SISK

ESTD. 1859

Task Force on Climate-related Financial Disclosures (TCFD) statement 2024

sisk.com

Task Force on Climate-related Financial Disclosures (TCFD) statement

TCFD

As a leader in the industry, Sisk recognises our responsibility to act on climate change and to be at the forefront of positive change, where we understand the risks and opportunities posed to our business in this regard.

In 2024, we acheived CDP's highest rating, 'A', for climate reporting. In 2023, we had our carbon emissions targets approved by the Science Based Targets initiative (SBTi) in line with a 1.5°C global warming scenario and are committed to achieving net zero.

We have continued to evolve our approach ensuring climate-related considerations are further embedded into our longer-term strategic decisions, whereby this statement is our second TCFD disclosure.

This statement is consistent with the requirements of all 11 TCFD Recommendations and Recommended Disclosures, and we can confirm we have made climate-related financial disclosures for the year ending 31 December 2024 in relation to governance, strategy, risk management and metrics and targets.

Governance

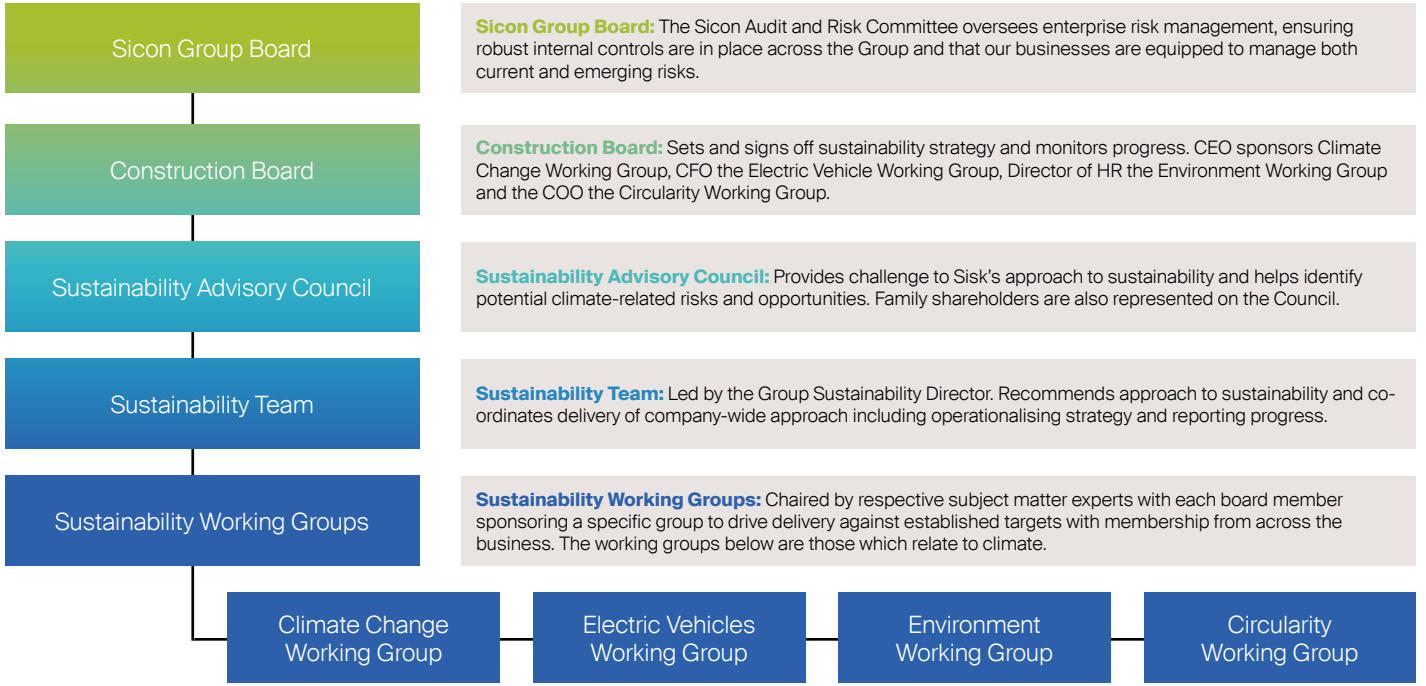
Board of directors oversight

Our board of directors are responsible for setting our sustainability strategy of which one of our five themes is 'Tackling climate change and air pollution'.

Our board of directors also set our company strategy 'Breaking New Ground', where net zero is a strategic priority. Monthly board meetings include a review of our economic, environmental, and social topics, assessing their impacts, risks and opportunities, and progress toward our 2030 Sustainability Roadmap. In addition, quarterly risk and opportunity review meetings take place which include delving deeper into the impact of climate risks.

Roles, responsibilities and accountability

Our Audit and Risk Committee support the board in managing risk and have responsibility for ensuring the effectiveness of our internal control and risk management policy. Our board is supported by our external Sustainability Advisory Council, who are a group of expert advisors and thought leaders in sustainability and construction.



GOVERNANCE STRUCTURE FOR MANAGING CLIMATE RISK

The Council challenges us to push the boundaries and supports us to identify potential risks and opportunities that could affect our business and our supply chain in the short, medium and long-term.

The sustainability team, now led by our Group Sustainability Director who reports directly to the CFO, is responsible for coordinating the delivery of our 2030 Sustainability Roadmap and updating climate risks, collaborating with all areas of the business to ensure appropriate plans are in place. Furthermore, we operate eight working groups, with each board member sponsoring a specific group. Two of these directly relate to climate – our Climate Change Working Group (sponsored by our CEO) and our Electric Vehicles Working Group (sponsored by our CFO). In addition, we established a Sustainability Reporting working group comprised of members of the sustainability, strategy, risk and finance teams to continue to evolve our disclosures such as TCFD and in readiness for the requirements of CSRD.

Our senior leaders are committed to taking action to address climate change risks with climate-related targets, including a reduction in our carbon intensity, linked to Long-Term Incentive Plans (LTIP).

Strategy

Identifying climate-related risks and opportunities.

We've identified climate risks and opportunities against transition risks (to transition to a low carbon economy) and physical risks (physical impacts of climate change).

We've considered these over the short (< 1 year), medium (1 – 10 years) and long-term (10 – 30 years) against three science-based scenarios from the Intergovernmental Panel for Climate Change (IPCC) aligned with Shared Socioeconomic Pathways (SSPs):

- Strong mitigation - carbon emissions decrease and global temperatures rise by less than 2°C (1.8°C) (SSP1-2.6)
- Middle of the road - emissions continue to rise before decreasing and global temperatures rise by more than 2°C (2.4°C) (SSP2-4.5)
- High emissions - emissions peak and global temperatures rise by more than 4°C (4.3°C) (SSP5-8.5)

We have used SustGlobal platform to assess physical risk which considers a range of climate risks over different time horizons to 2080. The physical risks analysed relate to wildfire, flood, sea level rise (SLR), cyclone, heat wave and water stress.

From the locations assessed in Ireland (Dublin and Cork), the UK and Sweden the table below shows our maximum physical risk exposure over the years to 2050.

With current emissions on a warming trajectory of 2.7°C, this would mean a risk exposure between the 'Middle of the road' and 'High emissions' scenarios, where these locations would be at medium risk of flood and sea level rise impacts. In the 'High emissions' scenario, there is also a medium risk of water stress.
The SustGlobal model also provides the Value at Risk (VaR) to assets arising from fire, flood and cyclone, however is not currently suitable for projects and operations. For our fixed offices, this percentage remains below 1% in both the 'Middle of the road' and 'High emissions' scenarios through to 2050 – however increases from 2050 to 2080.

Transitional risks are assessed against both current and anticipated future legislation as well as market and customer demand.

Term	How Sisk defines
Short (< 1 year)	Aligned with our annual business planning and budget process to ensure appropriate resource for mitigating and adapting to climate change is identified each year, where actions are included within our annual strategy.
Medium (1 - 10 years)	Taking action now to meet our near-term science-based carbon reduction target as part of our 2030 Sustainability Roadmap.
Long (10 - 30 years)	Starting to plan actions now to meet our long-term science-based carbon reduction target.

	Wildfire	Flood	SLR	Cyclone	Heatwave	Water stress
Strong mitigation (SSP1-2.6)	Low	Medium	Low	Low	Low	Low
Middle of the road (SSP2-4.5)	Low	Medium	Medium	Low	Low	Low
High emissions (SSP5-8.5)	Low	Medium	Medium	Low	Low	Medium

Strategy (continued)

Identifying climate-related risks and opportunities.

Scenario	Short (< 1 year)	Medium (1 - 10 years)	Long (10 - 30 years)
Strong mitigation - global temperatures rise by less than 2°C.	**Physical risks are low** with the most significant physical risk to our operations being from flooding.	**Physical risks remain low** with the most significant physical risk to our operations being from flooding.	**Physical risks remain low** with the most significant physical risk to our operations being from flooding.
	Transitional risks are medium as legislation and customer demand for net zero buildings and infrastructure increases.	**Transitional risks are high** as legislation continues to emerge and customer demand increases to meet embodied carbon obligations.	**Transitional risks remain high** as increasing legislation and customer demand expected to continue.
Middle of the road - global temperatures rise by more than 2°C.	**Physical risks are low** with the most significant physical risk to our operations being from flooding.	**Physical risks are medium.** Whilst there is an increase in physical risk to our operations from flooding and sea level rise, the most significant physical risk relates to the countries from which our supply chain source materials.	**Physical risks remain medium.** Whilst there is an increase in physical risk to our operations from flooding and sea level rise, the most significant physical risk relates to the countries from which our supply chain source materials.
	Transitional risks are low as limited legislation or customer demand to reduce emissions.	**Transitional risks are medium** as some legislation continues to emerge and customer demand increases.	**Transitional risks are high** as increasing legislation and customer demand expected to continue, in addition to increased adaptation measures being required.
High emissions - global temperatures rise by more than 4°C.	**Physical risks are low** with the most significant physical risk to our operations being from flooding.	**Physical risks are medium**. Whilst there is an increase in physical risk to our operations from flooding and sea level rise, the most significant physical risk relates to the countries from which our supply chain source materials.	**Physical risks are high**. There is an increase in physical risk to our operations from flooding, sea level rise and water stress. The most significant physical risk relates to the countries from which our supply chain source materials.
	Transitional risks are low as no legislation or customer demand to reduce emissions.	**Transitional risks remain low** as no legislation or customer demand to reduce emissions.	**Transitional risks are high** as increased adaptation measures need to be implemented from changes in climate and physical risks.

Strategy (continued)

Assessing impact of climate-related risks and opportunities.

Following our internal control and risk management framework we assess the likelihood of risk occurring using a scale of one to five (where one is remote and five is virtually certain) and impact on our business if the risk was to crystalise (where one is insignificant and five is very significant) to determine both inherent (before mitigating actions) and residual risk (after mitigating actions).

	Risk	Inherent risk rating	Residual risk rating
Short-term (< 1 year)			
1	Physical impact of climate change (primarily flooding) means insufficient protection of assets and construction sites and increased operational delays	3	2
2	Increased cost of carbon offsets to maintain carbon neutral status	3	1
3	Failure to offer our customers net zero buildings and infrastructure leading to loss of revenue	9	4
Medium-term (1 - 10 years)			
4	Physical impact of climate change (primarily flooding and sea level rise) means insufficient protection of assets and construction sites and increased operational delays	8	4
5	Lack of physical risk assessment of our supply chains including how locations / countries where they source materials from will be impacted by climate change	16	9
6	Continued dependence on fossil fuels to power our construction sites, plant and vehicles	12	4
7	Building regulations increasingly require low carbon and resilient solutions	12	4
8	Increased demand for low carbon materials / technology reduces their availability	12	6
9	Carbon tax increases price of materials	6	3
10	Board and management teams make inappropriate decisions due to lack of knowledge on climate-related topics	9	4
11	Net zero plan is not appropriately funded and financed or incorporated within long-term resource allocation	12	6
12	Systems and process insufficient to provide good quality climate-related data and information to support decision making	9	6
13	Without climate-related objectives and performance built into employee renumeration, targeted goals are unlikely to be achieved	9	6
14	Not achieving our near-term science based target	15	6
15	Increased cost of carbon offsets to maintain carbon neutral status	8	6
16	Failure to offer our customers net zero buildings and infrastructure leading to loss of revenue	16	6
Long-term (10 - 30 years)			
17	Physical impact of climate change (primarily flooding and sea level rise and potentially water stress) means insufficient protection of assets and construction sites and increased operational delays	12	6
18	Not achieving our long-term science based target	15	6
19	Increased cost of carbon offsets to reach net zero	12	9
20	Failure to offer our customers net zero buildings and infrastructure leading to loss of revenue	20	8

Strategy (continued)

Addressing our climate-related risks and opportunities.

Our assessment concluded that our business is currently not highly exposed to physical risks, however these have been identified as a new and emerging risk as part of our risk register as we continue to see more extreme weather events in Ireland, the UK and our European operations and these become more relevant in the long-term under the 'High emissions' scenario. Our transition risks are material in the short and medium term as we expect increasing policy and regulation in addition to market and customer demand.

We are addressing these risks and opportunities through four priorities which are important components of our 2030 Sustainability Roadmap and 'Breaking New Ground' strategy:

- Decarbonising our operations (2030 Sustainability Roadmap)
- Transitioning to electric vehicles (2030 Sustainability Roadmap)
- Reducing our environmental impact (2030 Sustainability Roadmap)
- Engaging with our customers to deliver net zero buildings and infrastructure and resilience to climate change ('Breaking New Ground' strategic priority)

Decarbonising our operations

To reduce our contribution to climate change, we need to reduce the carbon emissions that we generate from and during the construction of our projects. This year we have had our carbon emissions target approved by the Science Based Targets initiative (SBTi) and continue to be committed to achieving net zero through progressing our plans.

We commit to:

- Reducing absolute Scope 1 and 2 greenhouse gas (GHG) emissions 100% and Scope 3 GHG emissions 28% by 2030 from a 2019 baseline (near-term target)
- Reducing absolute Scope 1 and 2 GHG emissions 100% and Scope 3 GHG emissions 90% by 2050 from a 2019 baseline (long-term target)

To meet our near-term science-based target we are:

- Enhancing consumption and efficiency monitoring with particular focus on eliminating unnecessary out of hours energy consumption on our projects
- Eliminating the use of diesel and mandating the use of hydrotreated vegetable oil (HVO) on our sites
- Ensuring all electricity is procured from renewable sources
- Trialling new battery technologies and exploring the use of hydrogen
- Rolling out our Exemplar Project Standard to achieve high levels of energy efficiency

We continue to implement and evolve our sustainability and energy management system which is certified to ISO 14001 and ISO 50001. Furthermore, we maintain our carbon zero certification through the Achilles' ISO 14064-1 Carbon Reduce Programme.

We are active in building relationships with our supply chain partners to understand their operations and prioritise engagement to drive further reduction in carbon emissions. As members of the Supply Chain Sustainability School, we work with our supply chain partners to build their skills required to reduce our contribution to climate change. Over the last year, we have become signatory members of ConcreteZero and SteelZero to further drive change in the industry. We held our Supply Chain Awards to recognise our supply chain partners who are helping us to achieve our purpose of creating places for future generations – including a net zero award, where celebrating our combined achievements is an important part of our culture.

Transitioning to electric vehicles

In 2019, we were the first contractor in Ireland to sign up to the EV100 initiative, committing to accelerate the transition to electric vehicles and set ambitious targets within our 2030 Sustainability Roadmap for 50% of the vehicles in our fleet to be electric by the end of 2024 and fully eliminate internal combustion engines by 2030.

Reducing our environmental impact

The waste that we generate also contributes to our carbon emissions and as part of our 2030 Sustainability Roadmap we have set a target to reduce our waste intensity by 50% by 2025 against our 2019 baseline. Recognising that water stress could be a physical risk in a 'High emissions' scenario, we are continuing to mitigate water consumption as part of our 2030 Sustainability Roadmap where we have set a target to reduce our potable water use intensity by 50% by 2025 against our 2019 baseline.

Delivering net zero buildings and infrastructure and resilience to climate change

We recognise the increasing demand from the market and our customers to achieve net zero where both embodied and operational carbon must be addressed. To credibly achieve net zero, embodied carbon must be minimised during construction and offset at completion and for operational carbon on-site renewables should be prioritised.

One of the strategic priorities of our 'Breaking New Ground' strategy is net zero - where we are taking actions to transform the mindset, culture and capability of our business to be leaders in the delivery of net zero buildings and infrastructure and taking a holistic, integrated approach to net zero, modern methods of construction (MMC), and digital transformation. To address this demand, over the last year we have developed an in-house sustainable design and carbon management team who have the expertise to provide diverse carbon optioneering strategies and collaborate with our design teams early in the design process, where we are able to integrate our BIM capabilities with performing whole life carbon assessments and identify opportunities to reduce embodied carbon.

Our Scope 3 emissions account for the vast majority of our carbon footprint, where we know that concrete and steel contribute a significant proportion of these emissions. We have therefore established technical forums for concrete and steel - working with our supply chain partners to research and develop new materials and construction methodologies to significantly reduce carbon. By joining the ConcreteZero initiative set by The Climate Group we have committed to using 100% net zero concrete by 2050, with two ambitious interim targets of using 30% low emission concrete by 2025 and 50% by 2030. By joining the SteelZero initiative also set by The Climate Group we have committed to using 100% net zero steel by 2050 with associated interim targets.

Risk management , metrics and targets

Climate change is identified as one of our risks with transitional risks being identified as a principal risk and physical risks being identified as a new and emerging risk - whereby it is therefore governed in line with our internal control and risk management policy.

Our strategic risk management process considers our business risk at both a company and divisional level, where climate-related risks and their impacts on our operations are included in each risk register. Risks are identified through a range of approaches inclusion horizon scanning, risk workshops, external advisory council support, market intelligence and trend analysis. Risks are assessed and scored on a gross and net basis following evaluation of the mitigating controls in place, where mitigations are implemented to reduce the risk rating to within our 'risk appetite'. Some responses are direct and specific to a particular threat and others are more general and include the adoption of technology or change in business processes to adapt a risk.

Our internal control and risk management framework guides decision making throughout the business and determines levels of approval and identifies matters that need to be referred to our risk committee for review, including specific climate-related risks. This framework is particularly important when we are reviewing new work opportunities.

Our project delivery processes include risk management protocols – specifically they include an environmental and energy risk assessment, which considers climate-related risks and opportunities and is reviewed annually.

Targets

To address climate change risk, we have set ambitious climate-related targets within our 2030 Sustainability Roadmap – the headlines of which are summarised below:

Decarbonising our operations

- Near-term target: reduce absolute Scope 1 and 2 GHG emissions 100% and Scope 3 GHG emissions 28% by 2030 from a 2019 baseline
- Long-term target: reduce absolute Scope 1 and 2 GHG emissions 100% and Scope 3 GHG emissions 90% by 2050 from a 2019 baseline

Transitioning to electric vehicles

- 50% of vehicles in our fleet to be electric by the end of 2024
- Eliminate internal combustion engine powered vehicles from our company car fleet by 2030

Delivering net zero buildings and infrastructure and resilience to climate change

- Engage with 100% of our customers to offer sustainable solutions to help them achieve net zero and ensure that the products we provide are resilient to climate change

Activity against these targets is detailed in our Sustainability Report. In addition, our Streamlined Energy and Carbon Reporting (SECR) included in our Financial Report provides details of our energy consumption and carbon emissions.

Metrics

In addition to targets, we also monitor a number of climate-related metrics to review our risk assessment:

	2023	2024
Reduction in carbon intensity from a 2019 baseline	41%	52%
CDP Climate Change performance	A-	A
Total electricity from renewable sources	100%	100%
Percentage of site fuel which is HVO (direct purchase)	69%	82%

Dublin Head Office
3007 Lake Drive,
Citywest,
Dublin 24,
D24 N2HR

UK Head Office
1 Curo Park,
Frogmore,
St Albans,
UK