

Health, safety and environmental management

Health and safety remains a top priority of our business and we take environmental issues extremely seriously.

In the UK, we have a fully integrated HSE (health, safety and environmental) management system. In North America, the health and safety programme is consistent across all of our Divisions, while environmental management is dealt with at a Divisional rather than national level due to differences in regional legislation. We take responsibility for how our business affects the environment on a global as well as a local level.

Our comprehensive HSE management system is updated frequently to incorporate new legislation and best practice. For example, the Strategic Forum for Construction published best practice guidance on tower crane working conditions in 2008. We immediately reviewed our tower crane manual and processes to ensure that we continue to meet best practice. We continue to introduce specific safety initiatives on sites where our accident trends identify an area of improvement.

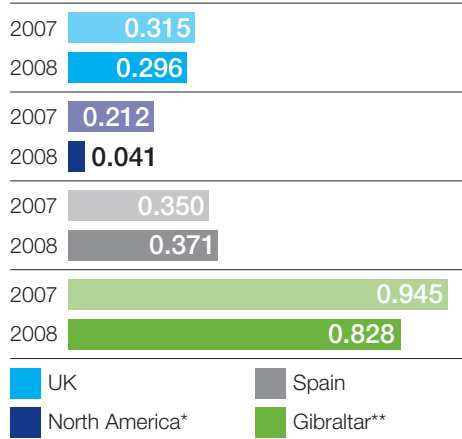
All of our UK sites are internally and externally audited for compliance with Construction, Design and Management regulations, as well as our comprehensive Environmental Management System (EMS). We have six regional HSE advisors who undertake internal audits and RSK ENSR Environment Ltd, RG Wilbrey and C-MIST provide external inspections and audits. In addition, the management team of each regional business has a full HSE review meeting three times a year where we highlight national and local issues and introduce new safety initiatives. We also produce a monthly UK Board report on all HSE issues and incidents.

100%

of relevant Taylor Morrison employees completed the OSHA 10-hour training in 2008

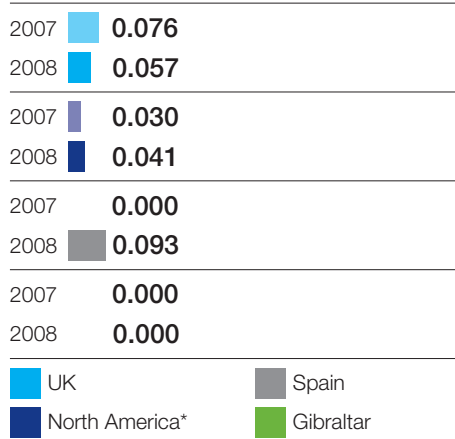
All reportable injuries

(injury frequency rate per 100,000 hours worked)



Major injuries

(injury frequency rate per 100,000 hours worked)



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

** Please note that the injury frequency rate for Gibraltar equates to just four accidents in 2008 and five accidents in 2007

It is with great sadness that we report the death of two members of the public in a traffic accident involving a Taysec vehicle at an earthworks operation on a road in Ghana. Whilst the police report concluded that Taysec was not liable for this tragic accident, we have reviewed our safety procedures at the site and made further improvements.

In 2008, Taylor Morrison's Tampa operations helped with the safety training of more than 250 trade partners and introduced monthly community safety meetings with all trade partners in the area. Taylor Morrison also founded and continues to play a very active role in the Tampa Bay Safety Alliance of homebuilders and trade partners. In 2008, the Safety Alliance focused on fall protection and introduced the NAHB Fall Protection training programme for members.

250
trade partners
received safety
training



RSK ENSR also runs an environmental incident helpline on our behalf, providing immediate specialist advice and information to deal with any problems or queries that any of our staff may have. As part of this service, RSK ENSR will visit sites to validate any remediation that needs to be undertaken as the result of an incident. We also have an Environmental Review Group that meets quarterly and analyses the effectiveness of our EMS.

In 2008, we identified a 'hit list' of the top 20 critical HSE measures that have to be adopted on all of our sites. We audited every development to ensure that these 20 measures were integrated and embedded on all sites.

In North America, we implemented the company-wide health and safety programme developed in 2007, as well as accompanying training and a new audit system. We introduced a mandatory health and safety training programme for all employees. Our health and safety matrix assigns each category of employee a certain set of obligatory and further optional courses, according to his or her responsibilities. These courses were designed with input from senior management from all Divisions and will be reviewed and tailored annually.

The majority of courses are available on-line although groups such as construction field personnel have additional training requirements beyond the on-line courses, such as the OSHA (Occupational Safety and Health Administration) 10-hour course. The training is monitored and progress monitored monthly to ensure strict compliance. Extra points are awarded in the audit for additional discretionary training courses undertaken. We also introduced a specific Personal Safety and Security Training module now required for sales people which addresses the unique exposures faced by sales people in the field. In 2008, 93% of Monarch employees and 100% of all other Taylor Morrison employees completed their on-line training in full. 100% of relevant Taylor Morrison employees completed the OSHA 10-hour training.

Our new audit system involves twice yearly independent third-party inspections of all sites. Targets are set to ensure continual improvement and, for 2008, all sites across North America met or exceeded target performance.

Each Division produces an annual Continuous Improvement Plan that includes focus areas for employees as well as objectives for individual job sites. We also run internal awards for site of the year and most improved site.

The Taylor Morrison North America Health and Safety Program, which includes a detailed audit process, was recognised as a finalist and first runner-up in the Single-Family Builder Safety Program of the Year in the 2008 National Association of Home Builders Safety Award for Excellence (SAFE) Awards.

In the UK, we undertake regular training schemes to ensure the competency of our workforce. In 2008, we introduced a major new behavioural safety campaign entitled Winning Hearts and Minds. We want to ensure that members of our workforce are personally committed to health and safety and 'want to' follow our procedures, rather than simply complying with a list of rules and regulations that they 'have to' adhere to. We set up a series of behavioural workshops to train all site and production managers, who are extremely influential and have a crucial responsibility in terms of setting the tone for behaviour on site.

In 2008, we signed a national agreement with Rocksure Systems to provide our sales personnel with the Peoplesafe lone worker safety system. Rocksure Systems' Peoplesafe in association with Taylor Wimpey won the Best Innovation in Technology category of the Housebuilding Innovation Awards 2008.

The way we work continued

Health, safety and environmental management

We continue to run regular HSE workshops for suppliers and sub-contractors. Whenever we introduce a new procedure, each of our regional businesses will provide training workshops for the contractors or suppliers.

The Minister for Work and Training in the Government of the Balearic Islands presented Taylor Woodrow de España with the renewal of our OHSAS 18001:2007 certification in 2008. We were one of the first companies in Spain to achieve certification to the 2007 standard and the Minister praised our health and safety performance. The environmental management system covering our Los Arqueros Golf and Country Club is also certified to ISO14001.

We had no cases of non-compliance with environmental legislation during 2008. Ontario Ministry of Labour inspectors issued Monarch Corporation with 15 minor health and safety orders, none of which resulted in any work stoppage.

Climate change

As a housebuilder, we have a responsibility to minimise carbon dioxide and other greenhouse gas emissions. Our Chief Executive Pete Redfern sits on the CBI (Confederation of British Industry) Climate Change Board and has ultimate responsibility for the Company's strategy on climate change. Our Sustainability Working Group is tasked with developing our UK approach to climate change and a Staff Guide to Climate Change is available on our UK intranet site. The Company has a Climate Policy and developed a Climate Change Risk Assessment in 2008.

In 2008, the NextGeneration initiative undertook a climate change benchmark of the UK's 20 largest housebuilders. This benchmark – which was undertaken while we were in the process of integrating our two legacy businesses after the merger – placed Taylor Wimpey eighth in terms of climate change performance. We have analysed the results of the benchmark and our Sustainability Working Group (see page 4) will be identifying key areas for improvement during 2009.

Also in 2008, we started to measure emissions from our offices and car fleet as part of our involvement with the CBI on climate change. Once we establish a baseline figure in 2009, we will report against that baseline in future CR Reports.

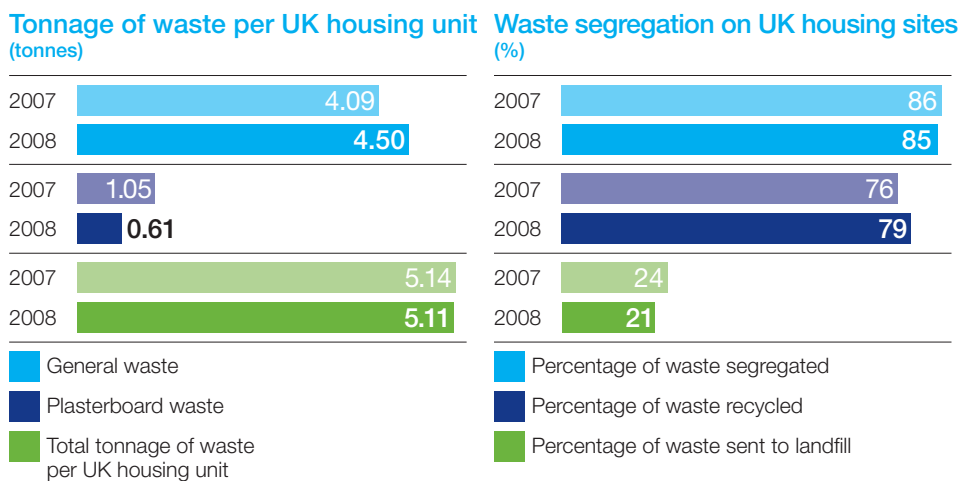
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We introduced a new Site HSE Induction Programme in 2008. The induction is designed to get key messages to all operatives in such a way as to gain their agreement to work together towards improved safety for all on site. The packages were developed to allow the induction to also be given to migrant workers and are available in 13 different languages from Albanian to Turkish.

Induction pack available in 13 languages



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Waste

In the UK, we worked closely with BRE to develop a bespoke system of Site Waste Management Plans for all of our sites. We also have a proactive working relationship with Wastefile, who are tasked with assisting us to reduce waste on sites and increase the percentage of waste that can be recycled or re-used. Waste champions from each of our regional businesses meet regularly to exchange best practice and improve UK performance. Our UK Waste Working Group meets quarterly and is developing a new waste strategy. We are also reducing waste at the design stage as part of the development of our new house type range. We continued to work with WRAP (Waste and Resources Action Programme) in 2008, inviting them to run workshops and presentations for our staff as well as engaging with them on best practice. See page 32 for a Taylor Morrison example of working with suppliers on waste reduction.

Land remediation

Regeneration is a significant part of our UK business, transforming areas of land that may be derelict and are often contaminated, into desirable places to live. We built 67% of our homes on brownfield land in 2008. By redeveloping brownfield land, we preserve and regenerate scarce land resources and have positive impacts on local environments and communities.

The Taylor Wimpey Land Assessment and Management Process (LAMP) covers our approach to technical issues associated with land, including remediation, geotechnics, flooding, ecology, archaeology and others. During remediation, we seek to manage soils sustainably, maximising recycling and minimising disposal to landfill wherever possible.

Biodiversity

As a housebuilder, we have a responsibility to protect species and wildlife habitats in the areas in which we build. We also try to enhance the ecological value of sites where possible. In 2008, we introduced a new software system in the UK to make it easier for our regional businesses to develop the Site Specific Environmental Action Plans (SSEAPs) that we require for all of our sites. SSEAPs provide information about a wide range of environmental aspects of a site and help us to ensure that we take biodiversity into account throughout the build process.

We are using a range of sustainable remedial techniques on our multi-million pound reclamation of the former Peugeot Citroen car production facility in Coventry. These include large scale ex-situ bioremediation, in-situ multiphase phase vacuum extraction and a technique called monitored natural attenuation (MNA). All of the concrete and brick from the demolition is being crushed, screened and reused within the site, and all of the steel and metalwork is being recycled off site. A groundsman's hut on site was also donated to a local amateur boxing club.

Remediating contaminated land



Our Stamford Brook development in Cheshire won the Natural Environment category of the Waterways Renaissance Awards 2008 which are run by The Waterways Trust and the British Urban Regeneration Association. In the largest river restoration project in England, the previously canalised Sinderland Brook has been turned back into a meandering stream with its natural floodplain.

A large number of our sites provide wildlife areas to protect local biodiversity. Taylor Morrison is building the Terracina community in Orlando, Florida adjacent to pristine wetland. Our land team worked in partnership with the local district water management team and the US Army Corp of Engineers to protect biodiversity. We created a seven-acre pond and a 50-foot-wide wildlife corridor through the site. The community is also bordered by a 50-foot-wide conservation easement that will be left in its natural state. Deer and black bear are regularly seen at Terracina while the pond provides a habitat for native wading birds and the Florida Mottled Duck. In 2009, we will plant thousands of native trees at Terracina and we are working on fish stocking and other programmes.

Targets

We have a series of HSE training programmes planned for site management, UK Management Teams and Non Executive Directors in 2009, emphasising that everyone in the Company has responsibility for HSE. In the UK, we have set ourselves a target of a 10% reduction in the RIDDOR health and safety incident rate when compared with our 2008 RIDDOR rate of 680. We also aim to reduce construction waste by 10% and increase recycling on site by 5% in 2009.

In North America we will use the results from our new audit system to develop appropriate action plans for Divisions. We have a target of 100% compliance with our on-line health and safety training and the OSHA 10-hour training. We want Taylor Morrison to be in the top percentile of North American builders in terms of health and safety performance.

67%

of UK homes built on
brownfield land in 2008

 Further details of our HSE policies are available at www.taylorwimpey.com/policies.