

Corporate Social Responsibility Report 2005



Taylor Woodrow

About This Report and Contents



Top: Keycol Hill, Sittingbourne
Above: St Mellion Green, Crewe

Front cover main image:
The Coppice, Dickens Heath

Taylor Woodrow's primary business is the development of sustainable communities of high quality homes in selected markets in the UK, North America, Spain and Gibraltar. The aim of this report is to outline the Corporate Social Responsibility (CSR) issues that influence our business and to describe how these issues are being managed.

In order to make this report more accessible, it has been shortened from those produced in previous years. To supplement the report, further detailed information is available on our website www.taylorwoodrow.com

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Chief Executive's Statement



Iain Napier, Chief Executive

As a leading homebuilder we are closely engaged with the sustainable development agenda and other CSR issues. Our task as a public company is to balance the aspiration of a more sustainable future with the need to meet the demand from our customers for product of immediate appeal and lasting value, to deliver value for both public and private land owners, and to achieve acceptable financial returns for our investors.

The past year has been a successful one for Taylor Woodrow with good financial results and with steady progress in a number of aspects of CSR.

We have continued to progress leading sustainable development schemes such as Stamford Brook, Manchester and Grand Union Village, Northolt with further innovative schemes planned for 2006 in Swindon and Telford. We have made progress in the management of health and safety with all business areas achieving their targets. Waste volumes and costs have continued to show a reducing trend. Community participation has been encouraging, particularly with respect to our relationship with Barnardo's in the UK and

the excellent achievement of our teams in Arizona and California who partnered with ABC television and built new homes in just over 5 days for two deserving families.

It is pleasing that our management of CSR issues has been recognised through inclusion in FTSE4good, the Dow Jones Sustainability Index, and the Corporate Knights Global 100.

A handwritten signature in black ink, appearing to read 'Iain Napier'.

IAIN NAPIER
Chief Executive
March 2006

Company Profile



Above: Holwood, Keston, Bromley
Below: Steiner Ranch, Austin, Texas



Our primary business is homebuilding, which accounts for more than 95 per cent of our operating profit.

We have expertise in land acquisition, home and community design, urban regeneration and the development of supporting infrastructure which improves our customers' quality of life and adds value to their homes. We employ over 8,000 people worldwide.

Taylor Woodrow is one of the UK's leading homebuilders through our Bryant Homes brand. We endeavour to design and build new homes to a high quality, aiming to be innovative, yet maintaining the best of traditional values and creating developments in keeping with local surroundings.

Taylor Woodrow is also taking up the challenge of providing more affordable new properties to meet pressing social demand.

We are committed to delivering excellent customer service and value, and our goal is to exceed customer expectations by improving quality and adopting a 'right first time' approach.

Taylor Woodrow operates successfully in selected markets in four American states and Ontario, Canada with core operations in homebuilding, community developments and high-rise residential developments.

Taylor Woodrow has also been building homes in Spain for over 40 years. The only major UK homebuilder operating in Spain, Taylor Woodrow de España currently offers homes on the mainland at the Costa Blanca and Costa del Sol, and on the Balearic Island of Mallorca. Taylor Woodrow also has developments in Gibraltar.

Taylor Woodrow Construction is a leading UK contractor. Key areas for the business are repeat services for 'Blue Chip' clients, facilities management, healthcare Private Finance Initiatives (PFIs) and providing expert support to Taylor Woodrow's housing and development operations.

Material CSR Issues



Barnardo's Wheels Project, Stourbridge, West Midlands

CSR issues are of increasing importance to our stakeholders and fundamental to the continued success of the business. CSR issues that are material to our business are:

Sustainable development - Long term impacts arising from the communities that we help to develop including energy efficiency of homes, transport issues, meeting social and economic needs, and redevelopment of brownfield land.

Health and safety - a top priority for the development industry as construction continues to be recognised as one of the highest risk occupations for workplace accidents.

Environmental impacts - managing development activities in order to minimise the risk of pollution, waste and nuisance to neighbours.

Employees and Ethics - respecting the rights of team members, providing good conditions of work and equal opportunities, improving team member satisfaction, providing training and development, and encouraging high standards of professionalism throughout the company.

Relationships with Customers - being responsive to customer needs and providing a high quality of customer service.

Suppliers and Partners - treating suppliers fairly and driving environmental and social objectives throughout the entire supply chain.

Community involvement – engaging with local communities, local charitable giving, volunteering and other programmes.

Engagement with investors and other groups - proactive engagement with a wide range of stakeholders.

Our Approach to Managing CSR Issues



Our strategy is to integrate CSR into the way that we do business. We have developed a comprehensive suite of policies and these are translated into action through our management system processes.

Risk management is a key process that operates at all levels of the organisation. High-level CSR risks are reviewed at monthly Executive and Main Board meetings. An executive risk committee also sponsors and provides oversight for the responses to specific risk issues affecting the company's internal control framework.

At project level, CSR risks are assessed at project inception and at key stages throughout the development process. If risks cannot be eliminated then strategies for management and control are incorporated into project management plans.

Internal audits are conducted to review compliance with risk management processes and other internal controls. At the project level, we have a comprehensive programme in place to review the management of health, safety, environmental and community risks. At the company level, we have an independent Risk Management and Audit function that conducts internal audits on key business processes.

Continual Improvement

The company has a culture of continual improvement and this is encouraged in a number of ways, one of the most important of which is the CSR improvement group process. The purpose of the CSR improvement group

process is to:

- spread best practice
- develop proposals for new or improved processes, objectives and products.

The improvement group process is headed by an executive level committee which is chaired by the Chief Executive. This committee reviews strategic issues and improvement proposals submitted from regional improvement groups. The regional improvement groups are populated by team members from across the business. Best practice and suggestions from team members are fed into the regional improvement groups and the best ideas are disseminated throughout the business.

Recent outputs from the CSR improvement group process have included:

- a new process for managing youth placements;
- development of a system for collating data on SAP ratings (a measure of the energy efficiency of a home).
- development of waste management guidance for suppliers.



Objectives and Actions

At the beginning of 2005 a number of CSR improvement objectives were set by the executive level committee. Each division developed objectives and targets that were consistent with these objectives. A brief summary of actions is described in the table below and further details may be found in later sections of the report.

Material Issue	Objective	Actions
Sustainability	To progress our vision of being a developer of sustainable communities.	Continued progress on schemes such as Stamford Brook in Manchester and Grand Union Village, Northolt. Sustainable schemes in Swindon and Telford commencing in 2006.
Safety	To improve safety performance through awareness raising, monitoring and incentivisation.	All divisions not only demonstrated improvement in the year but all achieved the safety targets that had been set.
Health / People	To work towards improving occupational health through enhancing our understanding of working conditions.	Health surveillance programmes developed. Review of sickness absence undertaken and new system for recording sickness absence to be launched.
Environment	To improve waste management performance by striving to reduce both the relative quantity of waste and the relative cost of waste disposal.	Housebuilding in the UK delivered a 4 per cent reduction in waste volumes, and a 17 per cent reduction in the cost of waste disposal, saving £0.5 million.
Community	To contribute actively to local communities through voluntary projects and other appropriate means.	Highlights include participation in 'Extreme Makeover' in the USA, our relationship with Barnardo's and pilot trial of 'Community in the Curriculum' programme in the UK.

We use a range of indicators to monitor our CSR performance. These are reported to the Board on a monthly basis.

Sustainable Development



Above: Broom Mills, Leeds
Below: Pennymead, Sherston



Government policy and regulation aimed at encouraging more sustainable development is a growing and important feature of the UK market. We recognise the importance of sustainable development and work with a variety of stakeholders to improve the sustainability of what we build.

Urban regeneration is a significant part of Taylor Woodrow's business. Through redevelopment of brownfield (previously developed) land we have a positive impact on the local environment. During 2005, 68 per cent of the homes we completed in the UK were built on brownfield land.

One aspect of regeneration is the clean up of contaminated sites in order that they can be used for residential and other uses. Taylor Woodrow looks to conduct this in a sustainable manner, wherever possible maximising the reuse of soils and materials such as crushed concrete as recycled aggregate, and minimising the volumes of waste materials taken off site. In addition to traditional civil engineering methods, Taylor Woodrow also supports innovative remediation technologies that destroy or make safe contamination.

The proportion of affordable homes (homes built for registered social landlords or as part of Key Worker programmes) that we build in the UK has continued to rise; 2005: 13 per cent, 2004: 9 per cent. Our strategy is to work with local authorities in identifying the most

appropriate type of dwelling mix and a range of affordability levels, and creating quality homes that will receive Government financial support in the form of Social Housing Grants.

One of the main ways in which Taylor Woodrow contributes to the control of greenhouse gas emissions is through the energy efficiency of the homes that we build. Modern houses are significantly more energy efficient than those that were built twenty or thirty years ago. One indicator of energy efficiency of UK homes is the SAP (Standard Assessment Procedure) rating, a measure of the space heating and hot water requirements for a building, stated on a scale of 0 (lowest) to 120 (highest). We have collated data on two thirds of the homes that we constructed in the UK in 2005. The average SAP rating was 98, one of the highest in the homebuilding sector.

Transport is one of the major sustainability issues in the UK. We participate in providing transport solutions in many ways, for example through funding of new bus services at Newcastle Great Park and at St Crispins, Northampton, funding cycle ways such as that between Thurston and Bury St Edmunds,

Sustainable Development continued



Above and right: Cambourne, Hawthorns
Below: Grand Union Village, Northolt



encouraging the CityCarClub at Grand Union Village, Northolt where residents can hire cars for short periods of time, updating roads, and providing pathways and access.

In early 2005 we completed the Green Building in Manchester. This building achieved a rating of EcoHomes Excellent (the EcoHomes scheme is an environmental assessment method for house building and refurbishment). The building incorporates renewable energy technologies with solar thermal panels providing hot water and a wind turbine generating electricity.

In 2005, 736 homes (9 per cent) built by Taylor Woodrow were certified to EcoHomes standards (2004: 468 homes).

The Office of the Deputy Prime Minister (ODPM) has published a number of case studies on creating sustainable communities, one of which is based on our Grand Union Village development. The report states that "The success of Grand Union Village has been due to the developer's commitment for high quality design and community engagement; strong and proactive leadership from London Borough of Ealing; willingness of all parties to communicate; success of the community planning approach and flexibility of all involved to ensure its success."

Other award winning schemes include

- Highgate, Durham - awarded the 'Building for Life' Gold Standard by the House Builders Federation and the Commission for Architecture and the Built Environment.
- Welwyn, Hatfield – winner of the 'Excellence in Delivering Mixed

Communities' award at the 2005 UK Housing Awards (Taylor Woodrow is a partner with others on this scheme - the de Havilland Housing Partnership).

- Cambourne, Cambridgeshire – awarded the 'Greenleaf' Standard by the New Homes Marketing Board in recognition of commitment to the environment. Cambourne is built over 1,000 acres, 600 of which is left as open space. Environmental features added to the landscape include 112 acres of new woodland, 55 acres of new ecological grassland and 14 acres of new lakes and wetlands (Taylor Woodrow is a partner with others on this scheme).
- Greenwich Millennium Village (GMV), London – This joint venture with Countryside Properties was recognised for design quality in the form of a 'Building For Life Standard'.

Taylor Woodrow Construction has recently completed one of the most sustainable buildings in the UK. The new National Assembly for Wales incorporates many sustainable features including natural ventilation, ground source heat pumps, biomass heating, rainwater harvesting and the adoption of local materials such as slate and timber products.

The sustainability agenda is, in general, less of a factor in our US markets, where sustainability issues tend to be local or regional. Consequently, our US business is responsive to specific local needs. Sustainability issues that tend to arise most frequently include protection of sensitive sites, particularly wetlands, and indoor air quality.

Health and Safety

The Health and Safety Executive (HSE) and Constructing Excellence have published case studies of Taylor Woodrow on their websites, highlighting our management approach to health and safety as an exemplar.

www.hse.gov.uk
www.constructingexcellence.org.uk

Taylor Woodrow Accident Incident Rates

Accident Incident Rates per 1,000 persons on site (12 month rolling average)	2005	2004	2003	2002	2001
Homebuilding UK	9.9	10.6	13.2	13.6	10.7
Group UK	8.9	10.1	10.6	11.4	10.0
North America	3.4	5.4	5.1	5.8	4.4
Group Worldwide	7.8	9.3	10.4	11.2	9.9
Fatalities (Worldwide)	0	1	3	0	0

Our approach to the management of health and safety is recognised as being one of the best within the development sector. We strive through a sound management approach to make our project sites and our offices safe working environments.

In the UK we improve safety through promoting a positive safety culture, supporting the development of skills and knowledge, providing a framework for the management of safety, and monitoring our performance. UK activities are supported by a specialist team of in-house safety advisors who conduct regular and detailed inspections of our project sites and provide advice to project teams. Occupational health support is provided by BUPA and they have been proactive in working with Taylor Woodrow to take our health agenda forward.

We have established that recognising and rewarding positive safety behaviours improves safety performance. We not only monitor and review accidents but we have an extensive programme of active monitoring that measures how our working environments are being managed. We manage occupational health by identifying key risk activities, by undertaking health assessments and, where appropriate, implementing health surveillance programmes.

Our active monitoring programme for site safety has been running for several years and project performance in health and safety is linked to bonus schemes for site managers and senior managers. In the UK in 2005 we conducted:

1,212 safety site inspections (these measure how well our project teams are implementing health and safety management)

342 safety management audits (these measure how well our project teams have planned the management of health and safety)

The scores from the inspections and audits are aggregated to an overall Safety Index Score. The UK homebuilding business and the UK construction business both achieved their target scores thereby demonstrating an improvement in the management of safety compared with 2004.

In the UK, accident rates were lower in 2005 compared with 2004 and reflect a long-term trend of reducing accident incident rates.

Health and Safety

continued

UK Regulatory Interventions, Dangerous Occurrences and Fires

	2005	2004	2003	2002	2001
Prosecutions	0	1	1	2	2
HSE Prohibition Notices	3	3	6	6	1
HSE Improvement Notices	2	3	0	3	0
HSE Letters of Complaint	4	4	1	8	10
Total HSE interventions	9	10	7	17	11
Dangerous Occurrences	20	10	8	14	5
Fires	0	1	0	2	1

(HSE - Health and Safety Executive)

We believe that our overall record in terms of incidents and interventions by regulatory authorities is good and that the Health and Safety Executive's intervention activity in respect of Taylor Woodrow is low in comparison with current industry norms. However, we are not complacent and are fully committed to the principle of continual improvement and ensure that all incidents are used as learning opportunities. Monitoring trends in the number of regulatory interventions is of value but has its limitations because of the changing nature of the business and the changing nature of the regulatory environment. This is another factor in our commitment to an active monitoring programme to help drive improvement in the management of health and safety.

Spain

Our Spanish homebuilding business has achieved certification to the occupational health and safety management standard 18001.

North America

In North America, Taylor Woodrow conducts independent health and safety audits of all construction sites twice a year. Sites are scored against criteria which are made continually more demanding each year.

The results of the audits for 2005 were very good with an average score achieved of 93 per cent compared with a target score of 88 per cent. Further training of team members continues to be a key theme and this has contributed to the continued improvement in health and safety performance throughout the year.

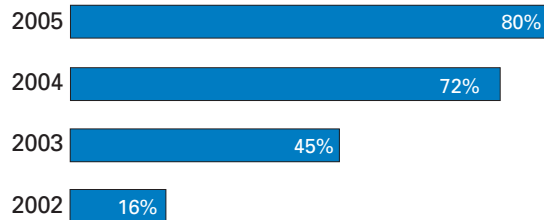
Environmental Management



Lichfield

Plasterboard Waste

Estimated percentage of plasterboard waste segregated for recycling



Waste management continues to be a particular focus in the UK.

Specific initiatives include procuring waste services through a single broker, reuse of inert materials on site, and use of waste segregation for plasterboard and lightweight compactable wastes.

Waste volumes per dwelling have been reduced by 4 per cent compared with 2004. The cost of waste has also continued to fall. Average cost per unit was £351 per unit in 2005 compared with £422 per unit in 2004, a 17 per cent reduction.

Waste Management UK Housebuilding

	2005	2004	2003
Volume of waste per dwelling	30.3 m ³	31.4 m ³	36.2 m ³
Target Volume	29.7m ³	33.0m ³	N/A
Cost of waste disposal per dwelling	£351	£422	£513

Plasterboard Waste

Segregation of waste plasterboard for recycling has shown excellent progress since the scheme was introduced in January 2002. Plasterboard waste is placed in bags which are then collected and returned to our supplier, British Gypsum. In 2005, 4,588 tonnes of waste plasterboard was segregated and returned for recycling. Prior to the scheme being introduced, all plasterboard waste would have been sent to landfill.

A case study on Taylor Woodrow's waste plasterboard programme has been published by Article 13 on behalf of the Confederation of British Industry.
www.article13.com

Environmental Management continued

Estimated CO₂ emissions from Use of Energy (UK)

	2005	2004	2003	2002
	CO ₂	CO ₂	CO ₂	CO ₂
	(tonnes)	(tonnes)	(tonnes)	(tonnes)
Electricity	7,927	14,957	13,250	13,673
Gas	2,876	3,866	3,739	2,929
Gas Oil/ Diesel Products	5,030	4,330	30,057	31,907
Company cars & vans	4,571	6,065	4,224	4,579
Total	20,204	29,218	51,270	53,088

This table provides an estimate of CO₂ emissions relating to energy procured directly by Taylor Woodrow as part of our UK operations. Electricity and gas oil are used during the construction process whilst electricity and gas are used in our offices and show homes. The company vehicle fleet comprises 1022 cars and 244 vans of which 800 are diesel and 466 petrol.



The Time Team, Colchester

UK environmental incidents and regulatory interventions

	2005	2004	2003	2002
Environmental prosecutions	0	1	0	0
Environmental notices	7	4	6	4
Environmental incidents and non-conformances	21	8	8	6

Taylor Woodrow has a good record in pollution prevention. All projects sites operate environmental management plans in order to control environmental risks during the construction process. Any incidents and/or regulatory interventions are recorded and used as learning opportunities. Although there was an increase in the number of environmental incidents in 2005 compared with 2004, these were all relatively minor in nature.

Partial remains of a mammoth dating back over 12,000 years were unearthed on our site in Bradenton, Florida. The remains were excavated and donated to a local museum and a nearby elementary school, where students are being taught about the remains and their significance to local history.

Archeological remains have been of particular interest in the last year. At one of our developments in Colchester, archaeologists have discovered the remains of a Roman chariot-racing track, the first discovered in Britain. Taylor Woodrow collaborated with the archaeologists and there has been an open day for the local community to view the finds. Channel 4 Time Team made a programme on the site. Taylor Woodrow is working with the local authority to preserve the most important archeological aspects of the site.

Employees and Ethics



Jamie O'Connor completes Taylor Woodrow's plumbing apprenticeship.

As a leading employer we provide an excellent range of benefits for our people. We facilitate training through an employee review process for each team member and we provide a range of development options that help our people to improve their personal performance. We have defined a core, training matrix on health, safety and environmental management providing clarity on our minimum competency requirements for different roles.

Taylor Woodrow supports the Qualified Workforce Initiative. One aspect of this is the Construction Skills Certification Scheme (CSCS). The proportion of team members and our subcontract workforce that have CSCS cards is rising steadily.

The company promotes flexible working policies and feedback on any aspect of the business is encouraged. Internal communication channels include a quarterly magazine, a weekly electronic newsletter, the company intranet and face to face meetings.

Competency	2005	2004	2003	2002
UK Homebuilding				
% employed with CSCS Cards or equivalent	65	59	39	28
% subcontractors with CSCS Cards or equivalent	65	54	31	33
UK Construction				
% employed with CSCS Cards or equivalent	86	79	61	34
% subcontractors with CSCS Cards or equivalent	73	62	37	32

We are addressing the skills shortage in our industry by providing graduate, sponsored student and apprentice schemes. This year we increased the number of young people on our Sponsored Students' Scheme by over one third to 84. The students gain valuable practical experience in a variety of disciplines within the business, demonstrating the breadth of opportunities on offer within the development industry for both men and women. We plan to expand the programme still further next year.

We continue to use the 'Safecall' system which enables team members and others working on our projects the opportunity of contacting an independent hot-line should they have any concerns regarding ethical conduct. Any issues raised are fully investigated and action taken where appropriate. In 2005 there were 11 calls covering a range of issues. These have all been closed with corrective actions identified and implemented in six cases.

Relationships with Customers



Above: Customer options through Bryant Design
Below: Marketing suite



In the UK, our homebuying customers are guided through the process from the moment they reserve until two years after legal completion. We call this process the 'Customer Journey'

One of our management objectives is to achieve continual improvement in customer satisfaction ratings, which forms part of the bonus reward of directors, senior managers and site managers. Customer satisfaction is monitored through both telephone contact and a postal questionnaire.

During the year, there was an improvement in customer satisfaction across all areas.

In North America we survey our customers twice, once on move in and then 30 days later. We remain committed to giving all of our customers a great purchasing experience and are pleased to see that our overall levels of customer satisfaction have remained high.

- 90 per cent of customers had their house completed to their satisfaction
- 89 per cent of customers were satisfied with the construction quality
- 87 per cent of customers moved in on time

	2005	2004
Overall satisfaction	75%	68%
Areas of strength:		
Likelihood to recommend	85%	78%
Made to feel a valued customer	81%	68%
Areas needing improvement:		
State of readiness of home	69%	58%
Handling of issues raised	61%	50%

The customers of our Construction business are typically organisations such as corporate clients and public service bodies. The business uses a 'Heartbeat' process to assess customer satisfaction. Taylor Woodrow Construction was named 'Building Contractor of the Year' at the 2005 Contract Journal Awards and also won the Supreme Award at the Quality in Construction Awards.

Suppliers and Partners



Courtesy of Surrey County Cricket Club. The OCS stand at the Brit Oval constructed by Taylor Woodrow in 2005

Taylor Woodrow is committed to treating all of our potential suppliers fairly and consistently. However, we are also committed to a policy of positive vetting and supplier preference whereby we will encourage closer relationships with those companies that give excellent performance and make a positive difference to our business.

In support of this we have recently introduced a supplier portal on our website. SOLVE is an on-line vetting and registration system for suppliers. Its purpose is to ensure we manage or eliminate business risks from those companies we trade with and to give suppliers the ability to manage the accuracy of their own company information. By early 2006 around 2,000 existing suppliers had registered with SOLVE.

Our Strategic Alliance Partnership with three Mechanical and Electrical services companies continues to be a best practice model of supplier partnering. The partnership has begun to tackle the issue of sustainability of building services through its sustainability action plan.

Another initiative this year was the first Taylor Woodrow supplier awards event which took place in February 2005 at the Belfry in North Warwickshire. The awards recognised those suppliers that were making a real difference to our company. The evening also raised money for the charity, Barnardo's.

Community Engagement



Above: Building community relations at Mortimer Hill, Berkshire
Below: It's a Knockout charity challenge in aid of Barnardo's



Taylor Woodrow has a 'Building Futures' partnership with the children's charity, Barnardo's. Since the partnership began in November 2004, team members across the UK have been busy raising much needed funds for their local Barnardo's projects.

Some of the highlights so far include an It's a Knockout challenge laid down to other housebuilders by colleagues in Scotland who raised over £7,000 and the North West team who raised £19,000 at a charity sportsman's dinner (split between Barnardo's and Christie Hospital in Manchester).

As part of our wider involvement in charitable giving, we have continued to match team members' charitable fund-raising efforts in the community through the 'Support the Team' programme.

During the year we also commenced "Community in the Curriculum," a school initiative aimed at strengthening our ties within the local communities where we operate. The initiative is being piloted with three schools situated in different parts of the UK. The first pilot was based on our Grand

Union Village (GUV) development in Northolt. A class of twelve year-old pupils from Greenford High school spent time at the development discovering elements of urban regeneration and learning about eco homes and transport, as well as the new canal basin being created there. The pupils then reported back on their findings, and had the chance to design their own urban village. The remaining two pilots will be undertaken in 2006.

We have continued to expand our participation in the Considerate Constructors Scheme and were awarded one Gold, one Silver and one Bronze Award in 2005.

Community Engagement continued



Above and right: Extreme Makeover, Gilbert, Arizona
Below: Extreme Makeover, El Segundo, California



Extreme Makeover

In February 2005, Taylor Woodrow partnered with the American television show Extreme Makeover: Home Edition to build a new home for a deserving family in Arizona. The weekly show features a team of designers, contractors, and workers who are given just seven days to completely rebuild an entire house for a family in need. Taylor Woodrow was selected as the builder for the state of Arizona's first Extreme Makeover, which took place in the small town of Gilbert, just outside Phoenix.

The family of Brian and Nicole Okvath and their six children was selected by Extreme Makeover: Home Edition, after eight-year-old Cassandra pleaded for the show to makeover the children's hospital where she had been receiving treatments for a rare form of cancer. Her unselfish desire to help others, even as her own family struggled financially, inspired the Extreme Makeover producers to not only renovate the hospital wing, but to also give the family a new home.

With just weeks to plan the build, the Arizona team utilized all of their resources, including the relationships they had with their professional trade contractors. The partnerships proved valuable, as over 1,600 volunteers worked around the clock to demolish the family's existing home, and replace it with a 5,300 sq. ft. dream home in just over five days.

The entire town and surrounding communities embraced the Extreme Makeover event, with hundreds of spectators on hand at all hours of the day to witness the build. The event also proved to be an important vehicle for raising awareness of childhood cancer.

In the Autumn of 2005, Extreme Makeover: Home Edition once again called upon Taylor Woodrow to help a family in need. This time it was in El Segundo, California, where Paulita Lewis, wife and mother of two, was struggling with Stage IV Thymatic Carcinoma, another rare form of cancer.

The year prior the Lewis family had decided to remodel their small home and fell victim to a contractor who, after heavy rains collapsed their unfinished roof, abandoned the project and left town with the Lewis' money, leaving their home destroyed.

The community of El Segundo came together to help rebuild the home, but were soon overwhelmed due to costs and limited resources. Taylor Woodrow's Southern California team stepped in to finish what the community had begun – A complete renovation of the Lewis family's 1,300 sq. ft. home.

As with the Arizona makeover, the California team had only five days for construction, and worked around the clock with over 500 trade partners and volunteers to complete the renovation.

In all, the Extreme Makeover: Home Edition experiences proved to be a wonderful opportunity for both the Arizona and Southern California teams to strengthen relationships with their trade partners and their respective communities. Additional information is available at www.taylorwoodrowextreme.com

Engagement with the Investment Community and other Stakeholder Groups



Above and below: Grand Union Village, Northolt



We have a range of stakeholders with an interest in our CSR activities. These include shareholders, customers, team members, neighbours, local authorities, government and non-government organisations.

In pursuing our business we seek out the views of stakeholders and engage in constructive debate and consultation, bringing together differing interest groups and finding common ground. Such engagement results in real and discernable improvement to environments in which we work.

We maintain relationships with our shareholders and city analysts through a variety of mechanisms including Stock Exchange news releases, presentations and regular meetings. In 2005 we were an active participant in the sustainability survey carried out by Insight Investment and WWF.

Our stakeholder initiatives can be very high profile, like the visit of Prime Minister Tony Blair and his deputy John Prescott to Grand Union Village, Northolt, to launch a five year "Homes for All" plan extending opportunity for home ownership across society, and to meet both residents and our employees. Our initiatives can also be low key but effective, professional input into government study groups and working parties seeking to build the best regulatory framework for sustainable development. For example, Taylor Woodrow, through the Home Builders Federation (HBF), has been working closely with government to

find a solution to waste regulation problems in construction and remediation. A government task force has delivered a modified licensing system for remediation, new regulatory guidance is pending, and more substantive HBF proposals are being pursued through the National Brownfield Strategy.

Prior to the award of a planning consent in Swindon our public consultation took in focus groups, community involvement days and a stakeholder workshop to enable our architects to hear and discuss local people's ideas and aspirations. At the end of the process is a £15 million agreement with Swindon Borough Council providing new habitats for wildlife, extensive tree and hedgerow planting, new bridleways and a country park extending into an area well beyond the confines of our development which will also eventually provide more than 4,000 much needed new homes.

We were pleased that our CSR report for 2004 received the award for Best Corporate Social Responsibility Report at the 2005 (Building) Sustainability Awards.

Forward Programme



The immediate priorities will build on those from 2005 with an emphasis on health, safety and environmental issues, a focus on sustainability and further development of community programmes.

Your feedback is welcomed.
Please forward comments to:

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