio**	**68:1**	**42:1**	**32:1**
			Salary	**£27,693**	**£37,877**	**£56,025**
			Total pay and benefits	**£32,355**	**£52,296**	**£68,305**
2022	Option B	£2,100,044	Ratio	62:1	41:1	26:1
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 2023.

Under Option B, using the hourly rate from our 2023 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 Company believes that the median pay ratio for the year ending 31 December 2023 is consistent with the pay and reward policies for UK employees taken as a whole.

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 2023, 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 an increase in the CEO single figure for 2023, all three ratios have increased. The increase in the CEO single figure was predominately a result of a higher annual bonus payout (91% outcome in 2023 versus 76% in 2022) coupled with the 2022 CEO single figure having been calculated on a pro-rated basis taking into account the appointment of Jennie Daly as CEO in April 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 6%, which means that the mean pay is 6% higher for males than females. The movement compared to last year is largely down to a reduction in the number of employees during the year with a larger percentage decrease in male employees. Additionally, we have seen more highly paid women leave than men, as well as lower commissions being paid reflecting the downturn in our external market which impacts our sales teams which are mostly female.

Our median pay gap is 2% higher for males than females. The gap is slightly larger than last year and again is impacted by the reduction in headcount.

Further information can be found in our Diversity and Inclusion Report which is available on our website.

6%

Gender pay gap (mean)
(2022: -2%)

2%

Gender pay gap (median)
(2022: 1%)

Remuneration Committee report continued

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 the periods from 2020 to 2023.

	Salary/fee[a]				Benefits				Annual bonus scheme[a]			
	2023	2022	2021	2020	**2023**	2022	2021	2020	**2023**	2022	2021	2020
Average pay of a Taylor Wimpey employee[b]	**8%**	4%	6%	–	**4%**	3%	3%	–	**10%**	(10)%	163%	(46)%
Jennie Daly[c]	**19%**	58%	13%	(10)%	**(32)%**	(55)%	12%	(6)%	**44%**	26%	n/a	n/a
Chris Carney[c]	**3%**	7%	18%	(10)%	**8%**	(40)%	(11)%	(55)%	**23%**	(14)%	n/a	n/a
Robert Noel[d]	**189%**	11%	23%	n/a	**–**	–	–	–	**–**	–	–	–
Irene Dorner[e]	**(55)%**	2%	32%	n/a	**–**	–	–	–	**–**	–	–	–
Mark Castle[f]	**n/a**	n/a	n/a	n/a	**–**	–	–	–	**–**	–	–	–
Jitesh Gadhia[g]	**8%**	n/a	n/a	n/a	**–**	–	–	–	**–**	–	–	–
Scilla Grimble[g]	**–**	n/a	n/a	n/a	**–**	–	–	–	**–**	–	–	–
Clodagh Moriarty[f]	**n/a**	n/a	n/a	n/a	**–**	–	–	–	**–**	–	–	–
Humphrey Singer[h]	**13%**	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) Robert Noel was appointed in October 2019 and subsequently appointed as the Company's Senior Independent Director on 20 April 2020 and Employee Champion on 26 April 2022. Robert was then appointed Chair of the Board and stood down as the Company's Senior Independent Director and Employee Champion on 27 April 2023.

(e) Irene Dorner was appointed in December 2019 and received a fee increase on 1 July 2021. Irene stood down as Chair and became a Non Executive Director on 27 April 2023.

(f) Mark Castle and Clodagh Moriarty were appointed to the Board on 1 June 2022. Mark was appointed Employee Champion on 27 April 2023.

(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.

(h) Humphrey Singer was appointed as the Company's Senior Independent Director on 27 April 2023.

Relative importance of spend on pay

Change in Company performance relative to change in remuneration (audited)

	2023	2022	Change (%)
Operating profit[a]	**£470.2m**	£923.4m	(49)
Distributions to shareholders			
Aggregate dividends paid during the year	**£337.9m**	£323.8m	4
Share buyback	**–**	£150.0m	n/a
Employee pay in aggregate[b]	**£285.8m**	£305.4m	(6)
Employee pay average per employee[b]	**£60,564**	£58,327	4

(a) Operating profit is defined as profit on ordinary activities before financing, 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 184.

The Remuneration Committee

The Remuneration Committee members in 2023

There were five Committee meetings during 2023 and all Committee members attended the meetings they were eligible to attend. The Committee met the Code requirement to have three independent Non Executive Directors as members of the Committee following the appointment of Mark Castle and Clodagh Moriarty to the Committee on 27 April 2023.

Name	Title
Jitesh Gadhia	Committee Chair and Independent Non Executive Director
Mark Castle[(a)]	Independent Non Executive Director
Clodagh Moriarty[(a)]	Independent Non Executive Director
Robert Noel	Chair of the Board
Irene Dorner[(b)]	Non Executive Director

(a) Mark Castle and Clodagh Moriarty were appointed to the Committee on 27 April 2023.

(b) Irene Dorner stood down from the Committee on 27 April 2023.

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 2023

Over the course of the year since the last Annual Report and Accounts, the Committee has:

- Determined the 2022 EIS and 2020 PSP outcomes.
- Determined the 2023 salary levels for the Chief Executive and Group Finance Director.
- Agreed the targets applicable to the 2023 EIS scheme and 2023 PSP Awards.
- Reviewed base salary levels for Senior Management.
- Considered wider workforce remuneration arrangements.
- Considered how the Policy should be applied in 2024.

Committee's performance

The Committee reviewed its Terms of Reference in 2023 and evaluated its own performance against them. Following this review, the Committee confirmed that the Terms of Reference remain appropriate.

As part of the 2023 externally 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 2023

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 2023 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. During 2023 this advice related to the renewal of the Company's Sharesave Plan and Share Incentive Plan.

The Committee has considered the advice provided by Korn Ferry and Slaughter and May during the year, and is comfortable that the advice has been objective and independent.

The fees paid to the Committee's advisers in 2023 were: Korn Ferry £120,197 (including VAT) on a time and materials basis (2022: £139,689); and Slaughter and May £27,000 (including VAT) (2022: £nil).

Shareholding voting

The table below sets out the voting by shareholders in respect of Directors' remuneration resolutions.

Resolution	For	Against	Total votes cast	Withheld
Directors' Remuneration Report for 2022 (2023 AGM)	2,202,778,799 (93.70%)	148,139,405 (6.30%)	2,350,918,204	587,640
Directors' Remuneration Policy (2023 AGM)	2,155,740,993 (91.69%)	195,311,797 (8.31%)	2,351,052,790	453,054

Lord Jitesh Gadhia
Chair of the Remuneration Committee
27 February 2024

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:

Articles of Association

The Company's Articles were adopted on 22 April 2021. The Articles may only be amended by a special resolution of the shareholders in a general meeting.

Appointment and replacement of Directors

The Company's Articles, the Code and the Companies Act 2006 govern the appointment and retirement of Directors. Board membership and biographical details of the Directors are provided on pages 92 to 94. However, Directors follow the Code and stand for re-election annually, as described on pages 232 to 233.

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.
- 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 156.

Annual General Meeting

The Annual General Meeting (AGM) will be held at 10:30am on 23 April 2024 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 227 to 238 and on the Company's website.

Statutory, regulatory and other information continued

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 page 203.

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.
- 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.

As reported in last year's Annual Report, the Company retained 25 million of shares bought back during 2022, as Treasury Shares. The Treasury Shares are being used to meet obligations of the Company in respect of its employee share schemes.

During 2023 the Company re-issued 3,548,829 Treasury Shares for that purpose and to the latest practicable date prior to finalising this Annual Report, a further 1,077,173 Treasury Shares had been re-issued during 2024.

The Company currently holds 20.373,998 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 it.

No person has any special rights of control over the Company's share capital and all issued shares are fully paid.

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 2024, 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 Committee report on page 147.

	As at 31 December 2023		As at 27 February 2024	
	Number of shares held (millions)	Percentage of issued voting share capital	Number of shares held (millions)	Percentage of issued voting share capital
BlackRock Inc	423.0	11.95%	423.0	11.95%
The Capital Group Companies, Inc	164.7	4.51%	164.7	4.51%
Legal & General Group Plc	98.5	3.02%	98.5	3.02%
Standard Life Investments Limited	96.4	3.02%	96.4	3.02%

Dividend

The 2022 final ordinary dividend of 4.78 pence per share was paid to shareholders on 12 May 2023 and the 2023 interim ordinary dividend of 4.79 pence per share was paid to shareholders on 17 November 2023.

Subject to shareholder approval at the 2024 AGM, the 2023 final ordinary dividend of 4.79 pence per share will be paid on 10 May 2024 to shareholders on the register at the close of business on 2 April 2024. More information can be found on pages 231 and 232. 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 231.

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 466,204 shares, as at 27 February 2024. More information about the ESOT can be found in Note 26 on page 205.

Statutory, regulatory and other information continued

Important events since the year end

There have been no important events affecting the Company or any of its subsidiary undertakings since 31 December 2023.

Political donations

The Company has a policy of not making donations to political parties; has not made any during 2023; and does not intend to do so, going forward. More information can be found on page 235.

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 eighth 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 were renewed at the 2023 AGM. More information can be found on page 139.

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 2023 resulted in 481,837 shares (2022: 614,176) being acquired by 184 employees (2022: 218).

Details of how these plans operate appear in the Remuneration Committee report on pages 131 to 152.

The percentage of our employees who hold shares in the Company, either through the all-employee and other share plans, the cash bonus exchange scheme, or any other method is 59% (2022: 58%).

Employment of people with disabilities

We foster a culture of inclusion and value diversity positively, which creates a better workplace and delivers stronger outcomes. We commit to treating all our job applicants and employees fairly and with respect, irrespective of background, disability or any other protected characteristic. We offer any employee assistance with regards to reasonable adjustments during the application process or with their working conditions or environment, and are proud to confirm that we achieved Level 2 Disability Confident Employer status during 2023.

The Company's Equality, Diversity and Inclusion Policy, which is available on our website, sets out specific policies on continuing the employment of, and arranging training for, employees who have become disabled; and the training, career development and promotion of disabled persons.

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.

Statutory, regulatory and other information continued

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.

Annual Report and Accounts 2023 - Fair, balanced and understandable

The outcome of the process undertaken by the Audit Committee and described on page 124, was that the Board confirmed that the Annual Report and Accounts 2023, 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 the Audit Committee report on pages 113 to 124.

Directors' confirmations

Each of the Directors, whose names and functions are listed in the Board of Directors biographies, on pages 92 to 94, confirm 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 27 February 2024 and is signed on its behalf by:

Ishaq Kayani
Group General Counsel and Company Secretary
27 February 2024

In this section

Financial statements

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 2023 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 2023; the Consolidated income statement, the Consolidated statement of comprehensive income, the Consolidated cash flow statement and the Consolidated and Company statements 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, 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 2023, 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 22 UK Business Units, which represented the regional UK house building 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, performed 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 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.

Independent auditors' report to the members of Taylor Wimpey plc continued

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 22 UK Business Units), Taylor Wimpey plc (the "Company") and the consolidation, including consolidation adjustments. Taken together, the above procedures included operations covering over 90% of revenue, over 80% of profit before tax and over 90% 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: £36.4 million (2022: £45.3 million) based on 5% of a 3 year average of profit before tax and exceptional items.
- Overall Company materiality: £32.7 million (2022: £40.7 million) based on 1% of net assets but capped at 90% of overall Group materiality.
- Performance materiality: £27.3 million (2022: £33.8 million) (Group) and £24.5 million (2022: £30.5 million) (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.

Independent auditors' report to the members of Taylor Wimpey plc continued

Key audit matter	How our audit addressed the key audit matter
Margin recognition and site forecasting (Group) Refer to page 115 (Audit Committee report) and page 181 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's Annual Report. As at 31 December 2023 the Group's inventory balance is £5,169.6 million (31 December 2022: £5,169.6 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 sales prices and costs to date as well as 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. Parts L and 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 2023, through comparison to historical forecasts from 2022, 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 a sample of 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 margin to be materially inappropriate. We also assessed the disclosures in respect of margin recognition and site forecasting and considered these to be appropriate.

Independent auditors' report to the members of Taylor Wimpey plc continued

Key audit matter	How our audit addressed the key audit matter
Cladding fire safety provision (Group) Refer to page 115 (Audit Committee report) and page 181 (Critical accounting judgements and key sources of estimation uncertainty) in the Group's Annual Report. 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 the 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 £80.0 million, bringing the total amount provided for cladding fire safety remediation to £245.0 million. The Group signed the long-form legal contracts for the remediation of buildings in England and Wales in March 2023 and April 2023 respectively, and expects to sign the equivalent for Scotland in 2024. 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. Management continues to assess the appropriateness of the provision and as more tendering takes place, there is greater clarity on how the buildings will be remediated and the associated cost. There are still a significant number of buildings for which tenders have not been obtained and therefore a high level of estimation uncertainty. 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 schedules, to assess the accuracy of the calculation; • We assessed 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 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 a sample of 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 changed year on year. Examples of audit evidence included internal QS assessments, tenders received and support for actual costs incurred; • We also tested the overhead component of the provision by obtaining management's most recent budget for the internal cladding remediation team, assessed the appropriateness of the projected timeline and agreed key inputs back to supporting evidence; • We obtained an understanding of management's updated delivery model for future remediation projects which will be performed by the Group rather than by management companies and assessed the implications to the provision; • We assessed the technical capabilities and expertise of the Group's employees 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 or completed works; • We read recent government guidelines and announcements, including the Self-Remediation Terms and Deed of Bilateral Contract for England and Wales 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 materially in line with the requirements of IAS 37.

Independent auditors' report to the members of Taylor Wimpey plc continued

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 215 (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 £4,509.5 million (2022: £4,500.6 million) and £747.0 million (2022: £572.4 million), respectively. 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 assessed the net assets of the underlying investments to determine whether they were in excess of the carrying value of the Company's investment in Group undertakings; • We verified that the forecast future cash flows supported the carrying value of the Company's investment in Group undertakings; • We confirmed that the market capitalisation of the Group as at 31 December 2023 exceeded the carrying value of the investment in Group undertakings and that no 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.

Independent auditors' report to the members of Taylor Wimpey plc continued

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 2023 Consolidated financial statements are primarily an aggregation of the 22 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 22 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 and specific financial statement line items within the Group's joint ventures and we performed a desktop review of Taylor Wimpey de España S.A.U.

Our work covered over 90% of revenue, over 80% of profit before tax and over 90% of net assets.

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 56.

The Group announced its Net Zero target and associated transition plan during 2023 and aligned its executive bonus scheme accordingly. Management considers that the impact of climate change, including the Group's Net Zero target, 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 climate related regulations, such as Parts L and 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 2023.

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	£36.4 million (2022: £45.3 million).	£32.7 million (2022: £40.7 million).
How we determined it	5% of profit before tax and exceptional items, using a 3 year average (2022: 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 excluded them from the benchmark amount. In 2023, we have assessed materiality based on a 3 year average given the volatility in the market has driven a decline in volume and profitability without any fundamental changes in the balance sheet or operating model.	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 £19.0 million to £32.7 million. Certain components were audited to a local statutory audit materiality that was also less than our overall Group materiality.

Independent auditors' report to the members of Taylor Wimpey plc continued

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% (2022: 75%) of overall materiality, amounting to £27.3 million (2022: £33.8 million) for the Group financial statements and £24.5 million (2022: £30.5 million) 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 £1.8 million (Group audit) (2022: £2.3 million) and £1.6 million (Company audit) (2022: £2.0 million) 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;
- 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; and
- We reviewed the disclosures relating to going concern, with these considered to be consistent with the assessment prepared by management and the procedures we performed.

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.

Independent auditors' report to the members of Taylor Wimpey plc continued

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 2023 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.

Independent auditors' report to the members of Taylor Wimpey plc continued

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, 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 tax and pension legislation, 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 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.

Independent auditors' report to the members of Taylor Wimpey plc continued

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 3 years, covering the years ended 31 December 2021 to 31 December 2023.

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
27 February 2024

Consolidated income statement

for the year to 31 December 2023

	Note	**Before exceptional items 2023 £m**	**Exceptional items 2023 £m**	**Total 2023 £m**	Before exceptional items 2022 £m	Exceptional items 2022 £m	Total 2022 £m
Continuing operations							
Revenue	4	**3,514.5**	**–**	**3,514.5**	4,419.9	–	4,419.9
Cost of sales		**(2,798.0)**	**–**	**(2,798.0)**	(3,287.5)	–	(3,287.5)
Gross profit		**716.5**	**–**	**716.5**	1,132.4	–	1,132.4
Net operating expenses	6	**(248.7)**	**–**	**(248.7)**	(224.9)	(80.0)	(304.9)
Profit on ordinary activities before financing		**467.8**	**–**	**467.8**	907.5	(80.0)	827.5
Finance income	8	**29.5**	**–**	**29.5**	8.6	–	8.6
Finance costs	8	**(25.9)**	**–**	**(25.9)**	(24.1)	–	(24.1)
Share of results of joint ventures	13	**2.4**	**–**	**2.4**	15.9	–	15.9
Profit before taxation		**473.8**	**–**	**473.8**	907.9	(80.0)	827.9
Taxation (charge)/credit	9	**(124.8)**	**–**	**(124.8)**	(201.9)	17.6	(184.3)
Profit for the year		**349.0**	**–**	**349.0**	706.0	(62.4)	643.6

	Note	**2023**	2022
Basic earnings per share	10	**9.9p**	18.1p
Diluted earnings per share	10	**9.9p**	18.0p
Adjusted basic earnings per share	10	**9.9p**	19.8p
Adjusted diluted earnings per share	10	**9.9p**	19.7p

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 2023

	Note	**2023 £m**	2022 £m
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations	25	**(2.4)**	6.6
Movement in fair value of hedging instruments	25	**1.2**	(3.5)
Items that will not be reclassified subsequently to profit or loss:			
Actuarial gain on defined benefit pension schemes	21	**0.8**	3.2
Tax (charge)/credit on items taken directly to other comprehensive income	14	**(0.2)**	0.7
Other comprehensive (expense)/income for the year		**(0.6)**	7.0
Profit for the year		**349.0**	643.6
Total comprehensive income for the year		**348.4**	650.6

All of the comprehensive income for the year is attributable to the equity holders of the Parent Company.

Consolidated balance sheet

at 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Intangible assets	11	**2.6**	4.2
Property, plant and equipment	12	**22.0**	17.3
Right-of-use assets	19	**37.8**	26.3
Interests in joint ventures	13	**70.5**	74.0
Trade and other receivables	16	**28.1**	12.2
Other financial assets	21	**10.3**	10.0
Deferred tax assets	14	**23.4**	26.0
		194.7	170.0
Current assets			
Inventories	15	**5,169.6**	5,169.6
Trade and other receivables	16	**124.4**	191.2
Cash and cash equivalents	16	**764.9**	952.3
		6,058.9	6,313.1
Total assets		**6,253.6**	6,483.1
Current liabilities			
Trade and other payables	18	**(992.8)**	(1,130.8)
Lease liabilities	19	**(8.8)**	(7.3)
Bank and other loans	17	**–**	(88.5)
Tax payables		**(1.6)**	(7.2)
Provisions	22	**(124.9)**	(106.7)
		(1,128.1)	(1,340.5)
Net current assets		**4,930.8**	4,972.6
Non-current liabilities			
Trade and other payables	18	**(295.8)**	(407.3)
Lease liabilities	19	**(31.0)**	(19.7)
Bank and other loans	17	**(87.0)**	–
Retirement benefit obligations	21	**(26.5)**	(29.9)
Provisions	22	**(161.8)**	(183.6)
		(602.1)	(640.5)
Total liabilities		**(1,730.2)**	(1,981.0)
Net assets		**4,523.4**	4,502.1

	Note	2023 £m	2022 £m
Equity			
Share capital	23	**291.3**	291.3
Share premium	24	**777.9**	777.9
Own shares	26	**(29.7)**	(43.1)
Other reserves	25	**544.4**	545.6
Retained earnings		**2,939.5**	2,930.4
Total equity		**4,523.4**	4,502.1

The financial statements of Taylor Wimpey plc (registered number: 296805) were approved by the Board of Directors and authorised for issue on 27 February 2024. 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 2023

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2022		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
Other comprehensive (expense)/income for the year		**–**	**–**	**–**	**(1.2)**	**0.6**	**(0.6)**
Profit for the year		**–**	**–**	**–**	**–**	**349.0**	**349.0**
Total comprehensive (expense)/income for the year		**–**	**–**	**–**	**(1.2)**	**349.6**	**348.4**
Utilisation of own shares		**–**	**–**	**13.4**	**–**	**–**	**13.4**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(12.6)**	**(12.6)**
Share-based payment credit	29	**–**	**–**	**–**	**–**	**8.9**	**8.9**
Tax credit on items taken directly to statement of changes in equity	14	**–**	**–**	**–**	**–**	**1.1**	**1.1**
Dividends approved and paid	31	**–**	**–**	**–**	**–**	**(337.9)**	**(337.9)**
Total equity at 31 December 2023		**291.3**	**777.9**	**(29.7)**	**544.4**	**2,939.5**	**4,523.4**

Consolidated cash flow statement

for the year to 31 December 2023

	Note	2023 £m	2022 £m
Profit on ordinary activities before financing		**467.8**	827.5
Adjustments for:			
Depreciation and amortisation		**12.7**	14.5
Pension contributions in excess of charge to the income statement		**(3.8)**	(4.8)
Share-based payment charge		**8.9**	14.0
Loss on disposal of property, plant and equipment		**0.3**	0.3
Increase in provisions excluding exceptional payments		**17.3**	90.9
Operating cash flows before movements in working capital		**503.2**	942.4
Increase in inventories		**(148.7)**	(280.4)
Decrease/(increase) in receivables		**40.2**	(9.9)
(Decrease)/increase in payables		**(105.8)**	52.9
Cash generated from operations		**288.9**	705.0
Payments related to exceptional charges		**(20.8)**	(45.9)
Income taxes paid		**(126.5)**	(176.9)
Interest paid		**(12.0)**	(4.7)
Net cash generated from operating activities		**129.6**	477.5
Investing activities			
Interest received	8	**26.4**	6.9
Dividends received from joint ventures		**11.7**	3.1
Proceeds on disposal of property, plant and equipment		**–**	1.5
Purchase of property, plant and equipment	12	**(6.8)**	(1.7)
Purchase of software	11	**(0.1)**	(0.4)
Amounts (invested in)/repaid by joint ventures		**(3.8)**	24.2
Net cash generated from investing activities		**27.4**	33.6

	Note	2023 £m	2022 £m
Financing activities			
Lease capital repayments	19	**(7.9)**	(7.6)
Cash received on exercise of share options		**3.0**	0.3
Purchase of own shares		**–**	(151.3)
Repayment of borrowings		**(87.0)**	–
Proceeds from borrowings		**87.0**	–
Dividends paid	31	**(337.9)**	(323.8)
Net cash used in financing activities		**(342.8)**	(482.4)
Net (decrease)/increase in cash and cash equivalents		**(185.8)**	28.7
Cash and cash equivalents at beginning of year		**952.3**	921.0
Effect of foreign exchange rate changes		**(1.6)**	2.6
Cash and cash equivalents at end of year	27	**764.9**	952.3

Notes to the consolidated financial statements

1 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 significant 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.

- 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 and international tax reform – Pillar Two model rules
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (amendments) – definition of accounting estimates
- IFRS 17 'Insurance Contracts'

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 and non-current liabilities with covenants
- IFRS 16 'Leases' (amendments) – lease liability in a sale and leaseback
- IFRS 7 'Financial Instruments: Disclosures' & IAS 7 'Statement of Cash Flows' (amendments) – supplier finance arrangements

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 were subject to sensitivity analysis including a severe but plausible scenario together with the likely effectiveness of mitigating actions.

The assessment considered sensitivity analysis based on a number of realistically possible, but severe and prolonged, changes to principal assumptions. In determining these, the Group included macroeconomic 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 volumes compared with that experienced during 2023. 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. Future Homes Standard).

- Volume – a further decline in total volumes of 10% in 2024 from 2023 levels, before recovering back to 2023 levels by 2026
- Price – a reduction to current selling prices of 10%, remaining at these levels across 2024 and 2025 before recovering to 2023 levels by 2026
- 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 2024

Notes to the consolidated financial statements continued

1 Accounting policies continued

Mitigations to this sensitivity analysis include a continued reduction in land investment, a reduction in the level of production and work in progress held and optimising the overhead base to ensure it is aligned with the scale of the operations through the cycle. If this scenario were to occur, the Directors also have a range of additional options to maintain 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 2023, the Group had a cash balance of £765 million and had access to £600 million from a fully undrawn revolving credit facility, together totalling £1,365 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.

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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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 which is assessed for recoverability on a periodic basis or when there is an indication of possible loss. 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 macroeconomic 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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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.

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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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

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.

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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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.

Dividends paid

Dividends are charged to retained earnings 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 final dividend.

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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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.

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.

Notes to the consolidated financial statements continued

1 Accounting policies continued

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; 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.

Notes to the consolidated financial statements continued

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 has considered the size of the associated balance and the potential likelihood of changes due to macroeconomic 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 buildings that may require works 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 1 to 88.

These financial statements are presented in pounds Sterling as the currency of the primary economic environment in which the Group operates.

Notes to the consolidated financial statements continued

4 Revenue

An analysis of the Group's continuing revenue is as follows:

	2023 £m	2022 £m
Private sales	**3,103.5**	3,886.1
Partnership housing	**395.6**	476.4
Land & other	**15.4**	57.4
	3,514.5	4,419.9

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.

	2023 £m	2022 £m
Recognised at a point in time	**3,101.7**	3,983.1
Recognised over time	**412.8**	436.8
	3,514.5	4,419.9

At 31 December 2023, the aggregate amount of the transaction price allocated to unsatisfied performance obligations on construction contracts was £812.4 million (2022: £677.6 million), of which approximately 40% is expected to be recognised as revenue during 2024.

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:

	2023			2022		
	UK £m	**Spain £m**	**Total £m**	UK £m	Spain £m	Total £m
Revenue						
External sales	**3,371.7**	**142.8**	**3,514.5**	4,295.5	124.4	4,419.9
Result						
Profit before joint ventures, finance income/(costs) and exceptional items	**432.5**	**35.3**	**467.8**	874.9	32.6	907.5
Share of results of joint ventures	**2.4**	**–**	**2.4**	15.9	–	15.9
Operating profit (Note 32)	**434.9**	**35.3**	**470.2**	890.8	32.6	923.4
Exceptional items (Note 6)	**–**	**–**	**–**	(80.0)	–	(80.0)
Profit before net finance income/(costs)	**434.9**	**35.3**	**470.2**	810.8	32.6	843.4
Net finance income/(costs)			**3.6**			(15.5)
Profit before taxation			**473.8**			827.9
Taxation charge			**(124.8)**			(184.3)
Profit for the year			**349.0**			643.6

Notes to the consolidated financial statements continued

5 Operating segments continued

	2023			2022		
	UK £m	**Spain £m**	**Total £m**	UK £m	Spain £m	Total £m
Assets and liabilities						
Segment operating assets	**5,153.2**	**241.6**	**5,394.8**	5,222.9	207.9	5,430.8
Joint ventures	**70.5**	**–**	**70.5**	74.0	–	74.0
Segment operating liabilities	**(1,494.0)**	**(147.6)**	**(1,641.6)**	(1,767.2)	(118.1)	(1,885.3)
Net operating assets	**3,729.7**	**94.0**	**3,823.7**	3,529.7	89.8	3,619.5
Net current taxation			**(1.6)**			(7.2)
Net deferred taxation (Note 14)			**23.4**			26.0
Net cash (Note 27)			**677.9**			863.8
Net assets			**4,523.4**			4,502.1

	2023			2022		
	UK £m	**Spain £m**	**Total £m**	UK £m	Spain £m	Total £m
Other information						
Property, plant and equipment additions	**6.6**	**0.2**	**6.8**	1.6	0.1	1.7
Right-of-use asset additions	**20.7**	**0.4**	**21.1**	7.1	0.1	7.2
Software additions	**0.1**	**–**	**0.1**	0.4	–	0.4
Property, plant and equipment depreciation	**(1.7)**	**(0.1)**	**(1.8)**	(4.2)	(0.1)	(4.3)
Right-of-use asset depreciation	**(8.9)**	**(0.3)**	**(9.2)**	(7.2)	(0.2)	(7.4)
Amortisation of intangible assets	**(1.7)**	**–**	**(1.7)**	(2.8)	–	(2.8)

6 Net operating expenses and profit on ordinary activities before financing

Profit on ordinary activities before financing for continuing operations has been arrived at after charging/(crediting):

	2023 £m	2022 £m
Administration expenses	**232.7**	220.7
Other expenses	**101.7**	70.1
Other income	**(85.7)**	(65.9)
Exceptional items	**–**	80.0
Net operating expenses	**248.7**	304.9

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. 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.

Exceptional items:	**2023 £m**	2022 £m
Provision in relation to cladding fire safety	**–**	80.0
Exceptional items	**–**	80.0

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; no further amounts were recognised in the year to 31 December 2023.

Notes to the consolidated financial statements continued

6 Net operating expenses and profit on ordinary activities before financing continued

Profit on ordinary activities before financing has been arrived at after charging:

	2023 £m	2022 £m
Cost of inventories recognised as an expense in cost of sales	**2,646.8**	3,155.7
Property, plant and equipment depreciation (Note 12)	**1.8**	4.3
Right-of-use asset depreciation (Note 19)	**9.2**	7.4
Amortisation of intangible assets (Note 11)	**1.7**	2.8

The remuneration paid to the Group's external auditors is as follows:

	2023 £m	2022 £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	**0.9**	0.8
Total audit fees	**1.1**	1.0
Other assurance services	**0.1**	0.1
Total non-audit fees	**0.1**	0.1
Total fees	**1.2**	1.1

Non-audit services in 2023 and 2022 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 2023 and 2022 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. In 2023 £2,000 was also incurred for agreed upon procedures work performed in Spain.

7 Staff costs

	2023 Number	2022 Number
Monthly average number employed		
United Kingdom	**4,618**	5,140
Spain	**101**	96
	4,719	5,236

	2023 £m	2022 £m
Remuneration		
Wages and salaries	**270.7**	290.0
Redundancy costs	**6.0**	0.4
Social security costs	**29.4**	31.8
Other pension costs	**15.1**	15.4
	321.2	337.6

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 131 to 152 in the Directors' Remuneration Report.

8 Finance income and finance costs

Finance income	2023 £m	2022 £m
Interest receivable	**29.5**	8.6
	29.5	8.6

Finance costs	2023 £m	2022 £m
Interest on bank and other loans	**(8.3)**	(4.8)
Foreign exchange loss	**(0.5)**	–
	(8.8)	(4.8)
Unwinding of discount on land creditors and other items	**(14.8)**	(18.3)
Interest on lease liabilities (Note 19)	**(1.0)**	(0.4)
Net interest on pension liability (Note 21)	**(1.3)**	(0.6)
	(25.9)	(24.1)

Notes to the consolidated financial statements continued

9 Taxation charge

Tax (charged)/credited in the income statement is analysed as follows:

		2023 £m	2022 £m
Current tax:			
UK:	Current year	**(116.6)**	(179.3)
	Adjustment in respect of prior years	**1.8**	0.5
Overseas:	Current year	**(6.7)**	(5.4)
	Adjustment in respect of prior years	**0.1**	(0.5)
		(121.4)	(184.7)
Deferred tax:			
UK:	Current year	**(2.5)**	0.4
	Adjustment in respect of prior years	**(0.2)**	(0.1)
Overseas:	Current year	**(0.7)**	(1.7)
	Adjustment in respect of prior years	**–**	1.8
		(3.4)	0.4
		(124.8)	(184.3)

Corporation tax is calculated at 27.5% (2022: 22.0%) of the estimated assessable profit for the year in the UK. This includes corporation tax at the rate of 23.5% (2022: 19.0%) for the year and residential property developer tax (RPDT) at the rate of 4.0% (2022: 4.0% with effect from 1 April 2022) on profits arising from residential property development activities. Taxation outside the UK is calculated at the rates prevailing in the respective jurisdictions. The tax charge for the prior year includes an exceptional credit of £17.6 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:

	2023 £m	2022 £m
Profit before tax	**473.8**	827.9
Tax at the UK corporation tax rate of 27.5% (2022: 22.0%)	**(130.3)**	(182.1)
Net over provision in respect of prior years	**1.7**	1.7
Net impact of items that are not taxable or deductible	**0.1**	(5.6)
Recognition of deferred tax asset relating to Spanish business	**1.0**	1.0
Other rate impacting adjustments	**2.7**	0.7
Tax charge for the year	**(124.8)**	(184.3)

Owing to its size and multinational operations, the Group is within the scope of the OECD Pillar Two model rules which are designed to ensure that large multinational groups incur a 15% minimum effective tax rate in each jurisdiction in which they operate. Pillar Two legislation was enacted in the UK in June 2023 and applies to periods beginning on or after 31 December 2023. As a result, the legislation was not effective for the current year and the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction and the 15% minimum rate. Although work to assess the impact of the new provisions is ongoing, it is expected that the Group will meet the safe harbour provisions, meaning that no additional tax is expected to be due once the provisions become effective.

Notes to the consolidated financial statements continued

10 Earnings per share

	2023	2022
Basic earnings per share	**9.9p**	18.1p
Diluted earnings per share	**9.9p**	18.0p
Adjusted basic earnings per share	**9.9p**	19.8p
Adjusted diluted earnings per share	**9.9p**	19.7p
Weighted average number of shares for basic earnings per share – million	**3,530.4**	3,564.8
Weighted average number of shares for diluted earnings per share – million	**3,537.5**	3,576.5

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.

	2023 £m	2022 £m
Earnings for basic and diluted earnings per share	**349.0**	643.6
Adjust for exceptional items (Note 6)	**–**	80.0
Adjust for tax on exceptional items	**–**	(17.6)
Earnings for adjusted basic and adjusted diluted earnings per share	**349.0**	706.0

	2023 Million	2022 Million
Weighted average number of shares for basic earnings per share	**3,530.4**	3,564.8
Dilution from share options	**7.1**	11.7
Weighted average number of shares for diluted earnings per share	**3,537.5**	3,576.5

11 Intangible assets

	Brands £m	Software £m	Total £m
Cost			
At 1 January 2022	140.2	23.3	163.5
Additions	–	0.4	0.4
At 31 December 2022	140.2	23.7	163.9
Additions	**–**	**0.1**	**0.1**
At 31 December 2023	**140.2**	**23.8**	**164.0**
Accumulated amortisation			
At 1 January 2022	(140.2)	(16.7)	(156.9)
Charge for the year	–	(2.8)	(2.8)
At 31 December 2022	(140.2)	(19.5)	(159.7)
Charge for the year	**–**	**(1.7)**	**(1.7)**
At 31 December 2023	**(140.2)**	**(21.2)**	**(161.4)**
Carrying amount			
At 31 December 2023	**–**	**2.6**	**2.6**
At 31 December 2022	–	4.2	4.2

The amortisation of software is recognised within administration expenses in the income statement.

Notes to the consolidated financial statements continued

12 Property, plant and equipment

	Freehold land and buildings £m	Plant, equipment and leasehold improvements £m	Total £m
Cost			
At 1 January 2022	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
Additions	**–**	**6.8**	**6.8**
Disposals	**–**	**(1.4)**	**(1.4)**
Exchange movements	**–**	**–**	**–**
At 31 December 2023	**14.3**	**37.0**	**51.3**
Accumulated depreciation			
At 1 January 2022	(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)
Charge for the year	**(0.5)**	**(1.3)**	**(1.8)**
Disposals	**–**	**1.1**	**1.1**
Exchange movements	**–**	**–**	**–**
At 31 December 2023	**(4.7)**	**(24.6)**	**(29.3)**
Carrying amount			
At 31 December 2023	**9.6**	**12.4**	**22.0**
At 31 December 2022	10.1	7.2	17.3

13 Interests in joint ventures

	2023 £m	2022 £m
Share of net assets	**35.3**	43.5
Loans to joint ventures	**35.2**	30.5
Total interests in joint ventures	**70.5**	74.0

Loans to joint ventures includes £(9.7) million (2022: £(8.5) 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 four (2022: five) material 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. Chobham Manor completed the majority of its development in the prior year and as a result is no longer considered to be a material joint venture.

The particulars of the material joint ventures for 2023 are as follows:

Joint venture	Country of incorporation	Interest in the issued ordinary share capital*
Greenwich Millennium Village Limited	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 pages 220 to 221.

Notes to the consolidated financial statements continued

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 2023 £m	Winstanley and York Road Regeneration 2023 £m	Whitehill & Bordon Development Company Phase 1a 2023 £m	Whitehill & Bordon Regeneration Company 2023 £m	Immaterial Joint Ventures 2023 £m	Total 2023 £m
Non-current assets	–	4.5	0.1	53.3	0.8	58.7
Current assets excluding cash	50.7	82.2	29.1	6.3	24.6	192.9
Cash and cash equivalents	22.6	2.1	0.2	–	4.5	29.4
Current financial liabilities	(6.2)	(3.5)	(2.0)	(24.7)	(13.2)	(49.6)
Current other liabilities	(1.3)	–	–	–	–	(1.3)
Non-current financial liabilities*	(2.6)	(104.6)	(24.6)	(31.7)	(14.7)	(178.2)
Net assets/(liabilities) (100%)	63.2	(19.3)	2.8	3.2	2.0	51.9
Group share of net assets/(liabilities)	31.6	(9.7)	1.4	1.6	0.7	25.6
Loans to joint ventures	–	43.2	–	0.1	1.6	44.9
Total interests in joint ventures	31.6	33.5	1.4	1.7	2.3	70.5
Revenue	50.9	27.9	0.9	15.1	6.9	101.7
Interest expense	–	(4.9)	(0.2)	(0.3)	(1.7)	(7.1)
Income tax (expense)/credit	(2.6)	–	0.1	0.1	0.4	(2.0)
Profit/(loss) for the year	8.6	(2.2)	(0.2)	(0.2)	(1.1)	4.9
Group share of profit/(loss) for the year	4.3	(1.1)	(0.1)	(0.1)	(0.6)	2.4

* Non-current financial liabilities include amounts owed to joint venture partners.

Notes to the consolidated financial statements continued

13 Interests in joint ventures continued

	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.

During the current and prior year, no entity charged depreciation or amortisation. No entity had discontinued operations or items of other comprehensive income.

Notes to the consolidated financial statements continued

14 Deferred tax

	Share-based payments £m	Capital allowances £m	Temporary differences on overseas provisions £m	Retirement benefit obligations £m	Losses and other temporary differences £m	Total £m
At 1 January 2022	3.9	2.4	5.5	8.8	5.6	26.2
(Charge)/credit to income	(1.7)	0.4	0.2	(0.9)	2.4	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	6.0	8.6	8.0	26.0
Credit/(charge) to income	**0.2**	**(0.8)**	**(0.6)**	**(0.7)**	**(1.5)**	**(3.4)**
Charge to other comprehensive income	**–**	**–**	**–**	**(0.2)**	**–**	**(0.2)**
Credit to statement of changes in equity	**1.1**	**–**	**–**	**–**	**–**	**1.1**
Foreign exchange	**–**	**–**	**(0.1)**	**–**	**–**	**(0.1)**
At 31 December 2023	**1.9**	**2.0**	**5.3**	**7.7**	**6.5**	**23.4**

Closing deferred tax on temporary differences has been calculated at the tax rates that are expected to apply for the period when the asset is realised or liability is settled. Accordingly, deferred tax on UK temporary differences has been calculated at 29% (31 December 2022: between 25% and 29%). Deferred tax on Spanish temporary differences has been calculated at 25% (31 December 2022: 25%).

The net deferred tax balance is analysed into assets and liabilities as follows:

	2023 £m	2022 £m
Deferred tax assets	**25.0**	27.4
Deferred tax liabilities	**(1.6)**	(1.4)
	23.4	26.0

The Group has not recognised temporary differences relating to tax losses carried forward and other temporary differences amounting to £2.0 million (2022: £2.4 million) in the UK and £19.4 million (2022: £23.8 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 £269.7 million (2022: £269.5 million). No deferred tax asset has been recognised in respect of the capital losses at 31 December 2023 (2022: £nil) because the Group does not believe that it is probable that these capital losses will be utilised in the foreseeable future.

Notes to the consolidated financial statements continued

15 Inventories

	2023 £m	2022 £m
Land	**3,269.5**	3,428.3
Development and construction costs	**1,871.0**	1,725.9
Part exchange and other	**29.1**	15.4
	5,169.6	5,169.6

The markets in our core geographies, which are the primary drivers of our business, continue to trade positively. At 31 December 2023, 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 2023, the provision held in the United Kingdom was £26.5 million (2022: £16.0 million) and £32.4 million in Spain (2022: £35.5 million). The table below details the movements on the inventory provision recorded in the year.

	2023 £m	2022 £m
1 January	**51.5**	54.8
Net additions/(utilised)	**8.0**	(5.1)
Foreign exchange	**(0.6)**	1.8
31 December	**58.9**	51.5

16 Other financial assets

Trade and other receivables

	Current		Non-current	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	**82.5**	136.8	**21.7**	9.6
Other receivables	**41.9**	54.4	**6.4**	2.6
	124.4	191.2	**28.1**	12.2

Included within trade receivables are mortgage receivables of £6.3 million (2022: £10.2 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 £33.0 million (2022: £34.5 million) of contract assets arising on construction contracts.

Cash and cash equivalents

	2023 £m	2022 £m
Cash and cash equivalents	**764.9**	952.3

£15.7 million (2022: £10.7 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

	2023 £m	2022 £m
€100.0 million 2.02% Senior Loan Notes 2023	**–**	88.5
€100.0 million 5.08% Senior Loan Notes 2030	**87.0**	–
	87.0	88.5

	2023 £m	2022 £m
Amounts due for settlement within one year	**–**	88.5
Amount due for settlement after one year	**87.0**	–
Total borrowings	**87.0**	88.5

Further information on loan facilities can be found in Note 20.

Notes to the consolidated financial statements continued

18 Trade and other payables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Trade payables	**299.9**	376.4	**21.8**	17.1
Land creditors	**301.2**	395.0	**214.9**	330.6
Social security and other taxes	**8.3**	9.6	**–**	–
Customer deposits	**80.3**	89.7	**11.8**	10.4
Accruals	**266.4**	230.8	**1.7**	–
Deferred income	**25.5**	23.7	**38.1**	39.2
Other payables	**11.2**	5.6	**7.5**	10.0
	992.8	1,130.8	**295.8**	407.3

Revenue recognised in the current year that was included in the customer deposit balance brought forward at the beginning of the period was £89.7 million (2022: £82.4 million). Other payables include £9.2 million (2022: £11.1 million) of repayable grants.

Land creditors are denominated as follows:

	2023 £m	2022 £m
Sterling	**478.2**	696.1
Euros	**37.9**	29.5
	516.1	725.6

Land creditors of £397.4 million (2022: £493.0 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 premises and equipment.

Right-of-use assets:	**Premises £m**	**Equipment £m**	**Total £m**
At 1 January 2023	17.0	9.3	26.3
At 31 December 2023	**25.7**	**12.1**	**37.8**
Additions during the year	**12.7**	**8.4**	**21.1**

Lease liabilities:	**2023 £m**	2022 £m
At 1 January	**27.0**	27.4
Additions	**21.1**	7.2
Disposals	**(0.5)**	–
Interest charge	**1.0**	0.4
Payments	**(8.9)**	(8.0)
Foreign exchange	**0.1**	–
At 31 December	**39.8**	27.0
Current	**8.8**	7.3
Non-current	**31.0**	19.7
Total	**39.8**	27.0

Amounts recognised in the income statement:	**2023 £m**	2022 £m
Depreciation charged on right-of-use premises	**4.0**	3.2
Depreciation charged on right-of-use equipment	**5.2**	4.2
Interest on lease liabilities	**1.0**	0.4
Total	**10.2**	7.8

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 2023 £m**	31 December 2022 £m	**31 December 2023 £m**	31 December 2022 £m
Cash and cash equivalents	a	**764.9**	952.3	**764.9**	952.3
Land receivables	a	**2.8**	16.3	**2.8**	16.3
Other financial assets	a	**10.3**	10.0	**10.3**	10.0
Trade and other receivables	a	**100.1**	136.4	**100.1**	136.4
Mortgage receivables	b	**6.3**	10.2	**6.3**	10.2
		884.4	1,125.2	**884.4**	1,125.2

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 £43.3 million (2022: £40.5 million) of non-financial assets.

		Carrying value		Fair value	
Financial liabilities	Fair value hierarchy	**31 December 2023 £m**	31 December 2022 £m	**31 December 2023 £m**	31 December 2022 £m
Bank and other loans	a	**87.0**	88.5	**84.6**	87.2
Land creditors	b	**516.1**	725.6	**516.1**	725.6
Trade and other payables	b	**608.4**	639.9	**608.4**	639.9
Lease liabilities	b	**39.8**	27.0	**39.8**	27.0
		1,251.3	1,481.0	**1,248.9**	1,479.7

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.

Land creditors and trade and other payables are included in the balance sheet as trade and other payables for current and non-current amounts. Current and non-current trade and other payables, as disclosed in Note 18, include £164.1 million (2022: £172.6 million) of non-financial liabilities.

The Group has designated the carrying value of €79.0 million of foreign currency borrowings (2022: €79.0 million) as a net investment hedge, equating to £68.7 million (2022: £69.9 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.

Forward contracts have been entered into to offset the foreign exchange movements on intra-Group loans to buy/(sell) against Sterling: €30.5 million (2022: €30.5 million), equivalent to £26.5 million (2022: £27.0 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.

20 Financial instruments and fair value disclosures continued

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 on borrowings 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% (2022: 1.00%) 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 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
1.00% (2022: 1.00%) increase in interest rates	**7.6**	**7.6**	9.5	9.5

	Income sensitivity 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
1.00% (2022: 1.00%) decrease in interest rates	**(7.6)**	**(7.6)**	(9.5)	(9.5)

(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.

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures continued

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 (2022: €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 £68.7 million (2022: £69.9 million).

The change in the carrying value of £(1.2) million (2022: £3.5 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 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 5% (2022: 10%) change in the currency's value against Sterling, all other variables remaining constant. The 5% change represents a reasonably possible change in the specified Euro exchange rates in relation to Sterling.

	Income sensitivity 2023 £m	**Equity sensitivity 2023 £m**	Income sensitivity 2022 £m	Equity sensitivity 2022 £m
Euro weakens against Sterling	**(0.4)**	**2.9**	(0.9)	5.5
Euro strengthens against Sterling	**0.5**	**(3.2)**	1.0	(6.8)

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 corporate investors. 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 2023, the Group's borrowings and facilities had a range of maturities with a weighted average life of 4.8 years (2022: 1.9 years).

In December 2022 the Group entered into an agreement to refinance the €100 million 2.02% senior loan notes due June 2023 with €100 million 5.08% senior loan notes due June 2030. In July 2023 the Group renewed its revolving credit facility, increasing it to £600 million with a maturity of July 2028 and the option to request an extension for two further years. The borrowings and facilities contain financial covenants based on minimum tangible net worth, maximum gearing and minimum interest cover. The revolving credit facility contains sustainability-linked performance targets based on reducing emissions and wastage. At the balance sheet date, the total unused committed amount was £600.0 million (2022: £550.0 million) and cash and cash equivalents were £764.9 million (2022: £952.3 million).

Notes to the consolidated financial statements continued

20 Financial instruments and fair value disclosures continued

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	4.4	307.7	577.4	10.1	899.6
More than one year and less than two years	4.4	139.2	15.2	9.8	168.6
More than two years and less than five years	13.3	58.1	12.0	15.4	98.8
More than five years	93.5	30.5	3.8	9.7	137.5
31 December 2023	**115.6**	**535.5**	**608.4**	**45.0**	**1,304.5**

	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

21 Retirement benefit obligations

Total retirement benefit obligations of £26.5 million (2022: £29.9 million) comprise a defined benefit pension liability of £26.3 million (2022: £29.6 million) and a post-retirement healthcare liability of £0.2 million (2022: £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 £15.1 million in the year (2022: £15.4 million), which is included in the income statement charge.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

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.

The most recent triennial valuation of the TWPS was undertaken 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.

During 2023, the Group has engaged with the TWPS Trustee on the triennial valuation of the pension scheme with a reference date of 31 December 2022. At the current time, discussions are ongoing with the TWPS Trustee to agree the valuation as well as future contributions (if applicable). Legislation requires that the valuation must be concluded by 31 March 2024.

The escrow account, over which the TWPS Trustee holds a fixed charge, is recognised in other financial assets and at 31 December 2023 was £10.3 million (31 December 2022: £10.0 million), with interest earned by the escrow account being retained within the escrow account. 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.

On an IAS 19 accounting basis the underlying surplus in the TWPS at 31 December 2023 was £76.7 million (2022: £76.6 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 £103.0 million (2022: £106.2 million), resulting in an IFRIC 14 deficit of £26.3 million (2022: £29.6 million), which represented the present value of future contributions under the funding plan.

Notes to the consolidated financial statements continued

21 **Retirement benefit obligations** continued

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 2023 there was £79.9 million of property and £32.7 million of cash held within the structure (2022: £75.2 million of property and £39.8 million of cash). The current 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 98% (2022: 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 (2022: approximately 12 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_2022 improvements with a 1% long term trend rate, a smoothing factor of 7, an initial addition parameter of 0.25%, a w2020 and w2021 parameter of 10% and a w2022 parameter of 35%. The mortality assumption used in 2022 was 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%.

Accounting valuation assumptions	**2023**	2022
At 31 December:		
Discount rate for scheme liabilities	**4.60%**	4.95%
General pay inflation	**n/a**	n/a
Deferred pension increases	**2.15%**	2.30%
Pension increases*	**1.90%-3.70%**	2.10%-3.65%

* 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:

	2023		2022	
Life expectancy	**Male**	**Female**	Male	Female
Member currently aged 65	**86**	**89**	87	89
Member currently aged 45	**87**	**90**	88	91

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 £90m	5.4
Rate of inflation*	Increase by 0.5% p.a.	Increase by £51m	3.0
Life expectancy	Members live 1 year longer	Increase by £66m	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.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

31 December 2023 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]	**–**	**76.4**	**–**	**76.4**	**4.6%**
Diversified growth funds[b]	**–**	**228.5**	**–**	**228.5**	**13.8%**
Multi-asset credit	**6.5**	**202.3**	**–**	**208.8**	**12.6%**
Direct lending	**3.9**	**–**	**124.5**	**128.4**	**7.8%**
Fixed income	**2.8**	**193.3**	**–**	**196.1**	**11.9%**
Liability driven investment[d]	**56.6**	**615.7**	**–**	**672.3**	**40.7%**
Insurance policies in respect of certain members	**–**	**–**	**136.0**	**136.0**	**8.2%**
Cash	**7.0**	**–**	**–**	**7.0**	**0.4%**
	76.8	**1,316.2**	**260.5**	**1,653.5**	**100.0%**

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%

(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 2023 was 3.5x (31 December 2022: 5.2x).

(b) This amount relates to the Scheme's Diversified Risk Premia (DRP) allocation. The net leverage on the two funds in the DRP allocation at 31 December 2023 was 1.4x (31 December 2022: 0.2x) and 1.0x. The latter fund was a new investment over 2023. The net leverage on the previous DRP fund as at 31 December 2022 was 0.5x.

(c) The leverage on this fund at 31 December 2022 was 0.7x. As at 31 December 2023 the Scheme was no longer invested in this fund.

(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 2023 was approximately 2.8x (31 December 2022: 3.7x).

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.

Notes to the consolidated financial statements continued

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.

	2023			2022		
	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	**(1,675.9)**	**1,646.3**	**(29.6)**	(2,482.3)	2,445.3	(37.0)
Administration expenses	**–**	**(3.3)**	**(3.3)**	–	(2.3)	(2.3)
Interest (expense)/income	**(80.3)**	**79.0**	**(1.3)**	(44.9)	44.3	(0.6)
Total amount recognised in income statement	**(80.3)**	**75.7**	**(4.6)**	(44.9)	42.0	(2.9)
Remeasurement gain/(loss) on scheme assets	**–**	**29.7**	**29.7**	–	(746.1)	(746.1)
Change in demographic assumptions	**27.1**	**–**	**27.1**	(20.0)	–	(20.0)
Change in financial assumptions	**(34.9)**	**–**	**(34.9)**	758.8	–	758.8
Experience loss	**(29.5)**	**–**	**(29.5)**	(73.6)	–	(73.6)
Adjustment to liabilities for IFRIC 14	**8.4**	**–**	**8.4**	84.1	–	84.1
Total remeasurements in other comprehensive income	**(28.9)**	**29.7**	**0.8**	749.3	(746.1)	3.2
Employer contributions	**–**	**7.1**	**7.1**	–	7.1	7.1
Employee contributions	**–**	**–**	**–**	–	–	–
Benefit payments	**105.3**	**(105.3)**	**–**	102.0	(102.0)	–
At 31 December	**(1,679.8)**	**1,653.5**	**(26.3)**	(1,675.9)	1,646.3	(29.6)

Accounting valuation	**2023 £m**	2022 £m
Fair value of scheme assets	**1,653.5**	1,646.3
Present value of scheme obligations	**(1,576.8)**	(1,569.7)
Surplus in scheme	**76.7**	76.6
IFRIC 14 limitation on recognition of surplus	**(103.0)**	(106.2)
Deficit after IFRIC 14 adjustment	**(26.3)**	(29.6)

21 Retirement benefit obligations continued

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, direct loans, 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. In response to the significant increases in bond yields over 2022, the Trustee took prudent steps to ensure that the TWPS continued to have sufficient collateral in support of the liability-hedging programme. During the course of 2023, the Company and Trustee have rebalanced the portfolio into more liquid assets with the appointment of two new managers during the year, both of which have daily dealing terms and which are reflected in the asset allocation at the end of the reporting period.
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.

Notes to the consolidated financial statements continued

21 Retirement benefit obligations continued

Risk	Description
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 were 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 should they be required. Across the portfolio, the TWPS has liquid assets which could be sold at short notice if required. In particular, 75% 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 7% are invested in pooled funds with monthly redemption dates. Of the remaining assets, 2% 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 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.

Notes to the consolidated financial statements continued

22 Provisions

	Cladding fire safety £m	Leasehold £m	Other £m	Total £m
At 1 January 2022	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
Additions	**–**	**–**	**24.3**	**24.3**
Utilisation	**(16.8)**	**(4.0)**	**(7.0)**	**(27.8)**
Released	**–**	**–**	**–**	**–**
Foreign exchange	**–**	**–**	**(0.1)**	**(0.1)**
At 31 December 2023	**191.9**	**19.5**	**75.3**	**286.7**

	2023 £m	2022 £m
Current	**124.9**	106.7
Non-current	**161.8**	183.6
31 December	**286.7**	290.3

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 third 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 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

	2023 £m	2022 £m
Authorised:		
22,200,819,176 (2022: 22,200,819,176) ordinary shares of 1p each	**222.0**	222.0
1,158,299,201 (2022: 1,158,299,201) deferred ordinary shares of 24p each	**278.0**	278.0
31 December	**500.0**	500.0

	Number of ordinary shares	Number of deferred ordinary shares	£m
Issued and fully paid:			
31 December 2022	3,556,985,103	1,065,566,274	291.3
31 December 2023	**3,556,985,103**	**1,065,566,274**	**291.3**

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 nil (2022: 0.3 million) ordinary shares to satisfy option exercises. During the prior year, the Group 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.

Notes to the consolidated financial statements continued

24 Share premium

	2023 £m	2022 £m
At 1 January	**777.9**	777.5
Shares issued in year	**–**	0.4
At 31 December	**777.9**	777.9

25 Other reserves

	Capital redemption reserve £m	Translation reserve £m	Other £m	Total other reserves £m
Balance at 1 January 2022	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
Exchange differences on translation of foreign operations	**–**	**(2.4)**	**–**	**(2.4)**
Movement in fair value of hedging instruments	**–**	**1.2**	**–**	**1.2**
Balance at 31 December 2023	**32.4**	**8.0**	**504.0**	**544.4**

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.

Notes to the consolidated financial statements continued

26 Own shares

	£m
Balance at 1 January 2022	14.6
Shares acquired	33.8
Disposed of on exercise of options	(5.3)
Balance at 31 December 2022	43.1
Disposed of on exercise of options	**(13.4)**
Balance at 31 December 2023	**29.7**

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	**2023**	2022
Ordinary shares held in trust and treasury for bonus, option and performance award plans	**21.9**	30.9

During the current and prior year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs and in the prior year purchased £33.8 million of its own shares to be held in treasury. The market value of the shares held in the ESOT and treasury at 31 December 2023 was £32.2 million (2022: £31.4 million) and their nominal value was £0.2 million (2022: £0.4 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 2023 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 2022	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
Net cash flow	**(185.8)**	**–**	**(185.8)**
Foreign exchange	**(1.6)**	**1.5**	**(0.1)**
Balance at 31 December 2023	**764.9**	**(87.0)**	**677.9**

In December 2022, the Group entered into an agreement to refinance the €100 million loan notes maturing in June 2023. The new loan notes were issued in June 2023, maturing June 2030. For movements in lease liabilities in the year see Note 19. Inventory working capital movements in the cash flow 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 2023 (2022: none).

Notes to the consolidated financial statements continued

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 131 to 152. The tables below show the movements in the schemes in the year as well as their weighted average exercise price (WAEP).

	2023		2022	
Sharesave (SAYE):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**29,408,740**	**0.95**	24,020,334	1.11
Granted during the year	**7,746,227**	**0.91**	15,785,250	0.83
Forfeited during the year	**(7,516,682)**	**1.03**	(9,591,033)	1.11
Exercised during the year	**(3,725,149)**	**0.98**	(805,811)	1.30
Outstanding at the end of the year	**25,913,136**	**0.91**	29,408,740	0.95
Exercisable at the end of the year	**2,294,076**	**1.00**	2,245,075	1.24

The remaining Sharesave options outstanding at 31 December 2023 had a range of exercise prices from £0.83 to £1.42 (2022: £0.83 to £1.59) and a weighted average remaining contractual life of 2.91 years (2022: 3.03 years).

	2023		2022	
Share Incentive Plan (SIP):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**7,288,698**	**–**	6,496,507	–
Granted during the year	**1,866,218**	**–**	2,012,970	–
Forfeited during the year	**(883,601)**	**–**	(713,665)	–
Exercised during the year	**(995,545)**	**–**	(507,114)	–
Outstanding at the end of the year	**7,275,770**	**–**	7,288,698	–
Exercisable at the end of the year	**3,419,633**	**–**	3,288,991	–

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.

	2023		2022	
Performance Share Plan (PSP):	**Options**	**WAEP (in £)**	Options	WAEP (in £)
Outstanding at the beginning of the year	**10,543,277**	**–**	15,731,848	–
Granted during the year	**2,019,637**	**–**	1,891,265	–
Forfeited during the year	**(4,845,594)**	**–**	(5,700,993)	–
Exercised during the year	**(1,838,605)**	**–**	(1,378,843)	–
Outstanding at the end of the year	**5,878,715**	**–**	10,543,277	–
Exercisable at the end of the year	**–**	**–**	–	–

The conditional awards outstanding at 31 December 2023 had a weighted average remaining contractual life of 1.77 years (2022: 1.24 years).

29 Share-based payments continued

The average share price at the date of exercise across all options exercised during the period was £1.25 (2022: £1.32). 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	
	2023	2022	**2023**	2022
Model	**Binomial**	Binomial	**Monte Carlo**	Monte Carlo
Weighted average share price	**£1.17**	£0.93	**£1.28**	£1.30
Weighted average exercise price	**£0.79**	£0.77	**Nil**	Nil
Expected volatility	**36%**	41%	**42%**	42%
Expected life	**3/5 years**	3/5 years	**3 years**	3 years
Risk-free rate	**4.4%**	4.2%	**3.79%**	1.46%
Expected dividend yield	**7.65%**	4.24%	**0.0%**	0.0%
Weighted average fair value of options granted in year	**£0.42**	£0.34	**£0.76**	£0.72

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 £11.1 million in the year (2022: £14.1 million), which was composed of £8.9 million in relation to equity settled schemes and £2.2 million in relation to cash settled elements (2022: £14.0 million and £0.1 million).

Notes to the consolidated financial statements continued

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 £5.2 million (2022: £17.2 million) and purchases totalled £7.0 million (2022: £5.4 million). Interest received from joint ventures was £2.0 million (2022: £1.8 million). At 31 December 2023 receivables from joint ventures were £45.7 million (31 December 2022: £40.5 million) and payables were £0.2 million (31 December 2022: £0.9 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 page 95.

The remuneration information for the Executive Directors is set out in the Remuneration Report on page 141. The aggregate compensation for the other members of the GMT is as follows:

	2023 £m	2022 £m
Short term employee benefits	**4.5**	4.2
Post-employment benefits	**0.3**	0.3
Total (excluding share-based payments charge)	**4.8**	4.5

In addition to the amounts above, a share-based payment charge of £1.0 million (2022: £2.1 million) related to share options held by members of the GMT.

31 Dividends

	2023 £m	2022 £m
Proposed		
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
Final dividend 2023: 4.79p (2022: 4.78p) per ordinary share of 1p each	**169.4**	169.0
	338.5	331.9
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**168.8**	160.9
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
	337.9	323.8

The Directors recommend a final dividend for the year ended 31 December 2023 of 4.79 pence per share (2022: 4.78 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169 million based on the number of shares in issue at the end of the year (2022: £168.8 million). The final dividend will be paid on 10 May 2024 to all shareholders registered at the close of business on 2 April 2024.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2023.

Notes to the consolidated financial statements continued

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 financing, 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.

	2023	2022
Profit on ordinary activities before financing (£m)	**467.8**	827.5
Adjusted for:		
Share of results of joint ventures (£m) (Note 13)	**2.4**	15.9
Exceptional items (£m) (Note 6)	**–**	80.0
Operating profit (£m)	**470.2**	923.4
Revenue (£m) (Note 4)	**3,514.5**	4,419.9
Operating profit margin	**13.4%**	20.9%

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.

	2023	2022	2021
Basic net assets (£m)	**4,523.4**	4,502.1	4,314.0
Adjusted for:			
Cash (£m) (Note 16)	**(764.9)**	(952.3)	(921.0)
Borrowings (£m) (Note 17)	**87.0**	88.5	84.0
Net taxation (£m)	**(21.8)**	(18.8)	(26.4)
Accrued dividends (£m)	**–**	–	–
Net operating assets (£m)	**3,823.7**	3,619.5	3,450.6
Average basic net assets (£m)	**4,512.8**	4,408.1	
Average net operating assets (£m)	**3,721.6**	3,535.1	

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.

	2023	2022
Operating profit (£m)	**470.2**	923.4
Average net operating assets (£m)	**3,721.6**	3,535.1
Return on net operating assets	**12.6%**	26.1%

Notes to the consolidated financial statements continued

32 Alternative performance measures continued

Tangible net assets per share

This is calculated as net assets before any accrued dividends, excluding 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.

	2023	2022
Basic net assets (£m)	4,523.4	4,502.1
Adjusted for:		
Intangible assets (£m) (Note 11)	(2.6)	(4.2)
Tangible net assets (£m)	4,520.8	4,497.9
Ordinary shares in issue (millions)	3,557.0	3,557.0
Tangible net assets per share (pence)	127.1	126.5

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.

	2023	2022
Revenue (£m) (Note 4)	3,514.5	4,419.9
Average net operating assets (£m)	3,721.6	3,535.1
Net operating asset turn	0.94	1.25

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.

	2023	2022
Cash generated from operations (£m)	288.9	705.0
Operating profit (£m)	470.2	923.4
Cash conversion	61.4%	76.3%

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.

	2023	2022
Cash (£m) (Note 16)	764.9	952.3
Loans (£m) (Note 17)	(87.0)	(88.5)
Net cash (£m)	677.9	863.8
Land creditors (£m) (Note 18)	(516.1)	(725.6)
Adjusted net debt (£m)	161.8	138.2
Basic net assets (£m)	4,523.4	4,502.1
Adjusted gearing	(3.6)%	(3.1)%

33 Post balance sheet events

There were no material subsequent events affecting the Group after 31 December 2023.

Company balance sheet

at 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Investments in Group undertakings	4	**4,509.5**	4,500.6
Trade and other receivables	5	**67.6**	63.4
		4,577.1	4,564.0
Current assets			
Trade and other receivables	5	**686.2**	512.9
Cash and cash equivalents		**666.4**	868.3
		1,352.6	1,381.2
Current liabilities			
Trade and other payables	6	**(798.8)**	(766.5)
Bank and other loans	7	**–**	(88.5)
		(798.8)	(855.0)
Net current assets		**553.8**	526.2
Total assets less current liabilities		**5,130.9**	5,090.2
Non-current liabilities			
Trade and other payables	6	**–**	–
Bank and other loans	7	**(87.0)**	–
Provisions		**(1.0)**	(1.0)
Net assets		**5,042.9**	5,089.2
Equity			
Share capital	8	**291.3**	291.3
Share premium	9	**777.9**	777.9
Own shares	10	**(29.7)**	(43.1)
Other reserves	11	**536.0**	536.0
Retained earnings	12	**3,467.4**	3,527.1
Total equity		**5,042.9**	5,089.2

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 £278.4 million (2022: £897.6 million).

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2024. 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 2023

	Note	Share capital £m	Share premium £m	Own shares £m	Other reserves £m	Retained earnings £m	Total £m
Total equity at 1 January 2022		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
Profit for the year		**–**	**–**	**–**	**–**	**278.4**	**278.4**
Total comprehensive income for the year		**–**	**–**	**–**	**–**	**278.4**	**278.4**
Utilisation of own shares		**–**	**–**	**13.4**	**–**	**–**	**13.4**
Cash cost of satisfying share options		**–**	**–**	**–**	**–**	**(9.1)**	**(9.1)**
Capital contribution on share-based payments		**–**	**–**	**–**	**–**	**8.9**	**8.9**
Dividends approved and paid	15	**–**	**–**	**–**	**–**	**(337.9)**	**(337.9)**
Total equity at 31 December 2023		**291.3**	**777.9**	**(29.7)**	**536.0**	**3,467.4**	**5,042.9**

Notes to the Company financial statements

1 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 74 to 77. 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.

Notes to the Company financial statements continued

1 Accounting policies continued

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

	2023 Number	2022 Number
Directors	**2**	2

The Executive Directors received all of their remuneration, as disclosed in the Annual Report on Remuneration on pages 131 to 152, from Taylor Wimpey UK Limited. This remuneration is reflective of the Directors' service to the Company and all its subsidiaries.

3 Auditors' remuneration

	2023 £m	2022 £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.

Notes to the Company financial statements continued

4 Investments in Group undertakings

	Shares £m
Cost	
At 1 January 2023	**7,425.2**
Capital contribution relating to share-based payments	**8.9**
At 31 December 2023	**7,434.1**
Provision for impairment	
At 1 January 2023	**(2,924.6)**
At 31 December 2023	**(2,924.6)**
Carrying amount	
At 31 December 2023	**4,509.5**
At 31 December 2022	**4,500.6**

All investments are unlisted and information about all subsidiaries is listed on pages 219 to 225.

5 Trade and other receivables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Due from Group undertakings	**683.0**	510.1	**64.0**	62.3
Other receivables	**3.2**	2.8	**3.6**	1.1
	686.2	512.9	**67.6**	63.4

Amounts due from Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

6 Trade and other payables

	Current		Non-current	
	2023 £m	2022 £m	**2023 £m**	2022 £m
Due to Group undertakings	**789.9**	762.6	**–**	–
Other payables	**1.0**	3.2	**–**	–
Corporation tax creditor	**7.9**	0.7	**–**	–
	798.8	766.5	**–**	–

Amounts due to Group undertakings are unsecured, repayable on demand and are predominantly interest bearing.

7 Bank and other loans

	2023 £m	2022 £m
€100.0 million 2.02% Senior Loan Notes 2023	**–**	88.5
€100.0 million 5.08% Senior Loan Notes 2030	**87.0**	–
	87.0	88.5

	2023 £m	2022 £m
Amounts due for settlement within one year	**–**	88.5
Amount due for settlement after one year	**87.0**	–
Total borrowings	**87.0**	88.5

Notes to the Company financial statements continued

8 Share capital

	2023 £m	2022 £m
Authorised:		
22,200,819,176 (2022: 22,200,819,176) ordinary shares of 1p each	222.0	222.0
1,158,299,201 (2022: 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 2022	3,556,985,103	1,065,566,274	291.3
31 December 2023	**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 nil (2022: 0.3 million) ordinary shares to satisfy option exercises. During the prior year the Company 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

	2023 £m	2022 £m
At 1 January	777.9	777.5
Shares issued in year	–	0.4
At 31 December	777.9	777.9

10 Own shares

	2023 £m	2022 £m
Own shares	29.7	43.1

These comprise ordinary shares of the Company:	Number	Number
Ordinary shares held in trust and treasury for bonus, option and performance award plans	21.9m	30.9m

During the current and prior year, Taylor Wimpey plc purchased none of its own shares to be held in the ESOTs and in the prior year purchased £33.8 million of its own shares to be held in treasury. The market value of the shares held in the ESOT and treasury at 31 December 2023 was £32.2 million (2022: £31.4 million) and their nominal value was £0.2 million (2022: £0.4 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 2023 were covered by outstanding options and conditional awards over shares at that date.

Notes to the Company financial statements continued

11 Other reserves

	2023 £m	2022 £m
At 1 January	**536.0**	535.1
Shares repurchased and cancelled in year	**–**	0.9
At 31 December	**536.0**	536.0

£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 (2022: £32.4 million) in respect of the redemption of the Company's shares, which is non distributable.

12 Retained earnings

Retained earnings of £3,467.4 million (2022: £3,527.1 million) includes profit for the year of £278.4 million (2022: £897.6 million), of which £266.0 million (2022: £1,010.5 million) is dividends received from subsidiaries. Included in retained earnings is £934.4 million (2022: £923.7 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 £76.7 million at 31 December 2023 (2022: £76.6 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.

Notes to the Company financial statements continued

15 Dividend

	2023 £m	2022 £m
Proposed		
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
Final dividend 2023: 4.79p (2022: 4.78p) per ordinary share of 1p each	**169.4**	169.0
	338.5	331.9
Amounts recognised as distributions to equity holders		
Paid		
Final dividend 2022: 4.78p (2021: 4.44p) per ordinary share of 1p each	**168.8**	160.9
Interim dividend 2023: 4.79p (2022: 4.62p) per ordinary share of 1p each	**169.1**	162.9
	337.9	323.8

The Directors recommend a final dividend for the year ended 31 December 2023 of 4.79 pence per share (2022: 4.78 pence per share) subject to shareholder approval at the Annual General Meeting, with an equivalent final dividend charge of c.£169 million based on the number of shares in issue at the end of the year (2022: £168.8 million). The final dividend will be paid on 10 May 2024 to all shareholders registered at the close of business on 2 April 2024.

In accordance with IAS 10 'Events after the Reporting Period', the proposed final dividend has not been accrued as a liability at 31 December 2023.

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
Haverhill 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 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

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
Academy Central LLP	62%
Bordon Developments Holdings Limited	50%
Chobham Manor LLP	50%
Chobham Manor Property Management Limited	50%
Falcon Wharf Limited	50%
GWNW City Developments Limited	50%
Paycause Limited	66.67%
Taylor Wimpey Pension Trustees Limited	99%
Triumphdeal Limited	50%
Vumpine Limited	50%
Whitehill & Bordon Development Company BV Limited	50%
Whitehill & Bordon Development Company Phase 1a Limited	50%
Whitehill & Bordon Regeneration Company Limited	50%
Wimpey Laing Overseas Limited	50%
Wimpey Laing Limited	50%
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
Bryant Homes Scotland Limited	100%
George Wimpey East Scotland Limited	100%
George Wimpey West Scotland Limited	100%
London and Clydeside Estates Limited	100%
London and Clydeside Holdings Limited	100%
Strada Developments Limited	50%
Taylor Wimpey (General Partner) Limited	100%
Taylor Wimpey (Initial LP) Limited	100%
Taylor Wimpey Scottish Limited Partnership	100%
Whatco England Limited	100%
Wilcon Homes Scotland Limited	100%

Particulars of subsidiaries, associates and joint ventures continued

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%	Second Floor, Arena Court, Crown Lane, Maidenhead, SL6 8QZ
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 223-223A, 07008 Palma de Mallorca, Spain
Taylor Woodrow (Gibraltar) Limited	100%	17 Bayside Road, Gibraltar
Wisley Property Investments Limited	100%	190 Elgin Avenue, George Town, KY1-9008, Cayman Islands

Particulars of subsidiaries, associates and joint ventures continued

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
Ada Gardens Resident Management Company Limited	26
Admiral Park (Tongham) Management Company Limited	26
Albion Lock (Sandbach) Management Company Limited	12
Alyn Meadows Management Company Limited	12
Apsham Grange (Topsham) Management Company Limited	4
Barker Butts Lane Management Company Limited	1
Barry Waterfront Residents Management Company Limited	4
Battersea Exchange Management Company Limited	1
Biggleswade Management Company Limited*[1]	2
Billington Grove (SM) Management Company Limited	3
Bishop Stortford NPB Limited	28
Bishop Stortford NPE Limited	28
Bramcote Residents Management Company Limited	29
Bramley Park Management Company Limited	1
Brantham Residential Estate Management Company Limited	1
Broadleaf Park (Rownhams) Management Company Limited	4
Broadway Fields Residents Management Company Limited	1
Broken Stone Road (Blackburn) Residents Management Company Limited	17
Broughton Gate (Milton Keynes) Management Company Limited	3
Brunswick Dock (Liverpool) Management Company Limited*	25
Buckingham Park (Weedon Hill) Management Company Limited	3
Buckton Fields (Northampton) Apartment Management Company Limited	18
Buckton Fields (Northampton) Estate Management Company Limited	18
Burdon Lane (Ryhope) Residents Management Company Limited	18
Canford Vale Management Company Limited	17
Capital Court Property Management Limited*[2]	10
Cherrywood Gardens Residents Management Company Limited	29
Cliddesdon Reach Management Company Limited	1
Clipstone Park (Leighton Buzzard) Management Company Limited	3
Clover House (Cranbrook) Management Company Limited	4
Coatham Vale and Berrymead Gardens Residents Management Company Limited	18
Coed Issa Management Company Limited	8
Colney Manor Resident Management Company Limited	8
Concept (EA) Management Company Limited	3
Coopers Grange (Bishop Stortford) Residents Management Company Ltd	8
Coppice Place Management Company Limited	3
Coronation Square Residents Management Company Limited	3
Cotswold View Residents Association Limited	1

Company Name	Reference
Cromwell Place Residents Management Company Limited	19
Crookham Park (Church Crookham) Management Company Limited*[6]	26
Cwm Gelli (Blackwood) Residents Management Company Limited	1
Denne Road Management Company Limited	1
Diglis Water Estate Management Company Limited	1
Dunton Green Management Company (No.1) Limited	1
Dunton Green Management Company (No.2) Limited	1
Earls Court Farm Worcester Residents Management Company Limited	14
Edlogan Wharf Community Interest Company	1
Elgar Place Management Company Limited	1
Emberton Grange Management Company Limited	19
Evergreens (Beaufort Park) Management Company Limited	28
Forge Wood (Crawley) Management Company Limited	30
Foxwood Garden Village Residents Management Company Limited	17
Franklin Park (Stevenage) Residents Management Company Limited	15
Glasdir Management Company Limited	1
Great Hall Park Residents Association Limited	1
Greenfields Park (EA) Management Company Limited	5
Gresley Meadow Management Company Limited	16
Handley Chase (Sleaford) Residents Management Company Limited	13
Handley Gardens (Lancaster Avenue) Block Management Company Limited	3
Handley Gardens Management CIC	6
Hanwell Fields 3B Management Company Limited	1
Harebell Meadows and Hartburn Grange Residents Management Company Limited	17
Hastings Manor (Hugglescote) Residents Management Company Limited	7
Hay Common Management Company Limited	4
Haybridge (Wells) Management Company Limited	4
Hayes Green Management Company Limited	3
Heritage Park Gravesend Residents Association (No.1) Limited	1
Heritage Park Gravesend Residents Association (No.2) Limited	1
Heritage Park Gravesend Residents Association (No.3) Limited	1
Heritage Park Gravesend Residents Association (No.4) Limited	1
Heritage Park Gravesend Residents Association (No.5) Limited	1
Herrington View Residents Management Company Limited	18
Hethersett Residents Management Company Limited	8
Humberstone Residents Estate Management Company Limited	7
Hunters Meadow Residents Association Limited	3
Jasmine Park (Whirley) Management Company Limited	1

Particulars of subsidiaries, associates and joint ventures continued

Company Name	Reference
K Reach (EA) Management Company Limited	3
Kentmere Place Residents Association Limited	1
Kesgrave K Management Company Limited	1
Kingsbourne (Nantwich) Community Management Company Limited	8
Kingsley Grange (Wickford) Residents Association Limited	8
Leawood (Management) Company Limited*	1
Lindridge Chase Residents Management Company Limited	16
Lion Mills (EA) Management Company Limited	3
Longridge Farm and Greendale Park Residents Management Company Limited	18
Longshore and Shoreview Residents Management Company Limited	18
Macintosh Mills Car Park (Management) Limited	1
Maidenfields Estate Residents Management Company Limited	19
Manor Court (Prescot) Management Company Limited	1
Manor Park Sprowston Residents Management Company Limited	8
Manor Rise Block C Management Company Limited	26
Manor View (East Grinstead) Residents Management Company Limited	31
Mayfield Gardens Management Company Limited	3
Melton Manor (Melton Mowbray) Residents Company Limited	7
Millers Brow Management Company Limited	1
Millstream Meadows (Middlewich) Management Company Limited	35
Monmore Grange Management Company Limited	3
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	20
Newcastle Great Park Management Company Limited*5	20
NGP Management Company (Cell A) Limited*3	20
NGP Management Company (Cell D) Limited*3	20
NGP Management Company (Cell E) Limited*3	20
NGP Management Company (Cell F) Limited*3	20
NGP Management Company (Commercial) Limited*3	20
NGP Management Company (Town Centre) Limited*3	20
NGP Management Company Residential (Cell G) Limited*	20
Nightingale Park Residents Association Limited	8
North Wharf Gardens Management Company Limited	1
Nunnery Fields (Management No.1) Limited	5
Nunnery Fields (Management) Limited	5
Oak Park (Cheddar) Management Company Limited	3
Oakapple 2 Resident Management Company Limited	11
Oaklands Residents Management Company Limited	19

Company Name	Reference
Ockley Park (Hassocks) (Block E) Residents Management Company Limited	26
Ockley Park (Hassocks) (Blocks A & B) Residents Management Company Limited	26
Ockley Park (Hassocks) Residents Management Company Limited	26
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	21
Parklands (Woburn Two) Management Company Limited	3
Parsons Chain Residents Management Company Limited	16
Pathfinder Place (Melksham) Management Company Limited	4
Peartree Village Management Limited	9
Plas Brymbo Landscaping Management Company Limited	33
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	27
Regency Place (Shiplake) Management Company Limited	1
Robin Gardens Management Company Limited	7
Romans Gate (Old Stratford) Residents Association Limited	1
Saxon Park Management Company Limited	1
Seagrave Park Residents Management Company Limited	7
Sherdley Green Residents Management Company Limited	17
Sherford 1A Parcel 4 Management Company Limited	3
Sherford 1A Parcel 5 Management Company Limited	3
Sherford 1B Parcel EFGJ Management Company Limited	3
Sherford Estate Management Company Limited	3
Shopwyke Lakes Chichester (Management) Company Limited	4
Southgate Maisonettes (27 and 28) Limited	1
Speakman Gardens Residents Association Limited	1
St Augustines Place Herne Bay Management Company Limited	4
St Crispin Area H Management Company Limited	1
St Dunstans Apartment Management Company Limited*	1
Stanbury View (Parklands) Management Company Limited	26
Stanhope Gardens (Wellesley) (Block A) Residents Management Company Limited	26
Stanhope Gardens (Wellesley) (Blocks B-D) Residents Management Company Limited	26
Stanhope Gardens (Wellesley) (Block F) Residents Management Company Limited	26

Particulars of subsidiaries, associates and joint ventures continued

Company Name	Reference
Stanhope Gardens (Wellesley) (Block G) Residents Management Company Limited	26
Stonebrooke Gardens Management Company Limited	22
Stortford Fields Estate Management Company Limited	11
Stour Valley Management Phase 1 Limited	34
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	12
Thamesview (Plots 425 to 560) Residents Association Limited	1
The Apartments at Lindridge Chase Residents Management Company Limited	16
The Arboretum (Haverhill) Residents Management Company Limited	8
The Asps Residents Management Company Limited	17
The Atrium (Overstone) Residents Management Company Limited	8
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 Heath RMC Limited	3
The Highgate (Durham) Management Company Limited*	1
The Junction Flat Management Company Limited*	1
The Laurels (Kirby Cross) Management Company Limited	19
The Merriemont Management Company Limited*	1
The Middlefield Springs Management Company Limited	3
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 Quarters Quedgeley Management Company Limited	3
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 Skylarks (Warfield) Management Company Limited	26
The Spinney Residents Management Company Limited*	1
The Swan Gardens Management Company Limited*	1
The Vale RMC Limited	3

Company Name	Reference
The Weekley Wood Management Company Limited*	1
The Wharf Lane (Solihull) No.1 Management Company Limited	1
The Willowfields Management Company Limited*	1
The Woodlands At Shevington Management Company Limited	12
The Woodway Gate Management Company No.1 Limited	1
Vision at Meanwood Residents Management Company Limited	17
Watton Management Company Limited*4	32
Webheath (Redditch) Management Company Limited	3
Wellington Paddocks (Walmer) Management Company Limited	1
Westbridge Park (Auckley) Management Company Limited	12
Whalley Road (Barrow) Management Company Limited	8
White House Farm (Emersons Green) Management Company Limited	4
Whitehouse Farm Apartments (Emersons Green) Management Company Limited	19
Willow Lake (Bletchley One) Management Company Limited	3
Willow Lake (Bletchley Two) Management Company Limited	3
Willowcroft (SM) Management Company Limited	7
Windermere Grange Residents Management Company Limited	16
Winnington Village Community Management Company Limited	12
Woodside Vale (Leeds) Residents Management Company Limited	17
Wool Gardens (Crewkerne) Management Company Limited	4
Wootton Meadows Residents Association Limited	1
Worlebury House Apartments Residents Management Company Limited	23
Wrexham Road Garden Village Management Company Limited	8
Wyrley View Residents Management Company Limited	24

* Private Limited Company.
1 60% Ownership.
2 17.2% Ownership.
3 50% Ownership.
4 33.3% Ownership.
5 11.11% Ownership.
6 Group representatives on Board only.

Particulars of subsidiaries, associates and joint ventures continued

Reference	Registered Address
1	Gate House, Turnpike Road, High Wycombe, Buckinghamshire, HP12 3NR
2	Newton House, 2 Sark Drive, Newton Leys, Milton Keynes, MK3 5SD
3	Queensway House, 11 Queensway, New Milton, BH25 5NR
4	Fisher House, 84 Fisherton Street, Salisbury, SP2 7QY
5	94 Park Lane, Croydon, CR0 1JB
6	1 London Road, Brentwood, Essex, CM14 4QP
7	2 Hills Road, Cambridge, CB2 1JP
8	RMG House, Essex Road, Hoddesdon, EN11 0DR
9	Countryside House, The Drive, Great Warley, Brentwood, Essex, CM13 3AT
10	4 Capital Court, Bitten Road, Sowton Industrial Estate, Exeter, EX2 7FW
11	Gateway House, 10 Coopers Way, Southend-On-Sea, SS2 5TE
12	Chiltern House, 72-74 King Edward Street, Macclesfield, Cheshire, SK10 1AT
13	Unit 2, The Osiers Business Park, Laversall Way, Leicester, LE19 1DX
14	Redrow House, St Davids Park, Ewloe, Flintshire, CH5 3RX
15	Imperial Place, Building 2, Maxwell Road, Borehamwood, WD6 1JN
16	Second Floor, Fore 2, Fore Business Park, Solihull, B90 4SS
17	Unit 7, Portal Business Park, Easton Lane, Tarporley, Cheshire, CW6 9DL
18	Cheviot House, Beaminster Way, Newcastle upon Tyne, NE3 2ER

Reference	Registered Address
19	Vantage Point, 23 Mark Road, Hemel Hempstead, HP2 7DN
20	3rd Floor, Citygate, St. James' Boulevard, Newcastle upon Tyne, NE1 4JE
21	Foundation House, Coach & Horses Passage, Tunbridge Wells, TN2 5NP
22	Boulton House, 17-21 Chorlton Street, Manchester, M1 3HY
23	730 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4SD
24	137 Newhall Street, Birmingham, B3 1SF
25	384a Deansgate, Manchester, Greater Manchester, M3 4LA
26	Victoria House, 178-180 Fleet Road, Fleet, GU51 4DA
27	5 Market Yard Mews, 194-204 Bermondsey Street, London, SE1 3TQ
28	Suite 35, Interchange Business Centre, Howard Way, Newport Pagnell, MK16 9PY
29	Unit 2, Tournament Court, Edgehill Drive, Warwick, CV34 6LG
30	Unit 8, The Forum, Minerva Business Park, Peterborough, PE2 6FT
31	One Eleven, Edmund Street, Birmingham, West Midlands, B3 2HJ
32	11th Floor, Two Snow Hill, Birmingham, B4 6WR
33	Carvers Warehouse, 77 Dale Street, Manchester, M1 2HG
34	13a, Building Two, Canonbury Yard, 190 New North Road, London, N1 7BJ
35	1 Lumsdale Road, Stretford, Manchester, M32 0UT

Five year review (unaudited)

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Revenue	**3,514.5**	4,419.9	4,284.9	2,790.2	4,341.3
Profit on ordinary activities before financing	**467.8**	827.5	698.2	282.4	856.8
Adjust for: Share of results of joint ventures	**2.4**	15.9	5.4	7.9	8.0
Adjust for: Exceptional items	**–**	80.0	125.0	10.0	(14.3)
Operating profit	**470.2**	923.4	828.6	300.3	850.5
Net finance income/(costs)	**3.6**	(15.5)	(24.0)	(25.9)	(28.9)
Profit for the financial year before taxation and exceptional items	**473.8**	907.9	804.6	274.4	821.6
Exceptional items	**–**	(80.0)	(125.0)	(10.0)	14.3
Taxation charge including taxation on exceptional items	**(124.8)**	(184.3)	(124.1)	(47.4)	(162.0)
Profit for the financial year	**349.0**	643.6	555.5	217.0	673.9
Balance sheet					
Intangible assets	**2.6**	4.2	6.6	8.1	7.0
Property, plant and equipment	**22.0**	17.3	21.7	24.0	25.6
Right-of-use assets	**37.8**	26.3	26.5	27.5	27.4
Interests in joint ventures	**70.5**	74.0	85.4	82.2	55.3
Other financial assets	**10.3**	10.0	10.0	–	–
Non-current trade and other receivables	**28.1**	12.2	27.5	26.3	43.7
Non-current assets (excluding tax)	**171.3**	144.0	177.7	168.1	159.0
Inventories	**5,169.6**	5,169.6	4,945.7	4,534.7	4,196.0
Other current assets (excluding tax and cash)	**124.4**	191.2	168.2	189.1	161.0
Trade and other payables excluding land creditors	**(691.6)**	(735.8)	(587.7)	(571.4)	(634.9)
Land creditors	**(301.2)**	(395.0)	(314.2)	(347.9)	(339.9)
Lease liabilities	**(8.8)**	(7.3)	(7.0)	(6.4)	(7.6)
Provisions	**(124.9)**	(106.7)	(125.4)	(70.6)	(72.7)
Net current assets (excluding tax and net cash)	**4,167.5**	4,116.0	4,079.6	3,727.5	3,301.9

	2023 £m	2022 £m	2021 £m	2020 £m	2019 £m
Trade and other payables excluding land creditors	**(80.9)**	(76.7)	(137.1)	(131.8)	(110.4)
Land creditors	**(214.9)**	(330.6)	(492.2)	(328.0)	(389.3)
Retirement benefit obligations	**(26.5)**	(29.9)	(37.3)	(89.5)	(85.0)
Lease liabilities	**(31.0)**	(19.7)	(20.4)	(21.6)	(20.3)
Provisions	**(161.8)**	(183.6)	(119.7)	(59.9)	(55.7)
Non-current liabilities (excluding debt)	**(515.1)**	(640.5)	(806.7)	(630.8)	(660.7)
Cash and cash equivalents	**764.9**	952.3	921.0	823.0	630.4
Bank and other loans	**(87.0)**	(88.5)	(84.0)	(103.6)	(84.7)
Taxation balances	**21.8**	18.8	26.4	32.6	(38.1)
Basic net assets	**4,523.4**	4,502.1	4,314.0	4,016.8	3,307.8
Statistics					
Basic earnings per share	**9.9p**	18.1p	15.3p	6.3p	20.6p
Adjusted basic earnings per share	**9.9p**	19.8p	18.0p	6.5p	20.3p
Tangible net assets per share	**127.1p**	126.5p	118.1p	110.0p	100.5p
Dividends paid (pence per share)	**9.57**	9.06	8.28	–	18.34
Number of ordinary shares in issue at the year end (millions)	**3,557.0**	3,557.0	3,648.6	3,645.4	3,283.1
UK short term landbank (plots)	**80,323**	82,830	85,376	77,435	75,612
UK average selling price (£000)	**324**	313	300	288	269
UK completions (homes including JVs)	**10,438**	13,773	14,087	9,609	15,719

Notice of Annual General Meeting

Dear Shareholder

Annual General Meeting (AGM)

The 2024 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 Tuesday 23 April 2024 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 of tea, coffee and pastries will be available from 9:30am and after the end of the AGM.

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/2024AGM 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 228.

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 opposite.

How to vote

If you would like to vote on the resolutions in this Notice of Meeting but cannot attend the AGM either 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 form no later than 10:30am on Friday 19 April 2024. 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 236 to 238. 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 Friday 19 April 2024. 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 continued

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.

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/2024AGM 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 Friday 19 April 2024. 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.

Notice of Annual General Meeting continued

Notice of Annual General Meeting

Notice is hereby given of the eighty ninth Annual General Meeting (the AGM) of the Company to be held on Tuesday 23 April 2024 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 Auditor's Report and Financial Statements for the year ended 31 December 2023.
2. To declare due and payable on 10 May 2024 a final dividend of 4.79 pence per ordinary share of the Company for the year ended 31 December 2023 to shareholders on the register at close of business on 2 April 2024.
3. To re-elect as a Director, Robert Noel.
4. To re-elect as a Director, Jennie Daly.
5. To re-elect as a Director, Chris Carney.
6. To re-elect as a Director, Humphrey Singer.
7. To re-elect as a Director, Irene Dorner.
8. To re-elect as a Director, Lord Jitesh Gadhia.
9. To re-elect as a Director, Scilla Grimble.
10. To re-elect as a Director, Mark Castle.
11. To re-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 £11,788,539 (such amount to be reduced by any allotments or grants made under paragraph b below, in excess of £11,788,539); and
    b. comprising equity securities (as defined in the Companies Act 2006) up to a nominal amount of £23,577,078 (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, and 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 22 July 2025) 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 given power 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

Notice of Annual General Meeting continued

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; and

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 £3,536,561.

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 22 July 2025) 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 given the power 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 apply to any such allotment or sale, such power to be:

a. limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £3,536,561; 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 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 power to apply until the end of the next Annual General Meeting of the Company (or, if earlier, until the close of business on 22 July 2025) 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 ended.

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 353,656,100;

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 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 22 October 2025 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.

Notice of Annual General Meeting continued

Special business

Ordinary resolutions:

18. That the Directors' Remuneration Report for the year ended 31 December 2023, as set out on pages 131 to 133 and 140 to 152 of the Annual Report and Accounts for the financial year ended 31 December 2023, be approved in accordance with Section 439 of the Companies Act 2006.

19. 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.

Special resolution:

20. 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

27 February 2024

Explanatory notes to the resolutions

The notes on the following pages explain the proposed resolutions.

Resolutions 1 to 14 and 18 to 19 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the vote cast must be in favour of the resolution. Resolutions 15 to 17 and 20 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 up 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 2023 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 4.79 pence per ordinary share in respect of the year ended 31 December 2023. If approved at the AGM, the dividend will be paid on 10 May 2024 to shareholders who are on the Register of Members at the close of business on 2 April 2024.

Dividend Re-Investment Plan
Subject to shareholders approving the dividend as set out in resolution 2 at the AGM scheduled for 23 April 2024, 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.

Notice of Annual General Meeting continued

The DRIP will operate automatically in respect of the final dividend for 2023 (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.

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 2023 final dividend) and any special dividends, are available at www.signalshares.com or on request from the Registrar, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, email: shares@linkgroup.co.uk or call +44 (0)371 664 0391. 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 re-election, as appropriate, by shareholders at the AGM.

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 131 to 152 of this Annual Report and Accounts. Full biographical information concerning each Director can be found on pages 92 and 94.

The following summary information is given in support of the Board's proposal for each Director standing for re-election.

Robert Noel – offers himself for re-election

Robert has been a Non Executive Director since 1 October 2019; the Company's Senior Independent Director between 21 April 2020 and 27 April 2023; and the Board's Employee Champion between 26 April 2022 and 27 April 2023. Robert formally assumed the position of Chair on 27 April 2023. The Board is satisfied that he is independent in character and judgement in applying his expertise in chairing meetings of the Board and of the Nomination and Governance Committee, and that he will be able to allocate sufficient time to the Company to discharge his responsibilities effectively. Robert 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.

Jennie Daly – offers herself for re-election

Jennie has been Chief Executive since 26 April 2022 following the conclusion of the AGM, 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 Committee of Compare The Market Limited.

Notice of Annual General Meeting continued

Irene Dorner – offers herself for re-election
Irene was appointed as a Non Executive Director and Chair-Designate on 1 December 2019. Irene was the Company's Chair from 26 February 2020 to 27 April 2023 and Chair of the Nomination and Governance Committee in that time. Irene has strong leadership skills, coupled with deep commercial experience. On standing down as Chair in 2023, and in accordance with the Code, she became a non independent Non Executive Director and continues to provide an effective contribution to the Board and the Nomination and Governance Committee, and the further development of the Group's strong cultural principles.

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 re-election
Mark was appointed as a Non Executive Director on 1 June 2022, and was appointed as the Board's Employee Champion on 27 April 2023. The Board is satisfied that he is independent in character and judgement in applying his expertise at meetings of the Board, the Audit Committee, the Remuneration 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 Group Limited until 2021.

Clodagh Moriarty – offers herself for re-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, the Remuneration 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. Clodagh has twenty 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, externally conducted, details of which are set out in the Nomination and Governance Committee report in the Annual Report on pages 107 to 112, 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 2024 AGM 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 2023 are given in Note 6 on page 183 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 AGM held on 27 April 2023 which is due to expire at the conclusion of this AGM. 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 £11,788,539 (representing 1,178,853,900 ordinary shares). This amount represents approximately one third of the issued ordinary share capital of the Company as at 20 February 2024, 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 £23,577,078 (representing 2,357,707,800 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 20 February 2024, the latest practicable date prior to publication of this Notice of Meeting.

The Company holds 20,423,334 shares in treasury.

The authorities sought under paragraphs a and b of resolution 14 will expire at the earlier of 22 July 2025 and the conclusion of the next Annual General Meeting of the Company.

Notice of Annual General Meeting continued

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 without first offering them to existing shareholders in proportion to their existing shareholdings.

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 £3,536,561 being approximately 10 percent of the issued ordinary share capital (excluding treasury shares) at 20 February 2024, 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 £707,312, being approximately 2 percent of the issued ordinary share capital (excluding treasury shares) at 20 February 2024, 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 £3,536,531, being approximately 10 percent of the issued ordinary share capital (excluding treasury shares) at 20 February 2024, the latest practicable date prior to publication of this Notice of Meeting; and

(ii) an aggregate nominal value of £707,312, being approximately 2 percent of the issued ordinary share capital (excluding treasury shares) at 20 February 2024, 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 2025 or at the close of business on 22 July 2025, 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 20 February 2024.

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.

Notice of Annual General Meeting continued

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 20 February 2024, the Company holds 20,423,334 shares in treasury.

This is a standard resolution, sought by the majority of public listed companies at Annual General Meetings.

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 25,000,000 were held in treasury and the remaining 91.9 million were cancelled. That share buyback is expected to benefit shareholders through the opportunity for increased future dividends per share on the remaining shares. The shares held in treasury have been and continue to be used for 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 205.

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 20 February 2024 was 32,005,991, representing approximately 0.9% of the issued ordinary share capital of the Company as at that date and approximately 1.0% 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 22 October 2025 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 cast in favour.

Resolution 18: Approval of the Directors' Remuneration Report

The Remuneration Committee of the Board (the Committee) is seeking shareholders' approval of the Directors' Remuneration Report in resolution 18 which will 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. This vote on the Directors' Remuneration Report is an advisory one only.

Resolution 19: 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 19 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 19) 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 19 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 42 of the Annual Report and Accounts.

Notice of Annual General Meeting continued

Special resolution

Special resolutions require at least three quarters of votes cast to be in favour.

Resolution 20: 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 AGM, 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 AGM, resolution 20 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.

Procedural notes

1. To be entitled to attend and vote at the AGM (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 Friday 19 April 2024 (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 20 February 2024 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 3,556,985,103 ordinary shares, carrying one vote each. The Company holds 20,423,334 shares in treasury. Therefore, the total voting rights in the Company as at 20 February 2024 were 3,536,561,769.
3. A shareholder entitled to attend and vote at the AGM may appoint a proxy or proxies to exercise all or any of their rights at the AGM. 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 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 and International Limited at the electronic address provided in note 9, or via the Proxymity platform in each case no later than 10:30am on Friday 19 April 2024. 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 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 AGM. 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.

Notice of Annual General Meeting continued

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 and Ireland 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 Friday 19 April 2024. 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 Friday 19 April 2024 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 they do not do so in relation to the same shares.
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 AGM; 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 AGM 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 AGM relating to the business of the AGM. The Company must cause to be answered any such question relating to the business being dealt with at the AGM 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 AGM 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).

Notice of Annual General Meeting continued

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 AGM 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 AGM.
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 AGM.
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 AGM.
    - 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 2023, including the Directors' Remuneration Report referred to in resolution 18. This document is also available on our corporate website.

    Since shareholders will be able to follow the AGM 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 AGM section of our website at www.taylorwimpey.co.uk/2024AGM.
19. Personal data provided by shareholders at or in relation to the AGM (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 11 March 2024, 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:

a. Enables the Company to reduce printing and postage costs.

b. Allows faster access to information and enables shareholders to access documents on the day they are published on the Company's website.

c. Reduces the amount of resources consumed, such as paper, and lessens the impact of printing and mailing activities on the environment.

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 at www.signalshares.com.

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 corporate 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 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 2023 final dividend) and any special dividends, are available at www.signalshares.com or on request from the Registrar, Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, email: shares@linkgroup.co.uk, tel: +44 (0)371 664 0391. 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.

Shareholder facilities continued

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 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 plc share price

Our share price is available on our corporate 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, 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.

Addresses

Annual General Meeting

10:30am on 23 April 2024 at:

The Gerrards Suite at the Crowne Plaza Gerrards Cross, Oxford Road, Beaconsfield, HP9 2XE.

Proxy instructions must be received by 10:30am on Friday 19 April 2024.

Group General Counsel and Company Secretary

Ishaq Kayani
Taylor Wimpey plc
Gate House
Turnpike Road
High Wycombe
Buckinghamshire
HP12 3NR

Tel: +44 (0)1494 558323

Registrar

For any enquiries concerning your shareholding or details of shareholder services, please contact:

Link Group
Central Square
29 Wellington Street
Leeds
LS1 4DL

Email: shareholderenquiries@linkgroup.co.uk
Tel: +44 (0)371 664 0300
Website: www.signalshares.com

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.

External Auditors

PricewaterhouseCoopers LLP

Solicitors

Slaughter and May

Stockbrokers

Citigroup Global Markets Limited
Bank of America

Principal operating addresses

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Tel: +44 (0)1494 558323
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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Taylor Wimpey plc

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