Places for London

The TfL Property Company

Climate-related Financial Disclosure

2024-2025

Our report following the guidance from the Task Force on Climate-related Financial Disclosures (TCFD)

June 2025

Contents

Introduction to Places for London and TCFD

Places for London

Places for London is Transport for London's (TfL) wholly-owned, commercial property company with a public spirit.

We're working hard to provide modern, accessible, and sustainable places that support vibrant life and commerce, connected by public transport and active travel. We manage a £2 billion property portfolio that includes 4.68 million square feet, combined with the ambition to make meaningful improvements to the lives of Londoners. Our estate includes a mix of exceptional retail, workspace, car park, residential, industrial and infrastructure assets. We also have hundreds of acres of developable sites on which we're working in partnership to build thousands of affordable homes.

Places for London is quickly becoming one of London's largest property companies. We're gaining a reputation for leading the sector in delivering social value and sustainability. We are uniquely well-placed to play a leading role in shaping the future of London as it evolves for the 21st century. Our work is helping London prosper at the same time as addressing sustainability, affordability and decarbonisation.

We know that climate change is a long-term priority for our business, requiring systemic consideration and ongoing action. This document provides the latest details on our continually maturing approach to managing the risks from climate change. We have followed the global best practice guidelines defined by the Task Force on Climate-related Financial Disclosures (TCFD).

We are actively managing and continually improving our approach to climate change, and sustainability more widely, because this presents systemic risk and opportunity to our assets, operations and objectives. Our overall approach and priorities are described in our Sustainability and Inclusivity (S&I) Strategy.

Our risk assessments and response strategies for climate adaptation and net zero carbon (NZC) define our approach to climate change. These are supported and enacted through many routes including the fundamental role of our holistic, integrated sustainability frameworks. Our Sustainable Development Framework (SDF) is a sector leading, metric-led framework that that we have created (and openly shared) to drive the highest standards of sustainability in all our new developments. For example, we increasingly work to Passivhaus and similar international best practice standards that include adaptation and net zero measures such as reducing solar gain in hot weather. We are also underway in developing a Sustainable Estate Framework (SEF) to extend our SDF approach to enhance how we manage and invest in our existing estate. We are continually developing and deploying these strategies and frameworks to shape everything we do at Places for London.

Above all, we will build strategic partnerships to deliver safe, well-connected, sustainable neighbourhoods and provide long-term sustainable income for the benefit of the transport network and wider London. In this regard, our land and assets are effectively the newest of London's "great estates".

TCFD

[Task Force on Climate-related Financial Disclosures]

TCFD stands for **Task Force on Climate-related Financial Disclosures**.

TCFD was created to **develop recommendations** on the types of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing climate-related risks.

In 2017, the Taskforce released recommendations, structured around **4 core areas** which are supported by 11 recommended disclosures.

The framework provides **guidance** on how companies **report and assess climate-related risks and opportunities**.

Both **physical and transition risks and opportunities** are to be considered.

The UK is the **first country in the G20** to enforce disclosure – with mandatory disclosure requirements introduced in April 2022.

Updating Places for London's Climate-related Financial Disclosure

Places for London is striving to continually improve its Environmental, Social & Governance (ESG) performance. As part of this ESG programme, we prepared our first voluntary TCFD-aligned document in 2022 to seek to understand how climate-related issues may impact our operations and portfolio in the future. This disclosure was integrated into the TfL TCFD-aligned disclosure within its Annual Report & Statement of Accounts. This new document provides our latest position at Places for London, following the TCFD guidance and structure.

It also shows the improvements made, provides updates to emissions baseline, and sets out new targets to ensure alignment with a 1.5 degree world.

Preparing the update to the TCFD recommendations has required collaboration across Places for London to maximise the alignment of climate-related risks within the existing risk management process and business strategy / planning.

The following section of this document sets out Places for London's approach to the governance, management and performance monitoring of climate-related issues. Section 3 presents recommendations to further enhance the robustness of our approach.

Governance

Disclose Places for London's organisational governance around climate change-related risks and opportunities.

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on Places for London businesses, strategy, and financial planning where such information is material.

Risk Management

Disclose how Places for London identifies, assesses, and manages climate-related risks.

Metrics and Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Places for London **Climate-related Financial Disclosure**

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2.1 Governance

Objective:
Disclose Places for London's organisational governance of climate change-related risks and opportunities

TCFD recommendations:
a. Describe the board's oversight of climate-related risks and opportunities
b. Describe management's role in assessing and managing climate-related risks and opportunities

Climate change governance

The Land and Property Committee (LPC) is Places for London's over-arching governing body, with delegated authority from TfL Board to review Places for London's performance and oversee its effective operations. LPC has ultimate responsibility for decision-making with respect to Places for London's ESG and climate-related risks and opportunities.

LPC gives guidance on strategic direction to ensure alignment between the vision, purpose, and corporate plans relating to land and property development. It meets quarterly to promote the longer-term success and financial sustainability of TfL's land and property development activities while safeguarding operational delivery and assets.

The LPC receive a quarterly performance update from Places for London covering financial performance, delivery of programme of work for each business portfolio, future pipeline of work and assurance plans and reports, including our ESG Scorecard of short-term milestones that incorporates our actions on carbon and climate. These updates also include details of our approach to managing our climate-related risks and opportunities.

At the time of publication, the Committee is chaired by Professor Greg Clark CBE and vice-chaired by Anurag Gupta. They are joined by Arthur Kay, Anne McMeel, Marie Pye, Sara Turnbull. Simon Powell has been appointed as the GLA representative (and is the Assistant Director of Land and Development – GLA).

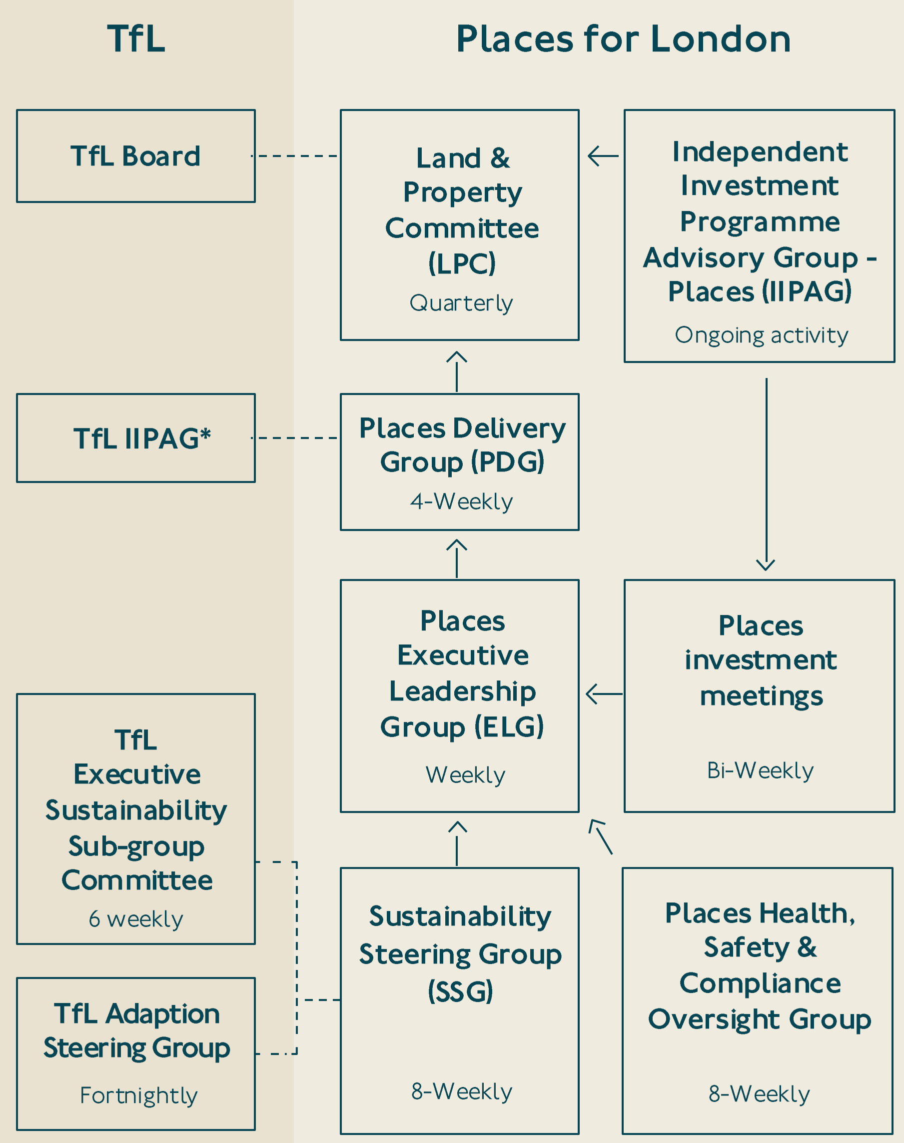

Figure 1
Places for London Governance Approach to Managing Climate-related Issues

Objective:
Disclose Places for London organisational governance of climate change- related risks and opportunities

TCFD recommendations:

a. Describe the board's oversight of climate-related risks and opportunities

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

Our Executive Leadership Group (ELG) is responsible for directing the effective running of the business and implementing the strategic objectives set out by LPC. ELG meets weekly and ultimately reports to LPC. It also reports key updates to the Places Delivery Group (PDG).

The ELG lead the business in defining how Places for London best manages significant risks or opportunities, including those relating to climate change and wider sustainability priorities. These factors are integrated into our corporate strategy, including the Investment Strategy and S&I Strategy.

Our ESG team are part of the Strategy & Planning directorate. The team work across Places for London to lead the ongoing development and delivery of our climate change strategy and plans, often supported by external experts where appropriate. They monitor and analyse trends and developments in climate-related and wider sustainability priorities, and work with the business to define and implement an effective response. The Places for London ESG team and associated strategy papers reflect the importance to the business of senior level oversight and direction.

ESG team members regularly attend meetings with TfL's Executive Sustainability Sub-Group Committee and TfL's Climate Adaptation Steering Group (formerly the TCFD working group). These feed into our governance structure offering advice and support on climate-related risk and opportunity.

Independent assurance

The Independent Investment Programme Advisory Group Places Sub-Group (IIPAG-Places) provide independent assurance and expert advice to the LPC, and also to the Audit and Assurance Committee (AAC), TfL Executive Committee and the TfL Executive.

IIPAG-Places undertake a combination of continuous and targeted assurance activities, including for climate change and wider sustainability matters.

Prioritising ESG

Our Sustainability Steering Group supports ELG and the business in delivering our priority to embed and shape our Sustainability and Inclusivity (S&I) Strategy, and continually improve performance. Climate adaptation and NZC are amongst the priorities receiving regular detailed focus. The SSG is chaired by one of our ELG and includes senior leaders from teams across Places for London with a key role in ensuring our effective and ongoing response to climate change and wider sustainability.

Objective:
Disclose Places for London's organisational governance of climate change- related risks and opportunities

TCFD recommendations:

a. Describe the board's oversight of climate-related risks and opportunities

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

Our management's role and responsibilities

Our ELG is made up of six members who oversee the delivery of the S&I Strategy, including climate change and its associated risks and opportunities.

The Chair of the Executive Leadership Group is Graeme Craig, our Director and Chief Executive. Table 1 outlines the roles and responsibilities of the other standing members of the ELG.

Table 1
Standing members of the Executive Leadership Group (ELG)

Role	Role Description	Name	Job Title
Chair	Responsible for setting and implementing strategic plans, building and managing the executive team, overseeing financial performance and making major corporate decisions	Graeme Craig	Director and Chief Executive, Places for London
Property Development Director	Responsible for leading and representing the Property Development part of our business	Neil Hook (Starting later in 2025)	Property Development Director
Chief Finance Officer (CFO)	Responsible for governing the Finance elements of our business	Digby Nicklin	Places for London CFO
Asset Management	Responsible for leading and representing the Asset Management of our business	Dan Lovatt	Director of Asset Management
Strategy & Planning	Responsible for leading our business strategy, including our S&I Strategy	Mark Farrow	Director of Strategy & Planning
Operations	Responsible for leading critical enabling and support functions	Lisa-Jane Risk	Head of Operations
Places for London Governance Team	The Governance team is responsible for planning meetings, issuing documentation pre and post meetings, and managing key activities contributing to effective governance and operation of our business	Ben Lyon	Governance Lead – Places Executive Support Office

Objective:
Disclose Places for London's organisational governance of climate change- related risks and opportunities

TCFD recommendations:

a. Describe the board's oversight of climate-related risks and opportunities

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

Our management's roles and responsibilities

Any investment decisions that relate to ESG or climate-risk ultimately sit with the Chief Executive of the ELG, or higher in TfL depending on value in line with Standing Orders, with support and advice provided by Investment Group.

The Director of Strategy & Planning and the ESG team have developed and provide overarching guidance for the business to support its effective management of environmental risk in the form of the climate adaptation strategy and plans. We regularly evolve and mature our guidance and plans in response to the latest internal and external developments.

Various teams in Places for London are responsible for implementing this guidance on a day-to-day basis. Where appropriate, other internal stakeholders or external parties are engaged to support efforts to mitigate exposure to climate risk.

Climate-related risks and issues identified by the ESG team are escalated and discussed in SSG and ELG meetings.

The scheduling of SSG and ELG meetings is arranged to allow for timely updates, advice and decisions, in addition to relevant proposals and escalations to the LPC where necessary.

The key framework for measuring climate-related progress at Governance level

Our Sustainable Development Framework (SDF) is a tool used by our governance groups to measure progress against development project targets for new-build properties, which as a minimum align with (and always strive to exceed) policies and standards that relate to sustainability and climate change.

Looking forward

We will subsequently be reviewing our TCFD governance section on a rolling basis for future disclosures.

2.2 Strategy

Objective:
Disclose the potential impacts of climate-related risks and opportunities on Places for London businesses, strategy and financial planning where such information is material.

TCFD recommendations:
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
b. Describe the impact of climate related risks and opportunities on Places for London businesses, strategy and financial planning
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our climate risk assessment process

We are committed to being a responsible business and to understanding how climate change may impact our operations and property portfolio. Climate change will present both physical and transition risks and opportunities. Physical risks resulting from climate change can be event driven (acute – e.g. heatwaves, floods, storms, fires) or longer-term shifts in climate patterns (chronic- e.g. sea level rise, increasing temperatures). Transition risks will arise from changes in policy, legislation, technology and markets as a result of transitioning to a lower-carbon and climate resilient economy.

During 2021, we contributed to a physical risk assessment across TfL, ensuring comprehensive consideration of Places for London. In 2023, we took steps to improve our understanding of transition risks, working with expert advisors including CBRE & Introba.

Time horizons

In developing our adaptation risk assessments and plan, we have determined short-, medium-, and long-term time horizons to help put climate-related risks and opportunities in context.

We selected these timeframes because of the longevity of TfL's and our assets and operations. With the standard design life of a building being around 60 years, these timeframes are relevant to the properties within our portfolio now or being developed soon.

Table 2
Time Horizons for Considering Climate-Related Risks & Opportunities

Short-term	1 – 5 years
Medium-term	5 – 10 years
Long-term	10+ years

In selecting these time horizons, consideration has been given to the fact that physical climate-related issues are more likely to manifest over the medium- and long-term. Whereas transition risks, particularly those relating to changes in policy and regulation, are more likely to be a consideration in the short- to medium-term.

2020-2030: Assessed the physical risks posed by current climate and transition risks that were aligned to our NZC pathway timeline and subsequent scenarios.

Post-2050: Using data from 2018 UK Climate Projections (UKCP18) physical risk has been assessed for Representative Concentration Pathway (RCP) scenario 6.0 (90th percentile). This scenario is commonly used as a realistic mid-range projection, aligning with a global temperature increase of approximately 2-4°C above pre-industrial levels by 2100. The assessments look at risks for the 2050s and the 2080s.

Objective:
Disclose the potential impacts of climate-related risks and opportunities on Places for London businesses, strategy and financial planning where such information is material.

TCFD recommendations:

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
b. Describe the impact of climate related risks and opportunities on Places for London businesses, strategy and financial planning
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Climate-related risks and opportunities to the business

Physical risks

Risk was assessed based on the likelihood of the climate hazard occurring and the consequence of the potential climate impact on our assets and people. Determination of physical risks having a material impact on our estate was undertaken by considering the climate hazard and asset vulnerability. This included consultation with key stakeholders to better understand existing measures in place to reduce the risk to our assets from climate change events.

Physical risks can be split into two categories, acute risks and chronic risks.

Acute risks refer to those that are event-driven, including increased severity of extreme weather events, such as flooding, heatwaves and wildfires.

Chronic physical risks refer to longer term shifts in climate patterns (e.g. sustained higher temperatures and changing precipitation patterns) and sea level rise.

Our analysis showed that the current portfolio is exposed to physical climate risks, with several properties located in areas exposed to flooding risks. Table 3 sets out the physical risks to our business.

Transition risks

Transition risks and associated impacts will become more significant under the accelerated NZC pathway scenario due to strong policy, regulatory and legal response requirements, as well as the ever-evolving demands of occupiers. Markets are experiencing a shift in requirements and preferences towards more sustainable, climate-resilient buildings.

We recognise the need to upgrade poor performing buildings and to improve them in line with, or to exceed, emerging regulations (e.g. Minimum Energy Efficiency Standards (MEES), Net Zero Carbon Building Standard (NZCBS)).

This provides an opportunity to deliver higher-quality assets that can meet future market needs. Table 4 sets out the transition risks to our business.

Table 3
Physical climate-related risks to our business, and our existing mitigation

Physical climate hazard	Climate impact/risk to our business	Likelihood of hazard occurring	Time Horizon	Existing mitigation measures
Acute: Increased severity of extreme weather events	Potential for increased incidence of damage to buildings that may impact operability e.g. flash-flooding, high-winds, overheating, drought	Medium	Short – Medium-term	Improved monitoring and maintenance practices and operations Water efficiency measures and landscape future-proofing is being implemented to mitigate drought risk
Chronic: Rising mean temperatures	Increased risk of assets overheating Increased energy usage to meet cooling demands	High	Medium-term	
Chronic: Rising sea levels	Increased risk of flooding	Low	Long-term	New build projects use our SDF, including targets for Urban Greening Factor (UGF), Sustainable Drainage Systems (SuDs), Biodiversity Net Gain (BNG), minimising flood risk and maximising flood resilience, overheating, tree-shading, landscape future-proofing and Healthy Streets
Chronic: Longer-term shifts in variability of weather patterns & precipitation	Potential to cause frequent business disruption	Medium	Long-term	TfL are working with the Met Office, ESRI and Network Rail to improve access to weather data to enhance early warning systems and support real time management and a proactive approach to managing climate risk

Our action plan

Short term (next 12 months)

- Develop a Sustainable Estate Framework (SEF) to inform our approach to property maintenance and projects, including retrofit, incorporating priorities for Net Zero Carbon (NZC) and climate adaptation.

Longer term (12 months+)

- Undertake detailed climate change risk assessments for assets at risk of future sea level rise and develop a risk mitigation plan.
- Develop business continuity plans which integrate climate resilience and adaptation measures.
- Explore how TfL's work on weather alerts and early warning systems can benefit the management of climate risk for Places for London assets.

Table 4
Climate-related transition risks to our business and our existing mitigation

Transition impact	Transition risk to our business	Likelihood of risk occurring	Time Horizon	Existing mitigation measures
Policy & Legal: Meeting enhanced compliance requirements relating to building efficiency standards including exponential battery, Battery electric vehicle (BEV) and renewables growth	Financial implications (increased Capex) of upgrading assets to meet compliance requirements e.g. Energy Performance Certificate (EPC) B rating by 2030 (subject to confirmation of final legislative position)	High	Short-term onwards	Regular monitoring of regulatory environment, and inclusion of requirements in our business planning
Policy & Legal: Meeting enhanced regulatory reporting and funding requirements	Financial implications (increased OpEx) of collating required information and data to meet reporting needs Introduction of new reporting requirements, (i.e. MEES & SDR regulations resulting in fines and judgments	High	Short-term onwards	Monitoring relevant government websites for upcoming consultations on new regulations and changes to existing regulations
Policy & Legal: Introduction of mandatory carbon pricing	The introduction of mandatory carbon pricing and the uncertainty surrounding its price per tonne and where in the value chain it will be applied. This may increase construction and/or operating costs. Increased demand for valid carbon offset credits may increase cost	Medium	Short-term onwards	Delivering and continually improving our NZC strategy and plans

Our action plan

Short term (next 12 months)

- Continuing to improve how we consider building efficiency within upgrade and development plans
- Further improving data coverage of asset performance to enable enhanced reporting and disclosure requirements

Longer term (12 months+)

- Explore the potential for an internal transition funding mechanism that ringfences funds from embodied carbon in larger projects to enable retrofit measures.

Table 4
Climate-related transition risks to our business, and our existing mitigation

Transition impact	Transition risk to our business	Likelihood of risk occurring	Time Horizon	Existing mitigation measures
Policy & Legal: Projects: Embodied Carbon, Future planning requirements and building regulations for projects	Stricter planning requirements for high sustainability performance assets. Risk of litigation/ enforcement action for non-compliant disclosures or incorrect information Cost and availability of procuring low-carbon materials for developments and refurbishments due to regulation on embodied carbon limits	Medium/high	Short-term onwards	Responsible Procurement Implementation Plan: all suppliers of contracts over £5m to provide carbon reduction plans, and new contracts created after 2025 require a zero emission delivery vehicle. Dimension 6 of our SDF focuses on high performing buildings and sets out indicators to drive a reduction in carbon emissions across the lifecycle of a building. This includes embodied carbon accounting, responsible sourcing of materials, and the reduction of operational carbon emissions through the use of passive design and energy efficiency measures, and generation of energy from renewable sources where possible.
Market & Reputational: changing/growing institutional, governance and funding requirements	Executive remuneration linked to ESG credentials and the net zero transition may become a requirement for funding	Medium	Short-term	On-going proactive engagement with existing lenders and funding market and advisors to understand current and anticipate future requirements. Executive remuneration linked to ESG credentials through inclusion of ESG metrics on our Scorecards.

Our action plan

Short term (next 12 months)

- Regular reporting of ESG policy and legislation changes to our Executive Leadership Group and other forums as appropriate

Longer term (12 months+)

- Continuing to review and evolve our NZC and Climate Adaptation Strategy and Plans in response to latest internal and external developments.

Table 4
Climate-related transition risks to our business, and our existing mitigation

Transition impact	Transition risk to our business	Likelihood of risk occurring	Time Horizon	Existing mitigation measures
Market & Reputational: funding requirements	GHG emissions intensities and climate transition plans aligned to 1.5°C pathways may become a requirement for funding	High	Short- to Medium-term	On-going proactive engagement with existing lenders and funding market and advisors to understand current, and anticipate future, requirements
Market: Greater demands from occupiers / tenants to meet higher sustainability standards	Rental discount for buildings with poor sustainability credentials	High	Short- to medium-term	Tenant engagement activities to understand user preferences. Investment programme to maintain the Places for London estate.
Reputational: Loss of reputation in market due to greenwashing or from slow response/ inaction	Inability to attract desired occupiers or achieve desired rental values and attract capital on favourable terms	High	Medium- term	Governance processes in place to manage ESG-related strategy and communications
Reputational & Technology: Greater demand for onsite renewable energy generation from occupiers	Inability to attract desired occupiers Increased Capex to deliver on demand	Medium to high	Short- to medium-term	Ongoing exploration of new opportunities for further deployment of renewables, eg in our NZC retrofit pilots and NZC pathway project
Technology: Additional capital, operational and maintenance costs incurred from lower emission technologies	Highly-competitive market for technologies leading to high capital costs	High	Medium- to long-term	In partnership with TfL we have dedicated Innovation Teams assessing the latest innovations in Proptech We will work with Joint Venture partners and significant supply chains on our Property Development programme

Action Plan

Short term (next 12 months)

- Completing our NZC demonstrator pilots to inform our long-term approach to retrofits

Longer term (12 months+)

- Explore if and how the adoption of ISO14068, PAS2080 or similar best practice standards, can support our continual improvement

Objective:
Disclose the potential impacts of climate-related risks and opportunities on Places for London businesses, strategy and financial planning where such information is material.

TCFD recommendations:

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

b. Describe the impact of climate related risks and opportunities on Places for London businesses, strategy and financial planning

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

Embedding climate-related mitigation into our planning process

Places for London is part of TfL's climate risk assessment and adaptation plan. It covers the actions required to reduce risk from climate change. This includes actions in relation to governance, people, risk management, information management, capital and operational delivery and collaboration, communication, and reporting.

We have design and sustainability requirements in our planning processes which require successful schemes to deliver healthier and greener, resilient and better-connected buildings. Our Investment Strategy subsequently outlines strategic plans to facilitate operational improvements to our existing estate that can support the decarbonisation of assets.

We've invested in increasing the coverage of EPCs, helping to further mature our baseline. We've also produced a NZC Roadmap. We are increasingly able to apply this information to inform future investment and divestment decisions and risk monitoring processes.

Inclusion of climate risk in our business plan

We continue to advance our ability to factor climate-related issues into our financial planning. Our new NZC Roadmap will help inform the next update to our business plan that is expected to be finalised by late 2025.

Our action plan

Short term (next 12 months)

- Complete asset mapping against climate-related risks to determine materiality and risk exposure across our portfolio
- Ongoing collaboration and communication with colleagues to raise awareness, and further our management, of physical and transition risks and opportunities

Longer term (12 months+)

- Track climate risk exposure through ongoing monitoring
- Continue to mature our integration of NZC and adaptation priorities in our investment strategy and business plan

Objective:
Disclose the potential impacts of climate-related risks and opportunities on Places for London businesses, strategy and financial planning where such information is material.

TCFD recommendations:

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term
b. Describe the impact of climate related risks and opportunities on Places for London businesses, strategy and financial planning
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

What we are doing to drive the required change

Our overall approach and priorities are captured in our Sustainability & Inclusivity (S&I) Strategy. In addition to priorities for Net Zero Carbon (NZC) and climate adaptation, our strategy takes a holistic and integrated approach across all material aspects relevant to our business, such as for nature and social value.

We implement our S&I Strategy to drive progress through a range of approaches tailored to our business. For all new developments, our Sustainable Development Framework (SDF) is a tool for delivering the highest standards of sustainability in the property sector. To secure the best overall outcome, the SDF helps us systematically assess and manage 98 metrics across nine dimensions of economic, environmental, and social priorities, including for NZC and climate adaptation.

We are currently extending our learning from the SDF to support a similar approach to our ongoing management of the estate, through a Sustainable Estate Framework (SEF). We will have a first version SEF by 31 March 2026.

Complementing our overarching S&I strategy and frameworks, we are continually advancing our approaches to identify, measure and mitigate climate risk and opportunities. We have developed a NZC Roadmap that we continue to implement and mature. This includes testing the cost assumptions attached to a potential NZC retrofitting programme to help shape our strategy.

Scenario analysis has provided comprehensive coverage of multiple future scenarios. This enabled us to better understand and interpret an array of physical and transitional climate-related risks and the impacts these could have on the portfolio. This approach aligns with the TCFD recommendations which state that more than one scenario should be considered when assessing risk.

Integrating nature into all aspects of our built environment will further deliver environmental net gain within and beyond the red line of our property boundaries to create a climate resilient portfolio. This will help ensure buildings that are fit-for-the-future, optimising building performance for the entirety of a building's lifecycle.

Based on the risks identified through the climate risk assessment, we have been carrying out in-depth analysis to better understand the assets that have been identified as at most significant risk. This will be carried out at the same time as the continued use of our SDF, which will act as a tool to set and measure our progress against development project targets which seek to align with, and where possible exceed, policies and standards that relate to climate risk and ultimately mitigate such risk.

The S&I Strategy also informs how we develop our Business Plan to support the necessary focus and resources for robust and consistent approaches for tackling our climate risk as appropriate.

2.3 Risk Management

Objective:
Disclose how Places for London identifies, assesses and manages climate-related risks

TCFD recommendations:

a. Describe Places for London processes for identifying and assessing climate-related risks
b. Describe the organisation's processes for managing climate-related risks
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management

Our process for identifying and assessing climate-related risks

We know that climate change presents long-term risks to our business, and have done a range of assessments to inform our decisions on mitigations. We update these assessments regularly.

Failure to adequately identify, and subsequently mitigate, emerging physical and transition risks poses a range of challenges to our portfolio. These risks include assets stranding, reductions to rental attractiveness for present and prospective tenants, and diminished portfolio value over the long term.

Identified risks are logged within risk registers in Places for London and TfL.

For our initial TCFD, we collaborated with real estate expert CBRE to identify and qualitatively assess the climate-related physical and transition risks to our portfolio. Climate-related risks are considered in line with other risks to determine the relative significance and impact in a comparative, aligned approach.

Physical climate risk assessment

We completed a risk assessment as part of TfL's third round of reporting for the Adaptation Reporting Power (ARP), and updated during the fourth round. The ARP is a mechanism in the Climate Change Act that allows the government to require organisations to report their climate change plans.

We assessed risk based on the 2018 UK Climate Projections (UKCP18) Representative Concentration Pathway (RCP) scenario 6.0 (90^{th} percentile). This scenario is commonly used as a realistic mid-range projection, aligning with a global temperature increase of approximately 2-4°C above pre-industrial levels by 2100. This helped us identify and assess risk in the short- (2020s), medium- (2050s) and long- (2080s) terms.

Transition risk assessment

To assess alignment with the NZC Pathway, the assessment estimate used energy consumption and carbon emission information for our assets. The assessment considered four decarbonisation pathways and concluded that financial risk exists due to the investment required to ensure assets are in line with emerging regulatory changes and/or market demands and expectations. The possibility of assets becoming stranded will also arise if assets are not allocated appropriate investment.

The Pathways should be interpreted as conservative estimations of risk because they do not consider the potential future speed of asset decarbonisation that relates to any tenant specific carbon commitments.

Objective:
Disclose how Places for London identifies, assesses and manages climate- related risks

TCFD recommendations:

a. Describe Places for London processes for identifying and assessing climate-related risks

b. Describe the organisation's processes for managing climate-related risks

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

Integrating and managing our climate-related risks

All identified risks, including climate-related risks, are managed using TfL's Enterprise Risk Management (ERM) framework. The Places for London ERM framework is designed to identify, evaluate, manage and quantify identified risks. Applying Places for London's ERM approach to our operations and portfolio enables a consistent approach across the organisation.

When identified, the ownership and management of risks are assigned to the relevant sub-groups within the Places for London business.

These sub-groups;

- Monitor trends and developments in climate-related issues
- Report on and escalate risks to the ELG regularly with strategic support from Places Delivery Group and the LPC.

The LPC meet quarterly to formally review our strategic direction. This includes assessing the effectiveness of risk management systems and controls and reviewing the ERM. Places for London's Enterprise level risk 'Environment including climate adaptation' is subject to an annual review at LPC.

Enterprise risks

With TfL's central risk management team, we have identified the key adaptation and environmental risks, along with mitigations to address them. Places for London maintains a Level 0 risk for environment and adaptation, Level 0 being the highest level of risk priority. This process is reviewed annually, and reported to the LPC each year.

2.4 Metrics & Targets

Objective:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendations:

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Our climate-related metrics

In addition to the targets we have set, we also have several metrics to monitor our climate-related risks and opportunities. These metrics that support our risk assessment are provided below.

We undertake sustainability certifications for all our large projects. We do not certify for smaller projects, instead we invest in mitigation and adaptation measures to maximise sustainability credentials at these locations.

Table 5
Climate-related transition and physical risk metrics

Climate-related Metrics	2025/2026
• Sustainability Training for all Places for London staff	**10% of staff**
Transition	
• Existing estate with an EPC rating of C or above (%)	**51%**
• Portfolio coverage with sustainability certifications – (% of portfolio that is larger than 100 units with certification e.g. BREEAM)	**100%**
Physical	
• Through the SDF, property development projects have KPI metrics for the following climate-related adaptation metrics: Overheating, Tree Canopy Cover, Flood Risk and Flood Resilience, Urban Greening Factor, Sustainable Drainage, Water Efficiency, and Landscape Future Proofing (not including our smaller sites %)	**100%**

Our action plan

Short term (next 12 months)

- Review the embodied carbon of our retrofit projects, starting with a pilot study of one of our asset management retrofit projects
- Collect data to understand what % of Places for London employees have been upskilled in carbon literacy and report this metric in next' years disclosure

Longer term (12 months+)

- Once further risk assessment at building level has been completed, consider setting a metric to show how many locations with high risks to physical climate hazards have been assessed each year and had adaptation or mitigation measures developed

Objective:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendations:

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Our Greenhouse Gas emissions

Table 6
Our 2021 baseline greenhouse gas emissions, split by scope

Scope	Tonnes of CO_2 equivalent (tCO_2e)
Scope 1 (direct emissions)	428
Scope 2 (indirect emissions)	2,493
Scope 3 (indirect emissions)	52,981
Total	55,823

Above: 2021 data from Turner & Townsend and Introba estimations of our baseline using EPC data as a proxy

Below: 2024 data from Savills estimations using actual energy use data from Electralink and Exoserve, alongside some EPC-based estimation.

Scope	Tonnes of CO_2 equivalent (tCO_2e)
Scope 1 (direct emissions)	76
Scope 2 (indirect emissions)	1,669
Scope 3 (indirect emissions)	39,441
Total	41,186

As part of our ongoing focus on NZC, we have sought to better understand the GHG emissions of our activities and real estate portfolio. The table to the left sets out the original GHG emissions baseline for 2021 alongside the updated figures based on revised data collection for 2023/4 in the lower table. Our largest emission source is tenant energy use, categorised under Scope 3 emissions.

We continue to measure and monitor carbon emissions and are currently rolling out smart meters and improving how we collect building utility data.

NB: GHG emissions have been calculated by following the methodology of the GHG Protocol. Estimation techniques have been used to create the GHG emissions baseline. Going forward, we aim to reduce the extent of estimation and maximise use of utility consumption data.

The changes between 2021 and 2024 are due to:

- Improved accuracy of the Energy Use Intensity (EUI) for the current estate following increased availability and inclusion of metered energy data.
- Emissions related to landlord purchased gas are included in Scope 3 due to data granularity.
- Emissions associated with landlord purchased electricity are estimated using high-level assumptions based on the best available information for in-station retail assets.
- Increased embodied emissions for current estate (based on maintenance spend).
- Inclusion of corporate business travel and employee commuting.

Objective:
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

TCFD recommendations:

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process

b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets

Our climate-related targets

We are committed to developing meaningful and ambitious targets that will deliver successful outcomes to tackle climate change and manage related risks and opportunities.

Our current climate-related risk reduction targets are set out below. As we obtain more accurate data on our emissions, we will review and where necessary update the targets.

Over the coming year we will continue assessing which of the buildings in our portfolio fall into the high-risk category for physical climate risk. This exercise will result in improvements to our action plan, including metrics and targets to monitor our progress.

Proposed climate-related risk reduction targets

Overall Net Zero Targets:

By 2030 achieving NZC for scope 1 & 2 emissions

By 2050 achieving NZC across the whole portfolio in line with national targets

Embodied Carbon Intensity targets, in our SDF:

Kg/CO_2e per m^2	Good Practice	Leading Practice
Residential schemes	650	300
Commercial schemes	750	350

Our action plan

Short term (next 12 months)

- As part of the fifth round of Adaptation Reporting, ARP5, we will identify which of our properties are in the high risk category for physical climate risk

Longer term (12 months+)

- After we have identified the number of buildings at high risk of physical climate hazards, we will start to create adaptation plans

The tables on this page are the Places for London EUI targets for the existing estate and the new-build estate. These will be refined over time as a better understanding of what is achievable is realised.

* The EUI is reduced over time, in line with the NZCBS.

** Based on the weighted average of preliminary operational estimates for a selection of residential projects.

*** Based on the commitment for our Platinum Portfolio projects.

^ To be refined as this Sector grows and develops.

Existing Buildings

Target 1.5°C Aligned Net Zero Limits – Targets

Existing Buildings		Energy Use Intensity kWh/m²/yr		
		Current (estimated)		Post Deep Retrofit (no gas)
		Electricity	Gas	
Industrial	(electric only)	21	–	n/a
	(electric and gas)	31	–	n/a
Bus garage	(electric only)	263	–	n/a
	(electric and gas)	97	–	n/a
Car park	(electric and gas)	263	–	n/a
Residential	(electric only)	105	–	45
	(electric and gas)	30	117	63
Arches	(electric only)	64	–	46
	(electric and gas)	34	74	46
Office	(electric only)	234	–	101
	(electric and gas)	51	191	104
Retail Out of Station	(electric only)	594	–	255
	(electric and gas)	365	415	335
Retail In Station	(electric only)	594	–	255
Other	(electric only)	99	–	n/a
	(electric and gas)	173	236	n/a

New Buildings

Target 1.5°C Aligned Net Zero Limits – Operational Targets

New Buildings	SDF Good Practice – Energy Use Intensity kWh/m²/yr
Residential	70 (SDF Good Practice)
Office	110 (SDF Good Practice)
Industrial	31 (Current EUI)^
Retail	205 to 126 (NZCBS)*

New Buildings	SDF Leading Practice – Energy Use Intensity kWh/m²/yr
Residential	35 (SDF Leading Practice)
Office	55 (SDF Leading Practice)
Industrial	31 (Current EUI)^
Retail	205 to 126 (NZCBS)*

New Buildings	Current Performance – Energy Use Intensity kWh/m²/yr
Residential	40 (Current performance)**
Office	55 (Current performance)***
Industrial	31 (Current EUI)^
Retail	205 to 126 (NZCBS)*

TCFD maturity assessment

3

TCFD maturity assessment

Here we assess our maturity against the TCFD guidelines and capture next steps.

Area	Disclosure	Rating	Position and maturity plans	Timescale for implementation
Governance	Describe the board's oversight of climate-related risks & opportunities	★	Response meets the TCFD guidance for recommended disclosures	N/a
	Describe management's role in assessing and managing climate-related risks & opportunities	★	Response meets the TCFD guidance for recommended disclosures	N/a
Strategy	Describe the climate-related risks & opportunities the organisation has identified over the short, medium and long term	★	Response meets the TCFD guidance for recommended disclosures	N/a
	Describe the impact of climate-related risks & opportunities on the organisation's businesses, strategy and financial planning	★	Response meets the TCFD guidance for recommended disclosures	N/a
Risk Management	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	▲	Continue to develop the new strategy, including strengthening commitments and resilience to the changing climate	Ongoing
	Describe the organisation's processes for identifying and assessing climate-related risks	●	Include reference to existing and emerging regulations	Ongoing
			Describe the process for assessing, including size and scope	Short term (next 12 months)
			Include definitions or risk framework	Short term (next 12 months)

Key **Maturity**

- ■ Not addressed
- ● Immature (mentioned but not developed)
- ▲ Partially disclosed (partially addresses guidance)
- ★ Fully disclosed (fully addresses guidance)

TCFD maturity assessment

Here we assess our maturity against the TCFD guidelines, and capture further next steps..

Area	Disclosure	Rating	Position and maturity plans	Timescale for implementation
Risk Management	Describe the organisation's processes for managing climate-related risks.	●	Improve as more comprehensive approach and climate change adaption plan is developed	Progress should be described every year
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	▲	The Pan-TfL Risk Management Team have assisted in identifying risks and the mitigation measures. This needs to continue to be evolved.	Ongoing
		▲	Detailed assessment is required to improve understanding of individual properties risk from climate change. Once specific properties are identified with particular risk of climate hazards (flooding, heatwaves, storms) surveys will be needed and adaptation measures developed.	Longer term (12+ months) this will be an ongoing action
Targets and Metrics	Disclose the metrics used by the organisation to assess climate-related risks opportunities in line with its strategy and risk management process.	●	If relevant, include reference to internal carbon prices and any opportunity-related metrics. Potential to add reference on where to find a detailed emissions breakdown	Short term (next 12 months)
	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.	▲	Obtain, better and more accurate data on all 3 scopes. Where available include or refer to historic data	Ongoing
	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.	▲	Include or add reference to base year for targets	Short term (next 12 months) Endeavour to include in next year's disclosure

Key	Maturity
■	Not addressed
●	Immature (mentioned but not developed)
▲	Partially disclosed (partially addresses guidance)
★	Fully disclosed (fully addresses guidance)

Please contact us for more information

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