

BLL PRINCIPAL RISKS AND UNCERTAINTIES REGISTER



This is the fourth year of reporting our analysis and progress of sustainability related priorities – we believe our risk profile has remained at a manageable level during the year - we continue to manage our risks whilst securing sustainability opportunities as set out in our 2030 Roadmap. Established through our updated 2021 materiality review, our Risks and Uncertainties Register is monitored every quarter through our BLL Steering Committee. In keeping with good practice, our next materiality review is scheduled to take place at the end of 2023. The following update continues to be compared with the relevant United Nations Sustainable Development Goals (UN-SDG) targets, to aid transparency and to demonstrate where our business is providing meaningful impact. We have carried out a full double materiality review across, investors, suppliers, industry bodies, housing associations our exec and parent company. Last year we undertook scenario analysis which looked at the material risks and opportunities posed to Telford Homes across the short, medium and long term strategy of the company.”

PRIORITY	POTENTIAL IMPACT	MITIGATION	COMMENTARY AND SDG ALIGNMENT
LIVING LEGACY			
1. Placemaking	<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. The toolkit is scheduled for review in 2023, to ensure it continues to meet policy and emerging supplementary planning guidance.</p> <p>We undertake relevant advocacy work with stakeholders identified in our advocacy structure such as the GLA and Planning Authorities and their Design Quality Panels. We work with reputable Architects, Urban Designers, Landscape architects, ecologist and qualified engineers on all our schemes who have a proven track record in placemaking, integrated blue and green infrastructure solutions to improve nature and residents' wellbeing.</p>	<p>In 2022, the Group achieved the award for the 'UK's Most Sustainable Homebuilder' for the third year running and the gold award for 4 years in the NextGeneration sustainable housing benchmark report and was ranked the leading housebuilder https://nextgeneration-initiative.co.uk/</p> <p>We can confirm that ENG in addition to BNG is included as an internal KPI requirement on our cross departmental objectives. This list consists of public facing and internal metrics where this KPI is owned by the Land & Planning department.</p> <p>Given the increasing importance of air quality risk, as an emerging materiality theme, 100 per cent of our schemes undertook an Air Quality Impact Assessments. All our new planning applications are subject to air quality impact assessments in readiness for this ambition.</p> <p>We set a target in 2021 for all schemes to be net positive from a Social Return on Investment perspective as outlined in our Journey which we have achieved. This was measured through an independent specialist consultant undertaking 5 year social return on investment review and utilising our SROI Telford Toolkit. The SROI review involved revisiting schemes and speaking to local and strategic partners, internal colleagues in order to provide recommendations on how social impact can be enhanced over the next 5 years. The executive summary document on our website is supported by a 48 page internal document which was circulated and presented to the business by our independent consultants. This provides an analysis of where social value was achieved and lessons learned across our 4 guiding principles in the report which are future living; Building Communities; Vibrant Places and Green Development. To completely understand social impact both qualitative and quantitative measures are used to communicate the positive and negative impacts where impact is defined beyond financial value. 55 external stakeholders were interviewed by our external consultants as part of this review with key stakeholders mapped in preparation of this workstream. Key challenges and next steps are mapped out throughout this comprehensive report across each of the 4 pillars over the next 5 years and consist of the following headlines: Learning and reflecting; Post-completion relationships; Drawing on the extensive engagement skills within the team; Needs based delivery; Ingrained engagement across the lifecycle; Expanding on the S106 Dashboard; Looking beyond policy compliance; Proactive asset management; Improved engagement with local authority, operators and end users; Maximising alignment with local aspirations; Integrating a co-ordinated strategy to small scale community investment; Promotion of the wider area; Continued adaptation to rapidly changing legislative landscape; Continued partnership working; Active engagement; Long-term management of green space; Use and management of data. This was supplemented through a supporting R&D workstream that we commissioned HomeViews to undertake on our behalf whereby our end users were asked additional questions on their sense of wellbeing and use of local facilities and infrastructure.</p> <p>Goal 3. Ensure healthy lives and promote wellbeing for all at all ages</p> <p>3.9. 100% of our schemes are developed on brownfield sites. Through the remediation of previously contaminated land and by employing good practice placemaking and construction activities through the project lifecycle, and by meeting current placemaking and buildings codes, we aim to reduce the potential impacts on neighbours, whilst promoting wellness for residents. We have also implemented green travel plans on all our new schemes.</p> <p>Goal 11. Make cities and human settlements inclusive, safe, resilient, and sustainable</p> <p>Goal 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. All new developments incorporate or are within 500m of public green space. Through S106 and CIL contributions of £1.54m (2020: £3.2m) our schemes often improve road safety, creates new public realm, and includes new public art as seen at our City North scheme and showcase projects link. Due to the project portfolio these contributions may go up and down year-on-year.</p>

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1. Placemaking contd...			<p>We undertake detailed stakeholder engagement on all our schemes which directly influences the detailed design and community infrastructure. We have also incorporated 2,400m2 of makers space and a 'makers yard' on our Alperston Scheme building on our previous work at Stone Studios with the Creative Land Trust. Our Stone Studios scheme provides affordable workspace for local SME makers and creators, which links to local demographic whereby Hackney Wick has the highest concentration of artists in Europe and is one of London's first creative enterprise zones. 33,000 sq ft of affordable workspace was provided partnership with the Creative Land Trust to accommodate up to 180 studios. This requires outreach with key stakeholders to initiate and facilitate. As part of the 5 year legacy review and Homeviews survey work there is detailed raw data that sits behind each of our schemes that provides a breakdown of % of respondents that use specific amenities and community infrastructure; and the % satisfaction with these specific features on each scheme (such as mosques/community centers nurseries etc.).</p> <p>To climate proof our Gallions 2 scheme and protect against flooding, the duplex units have no living accommodation on the ground floor due to being located in a flood zone. Whilst rainwater harvesting and greywater recycling were designed in the original scheme, these were taken out to climate proof the site due to the flood zone location. Water attenuation tanks have also been installed to reduce the flow of water to sewer as further protection. The overarching scheme includes the creation of new pedestrian and cycle routes with direct access to the two new public realms Gallions Park to the west which includes neighborhood play and multi-use games area, youth play and community space and Gallions Green and is 100% biodiversity net positive. The scheme is located within the Royal Docks and Becton Waterfront Opportunity Area and Enterprise Zone, thus we are delivering homes and commercial space in London's only enterprise zone and one of the city's largest long term regeneration areas. We can also confirm that the scheme achieved 51% affordable housing, 16% above the affordable housing provision. A range of passive design features and demand reduction measures were implemented. This includes both air permeability and heat loss parameters were improved beyond backstop values required by building regs. We can also confirm that all residential units meet lifetime home standards.</p> <p>Goal 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, and New Garden Quarter outlines the Importance for Nature Conservation and wellbeing.</p> <p>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. This is aided by the adoption of Secure by Design principles at 89 per cent (2020: 80%) of homes.</p>
2. Homes for everyone	<p>All of the UK, but London in particular, continues to suffer from a housing crisis. Not enough homes are being built, and a lack of supply can exacerbate the existing lack of affordability of homes. The BtR model can enable greater access to homes for more people, by increasing home affordability and accessibility in addition to supply. Making housing affordable and accessible will have a positive impact on people and communities.</p> <p>Long-term impact</p>	<p>We continue to nurture relationships with Housing Associations building on our track record of delivery in this space across the last 8 years. We have also evidence of delivering a greater number of affordable homes within our schemes than required within the London Plan.</p> <p>London plan</p>	<p>Goal 11. Make cities and human settlements inclusive, safe, resilient and sustainable</p> <p>Goal 11.1. Telford continue to explore development opportunities with housing associations where possible. During 2022 we provided 2% social rent, 11% affordable rent and 27% share ownership giving an overall 40% of affordable housing on our schemes.</p> <p>Post Occupancy Evaluation (POE) was undertaken on all schemes by an independent third party. We undertake POE to close the performance gap between design and operational energy use. 100 per cent of our completed schemes have been fitted with technology that enables us to compare predicted against actual energy consumption. All our completed schemes are fitted with smart meters which enable a view of real time view of how the M&E is performing in a building. One of the key metrics and indicators of efficiency is return temperatures, where Telford Homes have been getting leading edge temperatures nationally through their work with our M&E consultants which has also enabled a smooth transition to the installation of heat pumps on our newer schemes which require lower return temperatures. Return temperatures (and the gap between flow temperature and return temperatures, called delta-T) are fundamental to heat network performance. In the case of recently completed schemes, return temperatures are running at temperatures below design. This inevitably provides savings for end users which is especially pertinent in the current energy crises.</p> <p>Goal 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. We continue to monitor the impact of our new schemes on air quality. We continue to monitor our performance to understand the improvements needed to achieve a positive air quality project. During development, we take measures to reduce our air quality impact through the implementation of the NRMM requirements for London and going above and beyond by utilising a stage higher than the current requirements. Fugitive dust suppression and removal of mud from public areas is another key focus area for the construction teams.</p> <p>Goal 11.7. As part of our BLL strategy a key indicator for new developments is to either incorporate green spaces within the development or be within 1km of a green space.</p>
3. Community Engagement	<p>With Telford's being an urban centric developer in high population density areas, its imperative we maintain good relationships with our stakeholders and understand the needs of the communities that surround our developments.</p>	<p>Maintaining and updating our community engagement strategy. We have a dedicated Community Engagement Manager who has developed quarterly dashboards to track social value metrics on each scheme.</p>	<p>Telford Homes conduct their developments in line with the Community Engagement strategy which details out how we will operate and co-exist with our stakeholders, wider community and client's tenants. Our Community Engagement Strategy is an integral part of our developments. Influencing our projects from planning to post-completion. Telford work very closely with local authorities to provide meaningful and realistic initiatives are part of the requirements for Section 106.</p> <p>During early planning stages of a development, Telford engage with stakeholders to determine their needs and address any queries they may have. To understand how the development can benefit the wider community, social value assessments are completed to determine what value-added initiatives can be included.</p>

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3. Community Engagement	<p>Proper community engagement at the planning stage is integral to building sustainable communities. But we cannot ignore the importance of post-completion engagement.</p> <p>Failure to ensure that the community is engaged throughout the life cycle of a development greatly risks Telford's reputation and licence to operate.</p> <p>Short-term impact</p>	<p>Telford continue to engage with stakeholders during the early stages of a development to ensure our projects are fit for purpose and enhances the existing communities were possible.</p> <p>During the construction phase, we keep local residents and interest groups informed of our work through newsletters, public consultations and ad hoc meetings. We also have an internal Considerate Constructors Scheme (CCS) working group and have internal CCS benchmarks.</p>	<p>During the development, site specific community engagement plans are produced to identify areas where the project teams can engage and help the communities. The site teams engage with local charities such as food banks, toy donations to the salvation army and connecting with local education programs in the borough to provide general support and where applicable construction/ business knowledge.</p> <p>In 2022, the group have implemented a number of initiatives, one of which was the signing of the armed forces covenant which enables recruitment opportunities through the armed forces Careers Transition Partnership and British Forces Resettlement Service. We achieved our commitment of raising £10,000 pounds to LandAid via staff fundraising, collecting £13,558.65 through a number of community initiatives (for full detail refer to the smart business section in the sustainability report).</p> <p>Economic, social and environmental principles are central to our business strategy and guide our day-to-day activities. Sustainability, longevity, passion and value are woven into every aspect of our business – into our practices, materials and processes.</p> <p>100% of our developments completed in the last year put initiatives in place to promote community engagement based on stakeholder engagement. 100% of developments impact were measured through the Homeviews R&D survey workstream we commissioned and also our 5 year SROI legacy review with PRD. The workstreams provided quantitative/qualitative analysis and testimony on wellbeing, community engagement and use of facilities and amenities amongst others.</p> <p>We have been working with the Finsbury Park community at City North in recent years to help maximise the benefits of City North and mitigate adverse impacts wherever possible. This has included ongoing liaison with the Fonthill Traders Association and significant investment in local community initiatives. We have carried out extensive stakeholder consultation on our City North Development in Finsbury Park in consultation with Regeneris-Hatch who developed our Social Return on Investment framework. This has resulted in a strategic report with actions to enhance our projected benefits to the local community. This includes strategies to connect local residents to over 400 employment opportunities with clauses included in commercial agreements and payment of London Living Wage. Also commercial space has been made available for local business, which has been accepted. This also considers a space curation strategy for local enterprise, investment in public realm and strategies to integrate existing communities. The local council were consulted and fed into this report. The site team has worked closely with local traders to integrate into the community from attending regular trade association meetings, supporting local events and businesses and taking part in projects such as assisting in renovating the grounds of St Saviour's church nearby Telford Homes, in partnership with the Business Design Centre and London artists, has unveiled a stunning new piece of public art at its City North development in Finsbury Park, as part of the developer's "Art for City North" initiative. The design, by artists Carrie Reichardt, Karen Francesca and TM, saw off competition from 50 other entries to be selected to feature at the development. It was unveiled by Mayor of Islington, Cllr Janet Burgess, two years after the artists won the competition following a rigorous selection process. The unique piece, entitled "The Elm Tree of Life", features prominently on 10-metre high columns by the new Wells Street Terrace entrance to Finsbury Park Underground Station. It has been created using ceramic tiles, and is designed to depict the story of the people and history of the Finsbury Park area.</p> <p>Our detailed SROI 5 year legacy review has not only looked at the socio-economic performance of our homes it has also looked at the collective performance of the business operationally and also made corporate strategic recommendations. The outputs of this work is directly influencing our company Community Engagement strategy which is now has a designated Community Engagement Manager. It has also influenced our DEI strategy community pillar to invest in the communities we operate in through our supply chain and investors to create social value beyond the S106. 'Industry' Advocate purposeful impact with charities and outreach groups to strengthen our brand / culture and DEI ESG reporting. We will proactively improve upon the attraction and retention of employees from diverse backgrounds across the whole company.</p> <p>We have had an internal objective agreed by our executive steering committee to carry out a full SROI assessment during planning stage for all new assessments which has a strong focus on community wellbeing for our developments which are going through planning. At International Way we are working with Newham workplace to link residents to opportunities, and this includes local employment clauses and apprentice training opportunities. We have metrics regarding the local demographics and responding to mitigating pockets of local deprivation and this is part of the good growth & community wealth building within Newham's communities in addition to our 2030 Roadmap commitment to be a social value net positive developer.</p> <p>Furthermore, our SROI framework continues to be employed across the business and all projects. To better understand our customer experience, we asked HomeViews to undertake an R&D workstream, to date the headlines are encouraging, indicating very strong feedback ratings, by way of example: - 67% of customers stated a positive change of happiness when living at our schemes, - 73% stated a good or very good sense of community - 83% of residents use facilities at least once a week - 53% of residents use the local amenities every day,</p> <p>Goal 8. Promote sustained, inclusive and Sustainable economic growth, full and productive employment and decent work for all.</p> <p>Goal 8.3 In 2022, Telford increased its SME spend from £16.2 million in 2021 to £29.8 million. 70% of our supply chain are listed at either a small, medium or micro enterprise.</p>

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BUILDING RESOURCES

4. Engegy 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 supply chain. 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.

As part of pre-construction planning, Telford produce site specific energy strategies which review the current utility infrastructure to understand our impact and decide on the most sustainable options for powering our sites. We also conduct Whole Life Carbon Assessments on all our new schemes.

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 – our Parent Company CBRE has set a Science Based Target (SBT) approved by the SBT-initiative (SBTi), to reduce greenhouse gas emissions (GHG) by 68 per cent by 2035. As a subsidiary, we cannot gain individual SBTi approval as our impacts are included in the consolidated group inventory. However, we have still used its framework to align our emissions to climate science and accordingly, we are committed to reducing our Scope 1, 2 and 3 absolute emissions by 12.5 per cent in 2025.

Our sustainability report outlines a commitment to credible offsetting as a last resort within our 2030 roadmap. We have detailed costed options out to 2030 based on our projected emissions to understand the various offsetting costs against our 2030 timeline. Our shadow costs of carbon report clearly references a range of credible offsetting options in the UK including the woodland and peatland codes with detailed cost option scenarios.

By reporting on the WLC performance benchmark of our schemes we disclose and report on over 90% of our corporate emissions including scope 3 including our embodied carbon (kgCO₂/m²). We have structured our roadmap in line with LETI targets and have thus split reporting on operational and embodied carbon performance which is determined by WLC assessments that we now produce on all schemes. Spend based assumptions is a highly inaccurate way of estimating scope 3 emissions in the built environment this should be based on accurate bill of quantities for embodied carbon. We have also procured our own LCA tool OneClick with an internal working group to facilitate this work.

We can confirm that we are working towards the LETI standards for energy efficiency and space heating, the LETI climate emergency design guide is why our roadmap has separate milestones for operational and embodied carbon which is the approach taken in this report and is also why we have a 40% reduction in embodied carbon to take us below the 500kgCO₂/m² referenced in LETI against our 2019 baseline. Our overarching operational net zero target considers these three sub strands of energy efficiency, electrification and capacity for onsite renewable energy which is articulated in research we have undertaken during the reporting period. All current proposed schemes are electrified with no gas boilers hence our circa 60% improvement in operational carbon emissions over Part L. We have also adopted the following space heating and energy efficiency standards within our internal list of cross departmental indicators where updates are provided by departmental heads at quarterly BLL steering committee meetings as referenced in the LETI design guide - (space heating demand 15kwh/m²/yr. - which we are currently achieving; and an energy consumption target of 35kwh/m²/yr. which we are tracking our progress against with a provisional interim target of >60 kwh/m²/yr.). Both the operational and embodied performance requirements from LETI relate to the milestone reductions outlined in our roadmap.

We note that both the CE statement and WLC assessments are carried out in parallel over a 60 year reference period. This requirement for 60 years is included in our consultant requirements on WLC and CE statement briefing document. We can confirm our Sainsburys Ilford scheme outlines a list of materials relating to all building elements and the % of materials in the building makeup has been identified through the use of OneClick LCA CE tool with an accompanying end of life strategy for reuse/recycle/recovery. End of life strategy has been facilitated by the design by using prefabricated toilets, building cladding and some of the utilities items in this building. Disassembling process of prefabricated components will be an industrial process as well which will minimize the waste and increase the possibility to reuse or recycle them. The circular economy statement of our Sainsburys scheme considers the cradle to gate impacts (A1-A5. Our International way scheme considers the Whole Life Carbon impacts across A1-A5; A1-C4 and beyond the project lifecycle over a 60 year period with consideration given to all building elements.

We have undertaken an initial scenario analysis to identify physical and transitional risk and opportunities, to operate below well-below 2°C or 1.5°C pathways, as set out in the Paris Agreement 2015. As part of our TCFD analysis, 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

One hundred per cent of our new build schemes benefit from low carbon or renewable technologies, and we undertake POE on every project to help optimise systems performance. For the last 3-years one hundred per cent of completed units have been connected to on-site renewables or low carbon community heating energy infrastructure, including district heating and on-site renewable energy systems.

In 2022, Telford have procured a OneClick licence and started an internal working group to have increased granularity of our embodied carbon data and performance for our 2030 roadmap.

Goal 13. Take urgent action to combat climate change and its impacts

13.3. As set out in our Sustainability report, our 2030 Journey indicates a roadmap towards zero carbon business model. We continue to progress our roadmap to net zero carbon projects for both operational and embodied carbon by 2030.

All our employee's complete sustainability e-learning modules as part of their onboarding with the business, which includes improving climate related knowledge in the built environment.

PRIORITY	POTENTIAL IMPACT	MITIGATION	COMMENTARY AND SDG ALIGNMENT
SMART BUSINESS			
5. Health and Safety	<p>Unsafe practices will have negative impacts on people, whether they be employees, residents or general members of public. A developer must ensure the site is suitable and safe for the purpose for which it is intended. They must have a clear understanding of the risks and liabilities associated with the site, to ensure the ESG requirements are integrated, and the scheme is a viable that profit margins are safeguarded.</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, safety and environment audits, augmented by an external advisor.</p>	<p>Through its ISO45001:2018 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>Our senior Operations Leaders and Directors frequently carry out unplanned site spot checks across Health, Safety and Environment criteria, in addition to formalised regular inspection strategies. We continue to reinforce our culture and continuing investment in our people and their training, to minimise health, safety and environmental risks, at all times. We are fully invested in our health and safety training. For example, all new direct employees receive Health and Safety, Mental Health, Wellbeing training, and appropriate continuing professional development (CPD). We invest in a rigorous health and safety training programme to ensure that all employees have the appropriate skills and knowledge and that these are evaluated in the context of their role and prospective changes to the external environment. The needs of new employees are carefully assessed to identify and address their specific requirements and ensure their training is compatible to the role they undertake. We also offer subsidised training to our contractors specifically for their employees, often at no cost to our partners.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Goal 8.8. Our Health and Safety practices have been recognised by the receipt of our 13th consecutive gold award from RoSPA. Our Health and Wellbeing team focuses on office staff and site operatives, physical and mental wellbeing and is supported by trained mental health first aiders and champions.</p>
6. Company Culture	<p>Healthy corporate cultures, where employees are engaged in the mission of the business lead to more productive workplaces. Poor workplace culture can be seen through low engagement score and high turnover rates.</p> <p>Good company culture will have a positive impact on employee wellbeing and a subsequent positive impact on productivity. Employee engagement surveys will help Telford Homes understand how employees are feeling and will also enable the company to base employee engagement initiatives around valuable feedback.</p> <p>Short-term impact</p>	<p>Continue to provide a wide array of initiatives to help those that have had a temporary leave from the business world such as returning parents.</p> <p>Helping people transition from other industries or without work join Telford's through our armed forces covenant and through our work with prisoners on temporary license.</p> <p>Continue to pay the London Living Wage for all employees.</p> <p>Regularly survey our staff to understand their needs and responses/feedback to initiatives that have been put in place.</p>	<p>Telford Homes have had to go through significant change with the post-acquisition and integration with CBRE. The RISE values were key in enabling a smooth transition into the CBRE family unit.</p> <p>Telford Homes encourage an open and honest culture with our employees. Keeping everyone up to date with the current business strategy, performance and any lessons learnt.</p> <p>Telford's learning and development procedures enable all employees to develop in their careers and provides opportunities for all. Additionally, regular surveys are conducted to highlight areas where initiatives are working well and where areas for improvement are needed.</p> <p>The group maintains a number of policies which allow for more family friendly environments such as paid family leave along with flexible workplaces such as working from home or working at non-head office locations. In addition, we have committed to paying of the London Living Wage for all direct employees and mandating that our supply chain to follow suit.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. Goal 8.3 Telford maintain a culture of open communication to our employees to ensure all staff are united in the group's business strategy. In addition, the Building Living Legacy strategy has been woven throughout the business to ensure sustainability is at the forefront of our business and delivers the best possible product for our clients and their tenants.</p>
7. Reputation	<p>Reputation is a key risk for any business. For Telford's as a BTR developer it is particularly important to ensure we maintain our good reputation to ensure that customers invest in our products and tenants are satisfied in our developments.</p>	<p>Participation in working and advocacy groups to stay abreast of the current and new regulation changes. In addition to drive the industry forward for a better tomorrow. In tandem, we maintain our ISO certified integrated management system which involves regular legislation reviews.</p> <p>Continue to appraise the market to ensure the needs of the stakeholders are met.</p>	<p>Telford Homes prides itself on providing quality sustainable products. Engaging with our investors and stakeholders to understand their needs through market research, annual interviews and post-occupancy feedback.</p> <p>In 2022, Telford Homes signed the Building Safety Pledge, this was to address the issues that had arisen due fire safety in buildings over 11 meters in height in the last 30 years. In March of 2023, we signed the newly published developer remediation contract.</p> <p>We have had no fatalities, health, safety no environmental prosecutions or prohibition notices during 2022. We have published a 'BTR Design Standards' that is customer focused and sets out optimised amenity standards, apartment layouts, smart technologies and prefabricated elements. Its purpose is to drive consistency and operational efficiency throughout the project lifecycle to enhance residents' wellbeing. Through collaboration with the Future Homes Hub Oversight and Working groups, and knowledgeable value-chain partners, our ongoing innovation is helping us achieve early compliance with the Future Homes Standard aspirations.</p> <p>We have referenced our commitment to water neutral developments by 2027 in our roadmap.</p>

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7. Reputation contd...	<p>Failing to do so would heavily impact our business and could result in lower revenue generation</p> <p>Short-term impact</p>		<p>We have commissioned research in 2022 to understand how we can optimise energy performance of our buildings and lower our carbon emission in preparation for the Future Homes Standard. This includes how we will progress to an A rated EPC and reduce regulated emissions towards 75% in line with FHS. This research identifies hotspot focus areas to maximise carbon reductions through triple glazing insulation etc. Our schemes are now incorporating pump technology which is leading to a circa 60% reduction in regulated carbon emissions. On a company wide operational level, based on a 6 month trial at our South Kilburn project, we have now changed our construction strategy for powering our sites where we now actively look to connect to TBS at the earliest opportunity in lieu of diesel generators. Our Perfume Factory scheme has taken this learning, they have been on site for 12 months and have not used any diesel to date. This strategy does depend on the local capacity of the networks. Our company car options are now all EV/hybrid options only and we have installed supplementary charging points in our head office bringing the total number of charging points to 24. Where our sites do need to use diesel, we trialled Green D biofuel which results in a 12% to 29% reduction in NOx; 50% to 90% in PM/PN and 3% to 6% in CO2 relative to diesel. IMEX offsite prefabrication of M&E services at Greenford The Lock, significantly reduced waste generated whereby our supplier has advised that material sub-assemblies are constructed in a workshop environment where extra materials can be recycled in-house. This also leads to the decreased number of vehicle movements to and from site associated with offsite prefabrication.</p> <p>We work with reputable architects, urban designers, landscape architects, ecologist and qualified engineers on all our schemes who have a proven track record in placemaking, integrated blue and green infrastructure solutions to improve nature and residents wellbeing</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. As a member of the Next Generation Framework and having been ranked the most sustainable housebuilder for the third time. We actively promote our sustainable performance and engage with our peers to encourage participation with the scheme to progress the industry on the whole.</p> <p>Telford homes is committed to being a trusted partner to our investors and to protect our licence to operate.</p>
8. Human rights and labour conditions	<p>Exploitation in the construction sector is rife, with an estimated 4.5million construction workers in forced labour globally. Construction is the second-highest risk sector for forced labour after domestic work.</p> <p>Owing to the reputational and legal risks involved with modern slavery, on top of the extraordinary harm to people who are trafficked or enslaved.</p> <p>Medium-term impact</p>	<p>The application of our sustainable procurement policies, and pre-qualification tools such as Builder's Profile, provides supply chain 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 our website. The integration of CBRE Standards of Business Conduct into Group practices has enhanced supply chain visibility and will be improved through the application of our WLC modelling work in 2021 and onwards, as well as an ongoing commitment to collaborate with the SCSS.</p>	<p>We are committed to collaborating with the industry and peers to continue to mitigate Modern Slavery and Human Trafficking. In addition, we sit on the SCSS Performance through Procurement steering group, which is developing procurement best practice across the UK. The company produces an annual Modern Slavery statement. We also screen our supply chain through Builder's Profile, to ensure there are appropriate policies and mitigation measures in place to prevent modern slavery. All employees are required to complete modern slavery e-learning modules. We have also mapped the country of origin and transit method for all our Group buying and have aligned this against the global slavery index and corruption perceptions index.</p> <p>We undertake global supply chain audit work of our Tier 2/3 suppliers against the Modern Slavery and Human Trafficking Indices & Corruption index. This is a very comprehensive outreach activity with our global supply chain, mapping the level of risk against recognised indices. This is a process for engaging with Tier 2/3 suppliers to address risks where we are going back to the country of origin reviewing policy and protocols. We also carry out an audit of compliance with our modern slavery initiatives using Builders Profile where evidence on supplier policies and MSA processes are uploaded for review with flags raised if there are areas of non-compliance.</p> <p>Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all Goal 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>
9. Regulation and compliance	<p>With the continual improvement and growth of the regulations, policies and codes from the various government and NGOs, not aligning with them risks have the potential to influence Telford Home's licence to operate, corporate reputation and access to finance.</p>	<p>Continue to maintain our ISO certification for the business integrated management systems. Maintain and continually review of the legal register along with regular management reviews as part of our IMS.</p> <p>The use of the legislation update service for regular updates to applicable legislation.</p>	<p>Telford homes keeps abreast of all new and upcoming legislation via the legislation update service as part of our ISO certification for the business. Our IMS systems are certified under the ISO standards (14001, 45001, 9001) and are rigorously audited both externally and internally to ensure the business continues to operate at the highest possible level.</p> <p>Our suppliers must be vetted through our Builders Profile supply chain management system before we enter into a commercial arrangement. The sustainability and safety process and procedures are reviewed by the Sustainability and Safety teams, and the Commercial information is vetted by the Commercial leaders. Until their Builders profile account has been verified, the subcontract order will not be placed. Our procurement procedures and practices are audited during BSI audits against ISO 14001 and BS OHSAS 18001 standards. In verifying our SR, RPS undertook the auditing of sample data streams to provide assurance against the metrics included in our SR which considers procurement practices including timber. We have also developed our BLL subcontractor requirements procedure which outlines our value chain expectations which is supported by our various procurement policies. As part of our BSI ISO 14001 external audit, they consider timber procurement practice as part of their scope. In addition to the BSI audits of our procurement procedures which are conducted as part of 14001, we also employ an external independent auditor to supplement out internal audits.</p>

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9. Regulation and compliance contd...	<p>Aligning with these policies allows more people to access better and more sustainable homes, which ultimately allow the group to continue as a profitable business.</p> <p>Long-term impact</p>	<p>Participation in industry working and advocacy groups such as the green building council, future homes hub and the supply chain sustainability school.</p>	<p>Low VOC paints and adhesives are specified in our subcontractor requirements in addition to minimum emissions requirements for plant and machinery (EURO stage) relating to NOx and particulates. In addition, we target a minimum SAP 85 and at least 50% of completed homes with access to onsite renewables. We are targeting 65% in -use municipal waste to be recycled, reused or composted and have a zero-waste objective by 2024, all new schemes include a circular economy statement. We also specify BES 6001, FSC/PEFC & Green guide for construction materials. Other forms of recognised certification standards such as, 'cradle to grave circular economy certification', and we also specify Environmental Product Declarations for our materials – which we monitor through our use of OneClick EPDs database. All our schemes are required to be net positive for biodiversity and is determined through Urban Greening Factors and ecology assessments. All our schemes are designed with Blue/Green/Brown roofs to ameliorate surface water run off for example the Forge/Gallions/Stone Studios/Chobham Farm. Our Telford Homes Contractor minimum requirements is available on our website. In addition the company also mandates the use of TM 59 for overheating mitigation and we also implement 16% (105 LPPPD) reduction in water usage compared to Part G of the National Building Regulations</p> <p>The principles and ambitions for Environmental Net Gain have been interwoven within the internal copy of our Biodiversity Design Guide to supplement our BDG requirements across all our schemes. However, we have been advised by the London Wildlife Trust that whilst there is a general consensus on the ambition of BNG, there is no unified mechanism or metric for assessing how the capacity of existing natural capital is affected or how to measure a positive improvement in natural capital on completion of a project or scheme. The 25 Year Environment Plan stated that "we want to expand the net gain approaches used for biodiversity to include wider natural capital benefits, such as flood protection, recreation and improved water and air quality." Defra have subsequently described ENG as "increases in the capacity of affected natural capital assets to deliver ecosystem services and make a scheme's wider impacts on natural capital positive." The Natural Capital Committee pointed out, , that to achieve this the natural capital asset base for each site of project needs to be determined. They identified the following as the assets: biota (habitats and biodiversity), atmosphere (carbon emissions and air quality), freshwater (water quality and water use), land (landscape and natural heritage), soils (maintain fertility and structural integrity), minerals/ resources (sustainable use and circular economy) and marine (water quality and fish stocks).</p> <p>We procured 97 percent timber from sustainable sources, especially those that are FSC/PEFC accredited"2) "When timber is to be supplied by a third party, timber will only be purchased from well-managed and independently certified sources where possible, which is tracked through our BRE SMARTwaste portal. This also includes timber procured by subcontractors which is tracked through BRE SMARTwaste where each timber note is scanned and uploaded by SMARTwaste champions each month and subject to quarterly audit. Through use of the BRE SMARTwaste tool, each timber delivery must cross link the chain of custody details with that SMARTwaste data was also sampled by RPS consultants as part of the verification process.</p> <p>Telford is a prominent member in industry working groups and provide our knowledge and experience to enable shaping of realistic and fit for purpose requirements.</p> <p>As one of the industry leaders in sustainability for the house building sector. Telford Participate in key external working groups such as but not limited to the Future Homes Hub, Supply Chain Sustainability School and UK Green Building Council. This enables Telford's to keep well informed on future regulations and policies, which enables participation in consultation to ensure industry insight is taken into account during development.</p> <p>Goal 8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>Goal 8.3. As a member of a number of working groups for house builders (Future Homes Hub & green building council) but also the construction industry as a whole. Telford Homes participate in open discussions with our peers to foster improvement for the entire industry. In addition, as a leader in carbon roadmaps and reduction we have been liaising with the future homes hub to provide our expertise on whole life carbon assessments and operational energy consumption reductions.</p>

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10. DIVERSITY, EQUITY AND INCLUSION	<p>Diversity, Equity and Inclusion has rapidly risen in importance for potential employees, ESG-driven investors and society at large. Telford revitalised that DEI is extremely important for every business and equal opportunities for all is paramount. Failing to do so would risk Telford's moral obligation to the wider community, along with our reputation and facing serious financial fines for serious breaches.</p> <p>Greater opportunities can be achieved through the implementation of DEI as a business fundamental practice.</p> <p>Medium-term impact</p>	<p>Telford revitalised it's DE&I Committee to focus our efforts into three key areas (industry, community and company).</p> <p>Providing equal employment opportunities to all through job fairs, working with specific groups targeting diversity such as women in construction and the armed forces covenant.</p> <p>Promoting the industry and providing greater clarity about job opportunities within construction through awareness sessions at schools, industry working groups and charities.</p>	<p>We continue to maintain our DEI strategy for the business, our DEI committee continue to meet to discuss progress on targets and new initiatives that are being explored. The strategy looks at three focus areas, which include company, community and industry. Telford's CEO attends the DEI committee meetings to provide support to the initiatives and assistance where needed.</p> <p>We are signatories to the Armed Forces covenant which means that have committed to advertise roles to ex-forces within our supply chain, suppliers and also internally within Telford Homes and have employed ex-servicemen. Our Community Engagement Manager also tracks job starts, local labour rates for our subcontractors and suppliers for each project on a quarterly dashboard which also includes the diversity statistics on site. We have also received an award from Women in Construction for Supply Chain Engagement during 2022, which clearly demonstrates we are working with our supply chain to promote underrepresented groups. Our Group Buying department have attended numerous job fairs to ensure we are promoting these underrepresented groups in our suppliers group deals which contributed to this award. We are tracking DEI throughout our supply chain as our parent company have made commitments to \$3Billion dollars with diverse suppliers hence our site dashboards. We have also employed staff through our participation at Women in Construction events during the reporting period. Our DEI framework clearly cascades our DEI strategy and aspirations to our suppliers and subcontractors and our commitment to go above and beyond S106 obligations. We outline our supplier requirements on DEI through our builders profile pre-qualification questions which requires statistics and evidence of programmes and initiatives in place.</p> <p>In 2022, Telford has implemented a number of initiatives to support our DE&I strategy. The implementation of a Returning Mothers scheme to provide support in the transition back to work for mothers coming back from maternity leave.</p> <p>We continue to work closely with Women in Construction, attending job fairs, conferences and working with our supply chain to promote and raise awareness of the work the group are doing.</p> <p>Currently progressing with our programme of works to engage further with prisoners on temporary licenses (ROTL) to support our supply chain</p> <p>We continue to maintain Diversity training for all internal staff and collaborate with the supply chain sustainability school to deliver fit for purpose training for our supply chain.</p> <p>Goal 8. Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</p> <p>Goal 8.5 The group utilises an array of policies and procedures to provide equal opportunities for all to enable Telford's to maintain a diverse work force.</p> <p>Goal 8.6 – In 2022, 8 apprentices hired to join through our subcontractors on our projects. In addition, we regularly attend job fairs and host talks at local education systems to provide people with more details on the house building industry. We continue to attend numerous local training and apprentice events including a forum run by Young Brent Foundation who partnered with MTVH, Spark!, Brent Council, Catalyst/Peabody, to understand and research the barriers to employment.</p>