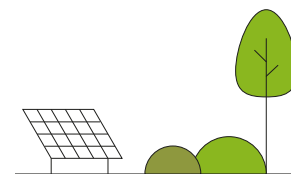


# TASKFORCE FOR CLIMATE-RELATED FINANCIAL DISCLOSURE (TCFD) STATEMENT



## GOVERNANCE

### **Describe the Board's oversight of climate-related risks and opportunities.**

Overseen by the Executive Committee, the *Building a Living Legacy* (BLL) Steering Committee meets quarterly to provide high-level sustainability governance to ensure our strategy is being successfully implemented. The CEO chairs the committee, which is made up of senior leaders from across all business functions.

### **Describe management's role in assessing and managing climate-related risks and opportunities.**

The BLL Steering Committee is further assisted by departmental champions who support various separate forums, (please see our [Advocacy structure](#)). Those departmental champions and various expert external organisations attend the Steering Committee to share knowledge and thought leadership. We reciprocate with attendance at peer and leadership workshops and industry conferences. Sustainability issues are included in executive and staff personal objectives and in our training programmes.

## STRATEGY

### **Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.**

We have undertaken scenario analysis which has looked at the material risks and opportunities posed to Telford Homes across the short, medium and long-term strategy of the company. We are in the process of rationalising this analysis within our [BLL Principal Risks and Uncertainties register](#) over the next 12 months, and are considering our next materiality review to be undertaken in late 2021.

### **Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.**

Our BLL Principal Risks and Uncertainties Register has been informed by the analysis and progress of sustainability-related priorities, established through the 2019 materiality review. We have used our time to further reflect upon our previous United Nations Sustainable Development Goals (UN-SDG) reporting. The Principal Risk and Uncertainties register identifies 12 priority areas for Telford Homes, of which, responding to the climate emergency and tackling Net Zero Carbon has a material consideration on our strategy now and in the future. We will continue to aim to create climate ready and future proofed schemes.

### **Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.**

We have undertaken scenario analysis by looking at our principal risks and opportunities that materially impact our business. We have considered both physical and transition risks and are mapping these within our existing risk management structure to ensure the climate-related risks and opportunities continue to evolve at the heart of our strategy. Physical risks have been considered for two scenarios: Low emission (2°C by 2100 aligned) and high emission (4°C by 2100 aligned) pathways informed by UK Climate Projections 18 (UKCP18) London climate probabilistic UK-specific climatic projections. When considering transition risks and opportunities we have used the UK's Sixth Carbon Budget's Building Sector recommendations and modelled three pathways to contextualise our exposure.

## RISK MANAGEMENT

### **Describe the organisation's processes for identifying, assessing and managing climate-related risks.**

Within the reporting year, we have undertaken scenario analysis concentrating on our principal risks and opportunities relating to both physical and transition issues. In addition, we utilise asset level climate change risk assessments to identify targeted risks and opportunities across our existing and future development portfolio. Throughout 2021, we will be further developing our approach to risk identification based on the outcomes of our scenario analysis.

### **Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.**

Our Principal Risk and Uncertainties Register identifies 12 priority areas for Telford Homes, of which, responding to the climate emergency and tackling Net Zero Carbon have a material consideration on our strategy now and in the future. We will work on enhancing our management of principal risks established through our scenario analysis to ensure our strategy is robust and accounts for the potential impact of climate change on our business.

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## METRICS AND TARGETS

Throughout the year we monitor and review our performance relating to numerous Environment, Social and Governance metrics and [key performance indicators](#). Below we have summarised the key climate-related metrics and targets we use when reporting across carbon, energy, waste, water and certification.

### Carbon

- 40% reduction in embodied carbon.
- Net zero carbon developments (operationally).
- Reduce the carbon intensity of our site operations by 3% (CO<sub>2</sub>e/100m<sup>2</sup>) per annum.
- Whole life carbon: achieve 80%-90% saving.

### Energy

- Reduce the energy intensity of our site operations by 3% (kWh/100m<sup>2</sup>) per annum.
- Ensure 50% of completed units have access to onsite renewables or low carbon infrastructure.

### Waste and Water

- Zero waste to landfill by 2024.
- Design our homes to use an average of 105 litres of water per person per day.

### Certifications

- Maintain an average EPC B rating.
- Apply the Building Research Establishment BREEAM, Home Quality Mark and/or equivalent assessments.