



Building for tomorrow

“Building for Tomorrow is the first George Wimpey Corporate Social Responsibility Report. Companies are facing increasing pressure to improve and report on their approach to corporate responsibility. With our focus on integrity, safety and customer care, we believe that George Wimpey operates in a responsible manner. Responsible behaviour makes good business sense and we believe that we can and should enhance society and the environment while continuing to increase shareholder value.”

John Robinson
Chairman
George Wimpey Plc
March 2003

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Chief Executive's Statement

I am delighted to introduce George Wimpey's first Corporate Social Responsibility Report. The last two years have been years of considerable change for our businesses. Refocusing on our key strengths and qualities, we are building a company well positioned for the future. However, we will not achieve future success if we focus only on short term financial returns.

Our company is built on the core values of integrity and respect. In our first CSR report 'Building for Tomorrow' we show that we are building a business that is properly concerned about the world around us. We aim to act responsibly towards all our stakeholders, and in particular our shareholders, our employees, our customers, our sub-contractors and the communities in which we are building homes. We are doing this not because we have to but because we believe it right. We believe that CSR makes sense from a business, as well as an ethical, perspective. Our work towards sustainability will make George Wimpey a better, stronger and more valuable company.

Building for Tomorrow sets out our approach to being a responsible company and demonstrates how, across all our businesses, we are moving towards financial, environmental and social sustainability through a continuous process of measurement, review, dialogue and transparency.

We aim to achieve real leadership in our sector. We want to be the housebuilder of choice for:

- our shareholders, offering superior security and growth of earnings
- our customers, offering unrivalled and consistent quality of product and service
- our employees and sub-contractors, providing fulfilling and rewarding careers or contracts in a safe and healthy environment
- the communities in which we operate, creating a better environment in which to live and work, carefully planning new sites and effectively managing the redevelopment of contaminated sites, regenerating run down areas and by playing a fuller role in other aspects of community life

Highlights

We have included in this report each of the key aspects of CSR reporting for George Wimpey. Each section sets out in detail our approach and highlights achievements and initiatives carried out over the past few years. Most importantly though this report sets out the areas in which our success will be measured and clearly identifies the areas which will be a focus for us in the coming year. We are all committed to a process of continuous improvement in our CSR policies,

procedures and practices and we plan to produce annual CSR reports in which our progress can be measured.

We have already joined Business in the Community and will be working with a range of other organisations to further our corporate responsibility practices in 2003.

We believe we have made a good start but understand the route to sustainability is a long one.



A handwritten signature in dark ink, reading 'Peter Johnson'.

Peter Johnson
Group Chief Executive
George Wimpey Plc
March 2003

Introduction

George Wimpey Plc, the UK's leading housebuilder, builds over 17,000 homes a year in the UK and the US and employs more than 4,500 people.

Building for Tomorrow describes our approach to aspects of corporate responsibility. This report focuses on vision, values and governance; health and safety; environment; customer care; employees; and community initiatives. We also include a section on Laing Homes, which was acquired by George Wimpey in November 2002.

Our report sets out future targets and a commitment to monitor and report on key performance indicators in the future. We have produced this report as a step on the path to the financial, environmental and social sustainability of our business.

Key highlights

George Wimpey has an absolute commitment to health and safety. George Wimpey UK and Morrison Homes continue to develop and refine

procedures to minimise the likelihood of accidents and incidents on sites. We report on, analyse and learn from incidents as a matter of the highest priority. Taking a proactive stance, we continually develop better preventative measures and accident response approaches. Safety comes first throughout all stages of home design and construction. We focus on the health and safety of our employees, sub-contractors, customers and members of the public.

The environment is an increasingly crucial issue for housebuilders. We take pride in our hazard identification and environmental management procedures in the UK and the US. George Wimpey UK's Environmental Management System is particularly effective, as is the company's focus on drawing up site specific environmental action plans to minimise incidents and impacts at each construction site. In 2002, George Wimpey UK also ran a series of major Environmental

Awareness Campaigns, backed by audits, inspections and a nationwide training programme. We also standardised waste management systems across the UK in 2002, in order to ensure waste segregation, better use of materials and increased recycling.

George Wimpey continues to maintain high standards of corporate governance and, in 2002, we introduced a detailed Code of Business Conduct for all UK employees. Morrison Homes already had in place comprehensive policies dealing with business conduct, so all of our employees are now covered. George Wimpey UK, Laing Homes and Morrison Homes strive to ensure fair and ethical treatment of customers, employees, sub-contractors and other business partners.

Another of the Group's highest priorities is customer care. Both George Wimpey UK and Morrison Homes provide full warranties and extensive employee training programmes. Each has comprehensive systems in place to continually improve customer care and to deal with customer complaints and concerns. Product quality is seen as a fundamental part of customer care, and we aim to achieve the highest possible standard of work on each and every home.

In 2002, George Wimpey UK completed its first employee survey and Morrison Homes its sixth annual employee satisfaction survey.

The surveys will help our companies to improve staff training and development, and to provide a better working environment for employees. We aim to be the employer of choice in the UK and US housebuilding industries. In 2002, Morrison Homes was voted one of the 101 Best Companies to Work For in the US residential construction sector.

George Wimpey continues to focus on community and charity initiatives. George Wimpey UK and Morrison Homes strive to do business in a way that enhances local communities. We also support a wide range of charitable organisations. We concentrate on causes linked to our business activities, to the communities in which we operate and to our business partners or employees. Group guidelines help to ensure that donations are spent as effectively as possible. Employees are actively encouraged to take part in initiatives, to volunteer and to fundraise.

With the acquisition of Laing Homes in November 2002, the George Wimpey Group now includes a premium housebuilding company with a heritage of high quality housing, environmental stewardship, customer focus and community support. This report highlights some of its corporate responsibility achievements, including the Building to Enable a Sustainable Tomorrow (BEST) campaign and highly acclaimed safety initiatives for schoolchildren.

We are committed to the continuous improvement of policies, procedures and practices relating to Corporate Social Responsibility. We will continue to produce an annual Corporate Social Responsibility Report and will measure and report on key performance indicators in the future.



"Health and Safety, Customer Care and Profitability remain our highest priorities. We also accept the growing importance of addressing the wider needs of our customers, society and the environment, while maintaining long term business success."

Keith Cushen
Chief Executive
George Wimpey UK

Stu Cline
President
Morrison Homes

Our vision is to achieve real leadership in our sector.

George Wimpey UK and Morrison Homes share the values of integrity, customer focus, respect for people, teamwork and continuous improvement. In addition to enhancing shareholder value, our greatest priorities are health and safety, and customer care.

We seek to enhance society by providing high quality homes for our customers. At the same time, we acknowledge the potential to cause environmental damage and seek, wherever practicable, to minimise harm to the environment.

We aim to treat customers, employees, business partners and other stakeholders with respect. All employees and contractors are expected to act legally and behave ethically. As a result, we require our business affairs to be conducted to a standard of fundamental honesty and fair dealing.

Corporate Governance

The George Wimpey Plc Board is committed to high standards of corporate governance. Including the Chairman, five of the Board's nine members are independent directors.

One third of the directors must submit themselves for re-election at the Annual General Meeting in accordance with the Articles of Association.

The Audit, Nomination and Remuneration Committees of the Board together with the Executive Committee and other executive committees (Treasury, Charitable Contributions and Administration) all contribute to the ongoing strength of our governance practices and procedures. We also have an active investor relations programme.

In 2002, the Audit Committee determined that the company's external auditors should not generally, as a matter of policy, perform non-audit work unless specifically approved.

The Board considers that, during the year under review, it has complied with all the provisions of the Combined Code on Corporate Governance. We are currently reviewing the recommendations made by the Higgs Report on the Review of the Role and Effectiveness of Non Executive Directors.

Further information on governance is available in our 2002 Annual Report.

George Wimpey UK

In 2002, George Wimpey UK produced a Code of Business Conduct and a separate Code of Conduct for employees. Designed to ensure fair, honest and legal conduct, the codes set out our approach to customers; employees; suppliers; sub-contractors; government and local authorities.

The codes cover bribery and gifts; conflicts of interest; ethical advertising; sales practices; price-fixing and competition law; disciplinary action and whistleblowing. Our ethical standards apply to all permanent and temporary employees and to all associated persons, including contractors and consultants. In addition, we have a policy not to make donations to political parties.



Corporate Governance

It is only by operating and maintaining the highest standards that George Wimpey UK will be able to fulfil its primary objective of enhancing shareholder value, and at the same time set industry-leading standards for safety and customer care.

Morrison Homes

In the US, Morrison Homes has had comprehensive policies in place for several years on business conduct; business gifts; conflicts of interest; political contributions and compliance with equal employment opportunity, fair housing and sexual harassment laws. We are committed to a drug-free workplace and, to that end, we have recently

introduced procedures for pre-employment drug screening.

Our employees are required to abide by the letter and the spirit of all laws and regulations, and to report violations and threatened violations.

We focus on integrity, quality and excellence. The Morrison Homes vision is to be the best US homebuilder as measured by its customers, employees, shareholders and business partners.

We aim to establish standards that go beyond those previously seen or aspired to within our industry. We want to be able to offer more opportunities than others in our sector and be the housebuilder of choice for our shareholders; customers; employees; sub-contractors and the communities in which we operate.

Health and Safety



Good health and safety management is an integral part of the George Wimpey approach to housebuilding. Along with increasing shareholder value, health and safety is the highest priority of all our companies.

Construction can be a hazardous industry, but we believe that the highest standards of management awareness and training help us to overcome the difficulties within housebuilding. We have set ourselves an ambitious target of continuous reduction in accidents. The maximum focus and effort is towards greatest risk areas such as falls from height and working with plant. We believe that it is unacceptable to cause harm to any employee, sub-contractor, customer, member of the public or other persons whilst achieving our business objectives.

George Wimpey UK and Morrison Homes take a proactive and

responsive approach to health and safety. Practices and procedures are kept under constant review and updated when necessary in order to continually raise the standards of health and safety.

Group practices are designed to ensure that we learn as much as possible from accidents and near misses and work with employees and contractors to keep introducing new preventative measures for the future. Therefore, the need for all incidents to be reported is reinforced with everyone.

We continually aim to set industry-leading standards for health and safety. We recognise the importance of maintaining the highest standards of health and safety, and the impact this has on the overall effectiveness and sustainability of our business.

George Wimpey UK

“George Wimpey are at the forefront of the housebuilding industry in terms of procedures, practices, systems and commitment to health and safety. We have integrated health and safety issues into all of our management processes, and continue to revise and update our health and safety practices on an ongoing basis. We are proactive, self-regulating and absolutely committed to continual improvement.”

Keith Cushen, Chief Executive,
George Wimpey UK

It is the policy of George Wimpey UK to conduct our activities with due regard to the safety of all our employees, contractors' employees, self-employed persons and the general public. It is the overall responsibility of Keith Cushen,

“In our opinion, the George Wimpey approach sets us apart from the rest of the UK housebuilding industry.”

Keith Cushen
Chief Executive
George Wimpey UK

George Wimpey Plc bespoke telescopic handlers

In 2000, George Wimpey UK identified a series of potential hazards relating to the use of telescopic handlers on housebuilding sites. We began liaising with a series of major manufacturers, including JCB and Manitou. The aim was to design specifications for machines that would better suit the demands of work on a construction site. These specifications related particularly to issues such as speed restrictions, visibility and overall fitness for purpose.

In a step which has subsequently benefited the whole housebuilding industry, all telehandlers used on George Wimpey UK sites must meet set specifications and working parameters. For the most part, this means that suppliers must provide machines which have adequate all round visibility, are restricted to a safe operating speed and with measures to improve their safety while transporting and placing materials.





On site safety management

the Chief Executive of George Wimpey UK, to ensure that the UK Board and the individual business units properly address health and safety management issues. The Board's intentions are to have health and safety regarded as a top priority and to have good health and safety management accepted as a core value in all business units. As a consequence of this, the directors of the UK Board together with the directors of each of the 23 regional boards have adopted and signed health and safety policy statements.

In 2002, we produced a new comprehensive procedures manual that fully integrated our Health, Safety and Environmental Procedures. The manual provides clear guidance on all aspects of site safety and environmental management and was introduced in conjunction with a full training programme for employees.

All health, safety and environment procedures are fully integrated into our Construction, Design and Management (CDM) System. Procedures begin at the concept and design stage and continue, if necessary, beyond site completion. The procedures cover all aspects

of on-site safety management including traffic management; training requirements; sub-contractor competency; risk assessments and emergency arrangements.

Before hazardous activity can commence on any site, site management must assess the risks of the planned activities, develop safety method statements where necessary and make all operatives aware of the risk assessments and safety methods. Detailed and comprehensive checklists help site managers to fully assess the significant risks.

A Hazard Categorisation System is operated during the regular site inspections. The system allows identified hazards to be grouped as major, medium or minor hazards. This keeps the whole management team informed of problem areas and allows the prioritisation of any subsequent remedial action.

We operate a 'H&S Newsflash' system to ensure that relevant personnel across the UK are immediately informed about major accidents, new preventative measures or changes to company procedures. In addition, working groups involving various disciplines meet regularly to discuss key health and safety issues and to develop best practice procedures for integration into the George Wimpey management systems.

A new web-based Health, Safety and Environmental Reporting System has been introduced to ensure complete, accurate and timely data on incidents and performance against management targets. The system will also help us to identify areas in need of improvement and where remedial action is necessary.

Our Health, Safety and Environment Directors produce detailed monthly reports for the UK Board setting out performance and progress towards set targets as well as details of any incidents. Health and safety is a key item on the agenda of every George Wimpey UK Board meeting. The Board reviews performance and sets measurable targets for improvements in health and safety performance. In addition,



On site fall protection with our safety nets

all George Wimpey UK business units are required to hold management team health and safety meetings at least four times per year.

Safer by Design

We have incorporated health and safety considerations into our new house design processes and into annual house type reviews. Whenever a new house design is proposed, senior management analyses the potential construction hazards involved and, where the hazards cannot be removed by design, ensures those involved in the build processes are aware of them. If necessary safety measures – such as safety platforms or mechanical lifting equipment – cannot be commercially justified then the designs are sent back to the drawing board. We believe that

Since discussions with JCB about how telehandlers could be improved for the use of UK housebuilders, the manufacturer has developed the JCB 533/105 in 2002. This smaller, more compact machine provides greater visibility and improved control features.

The machine meets our specification and, as a result, a significant number of the newly designed telehandlers are now in use on our building sites.

We intend to continue working proactively with suppliers and manufacturers to ensure better standards of health and safety on our housebuilding sites.



Health and Safety (continued)

by addressing the health and safety implications at the design stage we make a significant contribution to on-site safety.

Safety Initiatives

We worked in conjunction with the Health and Safety Executive (HSE) in the development of a health and safety CD-Rom training programme for forklift truck drivers. Released in 2002 and with the HSE planning a promotional campaign in 2003, the CD-Rom provides a virtual reality construction site to help forklift truck drivers identify potential on-site hazards. It has always been our intention to further develop our comprehensive training programme for forklift truck drivers and the collaboration with the HSE has helped this to happen.

Also in 2002, we identified a risk to operatives where they could be exposed to a fall hazard while installing mid-floor joists and covering. In order to tackle this issue, we set up a working party involving production, construction and safety disciplines. As a result we have made a company-wide decision to implement a collective fall arrest system in all UK sites in early 2003. This system consists of industrial sized beanbags supplied by Forrest Soft Landings Systems. This fall protection system will now become mandatory on all sites.

George Wimpey UK has representation on the Construction Industry Training Board and the House Building Federation's health and safety working groups and is also a member of the British Safety Council. We work closely with housebuilding industry organisations, the Health and Safety Executive and the government on developing worthwhile health and safety initiatives.



Industrial size beanbags our mandatory fall protection system

Visitor and Public Safety

Before starting construction on site, our Production Departments contact local schools, nurseries and playgroups that are close enough to the site for there to be a potential risk. They will ask permission to make a safety presentation to the children, in order to raise awareness of the dangers of playing on building sites. Where necessary, further refresher visits and presentations will be made during the construction phase of the project.

Where construction is going to take place near to establishments providing facilities for the particularly vulnerable – such as the blind, the very elderly or the mentally infirm – arrangements will be made for visits to the establishment and for

further measures to minimise any unforeseen risks to individuals.

Where necessary, safety leaflets will be delivered to local residents with details of when construction will commence and any potential risks to children and adults.

Training

We recognise that safety training is an essential ingredient in establishing a safe system of work and will ensure that training of employees in health and safety requirements will be provided as appropriate. It is our policy to integrate safety training into all staff development programmes.

In addition, we recognise that we can only achieve significant lasting improvement in the health and safety

“In close collaboration with the Health and Safety Executive and other governing organisations, George Wimpey UK has been able to introduce many new health and safety initiatives and improvements in standards.”

Edward Woods
Director of Health and Safety
George Wimpey UK



Traffic management systems segregate pedestrians and plant.

performance of our company if we have the co-operation and support of our contractors. We continually encourage and promote the provision of suitable health, safety and environmental training to the contractors' employees and the self-employed. As a significant contribution to the Government's Revitalising Health and Safety Campaign we intend to establish a forum with contractors to help secure the necessary training provision.

Sales executives are also trained in safety issues for their own personal safety and for the safety of customers and the general public. During 2002, a bespoke 'Personal Safety on Site' programme for our sales staff was developed in conjunction with an external training organisation (Training for Advancement). We encourage worker involvement to support a positive health and safety culture. We take every opportunity to establish consultation, both in the company offices and on site.

High standards of health and safety performance are recognised in our annual safety competition. Each year, we present safety awards. Each operating company presents an award to the site manager who has consistently maintained high standards of health and safety in their company. In addition, there are national awards to the top three performers across the country.

Morrison Homes

Morrison Homes has a policy of providing a safe and healthy work environment for all of its employees and subcontractors. We are committed, as far as is reasonably practical, to provide such an environment. We also

encourage employees to assume responsibility for the safety and health of co-workers, sub-contractors and customers in the work environment.

We have an obligatory and proactive safety programme. Initiatives, policies and procedures are decided at our annual management conference and are implemented by divisional safety officers.

The basis for our company safety programme is its comprehensive safety manual, the Morrison Homes Safety Programme Manual. Written by external consultants ProSafe Solutions, the manual reflects the residential construction requirements laid down by the Occupational Safety and Health Administration (OSHA), the body that regulates safety in the US. The manual also includes details of Morrison Homes' procedures that exceed OSHA regulations.

Focussing on Safety

Our three primary areas of focus are ensuring adequate fall protection in homes under construction; preventing any exterior ditches or trenches from being left exposed, and providing adequate fall protection for trade contractors working on roofs and scaffold.

Developed by Morrison Homes and ProSafe, our HAZCOM programme provides detailed guidance on the ingredients of every potentially hazardous material used on house construction sites. HAZCOM is designed to ensure that materials are used safely and, in case of an accident or incident, that immediate steps can be taken to ensure public and worker safety.

We require all contractors to follow OSHA regulations and to manage their own safety programmes. We also

monitor overall work habits and will issue notice of any violations to any trade partner working in a way that could result in a serious accident.

Safety Initiatives

Two new safety initiatives were introduced in 2002, based on our analysis of site safety practices that could be improved.

In 2001, falls from roofs under construction were highlighted as



We require all contractors to follow OSHA regulations

a key area of hazard. We therefore introduced in 2002 a roof safety programme for sub-contractors, using a metal 'slide prevention' device which attaches to the lower portion of the roof and prevents materials and people from falling. We believe that the roof safety programme will have a major impact in eliminating or greatly reducing the possibility of falls from roofs.

Also in 2002, we introduced a Contractor Awareness Programme to teach sub-contractors about our safety procedures and objectives. We wanted sub-contractors to understand the extent of the company's commitment to health and safety, and to follow all guidelines – including the new roof

“Safety is the overriding consideration, before anyone sets foot on one of our construction sites and before the first shovel goes into the ground. Our motto is safety first. We promote safety very hard at Morrison Homes and are constantly working to add new initiatives to our safety programme. Every year we look at what we can do a little more of and a little better.”

Greg Lorenzetti
Vice President Construction and Architecture
Morrison Homes



We are constantly working to add new safety initiatives to our safety programme

Health and Safety (continued)

safety procedures – as a matter of the highest priority.

In 2003, we will analyse the impact of the roof safety and contractor awareness initiatives, and will further extend both programmes if appropriate.

Accident Reporting

We use accident statistics to measure safety. Every accident must be reported, from cuts and grazes to serious incidents. We differentiate between major and minor accidents. In the case of a small incident, site managers must fill in an accident report for our corporate office and must follow-up where action is required.

If a serious incident occurs, the site manager uses a major incident checklist to fill in an in-depth report including full details of circumstances, witness information and other relevant factors. The Divisional Safety Director is required to manage the necessary follow-up action.

We analyse the incident reports and, where relevant, identify preventative measures for the future. Procedural changes are then integrated into our safety manual and training programmes. We use accident reporting to monitor site safety, to highlight issues and to help us to continually design better procedures and preventative measures.

Training

Training is a vital part of our success in promoting health and safety. We use the same consultants, ProSafe, to develop our safety manual and to run health and safety training



Our GWUK roof safety programme fall protection nets

programmes. This ensures that worker training is entirely consistent with our safety procedures and objectives.

ProSafe also uses analysis from site inspections and audits to develop and enhance safety training. In addition, our builders have access to ProSafe for all day-to-day queries over health and safety issues.

Every builder, the US equivalent of a UK site manager, undertakes a 10-hour OSHA certification programme, run by ProSafe. Health and safety considerations are also included in the Morrison Homes 'boot camp' for builders, an orientation process for new builders.

Every month, we produce monthly 'toolbox' safety topics. Builders will then deliver a short talk and discuss specific safety issues with all site workers and sub-contractors. The toolbox talks, an OSHA requirement, cover any aspect of site safety such as lifting, use of cranes or fall protection.

Relevant employees in each division have a minimum of one day of health and safety training per year and divisional heads can call on ProSafe for as much extra training as they require.

Managers and sales people for example, are trained to notice potential hazards on site. It is vital that sales people recognise

Safety guard-rails

Half of Morrison Homes' health and safety resources are devoted to ensuring that the inside of each house is fitted with adequate fall protection during the construction process. We identified this as the area of greatest risk for employees, sub-contractors, customers, estate agents and the general public. Customers in the US often visit their future homes during the construction process, so it is vital to ensure that the unfinished house is as safe as possible for visitors, as well as workers.

Morrison Homes uses a system of steel guard-rails in all two-storey houses under construction. The guard-rails, provided and installed by US-based company Toughguard, are approved by the Occupational Safety and Health Administration (OSHA) and exceed legal standards.



Guard-rails in all two storey houses

any risks when they escort customers through houses under construction. Sales people must be able to recognise that something is unsafe, move visitors and workers from the site, and make an immediate report to the builder.

At Morrison Homes, we are committed to providing our employees with the information tools and support they need to create an industry-leading safe work environment. We believe



All visitors are required to report to the site manager

that providing our employees with ongoing training reduces accidents.

Future Targets

In the 2003 Corporate Social Responsibility Report, George Wimpey UK will introduce incidents rates as a key performance indicator for accident figures. We recognise that target setting has to be based on accurate data and analysis as well as full co-operation involved with us including our contractor base. In line with the Government's Revitalising Health and Safety targets these figures will represent the rate of injuries as per the number of employees.

Morrison Homes will also include incident rates as a primary health and safety performance indicator. The incident rate in this case will be a standard US industry measurement of the number of accidents per number of employees. Both companies are aiming for a continuous reduction in accidents.

George Wimpey UK will also measure and report on the number of 'A' and 'B' incidents (incidents of major and medium importance), with a view to reducing the number of significant management failures identified within individual business units.

Also in 2003, George Wimpey UK will identify as a key performance indicator figures for the minimum number of hours of health and safety training required for specific categories of workers, including site managers and sales executives. These figures will be included in the 2003 Corporate Social Responsibility Report.

We have set ourselves a target for 2003 of providing relevant health and safety training for 100 percent of site managers and assistant site managers involved in the construction process; senior management teams; sales staff and planning supervisor teams.

Each year, Morrison Homes reviews the annual training needs of its employees and will report on the details of the year's health and safety training programmes.

Two key areas of focus for George Wimpey UK in 2003 will be to maximise the safety efficiency of new house types at the design stage and to engage with contractors



Creating an industry-leading safe working environment

to raise awareness of the business case for good health and safety management. We will report further on these initiatives in our 2003 Corporate Social Responsibility Report.

The guard-rails block off areas where falls might occur, such as open balconies or staircases under construction. The areas with safety guard-rails are clearly marked with signage and stickers. The system is designed to warn visitors and prevent accidents.

The rails are installed during construction and removed once the areas are safe. Morrison Homes believes that its interior fall protection system is one of the best safety systems used by the US housebuilding industry.



Toughguard – Guard-rails



George Wimpey requires all of its companies to conduct their business in a manner that, as far as practicable, will minimise any adverse effects upon the environment. We also expect our companies to identify factors that affect the environment and to plan their activities accordingly. We recognise that good environmental performance is fundamental to successful business and must be given full regard by company management.

In this section we have set out George Wimpey UK and Morrison Homes' approach to the environment. The difference in approach reflects the very different nature of the two businesses with respect to acquiring land for development. In the UK the company purchases parcels of land for development (54% brownfield in 2002), whereas in the US the practice is to purchase greenfield sites, including prepared plots that have been developed by third parties.

George Wimpey UK

"George Wimpey UK management and employees work hard to minimise the adverse environmental impacts of our operations and we continue to focus on introducing and improving environmental practices."

Edward Woods, Health, Safety and Environment Director, George Wimpey UK.



"We believe that our proactive approach to environmental management places us at the forefront of innovation in the housebuilding sector. And we intend to stay there."

Edward Woods

Health, Safety and Environment Director
George Wimpey UK

At George Wimpey UK, we recognise the benefits of good environmental stewardship. We believe that our detailed policies and procedures provide us with commercial advantages in terms of reduction of waste, energy savings, reduced clean-up costs and elimination of potential fines. We think that our business will benefit from our proactive policy, which is based on prevention rather than reaction.

Environmental Management

Introduced in 2000 and continually updated, George Wimpey UK's bespoke Environmental Management System continues to lead the industry. The system, written and updated by environmental consultancy ENSR

Bespoke environmental management systems

George Wimpey identified a series of environmental performance objectives for 2002, based on the most significant on-site environmental management issues. We introduced national awareness campaigns throughout the year, backed up by an intensive training programme on our bespoke Environmental Management System. The four resulting campaigns tackled:

Documentation and incident reporting – to ensure familiarity with Environmental Management System documentation and procedures, and to explain why and how to report incidents.

Fuel storage and spillage prevention – to explain the importance of correct fuel handling and storage, and to encourage a responsible approach to spillage prevention.

Waste management – to explain the benefits of segregation and waste reduction, how to better manage waste, saving money and resources.



Fuel storage and spillage prevention systems

International, applies to all stages of development from the acquisition of land to site completion and beyond.

Designed to be an internally regulated system, the Environmental Management System provides comprehensive guidance and compliance checklists for identifying, evaluating and managing environmental risks and impacts. In addition, the system encourages best practice procedures for energy and water conservation, waste minimisation and a range of other site activities.

The management system applies to all UK construction sites and is monitored and audited by external consultants. It provides details of the environmental responsibilities of managing, development, production and technical directors, as well as contractors and other site workers. The system has been developed to take account of current best practice and research by the Construction Industry Research and Information Association (CIRIA) and the Environment Agency.

The George Wimpey Environmental Management System raises awareness of environmental risks, responsibilities and liabilities. We believe that the system improves operational efficiencies and greatly reduces the likelihood of incidents. As well as providing best-practice benchmarks, the system helps with the smooth-running of site operations due to reduced pollution incidents and prosecutions. If incidents do occur, our incident response plans allow for prompt and effective remedial action.

The Environmental Management System has been welcomed by the Environment Agency as being consistent with the organisation's stated objectives of promoting effective environmental management.

Planning Ahead

In an industry first in 1999, we introduced Site Specific Environmental Action Plans (SSEAPs) for each construction site. Drawn up before construction commences, each plan highlights relevant environmental issues and specifies the actions needed to minimise incidents and harmful impacts. The SSEAP process identifies sensitive receptors, environmental risk activities and environmental risk materials. In doing so, the SSEAP process highlights a range of biodiversity, conservation, archaeological and other issues.

We have, on a number of occasions, proactively altered build plans, timing, design and methods in order to protect plants and wildlife. Examples from the past few years include badger conservation, bat habitat creation, tree preservation and slow-worm habitat conservation on different sites.

Land Restoration

George Wimpey recognises the positive environmental impact of reusing previously derelict or contaminated land for modern, energy efficient housing.

We have a history of pioneering work in the remediation of brownfield and other contaminated sites. Our Guide to the Assessment, Remediation and Validation of Land is a central part of the company's environmental management system. Adopted by the National House



Remediation of brownfield sites

Building Council (NHBC), the George Wimpey procedures are now a housebuilding industry standard.

The main objective of the guide is to provide a strictly controlled procedure to assure those responsible for approving land purchase exercises that the ground conditions at all sites have been properly taken into account. This, in turn, will allow us to ensure that our customers receive sites entirely suited to their new use whether or not the land in question has been previously developed. A Remediation Method Statement provides details of how remediation activities are to be undertaken and validated on each site.

Building Awareness

During 2001 and 2002, more than 1,000 individuals attended intensive training courses on the Environmental Management System and environmental issues in housing. This provided environmental training for the vast majority of relevant personnel, from managing directors to assistant site managers. Ongoing training will continue in 2003.

We realise that our ambition to maintain consistently high standards

of environmental management will only be possible if we provide training for our contractors. In the first industry initiative of its kind, we are set to introduce training programmes for groundworks, roads and sewers contractors.

These workers were identified as having the greatest potential to cause environmental harm during their daily activities, particularly in relation to waste management and fuel and materials storage.

These programmes, starting in early 2003 with groundworkers, will highlight the main environmental issues facing construction site workers. Topics will include contaminated land, silt, dust, noise and vibration, waste and fuel. Explanations will be provided as to why these are important issues, what impact they have on the environment and the potential penalties that can be received for breaching environmental legislation relating to these issues. The training will also provide an overview of the George Wimpey Environmental Management System and incident reporting procedures.

We actively consulted the Environment Agency's construction and demolition forum for input on the course content.

Incident Response

We have set ourselves a target of achieving a reduction in environmental incidents supported by a number of Key Performance Indicators. Meanwhile, it is company policy that failing to report an incident is viewed as a serious offence. Contractors and operatives must report all environmental incidents, regardless of how trivial it may seem.

Silt run off prevention and protection – to show that silt is a pollutant, to explain and encourage prevention, and to ensure that workers understand how to protect watercourses.

Targeted at site staff and contractors, the campaigns aimed to raise awareness of key environmental issues and to ensure compliance with all aspects of the Environmental Management System. Information packs, posters, stickers, key message cards and campaign briefs were produced for each campaign. The messages were kept short, straightforward and easy to understand, while a series of cartoon characters made the communications more visible and memorable. Each of the campaigns was independently audited in order to identify campaign awareness levels and discover whether sites had met the performance objectives.



Visible and memorable environmental communications on all sites

Environment (continued)

The Environmental Management System provides full response plans for major, medium and minor occurrences. Incident Response Plans help site managers to contain the incident as quickly as possible, minimise environmental damage and initiate the necessary remedial actions. Major incidents must be reported to George Wimpey and the Environment Agency immediately.

A new health, safety and environmental reporting system will now provide feedback on performance and identify areas in need of improvement. The UK Board receives a monthly health, safety and environmental report with details of all environmental incidents and remedial action. Internal reporting will help us to minimise incidents, identify issues requiring further attention and introduce new measures to prevent recurrence.

Environmental consultancy ENSR International provides a 24-hour incident hotline for technical support and emergency response. The service is also a helpline for information and best practice guidance on site management issues.

The environmental department of the leading City law firm Simmons & Simmons provides us with a similar service for questions relating to environmental legislation, regulations and liabilities. In addition, managing directors are provided with a copy of the George Wimpey Environment Manual, which sets out the requirements and penalties of environmental laws most relevant to the company and its operations.

Environmental Innovations

In 2001, we identified a need to address on-site fuel storage issues to prevent

spillage that can seriously affect land or nearby watercourses, and can lead to major clean up costs.

We needed to provide refuelling areas that would remain compliant with new pollution control regulations while providing practical, movable fuel storage facilities. A working group of engineers, site managers, production directors and environmental specialists were put to work to design a practical solution. The result was a bespoke refuelling setup, designed to provide fuel storage and dispensing without risk of spillage.

We also identified a risk of fuel spillage in the first few days on site, before a site compound exists. We dealt with this problem by using a bespoke spill kit and thereby achieved a higher level of environmental protection at a relatively low cost.

These innovations provide a consistently high standard of spill prevention at all George Wimpey sites. In addition, we supported the introduction of the new systems with a national awareness campaign on fuel storage and spillage prevention.

Managing Waste

Waste management and minimisation are key environmental issues for housebuilders. In 2002, we standardised waste management system, including the segregation of different types of waste and materials for recycling. The new procedures are designed to reduce operating costs, increase the proportion of waste being recycled, raise awareness of waste issues and lead to more efficient use of raw materials. Improved segregation has already increased the amount of on-site recycling and has reduced the amount of waste produced per development.



Waste management and minimisation are key environmental issues

Waste management facilitation company Wastefile UK are managing the system and collecting data on the type, tonnage and disposal costs of the waste produced by site operations. Full data is available to cover all George Wimpey UK companies. It provides a clear picture of company waste streams and facilitates the development of further waste management policies and the setting of Key Performance Indicators to achieve a reduction in the tonnage of waste going to landfill.

Site managers and workers are trained in waste minimisation approaches related to ordering, delivery, storage and handling of materials, as well as waste segregation, re-use and recycling.

Energy and Resource Efficiency

We acknowledge the importance of working towards greater energy and resource efficiency. All new George Wimpey homes will comply with Part L of the Building Regulations 2002, resulting in reduced heat leakage. Compliance is expected to lead to significant energy savings in houses. We also prepare SAP ratings for each house type, which provides energy efficiency and carbon dioxide emissions figures for new homes.

New house types are increasingly designed for greater energy efficiency and for lower environmental impacts, resource use burden and waste generation.

We are also making steady progress towards meeting UK government targets of building 60 percent of houses on brownfield land by 2008.

Year	Percentage of George Wimpey houses built on brownfield sites. (UK government target: 60% by 2008)
1999	40%
2000	46%
2001	52%
2002	54%



Meeting UK government targets of building 60 percent of houses on brownfield land by 2008

A George Wimpey timber initiative focuses on reducing timber usage where alternative materials are available. Using materials such as MDF and chipboard resulted in an average reduction of 85% per house in the use of sawn timber during 2001.

We comply with current industry guidance on using materials from sustainable sources. We ask suppliers to provide information on what percentage of their products come from sustainably managed forests.

Industry Involvement

In addition to developing our own procedures, we also actively contribute to the advancement of best practice in the sector. We are a major sponsor of government and industry-backed research with the Association of Geoenvironmental Specialists and the Building Research Establishment.

We also work with industry organisations, such as the National House Building Council, the House Builders Federation and the Construction Industry Research and Information Association.

Morrison Homes

Morrison Homes takes its environmental responsibilities seriously. Employees are expected to comply with all federal, state and local laws pertaining to the environment and the company has issued a policy requiring employees to report any actual or potential violations of environmental laws to management.

Due to its relative size and the markets in which it operates, Morrison Homes – unlike George Wimpey UK – is generally not in a position to take industry-leading initiatives in the area



Reduced heat leakage and energy efficiency

of environmental practices. In addition, the nature of the two companies' operations differs too. Morrison's land acquisitions virtually always involve greenfield sites. George Wimpey UK, on the other hand, frequently acquires brownfield sites. These differences mean that Morrison Homes conducts its business without the same environmental constraints.

We abide by environmental laws and regulations because it makes good business sense to do so. The US federal government, for example, has enacted strict regulations concerning erosion control to prevent undue amounts of silt from entering local creeks and streams. Our employees are expected to follow these regulations not only as a matter of legal compliance, but also because clean communities help to sell homes.

At the Division level, we have undertaken numerous environmental initiatives. Our Phoenix Division's Superstition Foothills project in Pinal County, Arizona, involved previously undisturbed native desert and encompassed two wash corridors – areas that carry water during the infrequent but sometimes heavy rains

of the Arizona desert. To minimise the environmental impacts of the proposed development, the community was planned around the wash corridors, which were left undisturbed. In addition, prior to the commencement of grading operations, the vegetation was surveyed for native species and the Division worked with the State of Arizona to develop a plan to relocate specimen plants.

The development of the Tampa Division's Oak Creek and Meadowwalk communities in Sarasota, Florida, potentially impacted the habitat of nearby bald eagles, an endangered species in the US. In both cases, the Division hired monitors who worked under the auspices of a state certified biologist to ensure that construction activities at the sites did not interfere with the eagles' mating habits. As a result, neither the eagles nor our construction schedules were disturbed. In another coastal project in Sarasota where we are purchasing finished plots, the developer was required to relocate gamefish from existing canals into Tampa Bay and to limit the depth of re-dredged and new canals to promote sea life through improved water circulation. Boating rules were also implemented to help protect Florida's endangered manatee.

California is well known for environmentalism, and the company's Sacramento Division has responded to several community-based initiatives to protect the environment and reduce energy usage. In 2002, we were one of the initial contributors to an 'Adopt-a-Storm Drain' programme jointly sponsored by a non-profit group and a local municipality. The innovative programme used signage to educate

the public about the adverse impacts that can result when pollutants are introduced into storm drains. The Division also participated in the Sacramento Utility District's 'Advantage' programme that called for the company to voluntarily construct homes that were 50% more energy efficient than required by building codes. In addition, in this same utility district, we offered electricity-producing photovoltaic roof panels as an option on all homes. These solar panels reduced energy needs by as much as 40%. Twenty-two homebuyers responded to this offer, with resultant savings of over \$500 per home in annual utility costs.

A keystone to Morrison Homes' approach to the environment is the requirement that environmental risks be properly assessed during due diligence in connection with any proposed land acquisition. Contamination, presence of hazardous substances, noise issues and the proximity of restricted habitat or endangered species are among the issues considered during the risk assessment process. Biological assessments of local plants, wildlife and habitats are also required under certain circumstances. Morrison Homes seeks in this way to avoid major environmental issues.

Future targets

George Wimpey UK has set a series of environmental targets for 2003. These include environmental management training for 100 percent of all staff involved in acquisition, remediation and development of sites and environmental awareness training for 100 percent of roads and sewers contractors, and for 70 percent of all groundworks contractors. Another target is for 100 percent of operational sites to have a Site Specific Environmental Action Plan in place. In each case, results will be collated and provided as Key Performance Indicators in our 2003 Corporate Social Responsibility report.

In addition, we have targets to reduce the tonnage of waste going to landfill per unit; to maximise energy efficiency (SAP) of George Wimpey UK house types and to meet the government target of 60 percent of all new developments on brownfield sites.

In our 2003 report, we will include figures on: tonnage of waste produced per unit of housing built per month, average SAP energy ratings across all George Wimpey UK house designs and percentage of homes built on brownfield land.

A further area of focus for 2003 is engagement with suppliers. We want to raise awareness amongst suppliers of the business case for good environmental practice and encourage our suppliers to pursue alternative technologies and approaches to maximise the sustainability of their product. We will report further on this initiative in 2003.

Employees



"We are proud of our company culture, the way that we treat our employees and our standards of integrity, honesty and fair dealing. This helps us to build employee teams that are second to none."

Anna Edgeworth, Group Human Resources Director

George Wimpey aims to be the employer of choice in housebuilding. We have a policy of treating employees in a fair and reasonable manner. We strive to achieve and maintain a positive work ethic throughout all Group companies.

Both George Wimpey UK and Morrison Homes have long term relationships with key sub-contractors. We endeavour to treat sub-contractors as justly as employees and we focus on building long term partnerships based on trust and fair treatment.

All our employees are required to behave lawfully and adhere to George Wimpey company policies and codes of conduct. In return, we aim to provide an enjoyable and rewarding working environment, and high levels of staff training and development.

We believe that our most valuable resource is our employees. The continued success of George Wimpey



We have dedicated customer service teams

depends upon having highly motivated people with proper skills in the right job at the right time.

George Wimpey UK

George Wimpey UK expects the highest standards of integrity and conduct from its employees. Our new Code of Business Conduct describes appropriate behaviour and provides employees with guidelines to help them avoid any conflict of interest or allegation of bribery or compromise. We have policies and procedures in place to tackle a wide range of issues including disciplinary action; whistleblowing; discrimination; grievance and harassment.

"George Wimpey has what we believe to be a unique approach to employees in the housebuilding industry."

Anna Edgeworth,
Group Human Resources Director

Our successful apprenticeship and graduate programme

House builders and the wider construction industry are facing an acute skills shortage. We believe that responsible businesses must play a role in addressing this shortage, for the benefit of the industry as a whole.

We think our apprenticeship, graduate and management training schemes play a vital role in encouraging young people into our company and our industry.



We acknowledge our reliance on suppliers and sub-contractors and aim to treat them in the same manner as employees. Our code of conduct demands that all relationships with suppliers and sub-contractors will be fair, honest and conducted on an arm's length basis.

Revised in 2002, our comprehensive Employee Handbook provides staff with guidance on behaviour and benefits. Our newly revised Employment Manual provides in-depth information on all aspects of our approach to human resources. We offer a staff pension scheme; private healthcare; substantial discounts on a George Wimpey home; a Save As You Earn share option scheme and a confidential counselling service.

We have a strict equal opportunities policy and strive to ensure that people with disabilities are supported and encouraged to apply for employment with George Wimpey and progress through the company. We are proud to have two female managing directors and 13 regional directors, but acknowledge that the housebuilding industry needs to do more to encourage women into the sector.

Staff Satisfaction

All employees have an annual performance appraisal and, in 2002, we introduced our first staff satisfaction survey to provide us with better feedback on company achievements and areas in need of improvement. The results of the survey, introduced with the help of the Work Foundation, will be analysed in 2003. We are committed to repeating the survey every two years.

We strive to listen to our employees and consult them on company business. We want staff to enjoy coming to work and to be actively involved in the day-to-day management of the company. Senior managers work hard to develop and maintain a stress and blame-free working environment.

Our quarterly US and UK 'In House' magazine keeps employees informed on company developments and charitable initiatives.

Apprenticeship Opportunities

The UK housebuilding industry is facing a severe skills shortage, particularly among younger generations. As a result, we have introduced apprenticeship, graduate and management training schemes to encourage school and university leavers into the house building industry.

Our nationwide apprenticeship scheme helps to train the skilled craftspeople of the future. Each of our 23 regional companies has been strongly encouraged to employ a minimum of twelve apprentices per year for the past two years. The apprentices tend to be bricklayers and carpenters, as well as some electricians and plumbers.

We also run a graduate training programme. We recruit up to eight extremely high calibre graduates from top universities each year, 11 out of the 23 graduates recruited to date are female. We provide the graduates with 18 months of rotational training in the different disciplines of the company's business. They spend some time in the US and those that stay with us will be sent on an MBA programme. The graduates are expected to reach regional board director level within six years.



Developing long term relationships with sub-contractors

Our graduate programme is designed to encourage high achievers into house building. The programme nurtures 'homegrown' talent within the company and lays the foundations for top quality senior management in the future. All of the twenty-three graduates recruited over the past three years of the scheme have stayed with us.

In addition, our management training programme encourages each of our 23 companies to recruit six trainees direct from school or college. The scheme aims to give school leavers practical experience in a functional department, provide further education opportunities and encourage more young people into our industry.

Employee Awards

We have run an annual Production Quality Award scheme for our site managers for the past 20 years. National and regional awards are presented for production quality, show home of the year and safety. In addition, group and national Hallmark Awards go to site and sales teams with the best scores for service quality, as voted for by customers completing George Wimpey satisfaction surveys.

The training schemes help us fill vacancies and attract a wider range of workers. We benefit from skilled and qualified employees who will hopefully continue to work for us in the future. New recruits gain the opportunity to work for a major house building company, receive job security and obtain valuable skills and qualifications in a growth industry. And our industry benefits from the increased number of proficient craftspeople, managers and executives in house building.



Employees (continued)

Morrison Homes

The Keys to Employee Satisfaction at Morrison

To achieve Morrison Homes' plan for superior productivity through motivated, satisfied employees, a number of initiatives exist. The programmes and policies Morrison Homes implements for employees seek to be relevant, clearly communicated and flexible, and are often re-assessed and reviewed to ensure their continued appropriateness. Having highly motivated people with the proper skills do the right job at the right time often requires fluidity, since business needs change. Whenever possible, managers are provided with policy and programme guidelines, not mandates, which can be used as tools for them to craft and communicate the appropriate, individualised plan for employee motivation at the divisional, decentralised level.

Although Morrison Homes utilises state-of-the-art employee programmes and policies for improving motivation and satisfaction, it is important to note that there is no substitute for the development and nurturing of friendly working relationships and day-to-day camaraderie on the job. Programmes, benefits, or bonus plans may similarly exist for the employee elsewhere, but nationwide exit interview data substantiates that individuals who enjoy their work environment and being among genuine, caring, contributing team members will be more satisfied, positively motivated, and thereby retained.

Employee Standards

Morrison Homes expects the highest standards of integrity and conduct from its employees. The recently revised Employee Handbook and



David Garland – Morrison Homes National Builder of the Year

related company policies dealing with conflicts of interest and similar subjects describe and endorse behaviours expected in the areas of work ethics, disciplinary action, discrimination, grievances and harassment.

The company also acknowledges its reliance on suppliers and subcontractors. Its standards of business conduct, as expressed in the Employee Handbook and related policies, require that all relationships with suppliers and subcontractors be fair, honest and conducted on a businesslike basis.

Benefits

The company offers competitive benefits designed to provide security and motivation. Several highlights

include Medical, Dental and Vision care, Cash Balance and 401(k) Savings Plans, Short and Long Term Disability, Home Mortgage Program, Home Purchase Discount, and Tuition Reimbursement. Employee benefit package ratings are constantly high.

Employee Feedback

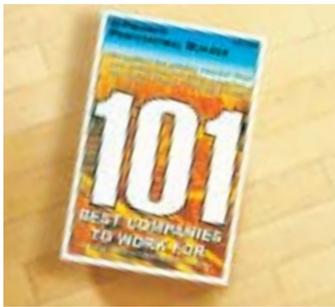
The company has recently published its "Open Door Policy," which encourages two-way communication between managers and employees at all times. Additionally, Annual Performance Reviews are held with all employees. Ongoing business discussions among employees and managers are encouraged in order to alleviate any "surprises" at the Annual Performance Review, as well as to

Morrison Homes one of the top companies to work for

Morrison Homes is rated one of the top companies to work for, according to an employee survey published in Professional Builder magazine. The industry-wide survey of employees in the US residential construction industry included Morrison Homes in a prestigious list of the 101 Best Companies to Work For. The Reed Residential Group, publishers of Professional Builder and other trade magazines, received over 6,000 nominations from more than 300 building, architectural and remodelling companies. Employees of nominated companies were then invited to fill in an anonymous survey about their workplace. The companies were subsequently judged on corporate culture; job satisfaction; workplace trust; respect; pride; camaraderie; compensation; fairness; communication; training and customer satisfaction. Honesty and clarity were identified as two of the hallmarks of the owners and managers of the top 101 companies.



continually reinforce quality and productivity expectations. Recently-hired employees now receive a new 90-Day Questionnaire and Interview, and even exiting employees are receiving renewed efforts to provide verbal and written feedback that will be useful to analyse and use to further reduce employee turnover, a key company goal for 2003. Division meetings, award programmes, and outings throughout the year reinforce the culture's conscious



US 101 Best companies to work for

desire to communicate, reward good performance, and spend time together.

Probably the most significant way that employee satisfaction and morale has been measured through the annual Employee Survey. Over the six years that the survey has been utilised, improvements in bonus plans, healthcare, communications, and numerous other initiatives have been implemented in response to feedback provided by employees. Run by external consultants, the survey assesses employee attitudes, beliefs and recommendations on how to improve aspects of the work environment and company culture. Ninety percent of employees strongly endorse the company's image, and

83 percent endorsed or strongly endorsed the company's customer orientation in 2002. These survey findings help Morrison Homes develop action plans for business as well as employees.

Development Opportunities

In addition to participation in the George Wimpey graduate training programmes, Morrison Homes offers dynamic growth opportunities for individuals who seek to improve themselves for potential career growth. They include:

- the Management Development Program, which is designed for non-management, exemplary performing employees and recent college graduates who have the interest, ability, and commitment to become future managers. Under a manager's mentorship, participants rotate through key assignments that ultimately lead to a career-related assignment
- the Morrison Homes Assessment Program (MAP) produces accurate information about the quality and quantity of leadership talent, identifies possible successors and high potential employees, identifies and measures success, and in doing so, provides a framework for employee feedback and development plans
- designed to improve skills is ongoing for employees at all levels. Programmes are offered in Sales, Construction, Safety, Interviewing Skills, Computer Training, and Leadership

The Morrison Homes approach to employee training and development



Team-orientated working environment

is very similar to that of George Wimpey UK and is usually co-ordinated at a division level.

In Summary

Morrison Homes offers a team-oriented work environment that includes extensive training and development programmes. As Morrison has grown and expanded in several new markets across the country, hundreds of employees have developed their skills and careers with the Morrison family. Morrison is proud to be associated with employees who have a passion for developing customer satisfaction in a results-driven, teamwork environment.

Future Targets

George Wimpey UK and Morrison Homes will both include employee turnover as a key performance indicator in the Group's 2003 Corporate Social Responsibility Report.

Morrison Homes will include statistics from the company's annual employee satisfaction survey. George Wimpey UK will include figures, when available, from its biennial employee survey.

Morrison Homes will also include the average number of training hours per employee.

"At Morrison Homes, we are proud of our company culture, the way that we treat our employees, our standards of integrity, honesty, and fair dealing. Our goal is to attract, motivate, and retain the most productive employees. We continually strive to develop initiatives for our Morrison Homes' team members. We will demonstrate a win-win scenario that will be the envy of our industry."

Hall McCallum, Vice President Human Resources, Morrison Homes





“We are particularly proud of our achievements in customer service, environmental stewardship and community initiatives. We are looking forward to working closely with George Wimpey and will use the opportunity to learn from one another and to improve best practice on a range of corporate responsibility issues.”

Paul Healey, Managing Director,
Laing Homes

In November 2002, George Wimpey Plc acquired Laing Homes Limited. A UK-based premium housebuilder, the Laing Homes name has been synonymous with high quality housing for over 150 years. Like George Wimpey, Laing Homes has been built on the strength of its people and its culture.

The Laing Homes company statement on ethics and business principle commits us to establishing and

maintaining high standards of integrity and fair dealing. Our principal business objectives are:

- the provision of a high quality service to customers and the development of mutually beneficial long term customer relationships
- maintaining a healthy and safe working environment in which our employees, sub-contractors, suppliers and consultants achieve satisfaction in their work and the opportunity to develop a rewarding career
- the achievement of growth and profitability as a measure of our operational efficiency

The following section gives a brief description of key Laing Homes corporate responsibility-related initiatives.

Customer Service Specialists

Laing Homes continues to strive for the very best in everything we do. Our commitment to excellence starts and finishes with the customer. A wide range of customer excellence features includes quality control, home demonstration, after sales service, an extensive customer feedback system and a 24-hour customer service response system. Our Project Champion initiative focuses on all aspects of customer care, helps to prevent defects and ensures that any problems are put right as effectively as possible.

We believe that the Laing Homes approach to customer care provides a wide range of benefits to both the company and its customers. In 2002, Laing Homes customer satisfaction surveys told us that 83 percent of our customers were satisfied or very satisfied with us and 86 percent would recommend us to their best friend.

“Laing Homes is serious about corporate responsibility and sustainable development.”

Paul Healey
Managing Director
Laing Homes



We are proud of our achievements

Laing Homes won four categories in the Daily Telegraph What House? Awards 2002. We won both Housebuilder of the Year and Best Volume Housebuilder, and we were awarded gold in the Best House category and a bronze in the Best Luxury Development category.

We also won Housebuilder of the Year in the private sector category of the Building Homes Quality Awards 2002. The judges commented on our ‘long term sustainability strategy and good build innovation’. In addition, the judges selected Laing Homes as winners of the Best Approach to Partnering and Best Options and Choices Initiative among private housebuilders.

The Daily Express National Builder of the Year Gold Award 2002 was also presented to Laing Homes. We particularly value this award, because it is based on the votes of customers.



Laing Homes has been built on the strength of its people

Sustainable Development

At Laing Homes, we try to balance our growth as a company with environmental stewardship and community enhancement. Our Building to Enable a Sustainable Tomorrow (BEST) programme focuses on achieving sustainable development.

The key objectives of the BEST programme are to use land prudently; consume resources frugally; promote energy efficiency; specify environmentally friendly materials; reduce pollution; protect and promote ecology; enhance health and well-being, and support community issues.

The BEST initiative has led to a series of new practices throughout all divisions of Laing Homes. Our land and property acquisition investigations and assessments are carried out to high standards of environmental management. Our Environmental Management Plans for new developments identify risks and implement appropriate solutions.

We have also introduced biodiversity and conservation measures on a number of developments. Laing Homes Midlands, for example, designed its Dickens Heath development to protect local badger setts.

Over 90 percent of new Laing Homes developments are carried out on brownfield land, far exceeding the government's target of 60 percent. Our waste management initiatives include a Reduce, Reuse and Recycle strategy; plasterboard recycling schemes; office paper reduction and recycling schemes and the provision of can crushers and household waste segregation facilities at some developments. The plasterboard-recycling scheme alone is estimated to save up to 20 percent of skip waste at the sites where it is in operation.

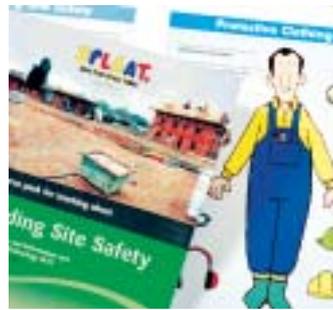
We have introduced a range of water saving initiatives. These have included cistern water displacement devices; trials of porous tiles; a preference for low water consumption white goods; rainwater harvesting; greywater recycling trials; an investigation into sustainable drainage systems and the provision of water butts. Our efforts in this area save up to 1.3 million litres of water a year, the equivalent of 14,000 baths.

As part of our BEST programme, we try to save energy by fitting white goods and gas boilers with high-energy ratings, and we trial other innovations such as mechanical ventilation with heat recovery systems. Our energy efficiency measures have resulted in Laing Homes' houses achieving an average score of over 80 out of 100 against the government's SAP ratings. Laing Homes is well known for innovation. We were the first developer to build rooms in the roof and are now looking at building basements. This can substantially increase the size of a home without increasing the amount of land needed for building. We will continue to focus on how innovation can help us to

build better houses, improve quality of life for customers and protect the environment.

Community

Laing Homes has a proud history of involvement in the communities in which we build. We are committed to a significant educational programme, are involved in improving facilities for local people in and around our developments and support local



Safe play at all times – our child safety scheme

community groups. In addition, our staff are keen fund-raisers and the company supports a range of national and local charities. NSPCC was our nominated charity for 2002.

One of the highest profile initiatives in our Community Programme is a major child safety education scheme. The Laing Homes SPLAAT initiative (Safe Play at All Times) is a schools safety programme, designed to raise awareness of why children should never play on building sites.

Unique to the housebuilding industry, SPLAAT provides an exciting programme of events and support for primary schools near Laing Homes developments. The SPLAAT website – www.splaat.com – is a Government-

approved part of the National Grid for Learning (NGfL). An educational game allows children to become safety inspectors and locate hazards on a virtual reality building site. We are working with RoSPA (the Royal Society for the Prevention of Accidents) to develop a series of building site safety curriculum packs.

Laing Homes also provides a range of free curriculum resources for teachers and offers free self-editable web sites to all schools. We work with the Construction Industry Training Board (CITB) to offer Construction Workshops in schools. These teach children about the construction industry, provide careers guidance and may help to tackle the construction industry's severe skills shortage.

Future Targets

Laing Homes will be run as a separate division, but George Wimpey and Laing Homes will learn from one another on corporate responsibility issues and will integrate policies where practicable. Information on Laing Homes will be fully integrated into the George Wimpey 2003 Corporate Social Responsibility Report.

We have already integrated and undertaken training on all aspects of the George Wimpey UK health and safety policies and practices and a programme has been established to have the Health, Safety and Environmental Policies and Procedures of both George Wimpey UK and Laing Homes fully integrated during 2003.



Photovoltaic Roof Tiles

Laing Homes' North Nine development in Edmonton highlights our approach to sustainability. Successful management of demolition materials saved over 1,000 lorry journeys. We preserved mature trees on the site boundaries and introduced extensive planting of native species near public open spaces. We encouraged cycling by providing secure bicycle stores and a main cycle way. In addition, we introduced labelled bins and crushers, in order to encourage household recycling. Every house was provided with a freshwater conservation system with child-safe water butts, and all white goods were checked for low water consumption.

For the first time on a private development, nine houses were also fitted with photovoltaic roofing tiles. This government-sponsored initiative allows the homeowners to produce clean, free, solar energy during daylight hours, and to sell surplus energy to the national grid. The solar panels power all mains lighting and domestic appliances in the houses.

Government sponsored initiative to allow homeowners to produce clean, free, solar energy



Revised in 2001, George Wimpey's charitable donations policy sets out a series of guidelines for our companies in the UK and US. The policy provides a clear and structured approach to charitable giving. It should enable us to greatly improve the effectiveness of charitable donations.

The majority of charitable giving is focused on causes linked to our business, to local communities in which our companies operate or to our business partners and employees. Apart from initiatives related to housing and homelessness, we tend to avoid donations to national charities or major events.

We believe that company donations can achieve most when given to smaller, local charities that provide relief or assistance to vulnerable or disadvantaged members of society. A major focus of the Group is to support the communities in which

we operate. We are particularly keen to get involved in housing-related projects, such as providing shelter for the homeless; helping elderly people to keep living in their homes and providing modified housing for the disabled.

In addition, we encourage employees to fundraise and volunteer for charitable work. Our companies also use their expertise and resources to provide gifts in kind for local charities.

George Wimpey UK

To encourage the support of local charities and initiatives, each business unit is given an annual charitable donations budget to allocate as it wishes. All company donations are made under the Government's gift aid initiative. We donate up to £500,000 per annum to charitable causes.

We also operate a Give As You Earn tax-free payroll giving scheme, allowing employees to make donations directly to the charities of their choice. The George Wimpey Charitable Trust matches the first £20 of any monthly donation.

Two of our major donations in 2002 were to help rebuild the lives of homeless people. We donated £50,000 to The Passage, a day care centre for the homeless situated a few doors down from our corporate office in London. The Passage provides shelter, food, showers, a laundry, medical advice and other services to the homeless. Cambridge-based charity Emmaus received £50,000 to help in their vital work of providing accommodation and work for the homeless. Residents of the centre receive bed and board in exchange for helping to restore and recycle

“We actively support local projects and charities with links to company employees or business partners.”

James Jordan
Group Company Secretary
George Wimpey



Newport Night Shelter

In March 2002, a disused chapel in South Wales officially became the Newport Night Shelter, thanks to George Wimpey South West. Employees transformed the chapel into a valuable new community asset; a shelter for homeless people. They created two bathrooms, a kitchen, a lounge and two bedrooms with a total of six beds. A structural engineer donated his time for free, suppliers provided many of the materials and the furniture came from George Wimpey show homes.

Thanks to everyone involved, the Newport Night Shelter can now house up to six people per night. Tom Biddlecombe, a director of CRASH, an organisation responsible for helping the homeless, called it 'one of the best projects I have been involved in anywhere in the UK.' George Wimpey UK is a patron of CRASH.

old furniture that will be sold in the charity's shop. Our donation will help the charity to extend its premises and provide shelter for additional residents.

Other charitable initiatives provide a different kind of service. We donated £5,000 to St Martin-in-the-Fields Homeless Project, where a composer and professional musicians provide instruments and work with groups of



Enhancing local communities

homeless people to help them play and compose music.

In addition to charitable donations, we try to enhance local communities through the way we do business. Building on previously derelict or disused brownfield land can help to regenerate communities. A George Wimpey development in Burnley, for example, received a coveted Local Civic Trust Award for building suitable and affordable housing on brownfield land that had housed derelict flats. In Gateshead, we are involved in a development under the Government's Home Zones Challenge, where local authorities focus on street layouts that will encourage friendlier, safer

neighbourhoods. Traffic management gives precedence to pedestrians and cyclists.

Recent excavations on a George Wimpey site in Shadwell, East London uncovered the largest Roman baths ever found in the city. The discovery is of significant archaeological importance and may indicate the presence of a previously unknown Roman port on the River Thames. George Wimpey Central London has fully supported the archaeologists and will preserve as much as possible of the baths underneath new apartments planned for the site. The finds and the site archive will be sent to the Museum of London.

Morrison Homes

The charitable contributions policy established by Morrison Homes in 2001 focuses on supporting communities in which we conduct business. We also encourage our employees to become actively involved in charitable initiatives and to volunteer their personal time.

Subject to financial results, Morrison Homes supports not-for-profit social, health and community service organisations through donations. Our focus is traditionally on helping those in need.

Funds are allocated for both national and local divisional efforts. We select up to five organisations each year as national charities. In addition, each division receives a budgeted allocation of funds to support the selected national charities and local charities of their choice.

Examples of recent charitable work include participating in and fundraising for the annual Habitat for Humanity 'Walk on Home' in Georgia. A non-profit housing association, Habitat for Humanity builds simple, decent, affordable houses in partnership with those in need. A 'Winter Coat Drive' provided 350 used and 150 new coats for vulnerable people in Dallas during the cold winter months. Our Austin division built a double-decker bus playhouse for a CASA (Court Appointed Special Advocates) raffle prize. The money raised helped to fund the charity's work, finding caring adults to mentor abused or neglected children.

Over 22 volunteers from our Phoenix division spent a total of 150 hours working with Morrison Homes suppliers to renovate a kitchen and remodel other areas of Ozanom Manor, a transitional home for the elderly and the physically or mentally challenged. Morrison Homes and our business partners also donated \$11,000 to pay for furniture, fittings and materials in order to provide a better living environment for shelter residents.

In August 2002, five female employees from our Orlando Division set out to participate in the Habitat for Humanity Women's Build 2002. The Women's Build takes place every year from July to December. Women help to build homes for single mothers and their children, and the recipients do their share of 'sweat hours' in order to qualify for the programme. Our employees spent their build day framing a house.

We also endeavour to use house design and construction to enhance the communities in which we build.



Safe play at all times – creating a safe environment for children

Part of our Signature Pledge – covering four key areas of customer focus – is to build a new spirit of community. We focus on minimising drive-through traffic and creating an atmosphere of privacy and calm. We add parks, pavements and recreation areas in many of our communities. This ensures that the landscaping and appearance are impeccable, and we never build two identical homes next to one another. All of these elements are designed to help create warm and friendly neighbourhoods.

In 2002, Morrison Homes set a charitable donations budget of \$178,000. This figure was an increase of 140 percent over the 2001 charitable donations total of \$74,000. The growth in donations was consistent with improved earnings.

Humanity Women's Build

Five female employees from our Orlando Division office stepped away from their computers and put down their phones to participate in the Habitat for Humanity Women's Build 2002. Habitat for Humanity is a non-profit housing organisation that welcomes all volunteers to assist with the building of simple decent, affordable houses in partnership with those in need of adequate shelter. The Women's Build is an annual event where homes are built exclusively by women for single mothers and their children.





Our long term aspiration is to provide customer service on a par with the world's best retail companies. Integrity, quality and excellence are key aspects of our approach to housebuilding and customer care.

House buying can be stressful and exhausting. Our companies strive to make the purchase and build process as hassle-free as possible. We also try to ensure that every house is just right for its new occupants. A system of checks should ensure that the homes are spotlessly clean and that every detail is complete. In addition, a range of high quality options – from flooring and lighting to fitted furniture and appliances – help customers to personalise their new homes.

By the very nature of our business errors will occur, when they do we seek to minimise the effects on our customers and right the error as quickly and effectively as possible.

Customer care continues long after the home is complete. In addition, we have an increasing focus on developing 'customer for life' approaches.

We believe that concentrating on customer care and product quality makes excellent business sense. Doing a good job benefits the customer; takes less time and fewer resources in the long run; enhances our reputation and motivates employees. In addition, listening and responding to customers' needs helps us to build better houses in the future.

Sharing the same commitment to customer service, George Wimpey UK and Morrison Homes work closely together on customer care initiatives, to ensure best practice throughout the Group. We are aiming for consistent standards of customer service throughout the UK and USA.

“George Wimpey has a fundamental commitment to customer care and product quality.”

Graham Hughes
Director of Customer Services
George Wimpey UK

George Wimpey UK

One of the ambitions of George Wimpey UK is to take the stress out of house buying and to build homes that enhance the life of each customer.

Our comprehensive Customer Care Policy sets out the UK approach to customer care and product quality. All homes should be ready on time, sparkling clean, ready to live-in and that every detail is complete. Company directors visit sites regularly to check the quality of everything from foundation to roof tiles.

Our Code of Business Conduct sets out the company's principles on the

“Our focus is to build top quality homes, produce the best customer service in the industry and produce the most satisfied customers. We believe that our approach to customer service is an integral part of our business success.”

Graham Hughes
Director of Customer Services
George Wimpey UK

John Rymer
Vice President Sales and Marketing
Morrison Homes



fair treatment of customers and the high standards of customer service expected of employees. The code includes policies on ethical advertising, sales and pricing.

Managing Customer Care

The MORI National Customer Satisfaction Survey 2001 surveyed customers of 54 UK housebuilders and found that George Wimpey companies achieved above industry average results in overall satisfaction with quality of the home; construction and finish; condition on moving day and likelihood of recommendation.

We stand by the quality of our house design and build. Each house is covered by a two-year guarantee, twice as long as the industry average. All homes are automatically covered by a 10-year National House Building Council (NHBC) warranty.

Homebuyers have access to a 24-hour customer care line, set up to deal with complaints and emergencies. We have detailed procedures for reporting on and resolving complaints. Emergency responses are dealt with immediately and as a matter of the highest priority.

A new customer care management system helps us to collect data and record customer complaints. The system is designed for ease of reporting and to encourage a proactive and responsive approach to customer care. The new system will provide internal benchmarks on key aspects of customer satisfaction.

In 2002, we evaluated new customer complaints management software to enhance the 24-hour customer care line service. The new software will



Customer care is our highest priority

provide call handlers with personalised customer details and product information. It is designed to provide customers with a better response and faster action on complaints.

Once the house is completed, site managers take customers on a familiarisation visit to the new home. This room-by-room tour gives buyers the information they need on everything from how to use, maintain and care for their new home to where to find utility meters. It also provides customers and site managers with an opportunity to check that everything is as it should be in the new house.

We visit homebuyers one week and two months after they move in. This provides another opportunity to check that the customer is happy with the house; to address any queries or problems and to encourage homeowners to fill in a customer satisfaction survey. From June 2003, homebuyers will receive visits after 12 and 23 months. The visits are designed to ensure that customers have every opportunity to highlight problems before the two-year guarantee expires.

In addition, customer brochures provide help with buying a home, securing a mortgage and selling the customer's current property. Sales executives are trained to advise and help customers with all aspects of homebuying.

George Wimpey UK is a member of the Institute of Customer Service.

External Awards

The National House Building Council's Pride in the Job awards are the industry's most prestigious accolades. In the 2002 awards, George Wimpey UK site managers won 82 Quality Awards, 33 Seals of Excellence and four of the seven available Regional Awards in the Large Builder category. According to the NHBC, our site managers made the strongest showing overall, winning more first stage quality awards than any other housebuilder and going on to secure four places in the final.

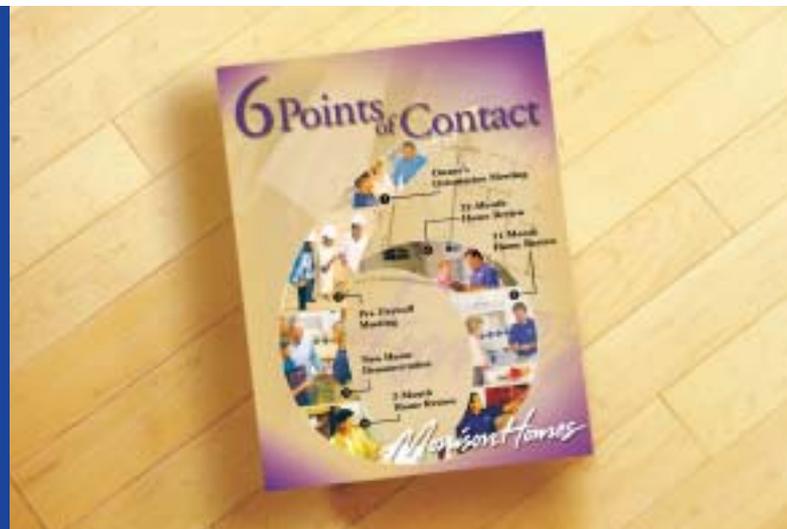
We were also a major winner in the 1,500 plus unit category of the Daily Express British Housebuilding Awards 2002. Backed by the NHBC, the Daily Express awards are based on the votes of 10,000 customers. George Wimpey received the gold award for customer service and a silver award in the best regional office category.

Morrison Homes

Morrison Homes is rated in the top five percent of all homebuilders in the US in terms of customer satisfaction, according to industry experts Woodland O'Brien and Associates. We are proud to have twice the industry average in home sales due to homeowner referrals.

Customer Care is considered as the foundation of our success

Morrison Homes considers customer care to be one of the foundations of our success. In addition to internal training courses, each operating Division is visited annually by Carol Smith, a third party Customer Relations Consultant, for a minimum one-day customer care training session. Management, sales associates, builders and sales personnel are brought together for a broad overview of customer trends and a more focused review of any new initiatives. In past years, topics have included 'new home demonstrations' and 'contacts with the customer.' In 2002 the training emphasised the importance of increasing customers' use and understanding of our homeowners manual, the little purple book.



Customer Care (continued)

One of our primary objectives is to always deliver a great home at great value. The Morrison Homes philosophy of customer service is to treat customers with respect; take full responsibility for build quality and to invite customers to be fully involved in the building of their house. We see quality and value as the mutual goal of the company and its customers. High quality homes lead to satisfied customers and a better reputation for the company.

We are committed to a policy of fair housing and fair treatment of all our customers, and to non-discrimination.

Creating 'Raving Fans'

In dealing with customers, we set out to be proactive, answer tough questions and manage expectations. Good service is not sufficient. Instead, customers should be passionately pleased with their new house. We try to ensure that the high standards of customer care and build quality turn homebuyers into raving fans of the company.

The Morrison Homes Signature Pledge sets out four key aspects of the company's approach to customer service. We focus on building a partnership with customers; being different by design; building a new spirit of community and providing the ultimate blanket warranty.

Morrison Homes produces a home owner's manual, 'the little purple book', to guide homebuyers through the housebuilding process and to help them get the best from their new property. In addition, the little purple book includes information on personalising a home; working with a builder; completing the home purchase and maintaining the new house.

Homebuyers have a minimum of six opportunities to spend time with our representatives to ensure that their home meets all of their expectations. This will increase to seven opportunities as we open our Signature Selection Centres across all Divisions. A first meeting provides basic orientation. The second takes place before interior walls are built, and provides an opportunity to verify personalisation options and talk the customer through the location of windows, doors, lighting and other features. Once the building is complete, we introduce the customer to the new house, check final details and provide the homebuyer with necessary information about the house.

The Morrison Homes two-year blanket warranty is twice the length of the industry average. We pride ourselves on having a proactive approach to after-sales service. Once customers have moved into their new home, we visit them three times during the two-year warranty period in order to make any necessary adjustments to the property and to tackle problems. We also provide a 10-year structural warranty.

All customers are encouraged to complete a customer satisfaction survey. The information is analysed by independent consultants and provides the basis for employee performance bonuses. We regard customer feedback as a vital tool to help improve customer service and build quality.

We also have a programme to identify and eliminate the gaps that add time and frustration to the homebuying process. We focus on communicating with customers and managing expectations, so that problems are less

likely to arise during building or after completion. We believe that good customer communication from the start will lead to fewer problems and delays, and to happier customers.

We have set ourselves a target of 90 percent customer satisfaction. According to customer satisfaction surveys conducted by Woodland O'Brien & Associates during 2002, 87 percent of customers would be willing to refer Morrison Homes to friends and family members in comparison with 85 percent in 2001. We have also set ourselves a target of 30 percent of sales from referrals. In 2002, 19 percent of homebuyers were referred by family and friends, in comparison with 18 percent in 2001.

A Neighbourhood Newsletter keeps customers informed about our developments and provides useful news and information.

Future Targets

In our 2003 Corporate Social Responsibility Report, George Wimpey UK and Morrison Homes will include customer complaints as a key performance indicator.

Both companies will also include the percentage of customers who would be prepared to recommend the company to friends and family.

Carol Smith solicited 'best practices' from each Division and these ideas were then posted on our 'intranet' for all employees to see. Sales associates were instructed in ways to incorporate the little purple book in their discussions with prospective purchasers. Builders were encouraged to carry and utilise 'the little purple book' during their meetings with buyers and sales personnel received training in how to effectively use the little purple book in explaining our warranty obligations.



Future Targets

Health and Safety

George Wimpey UK will introduce incident rates as a key performance indicator for accident figures, representing the rate of injury as per the number of employees.

Morrison Homes will include incident rates as a primary health and safety performance indicator.

George Wimpey UK will identify indicator figures for the minimum number of hours of health and safety training required for specific categories.

Health and safety training for 100% of site managers and assistant site managers.

Maximise the safety and efficiency of new house types at the design stage.

Environment

Environmental management training for 100% of all staff. 100% of operational sites to have a site specific environmental action plan.

Reduce the tonnage of waste going to landfill per unit.

Maximise energy efficiency (SAP) of George Wimpey UK house types.

Meet the government's target of 60% of all new developments on brownfield sites.

Raise environmental awareness amongst suppliers.

Employees

Include employee turnover as a key performance indicator.

Morrison will include statistics from the annual employee satisfaction survey.

George Wimpey UK will include figures, when available, from the biennial employee survey.

Morrison Homes will include the average number of training hours per employee.

Laing Homes

Fully integrated into the George Wimpey UK 2003 CSR Report.

Integrated training on all aspects of the George Wimpey UK health and safety policies and practices and programmes.

Community

To use house design and construction to enhance the communities in which we build.

Customer Care

George Wimpey will include customer complaints as a key performance indicator and the percentage of customers who would be prepared to recommend the company to friends and family.

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