

# Taking a strategic approach to procurement

The housebuilding industry relies heavily on sub-contractors and suppliers in the construction of its homes. We are committed to treating these groups fairly and paying them promptly for their work. We also seek to be open and responsive with our supply chain companies, and to listen to their advice and concerns. In addition, we strive to build strong partnerships that provide mutual benefit to all parties. As a result, we have many long term relationships with sub-contractors and suppliers.

In 2006, Peter Williams joined George Wimpey UK in the new role of Head of Procurement. Peter has over 20 years of buying experience. He was previously the Director of Group Purchasing and Supply Chain with BPB has been the President of the Institute of Purchasing and Supply and has studied at INSEAD. Peter will focus on developing a unified approach to all UK purchasing and his five year strategy was approved by the UK Board in November 2006.

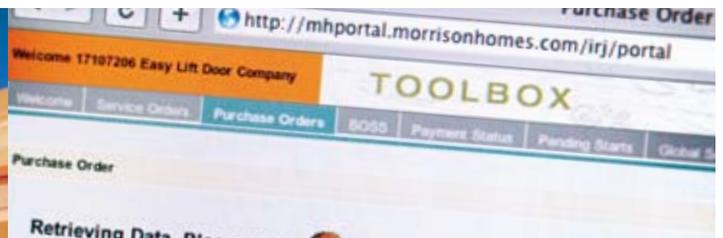
Health, safety and environmental issues are taken into account during procurement, examples of which can be found within this report. Please see details of our Process for Review (page 8) and green procurement (page 14). We also provide extensive sub-contractor training on these areas. Other examples of supply chain initiatives include safety training for international workers (page 9), the Tampa Bay Safety Alliance (page 9), waste management (page 13) and Growing Wiser in the Supply Chain (page 26).

## Targets

In 2007, we will review our existing Green Procurement Policy and how we deliver this policy through the supply chain. We will also develop a mechanism for supplier environmental awards to be launched in 2008.

## Local sourcing →

George Wimpey East Scotland and Cruden Investments are working on a major regeneration scheme in Raploch, Stirling. We have committed to using local suppliers and sub-contractors for £2 million worth of work over the lifetime of the project. We will be focusing in particular on small to medium sized companies (SMEs) that would not normally get a contract with a major housebuilder as they are unlikely to have the policies in place that we require as part of our sub-contractor vetting procedures. We will help local companies to develop their own skills and procedures so they can work with us in Raploch and with other major housebuilders in the future. (See page 25 for more information on Raploch).



## Improving supplier communication ↑

Morrison Homes uses an internet based vendor portal to enhance communication with suppliers. The system allows our trade partners to check the status of their work on a daily basis. It delivers purchase orders, accounts payable and scheduling information for future work in a user-friendly format. The system is convenient and informative for our trade partners and saves us time. It also has a positive effect on build efficiency and customer care and we have received a lot of positive feedback from trade partners. This includes praise for regularly scheduled training classes and for the level of assistance we provide to our trade partners.