

BLL PRINCIPLE RISKS & UNCERTAINTIES REGISTER

The analysis and progress of sustainability related priorities, established through the 2019 materiality review, are disclosed for the first time in this our new Risks and Uncertainties Register. Our BLL Steering Committee will monitor these corporate priorities as we progress on our 2030 journey - to protect our license to operate. During the reporting period, we have reflected upon our previous UN-SDG reporting, and acknowledge we needed to better link the goals to align with the secondary indices and indicators. We have extracted the relevant SDG targets in the table below, to give greater transparency to where we believe our business provides meaningful impact.

PRIORITY	POTENTIAL IMPACT	MITIGATION	COMMENTARY & SDG ALIGNMENT
LIVING LEGACY			
1 Placemaking and community wellbeing	<p>Failure to address placemaking and community wellbeing may affect the Group's ability to acquire land, gain planning permission, manage its reputation effectively, and address the demand for sustainable living and satisfy build to rent partners</p> <p>Short Term Impact</p>	<p>'Building a Living Legacy' is the Group's strategy - its Placemaking Toolkit helps to create places that make a positive long-term contribution to London's local communities and the environment. Following the publication of the new London Plan, the toolkit will be reviewed and if required revised to meet the policy and emerging supplementary planning guidance.</p> <p>We undertake relevant advocacy work with the GLA and have closely followed the Building Better, Building Beautiful Commission work and report. We also work with reputable Architects and Urban Designers who have a proven track record in placemaking and wellbeing.</p>	<p>In 2019 the Group achieved a second Gold Level award in the NextGeneration sustainable housing benchmark report – helpfully our placemaking score improved compared to the previous benchmark. During the reporting period our Sustainability Director was asked to chair the Supply Chain Sustainability School (SCSS) Wellbeing Special Interest Group (SIG), a cross-sector approach to sharing best practice – the SIG will report its findings in Q2-2020.</p> <p>Goal 3. Ensure healthy lives and promote wellbeing for all at all ages</p> <p>3.9. Through the remediation of previously contaminated land and by employing good practice during planning, construction activities, and by meeting current placemaking and buildings codes, we aim to reduce the potential impacts.</p> <p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>11.1,11.2 &11.3. Regeneration and mixed-use development of new mixed-tenure homes located close to transport nodes encourages the use of public transport. Through S106 and CIL contributions our schemes often improve road safety, creates new public realm (that accords with 'secured by design' principles), as seen at our City North scheme.</p> <p>11.4. Examples such as Balfron Tower (a grade 2 listed building) demonstrates how we aim to protect and safeguard London's cultural heritage, whilst natural asset such as the Pavilions Site of Importance for Nature Conservation.</p> <p>11.6. We support the London Plans objectives to reduce the adverse per capita environmental impact of cities, including setting medium to long-term objective to improve the air quality impacts on a project-by-project (given locations vary widely) where we develop. We aim to be a zero-waste developer by 2024. We also monitor the emissions standards of our plant and machinery on site to ensure they comply with NRMM regulations.</p> <p>11.7. Further to existing and recently completed schemes, we are progressing projects through the planning system to provide improving public access to safe, inclusive, accessible and green public spaces, for residents, neighbours and visitors.</p> <p>11.a. By operating solely in London our support for positive economic, social and environmental links between urban, peri-urban and rural areas may seem limited. However, our advocacy work and collaboration with National Government and organisations such as the UK-GBC and the Edge, is helping Telford Homes share its London experience in developing future policy in areas such as Cambridge and Harlow & Gilston Garden Town, in Essex.</p> <p>11.b In London we are amongst many businesses aiming to substantially increase knowledge-sharing of good practice by adopting resource efficiency, and climate change, adaptation and resilience strategies. Since 2019 all our schemes use CIBSE TM59 to help improve building design performance.</p> <p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p>15.2, 15.5 & 15 b. By procuring 98% of timber and timber-based products with recognised change of custody, including the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC), we promote responsible procurement practices, and aim to become a biodiversity net positive developer.</p> <p>15.9. We support national policy ambition for development to be biodiversity positive, and to use Urban Greening Factor tools to improve nature and the quality of life for residents and visitors.</p>

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LIVING LEGACY			
2 Local economic development	<p>By not addressing local economic development opportunities might affect the Group's ability to gain planning permission and address the demand for sustainable living.</p> <p>Short Term Impact</p>	<p>By employing our Social Return on Investment (SRoI) Toolkit through the planning and delivery of mixed-use projects - brings vibrancy to the local area, new jobs and more diverse social community infrastructure. This Toolkit will also be reviewed following the adoption of the new London Plan.</p>	<p>Starting with City North, schemes will undertake a Post-Occupancy Evaluation to monitor and record the transformational benefits of high-quality placemaking and maximising local economic and community opportunities. The findings will be shared from 2021.</p> <p>72% of our tier 1 supply chain are SMEs and 64% are London and the East of England based companies. We pay all our staff at least the London living wage and have a well-developed trainee programme with trainees making up 10% of employees. Many of these trainees are school leavers. We are actively working with companies such as women in construction to promote the sector to women and frequently run campaigns through social media with our female colleagues to give insights to the sector.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Sustained and inclusive economic growth</p> <p>8.3, 8.5 & 8.6. We are supporters of SMEs and adhere to our Prompt Payment Policy. We pay a fair wage and encourage our supply chain to follow this example, and we have a well-developed trainee programme as outlined above.</p>
3 Green infrastructure (GI) and Urban Greening Factors (UGF)	<p>Demand to improve community and customer wellbeing and biodiversity, can be enabled through well-designed high-quality GI. Done well such approaches underpins planning applications, improves the desirability and asset value of schemes, enhances climate change adaption, mitigation and resilience strategies, poorly executed schemes are at more risk of obsolesce.</p> <p>Short Term Impact</p>	<p>By employing our Social Return on Investment (SRoI) Toolkit through the planning and delivery of mixed-use projects - brings vibrancy to the local area, new jobs and more diverse social community infrastructure. This Toolkit will also be reviewed following the adoption of the new London Plan.</p>	<p>Further to the advocacy work undertaken with DEFRA (for Biodiversity net-positive national policy, as explained in the Biodiversity 2020: A strategy for England's wildlife and ecosystem services) & the GLA (Policy G5: Urban Greening and their UGF), we are also members of the Tree Design Advisory Group, engagement with each organisation, helps inform our business practices.</p> <p>Through our budding Managers scheme, colleagues volunteered with the London Wildlife Trust, during a 'Wild Workday' to help create a new sensory garden at Walthamstow Wetlands. This approach helped to create, monitor and maintain habitats within the nature reserve and has led to Telford Homes entering into a business agreement with the Trust through their Investors in Wildlife Scheme.</p> <p>We have an ambition going forward to ensure our schemes are biodiversity net positive. All our land purchased is on brownfield sites, to minimise our impact on existing GI. An example New Garden Quarter scheme which incorporated a new 2-acre public park.</p> <p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss</p> <p>15.5 & 15.9. We have an objective to be a biodiversity net positive developer. Through the London plan we will use UGF tool to demonstrate improvement. We acquire brownfield sites to minimise the impact on existing GI. At New Garden Quarter a new 2-acre public park provides the opportunity for social capital.</p>

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BALANCED RESOURCES			
4 Waste & resource management (circular economy incl. FSC & BES 6001, EPDs)	Complex global to local supply-chains, may adversely affect the cost and availability of materials. Until recently the application of industry-accepted policies and the use of known procurement tools helped mitigate risks, albeit covid-19 impact has created unprecedented risks. To help mitigate future risks, cross-sector collaborations will be undertaken. Medium Term Impact	Maintain an EMS, sustainable procurement policies and procedures, utilise Builder's Pprofile prequalification and use global supplychain mapping tools through our Group-buying deals, to mitigate risk. Focus on increased transparency through the procurement of material through our supplychain, with increased due diligence to geographical areas.	Based on more than 3-years of waste data collation and analysis, we aim to become a zero-waste company, by 2024. We are invested in advocacy groups and are incorporating circular economy (CE) principles into our planning applications. Following the publication of the New London Plan, we will publish a new CE Policy. We procure timber from sustainable sources, especially those that are FSC/PEFC accredited, we also track BES 6001 ethically sourced materials. Goal 12. Ensure sustainable consumption and production patterns 12.2 12.4 & 12.5. We have committed to zero waste to landfill by 2024, and we adhere to responsible procurement practices as outlined above.
5 Air quality	Poor air quality in a location and or a building, will affect stakeholder wellbeing and asset value. Designing and building new residential led mixed-used building and place that are of insufficient quality, may affect the Groups brand. Medium Term Impact	Given the Groups schemes are located in London, above, next too, and or near transport infrastructure and high-density neighbourhoods. We are increasingly meeting good practice air quality protocols and requirements seen in other regional locations	During 2020/21 we will monitor the air quality impacts on new projects, to better understand the journey to be an air-quality positive developer. Locating our schemes close to well-connected transport infrastructure supports it use. The omission of parking (other than for disabled persons) is helping reduce emissions. Whilst we believe CHP is a good low-carbon development solution, the move to an electric-based solution (ground source and air source heat pumps) combined with MMC, GI and using NRMM compliant plant* on site will further improve air quality. We are also increasingly offering electric/hybrid company car options and have provisions for car charging at our head office. Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable 11.6. In accordance with the London Plan, we have an ambition to play a part in improving the air quality of London as outlined above.
6 Energy and carbon	The Climate emergency has set-out an unprecedented challenge to bring all greenhouse gas emissions to net zero by 2050. Without an urgent and comprehensive response, Telford Homes reputation as a partner of choice may be affected. Long Term Impact	By voluntarily setting a net-zero carbon 2030 commitment, provides critically important challenge to Telford Homes and its preferred specialist consultants and supplychain. But there is seemingly no other option than to deal with the climate emergency but sooner than the National Policy trajectories – hence our commitment to 2030.	This shift in national policy and the convergence of local aspirations to a low carbon economy, means that as a responsible business, we believe it is important to commit to net zero carbon emissions by 2030. Whilst this is ambitious, it aligns with the trajectories of more innovative cross-sector companies, institutional investors and customers. An important interim step in achieving this commitment is to adopt and set a SBTs objective – we will complete an integrated roadmap during 2020 to align each of the following workstreams: a net-zero carbon 2030 ambition, TCFD strategy and SBT. The National Future Homes Standard 2025 and the emerging London Plan will also shape the accelerated roadmaps towards net zero developments. Goal 13. Take urgent action to combat climate change and its impacts 13.2. & 13.3. As set out in materiality priority 6, our 2030 Journey indicates a roadmap towards zero carbon business model. 13.3. All our employee's complete sustainability e-learning modules as part of a 2 year BLL training plan, which includes improving climate related knowledge in the built environment.

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BALANCED RESOURCES			
7 Land degradation and pollution	<p>New land opportunities need to be sourced in appropriate locations and where optimum planning consents can be obtained. In London when remediating contaminated land, protecting the asset during construction, in high density locations carries high levels of risks and reward.</p> <p>Short Term Impact</p>	<p>A robust land appraisal process ensures each project is financially viable and consistent with the Group's strategy. Through the application of our BS OHSAS 18001:2007 and ISO14001:2015 systems, land degradation and pollution incidents are managed.</p> <p>The Group has received many design awards for its placemaking and regeneration.</p>	<p>By being a brownfield developer limits our impacts compared to peers who develop in greenfield locations. Through the application of our quality management systems we aim to be a considerate constructor whilst regenerating highly urbanised locations. Our sites are registered to the Considerate Constructor Scheme, whereby we have achieved an average score of 41/50 which compares favourably with 2019:40/50, and our peers' performance.</p> <p>Goal 15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss</p> <p>15.5 & 15.9. Being a brownfield developer limits our impacts on natural habitats, with our ambition to be a net positive biodiversity developer, we will utilise UGF tool in response to the associated GLA policies.</p>
CREATIVE BUILDING SOLUTIONS			
8 Climate change adaption, mitigation and resilience	<p>With increased significance of the climate emergency and the Build Environment being a high-impacting sector, the need to develop climate resilient places and buildings has never been more pressing. The performance gap in recent new buildings may affect the quality of life of the residents, users and the asset owner in the short to long-term, as a consequent.</p> <p>Long Term Impact</p>	<p>During 2019 we employed our Placemaking Toolkit and CIBSE TM:59 into new planning applications, this was undertaken ahead of policy & regulation to climate-proof our schemes and to ensure a better user experience.</p> <p>During 2020+, through the application of TCFD, SBT (& CDP), WLC models and tools, in addition to BREEAM, and by adopting good practice we aim to create climate ready and future-proofed schemes.</p>	<p>As explained above our net-zero carbon 2030 ambition, TCFD strategy and SBT roadmap and their application through our Placemaking Toolkit, allied with the use of BREEAM etc., CIBSE TM:59, WLC models and GI will help to create climate change resilient places and buildings. As part of our BLL sustainability strategy, we have committed to net zero carbon emissions by 2030 and aligning our corporate emissions with SBTs</p> <p>Goal 13. Take urgent action to combat climate change and its impacts</p> <p>13.2. & 13.3. As set out in materiality priority 6, our 2030 Journey indicates a roadmap towards zero carbon business model.</p>
9 Building labels and standards including BREEAM, EPCs and WELL	<p>Current National (2050) and to a lesser extend GLA (2040) planning policies are being left behind Local Authority (2030) Climate Emergency commitments. Unless Telford Homes moves beyond a compliance-led business model – the risk of not addressing the net zero carbon trajectory by 2030 and implementing voluntary standards such as TCFD / SBT / WLC models may affect its license to operate.</p> <p>Medium Term Impact</p>	<p>In addition to operating a license to operate / added-value business model. We have wide ranging experience of delivering homes, places and mixed-uses that have used compliance tools including BREEAM to an Excellent standard, B- rated EPCs and the BREEAM Home Quality Mark (HQM) to target a 4-star rating. Whilst we have not implemented a WELL assessment or achieved an accreditation, the benefit of being a CBRE divisional company means we have access to a wide range of UK & International experiences.</p>	<p>Increasing institutional investors and their investment committees are seeking compliance to a range of building standards and investment indices.</p> <p>In addition to the experience of building labels and standards, and our adoption of new policies and assessment tools in-advance of emerging policy and regulations e.g. TCFD, SBT, CDP, WLC etc positions us well to collaboratively manage local project level and corporate risks. We also publicly disclose our EPC building ratings which is currently B.</p> <p>Goal 12. Ensure sustainable consumption and production patterns</p> <p>12.2 & 12.8. The use of selected assessment tools will help inform long term investment decisions and provide more sustainable environments for stakeholders.</p>

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CREATIVE BUILDING SOLUTIONS			
10 Building health, wellbeing and productivity	<p>Poor quality placemaking and a building with a performance-gap may negatively affect user wellbeing. Emerging smart-building digital/social media platforms may impact Telford Homes reputation as a preferred partner, and its ability to grow its business.</p> <p>Medium Term Impact</p>	<p>BREEAM is used at all projects. The HQM has been retrospectively applied to a project in construction, this experience indicates with limited business-change, a level-four rating can be achieved.</p> <p>WELL best practice from CBRE can be leveraged to suit our clients and customer requirements. In addition, our Sustainability Director chairs the SCSS Wellbeing SiG to share/gain-knowledge.</p>	<p>We believe it is important to position ourselves in readiness to create improved wellbeing through high quality placemaking, building design and place-keeping and to protect building asset, to mitigate obsolescence. We support the London Plans objectives to reduce the adverse per capita environmental impact of cities, including setting medium to long-term objective to improve the air quality impacts on a project-by-project (given locations vary widely) where we develop. We aim to be a zero-waste developer by 2024 and to mitigate site omissions as explained above, by way of example complying with NRMM regulations. By operating solely in London our support for positive economic, social and environmental links between urban, peri-urban and rural areas may seem limited. However, our advocacy work and collaboration with organisations such as the UK-GBC and the Edge, is helping Telford Homes share its London experience in developing future policy in areas such as Cambridge and Harlow & Gilston Garden Town, in Essex. Previously we have been participants in the Social Value Portal workshops in locations such as Birmingham and Manchester. We also engage with Government, Academia, local stakeholders and relevant industry groups. Each approach helps strengthen national and regional development policies - in return we learn from local area policies and organisations that are more aspirational than London in certain ways.</p> <p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable 11.1,11.3,11.6, 11.7 & 11.a As explained in priority 1 and above, good placemaking and placekeeping are of importance to building health, wellbeing and productivity. Our BLL strategy underpins our purpose of 'Developing the homes and creating the places that London needs'.</p>
SMART BUSINESS			
11 Human rights & labour conditions (incl. ETI)	<p>The efficient and timely delivery of construction projects and the availability of materials and labour at an economic rate are critical to the Group's profits, cash flows and reputation.</p> <p>Medium Term Impact</p>	<p>The application of our sustainable procurement policies, and prequalification tools such as Builder's Profile provides supplychain transparency and monitoring. Regular procurement performance strategy reviews are undertaken through Group-buying deals and with sub-contractors.</p> <p>A Company Modern Slavery Statement is published via its website. The integration of CBRE Standards of Business Conduct into Group practices will enhance supplychain visibility and be improved through the application of WLC modelling work in 2020, and an ongoing commitment to collaborate with the (SCSS).</p>	<p>We are committed to collaborating with the SCSS and peers, during 2020 to help mitigate Modern Slavery & Human Trafficking. In addition, we sit on their "Performance through Procurement" steering group, which is developing procurement best practice across the UK. The company produces an annual modern slavery statement and engages with other housebuilders through the supply chain sustainability school MSA working group. We also screen our supply chain through Builder's Profile, to ensure there is appropriate policies and mitigation measures in place to prevent modern slavery.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all 8.7 & 8.8. The company employs a range of policies and processes to mitigate unethical procurement practices which includes preventing modern slavery and human trafficking.</p>
12 Health & safety (occupational, customer, operations)	<p>A deterioration in the Group's health and safety standards could place employees, contractors, site visitors or the general public at risk of injury or death and could lead to litigation or penalties that damage our reputation.</p> <p>Short Term Impact</p>	<p>Investment in training, the promotion of health and safety, and wellbeing to all employees and extensive policies and procedures all contribute to ensuring high standards are maintained. The Group has a dedicated health and safety team who conduct regular health and safety audits, augmented by an external advisor.</p>	<p>Through its OHSAS:18001 certified management system, the Group maintains an ongoing focus on health and safety to manage the risks inherent in the construction processes, at its offices and marketing suites. We ensure all staff on our sites have an understanding of site safety requirements and a level of competence by mandating CSCS cards.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Sustained and inclusive economic growth 8.8. Our Health & Safety practices have been recognised by the receipt of our eleventh consecutive gold award from RoSPA. During 2020 we will transition to ISO 45001:2018 certified management system. Our Health & Wellbeing team focuses on office staff and site operatives, physical and mental wellbeing supported by trained mental health first aiders and champions.</p>