

## 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



### 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



Sustainability

## Section 172 (1) statement

# 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      • Investors
- Customers      • 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.

**i** Further information can be found on [page 108](#)

#### Key to decision criteria

- A: The likely consequences of any decision in the long term
- B: The interests of our employees

### 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      • Regulators
- Investors

#### 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.

**i** 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      • Investors
- Customers      • 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.

**i** Further information can be found on [pages 97 to 98](#)

### 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

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# 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%**

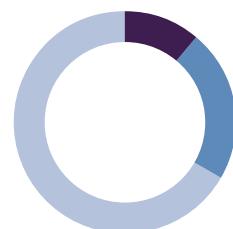
Read more on [page 130](#)

Mean gender pay gap

**6%**

Read more on [page 150](#)

Board roles



- Chair 1
- Executive Director 2
- Non Executive Director 6

Board ethnic diversity

**11%**

person from minority ethnic background

Read more on [page 106](#)

Gender diversity among senior Board positions

**25%**

female

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](#)

Workforce engagement sessions

**26**

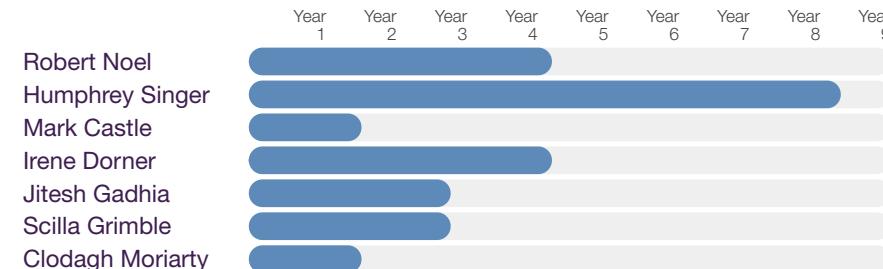
Read more on [page 102](#)

Investor engagement sessions

**119**

Read more on [page 101](#)

Non Executive Director tenure



## Board of Directors

# 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 Structurette 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 Sainsbury's 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	Governance Committee	Remuneration Committee	Nomination and
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 Gadlia	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 Gadlia 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



## 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.

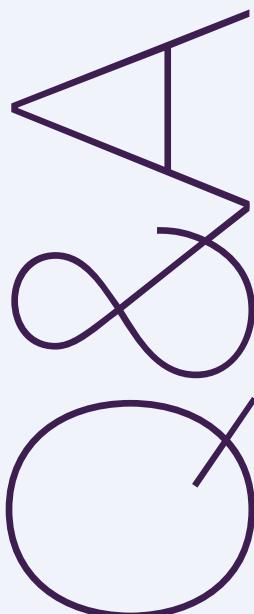
**i** More information about key Board activities can be found on [page 100](#)

### 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.

**i** 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.

**i** 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.

**i** 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.

**i** 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.

**i** 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.

**i** 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.

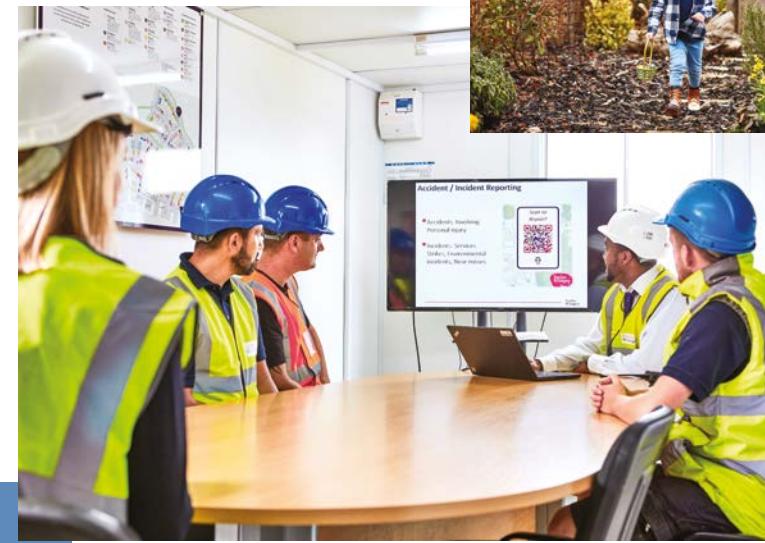
### Annual General Meeting

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.

	<b>Matters approved</b>	<b>Read more</b>	<b>Matters considered</b>	<b>Read more</b>	<b>Stakeholders considered</b>
<b>Strategy</b>  Link to strategic cornerstones	<ul style="list-style-type: none"> <li>• Business restructure plans which right-sized the business in response to market challenges</li> </ul>		<ul style="list-style-type: none"> <li>• Business restructure plans</li> <li>• Updates on ESG initiatives</li> <li>• Investor feedback on results announcements and investor events</li> <li>• Managing market changes</li> <li>• Regular review of the Company's strategic dashboard</li> <li>• External review of the UK housing market outlook</li> </ul>	104 101	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Investors</li> <li>• Communities</li> <li>• Partners</li> </ul>
<b>Operations</b>  Link to strategic cornerstones	<ul style="list-style-type: none"> <li>• Land acquisitions</li> <li>• Land sale</li> <li>• Fire safety and cladding updates</li> </ul>	31 31 115	<ul style="list-style-type: none"> <li>• Customer service performance and progress update</li> <li>• Supply chain management performance and progress update</li> <li>• Sales and Marketing performance and progress update</li> <li>• Divisional updates</li> <li>• Land position update</li> <li>• Employee survey results and resulting action plan</li> <li>• Employee value proposition</li> <li>• Updates on engagement with the Competition and Markets Authority in respect of the Housebuilding Market Study</li> </ul>	41 31	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Communities</li> <li>• Partners</li> </ul>
<b>Finance</b>  Link to strategic cornerstones	<ul style="list-style-type: none"> <li>• Results announcements and trading statements</li> <li>• Dividend payments to shareholders</li> <li>• The Company's Principal and emerging Risks, including risk appetite</li> <li>• Annual Budget for 2024</li> <li>• Annual review of Treasury Policies</li> </ul>	78 78 71 78 78	<ul style="list-style-type: none"> <li>• Regular review of the strategic dashboard indicators</li> <li>• Forward strategic plans for 2024-2028</li> <li>• Annual forecasts for 2024-2028</li> <li>• Finance projections versus strategic plans and budgets</li> </ul>		<ul style="list-style-type: none"> <li>• Employees</li> <li>• Investors</li> </ul>
<b>Governance</b>  Link to strategic cornerstones	<ul style="list-style-type: none"> <li>• Board and Committee changes</li> <li>• Diversity and Inclusion Report</li> <li>• Modern Slavery Statement</li> <li>• Board evaluation action plans for 2022 and 2023</li> <li>• Board annual plan for 2024</li> <li>• Annual review and confirmation of governance framework documents</li> <li>• Updates to conflicts register</li> </ul>	99 108 155 111 109 104	<ul style="list-style-type: none"> <li>• Reports from the Board's Employee Champion</li> <li>• Regular review of whistleblowing reports and response</li> <li>• Annual report from the National Employee Forum</li> <li>• Review of progress and plans on employee engagement</li> <li>• Review of progress on diversity and inclusion strategy</li> <li>• Board evaluation outcomes</li> <li>• Preparations; draft structure and messaging for Annual Report</li> </ul>	102 104 102 106 111	<ul style="list-style-type: none"> <li>• Customers</li> <li>• Employees</li> <li>• Investors</li> <li>• Communities</li> <li>• Partners</li> </ul>

### Key to our strategic cornerstones



Land  
Operational excellence



Sustainability



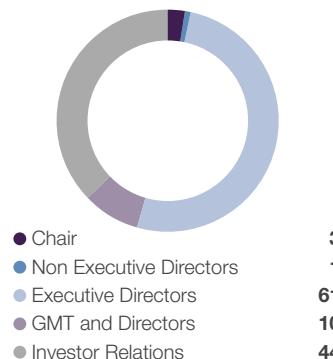
Capital allocation

## 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

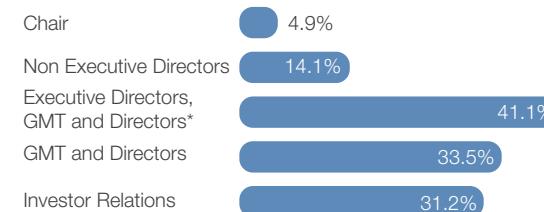
During 2023 Jitesh Gadhia, in his capacity as Chair of the Remuneration Committee, wrote to our major institutional shareholders to explain, and seek feedback on the Remuneration Committee's proposals for applying the Remuneration Policy adopted by shareholders at the 2023 AGM.

### 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

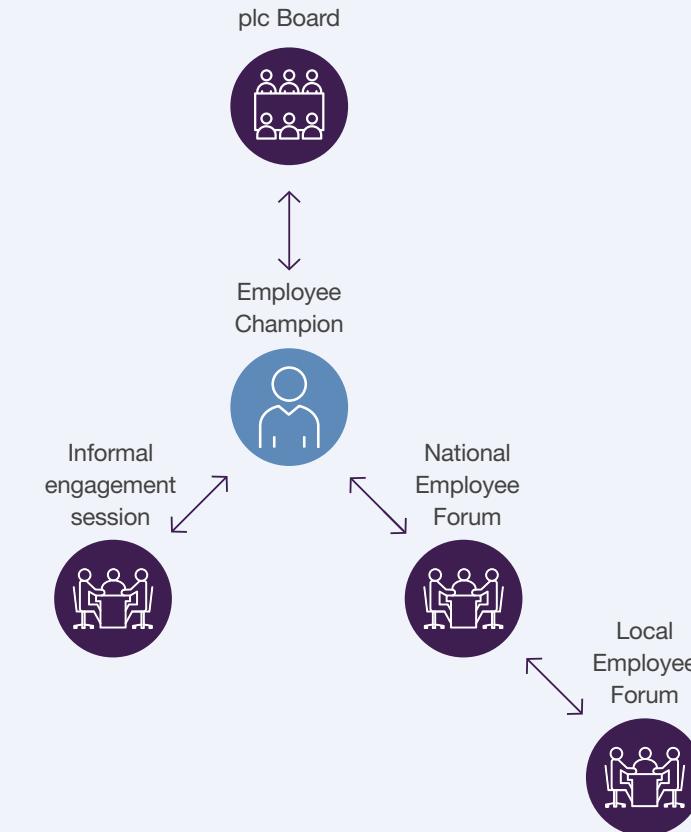
The National Employee Forum (NEF) members represent all parts of the business. The NEF is chaired by a regional managing director and the Employee Champion attends each meeting.

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





## 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%)

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

	Number of Board members	Percentage of the Board	Number of senior positions on the Board	Number in executive management	Percentage of executive management
<b>Gender diversity</b>					
Men	5	55.6%	3	6	66.7%
Women	4	44.4%	1	3	33.3%
Other categories	–	–	–	–	–
Not disclosed/prefer not to disclose	–	–	–	–	–
<b>Ethnic diversity</b>					
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

#### 1. Robert Noel (Chair)<sup>(a)</sup>

2. Humphrey Singer

3. Mark Castle

4. Irene Dorner

5. Jitesh Gadhia<sup>(b)</sup>

6. Scilla Grimble

7. Clodagh Moriarty

Meeting attendance
3/3
3/3
3/3
3/3
2/3
3/3
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

[108 Equality, diversity and inclusion](#)

[109 Corporate governance](#)

[110 Board changes](#)

[111 Board evaluation](#)

## 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.

**i** 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

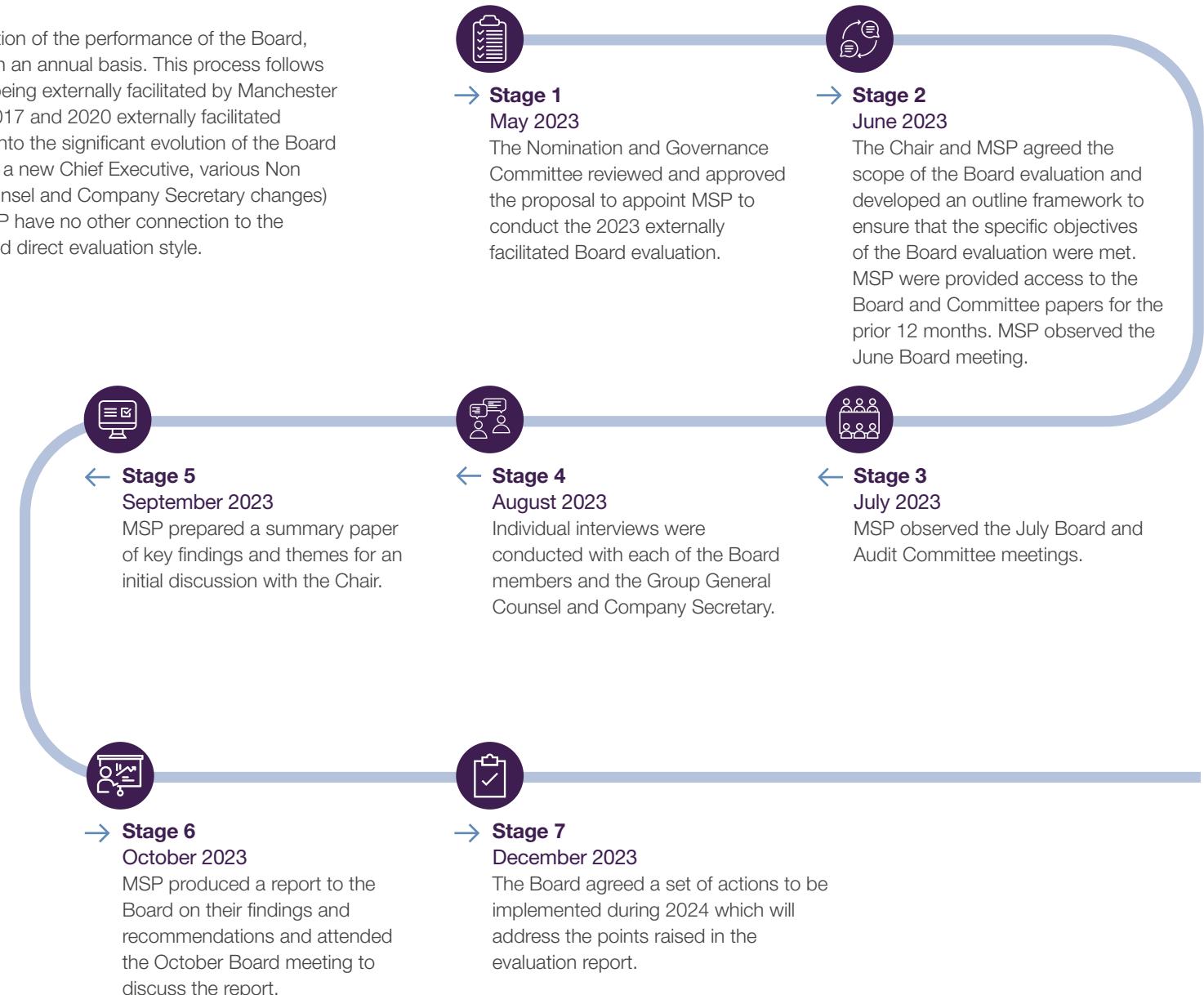
During 2023, the Committee reviewed the Company's contingency cover to ensure that the Company can respond to the unforeseen unavailability of any member of the Board, GMT or other senior roles without impacting the current and long term performance of the Company. Following this review, the Committee 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.



## 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	2023 recommendations	Proposals planned for 2024
<b>Increase exposure to members of Senior Management</b>	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.	<b>Additional external input on key topics to provoke collective discussion and hear opposing views</b>	Additional items will be included on Board agendas throughout the year for one or two external speakers to present on key topics.
<b>Increase reporting on succession and development plans</b>	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.	<b>Further enhance discussions at Board and Committee meetings</b>	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.
<b>Ensure progress against ESG initiatives are clear</b>	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.	<b>Development of an Employee Value Proposition</b>	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

#### 1. Humphrey Singer (Chair)

2. Robert Noel<sup>(a)</sup>

3. Scilla Grimble

4. Mark Castle

Meeting attendance
3/3
1/1
3/3
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

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- [124 Recommendation to the Board](#)



## 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
<b>Margin recognition and site forecasting</b>	
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.	<p>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.</p> <p>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.</p>
<b>Cladding fire safety provision</b>	
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.	<p>The Committee reviewed and challenged Senior Management's assessment of the costs to comply with these obligations.</p> <p>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.</p>

### 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	Topic	Activity/review	February 2023	July 2023	December 2023	February 2024
<b>Financial reporting</b>	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		●	●	●	<b>Internal control and risk</b>	Reviewed the fraud risk assessment incident and response report	●	●	●	●
	Reviewed the draft half year statement, including significant accounting issues, materiality, and the external Auditors' report on the statement			●			Concluded the prior year's risk review including agreeing Principal Risks, consideration of emerging risks, and monitoring progress on mitigation actions	●			●
	Reviewed accounting issues and Accounting Standards in preparation for year end reporting			●			Completed a detailed review of Principal, Key and emerging risks, together with mitigation and assessment against the Company's risk appetite		●	●	
<b>External audit</b>	Recommended to the Board the re-appointment of PricewaterhouseCoopers LLP (PwC) as external Auditors	●			●	<b>Committee governance</b>	Reviewed the viability model	●	●	●	
	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			●			Reviewed the Governance assurance map		●		●
	Disclosed relevant audit information to the external Auditors and the required evidence in support of it	●			●		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		●		
	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 the Committee's performance against its Terms of Reference and objectives for the previous year and set objectives for the next year		●		●
	Reviewed and approved the external Auditors Non-Audit Services Policy	●			●		Reviewed progress on the Committee's areas of focus	●	●	●	●

## 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.

**i** 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

- 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
- 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



#### 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.

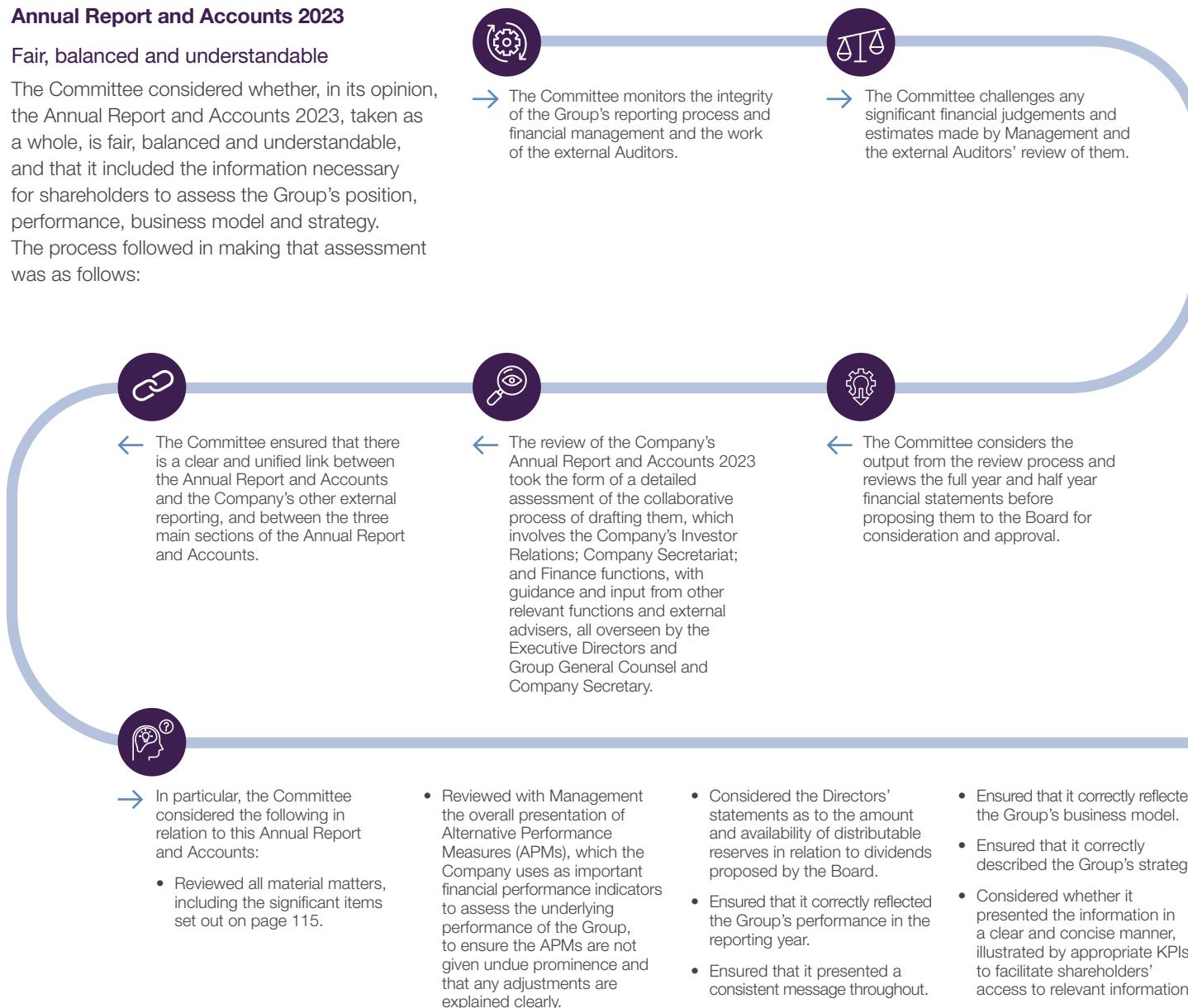
## Audit Committee report continued

### 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:



### 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
<b>A.</b> 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.	<p>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.</p> <p>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.</p>
<b>B.</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.	<p>The Board ensures that the Company's purpose, values, strategy and culture are aligned.</p> <p>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.</p> <p>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.</p>
<b>C.</b> 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.	<p>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.</p> <p>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.</p> <p>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.</p>
<b>D.</b> 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.	<p>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.</p>
<b>E.</b> 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.	<p>The Company has a number of workforce policies and practices which are available on our website.</p> <p>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.</p> <p>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.</p>



## Compliance statement continued

### 2. Division of responsibilities

Principle	Application
<b>F.</b> 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.	<p>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.</p> <p>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.</p> <p>The Chair is also in contact with the Group Finance Director and Non Executive Directors on a regular basis between meetings.</p>
<b>G.</b> 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.	<p>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.</p> <p>The roles of the Chair and the Chief Executive are separate; clearly defined in detail; and reviewed annually.</p> <p>The Board and individual Directors are supported by the Group General Counsel and Company Secretary, to whom they have access at all times.</p>
<b>H.</b> 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.	<p>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.</p>
<b>I.</b> 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.	<p>The Directors receive information one week before meetings take place to allow sufficient time for a detailed review of the documentation.</p>



## Compliance statement continued

### 3. Composition, succession and evaluation

Principle	Application
<b>J.</b> 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.
<b>K.</b> 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.
<b>L.</b> 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
<b>M.</b> 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.
<b>N.</b> 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
<b>O.</b> 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
<b>P.</b> 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.
<b>Q.</b> 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.
<b>R.</b> 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.



## Governance structure

**The Company's clear and effective governance structure** is a key foundation of our strong corporate governance.

Our governance structure ensures that the Board and its Committees, the Group Management Team (GMT) and Senior Management are able to make decisions effectively.

### Shareholders

Our shareholders are the ultimate owners of the Company and play an important role in the governance structure.

**i** 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.

**i** 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.

**i** 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.

**i** 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.

**i** 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

#### 1. Lord Jitesh Gadhia (Chair)

2. Robert Noel

3. Mark Castle<sup>(a)</sup>

4. Clodagh Moriarty<sup>(a)</sup>

5. Irene Dorner<sup>(b)</sup>

### Meeting attendance

5/5
5/5
2/2
2/2
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

- 134 Remuneration at a Glance
- 136 Summary of the Remuneration Policy
- 140 Implementation in 2023
- 144 Approach to remuneration in 2024
- 149 Wider workforce remuneration



## 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 Committee report continued

### 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

###### **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.

##### Element timeline (years)

0 1 2 3 4 5

###### Base salary

**3%**

**Salary increase for the Executive Directors effective 1 April 2023**

#### Variable pay

###### **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

##### Element timeline (years)

0 1 2 3 4 5

● Two thirds cash  
● One third deferred into shares for three years

##### Implementation in 2023

###### **2023 EIS outcome**



###### **PSP**

Assists with retention, incentivisation and motivation to achieve long term sustainable returns for shareholders.

Maximum: 200% of salary

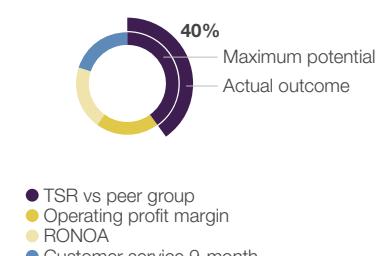
Performance period: Three years

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	<b>Operating profit</b>	Maximise aggregate profit			✓	✓
	<b>Operating profit margin</b>	Optimise sales prices and improve cost discipline		✓		✓
	<b>Cash conversion</b>	Maximise the generation of cashflow from profits			✓	✓
	<b>Build quality</b>	Deliver high quality homes with the need for less remediation			✓	✓
	<b>Customer service (8-week)</b>	Maintain customer trust and endorse Company reputation			✓	✓
PSP	<b>TSR v peer group</b>	Align the rewards received by executives with the returns received by shareholders				✓
	<b>Operating profit margin</b>	Optimise sales prices and improve cost discipline		✓		✓
	<b>RONOA</b>	Maintain focus on driving increased capital efficiency		✓		✓
	<b>Customer service (9-month)</b>	Maintain customer trust and endorse Company reputation			✓	✓
	<b>Carbon emissions reduction</b>	Support the Company's strategy on carbon emissions reductions across our operations			✓	✓

**i** 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:



**i** Read more about wider workforce remuneration on [pages 149 to 151](#)



## Remuneration Committee report continued

### 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
<b>Salary</b>	To recruit and reward Executive Directors of a suitable calibre for the role and duties required.	<p>Salaries are normally reviewed annually to ensure that they remain positioned appropriately. There is no automatic entitlement to an increase each year.</p> <p>Salary level and increases take into account the following:</p> <ul style="list-style-type: none"> <li>• The performance, role, and responsibility of each individual Executive Director;</li> <li>• The economic climate, general market conditions and the performance of the Company;</li> <li>• The level of pay awards across the rest of the business; and</li> <li>• Salary levels in comparably-sized companies and other major housebuilders.</li> </ul>	<p>The maximum annual salary increase will not normally exceed the average increase which applies across the wider workforce.</p> <p>However, larger increases may be awarded in certain circumstances including but not limited to:</p> <ul style="list-style-type: none"> <li>• Increase in scope or responsibilities of the role;</li> <li>• To apply salary progression for a newly/ recently appointed Executive Director.</li> <li>• Where the Director's salary has fallen below the market positioning.</li> </ul>	Company and individual performance are factors considered when reviewing salaries.
<b>Chair of the Board and Non Executive Director fees</b>	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.	<p>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.</p> <p>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.</p> <p>Reviewed periodically but generally annually and at least every other year. Takes into account levels in comparably-sized companies and other major housebuilders.</p> <p>Non Executive Directors do not participate in any incentive, share scheme, employee benefits or pension arrangements.</p> <p>Any reasonable expenses incurred in carrying out duties will be fully reimbursed including any personal taxation associated with such expenses.</p>	Aggregate annual limit of £1 million imposed by the Company's Articles of Association.	N/A
<b>Other benefits, including benefits-in-kind</b>	Provides a competitive package of benefits to assist with recruitment and retention of high calibre Executive Directors.	<p>Benefits normally include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Company-provided car or a cash allowance;</li> <li>• Healthcare;</li> <li>• Life assurance; and</li> <li>• A 5% discount on the price of a new home acquired from the Group.</li> </ul> <p>Benefits offered to the wider workforce may also be offered to Executive Directors.</p> <p>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.</p>	<p>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.</p> <p>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.</p>	N/A



## Remuneration Committee report continued

Element	Purpose and link to strategy	Operation	Maximum	Performance targets
<b>Executive Incentive Scheme (EIS)</b>	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.
<b>Performance Share Plan (PSP)</b>	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.
<b>Pension</b>	The Company aims to provide competitive retirement benefits.	Pension benefits are provided through one or more of the following arrangements: <ul style="list-style-type: none"><li>• Personal Choice Plan; or</li><li>• as a cash allowance.</li></ul>	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 <sup>(a)</sup>	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 <sup>(b)</sup>	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.

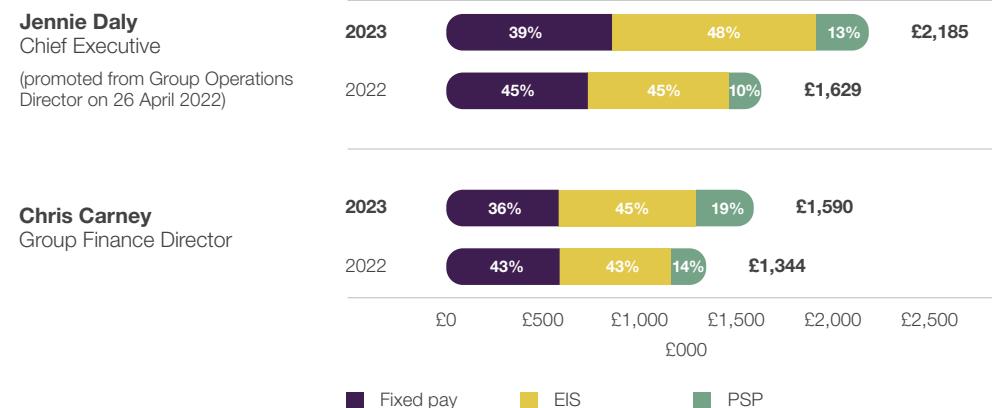
**Proportionality** – the link between individual awards, the delivery of strategy and the long term performance of the Company should be clear. Outcomes should not reward poor performance.

- 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.
- 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.

£000	Jennie Daly <sup>(a)</sup>		Chris Carney	
	2023	2022	2023	2022
Base salary	<b>767</b>	642	<b>516</b>	501
Benefits <sup>(b)</sup>	<b>13</b>	19	<b>13</b>	12
Pension <sup>(c)</sup>	<b>77</b>	71	<b>52</b>	73
<b>Total fixed pay</b>	<b>857</b>	732	<b>581</b>	586
EIS <sup>(d)</sup>	<b>1,054</b>	730	<b>710</b>	575
PSP <sup>(e)</sup>	<b>274</b>	167	<b>299</b>	183
<b>Total variable pay</b>	<b>1,328</b>	897	<b>1,009</b>	758
<b>Total pay</b>	<b>2,185</b>	1,629	<b>1,590</b>	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	Jennie Daly 2023	Chris Carney 2023
Benefits		
Car	<b>5</b>	<b>2</b>
Healthcare	<b>2</b>	<b>6</b>
Life assurance	<b>4</b>	<b>3</b>
All-employee share schemes <sup>(a)</sup>	<b>2</b>	<b>2</b>
<b>Total</b>	<b>13</b>	<b>13</b>

- (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	<b>8,500</b>	3,974
Chris Carney	<b>8,500</b>	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			Result	Payout (%)
		Entry (10%)	Target (50%)	Stretch (100%)		
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 <sup>(a)</sup>	15%	92.0%	93.0%	94.0%	95.6%	15%
Customer service 8-week <sup>(b)</sup>	15%	90.5%	91.0%	92.0%	92.1%	15%
<b>Total</b>	<b>100%</b>				<b>91%</b>	

(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.

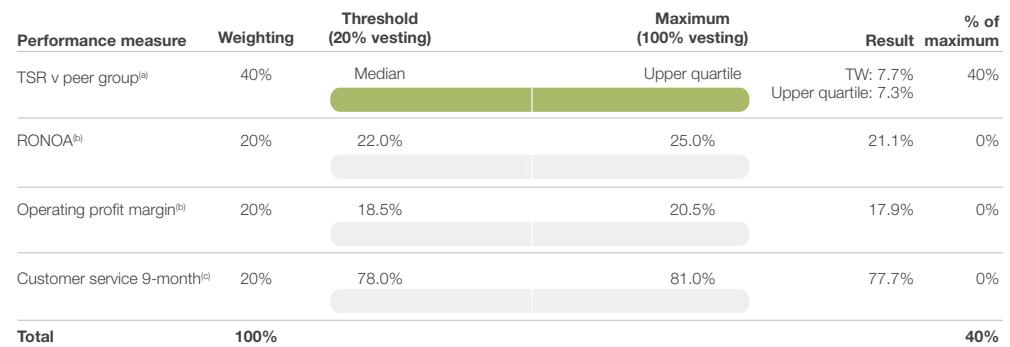
One third of the Executive Directors' EIS will be paid in shares and be required to be retained in the Company's Employee Benefit Trust for three years. These shares will not be subject to any further performance or non-performance measures.

## 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 RONO A, 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.



(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 RONO A 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)
<b>2023<sup>(a)</sup></b>	<b>Jennie Daly</b>	<b>459,726</b>	<b>800</b>	<b>31/12/2023</b>	<b>40.0%</b>	<b>183,890</b>	<b>37,898</b>	<b>221,788</b>	<b>28/02/2024</b>	<b>—</b>	<b>274</b>
	<b>Chris Carney</b>	<b>503,400</b>	<b>877</b>	<b>31/12/2023</b>	<b>40.0%</b>	<b>201,360</b>	<b>41,499</b>	<b>242,859</b>	<b>28/02/2024</b>	<b>—</b>	<b>299</b>
<b>2022<sup>(b)</sup></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 <sup>(a)</sup>	Nil-cost option	200	28/04/2023	£1,500,000	1,207,243	31/12/2025
Chris Carney <sup>(a)</sup>	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 <sup>(a)</sup>	40%	Median	Upper quartile
Operating profit margin in 2025	15%	13%	18%
RONOA in 2025	15%	14%	19%
Customer service in 2025 <sup>(b)</sup>	15%	78.5%	81.5%
Carbon reduction in 2025 (from a 2019 baseline) <sup>(c)</sup>	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 <sup>(a)</sup>	15%	Deliver high quality homes with the need for less remediation
Customer service (8-week) <sup>(b)</sup>	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 <sup>(a)</sup>	Align the rewards received by executives with the returns received by shareholders	40%	Median	Upper quartile
Operating profit margin (2026) <sup>(b)</sup>	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) <sup>(c)</sup>	Maintain customer trust and endorse Company reputation	15%	78.5%	81.5%
Carbon reduction (from a 2019 baseline) (2026) <sup>(d)</sup>	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 <sup>(a)</sup>	Maximum shares vesting / available in:			
						2024	2025	2026	2027
<b>Jennie Daly</b>									
Deferred shares (EIS) <sup>(b)</sup>	98,670	–	98,670	–	–	–	–	–	–
PSP <sup>(c)</sup>	1,992,859	1,207,243	126,480	265,101	2,808,521	459,726	1,141,552	1,207,243	–
Sharesave plan <sup>(d)</sup>	36,057	–	–	–	36,057	–	–	–	36,057
<b>Total</b>	<b>2,127,586</b>	<b>1,207,243</b>	<b>225,150</b>	<b>265,101</b>	<b>2,844,578</b>	<b>459,726</b>	<b>1,141,552</b>	<b>1,207,243</b>	<b>36,057</b>
<b>Chris Carney</b>									
Deferred shares (EIS) <sup>(b)</sup>	108,191	–	108,191	–	–	–	–	–	–
PSP <sup>(c)</sup>	1,682,481	812,394	138,685	290,683	2,065,507	503,400	749,713	812,394	–
Sharesave plan <sup>(d)</sup>	45,488	–	–	9,431	36,057	–	–	–	36,057
<b>Total</b>	<b>1,836,160</b>	<b>812,394</b>	<b>246,876</b>	<b>300,114</b>	<b>2,101,564</b>	<b>503,400</b>	<b>749,713</b>	<b>812,394</b>	<b>36,057</b>

(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 <sup>(a)</sup>		257	89
Mark Castle <sup>(a)(b)</sup>		72	38
Irene Dorner <sup>(a)</sup>		152	335
Jitesh Gadhia <sup>(c)</sup>		83	77
Scilla Grimble		65	65
Clodagh Moriarty <sup>(b)</sup>		65	38
Humphrey Singer <sup>(a)</sup>		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	<b>£335,000</b>	£345,050	3%
Independent Non Executive Director	<b>£65,000</b>	£66,950	3%
Senior Independent Director	<b>£17,500</b>	£18,025	3%
Audit/Remuneration Committee Chair	<b>£17,500</b>	£18,025	3%
Employee Champion	<b>£10,000</b>	£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.

Director	Beneficially owned		Outstanding interests in share schemes		Value of beneficially owned shares as at 31/12/2023 <sup>(c)</sup> expressed as a % of shareholding requirement
	at 01/01/2023	at 31/12/2023 <sup>(a)</sup>	PSP <sup>(b)</sup>	Sharesave	
Robert Noel	84,100	311,187	2,808,521	36,057	£999,597 129%
Jennie Daly <sup>(d)</sup>	423,374	679,767	2,065,507	36,057	£1,279,560 246%
Chris Carney <sup>(d)</sup>	625,770	870,153			
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.

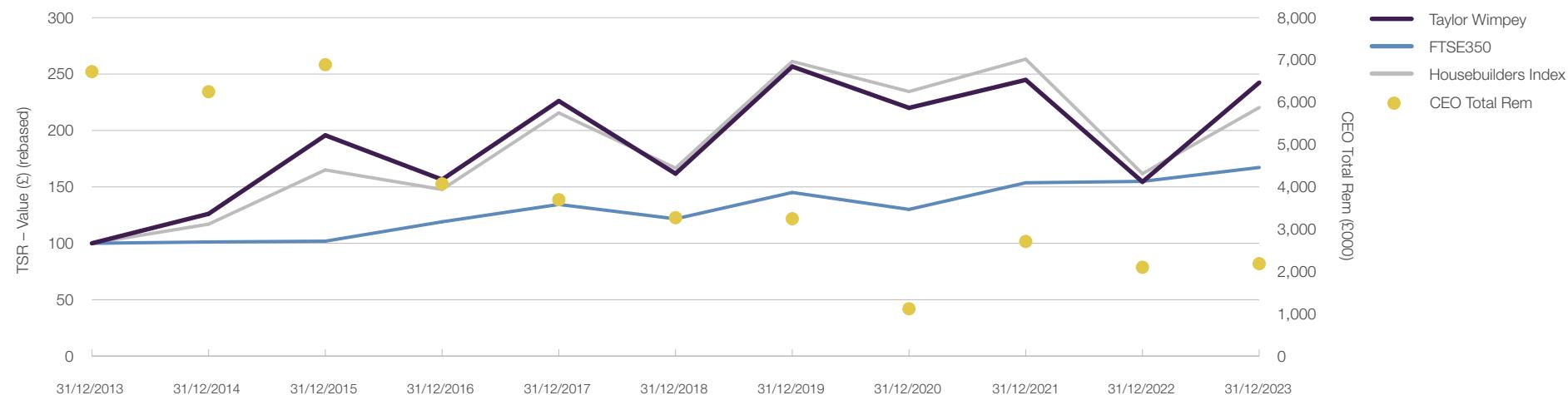
## Remuneration Committee report continued

### 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 <sup>(a)</sup>	2,185
Pete Redfern	6,250	6,888	4,072	3,697	3,272	3,247	1,120	2,710	925 <sup>(b)</sup>	-

**Annual bonus (% of maximum)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Jennie Daly	-	-	-	-	-	-	-	-	76	91
Pete Redfern	90	78	80	66	96	50.6	-	95	76	-

**PSP (% of maximum)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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.



## Remuneration Committee report continued

### 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

Increases of 3% approved by the Committee

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

Eligible to participate in a long term incentive plan, SIP and Sharesave. Shareholding requirements are in place

10% pension contribution

All employees receive private medical healthcare



<b>Salary</b>
<b>Bonus</b>
<b>Deferred shares</b>
<b>Share based incentive schemes</b>
<b>Pension</b>
<b>Private healthcare</b>



#### Wider workforce

Increases of 3% to 6% approved by the Committee

All employees eligible for a bonus. Performance measures aligned with strategy

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 for SIP and Sharesave

10% pension contribution available to the majority of the workforce

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 <sup>(a)</sup>		Lower quartile	Median	Upper quartile
2023 <sup>(b)</sup>	Option B	£2,185,041	Ratio	<b>68:1</b>	<b>42:1</b>	<b>32:1</b>
			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.





## 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 <sup>(a)</sup>				Benefits				Annual bonus scheme <sup>(a)</sup>			
	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
Average pay of a Taylor Wimpey employee <sup>(b)</sup>	8%	4%	6%	–	4%	3%	3%	–	10%	(10)%	163%	(46)%
Jennie Daly <sup>(c)</sup>	19%	58%	13%	(10)%	(32)%	(55)%	12%	(6)%	44%	26%	n/a	n/a
Chris Carney <sup>(c)</sup>	3%	7%	18%	(10)%	8%	(40)%	(11)%	(55)%	23%	(14)%	n/a	n/a
Robert Noel <sup>(d)</sup>	189%	11%	23%	n/a	–	–	–	–	–	–	–	–
Irene Dorner <sup>(e)</sup>	(55)%	2%	32%	n/a	–	–	–	–	–	–	–	–
Mark Castle <sup>(f)</sup>	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–
Jitesh Gadlia <sup>(g)</sup>	8%	n/a	n/a	n/a	–	–	–	–	–	–	–	–
Scilla Grimble <sup>(g)</sup>	–	n/a	n/a	n/a	–	–	–	–	–	–	–	–
Clodagh Moriarty <sup>(f)</sup>	n/a	n/a	n/a	n/a	–	–	–	–	–	–	–	–
Humphrey Singer <sup>(h)</sup>	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 Gadlia 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 <sup>(a)</sup>	£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 <sup>(b)</sup>	£285.8m	£305.4m	(6)
Employee pay average per employee <sup>(b)</sup>	£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.

## Remuneration Committee report continued

# 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 <sup>(a)</sup>	Independent Non Executive Director
Clodagh Moriarty <sup>(a)</sup>	Independent Non Executive Director
Robert Noel	Chair of the Board
Irene Dorner <sup>(b)</sup>	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:

Matter	Page(s) in this Annual Report
Strategic report, specifically:	
– Likely future developments in the business of the Company	1 to 88
– Carbon footprint reporting	1 to 88
– Greenhouse gas emissions reporting	53 to 68
– Stakeholder engagement	68
– A description of the Company's employee engagement practices	84 to 88
– A statement of the Company's engagement with employees in relation to financial and economic factors that affect the performance of the Company	85 and 102
– Charitable donations	85
– Research and development activities	42
– Viability statement	1 to 88
2018 UK Corporate Governance Code compliance statement	82
Directors	125
A description of how the Board assesses and monitors culture	92 to 94
Retirement and re-election of Directors	105
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Profit before taxation and profit after taxation	131 to 152
Changes in asset values	168
Statement on the Group's treasury management and funding, including information on the exposure of the Company in relation to the use of financial instruments	170
Subsidiaries and associated undertakings, including branches outside the UK	193 to 196
Directors' dividend recommendation	219 to 225
Web communications with shareholders	229
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<b>Specific disclosures required under Listing Rule 9.8.4 as appropriate to the Company:</b>	241
Details of the Company's long term incentive schemes	131 to 152
Shareholder waiver of future dividends	154

### 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

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# Financial statements

