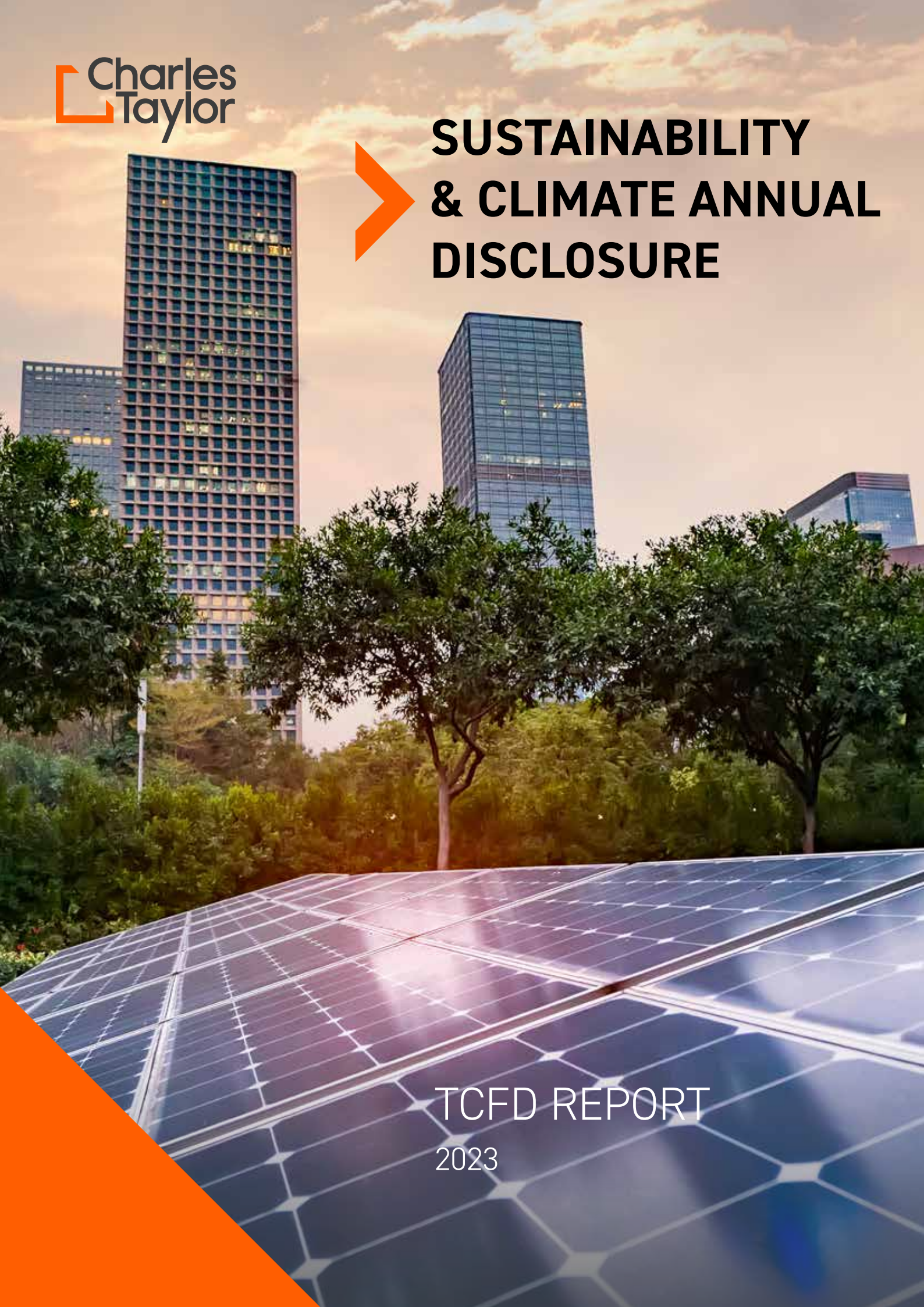
Charles Taylor

SUSTAINABILITY & CLIMATE ANNUAL DISCLOSURE



TCFD REPORT

2023

Charles Taylor

Contents

Foreword

This report covers the climate-related work, including emissions disclosure and reduction efforts relating to our global operations, as Charles Taylor Group, for the calendar year 2023 and has been prepared in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD) and the requirements of the United Kingdom's Financial Conduct Authority's Policy Statement on Greenhouse Gas and Climate disclosure. The Group currently operates in 33 countries around the world with the vast majority of operations being based in the United Kingdom and United States of America. This Climate-Related Disclosure has been approved by the Board of Charles Taylor.

Our reporting currency: £ Sterling unless otherwise stated.

The Company's registered office: 2 Minster Court, Mincing Lane, London, England, EC3R 7BB

This report can be found publicly on our website:
https://www.charlestaylor.com/

Introduction

This report covers our Group at a global level and under our operational control, providing an update of the work that has taken place throughout 2023 to support the transition to a low carbon economy.

We recognise the risks that climate change poses to global economic, social and geopolitical stability, and the important role that we must play alongside every organisation to help secure the future of our planet.

Charles Taylor, as a financial institution, fully acknowledges that our business operations, financing, investments, and supply chain are responsible for emitting greenhouse gases and other environmental impacts and that we have varying climate exposure in a broad range of market sectors.

As an office-based organisation, the vast majority of our emissions fall within Scopes 2 and 3 of our carbon footprint. Given the nature of our business, we recognize that climate change poses both risks and opportunities directly relevant to our business lines and industry, and are committed to reporting our environmental impacts and our progress in managing them publicly and transparently. Moreover, we aim to analyse, identify, and understand our climate related risks and opportunities throughout the business, seeking to future proof our business and report them annually and transparently as part of our legal compliance and corporate responsibility.

Robert Brown
Group Chief Executive Officer

Chief Executive's Statement

Charles Taylor recognises the importance of climate change action and has seen a huge increase in the markets focus on this topic over the most recent years. The biggest lesson the last few years have taught us is that the world is full of risk. Extreme weather events that ought to happen once or twice a year are happening with greater regularity, and they're on a much bigger scale than we've seen before. We have a responsibility to act and with our global network of experts, have the capability to support our clients during our collective transition to net zero whilst maintaining the best service in terms of knowledge, technology and sustainability.

Ultimately, our role is to help people deal with a bad situation, find a route to recovery and move forwards.

We've made good progress this year with the adoption of digital and desktop adjustments to claims, the use of drone technology and our InHub technology solution for our clients. We've expanded the Scope of our sustainability reporting and worked alongside key areas of the business to take a deeper dive into the risks and opportunities that climate change brings to our business.

To support our long-term vision for the development and improvement of our environmental performance, we have committed to setting Science-Based Targets, pledging our dedication to achieve net zero by 2030 (Scope 1 & 2) and 2050 (all Scopes). The reality is that no one can achieve net zero on their own and the work that we've begun on our supply chain will act as an aid in understanding our environmental impacts throughout our Scope 3 and opens opportunities for joint exploration on how we can make further reductions. We have the power to make a difference and reach a collective goal.

The Board, along with our ExCo, supports the Groups' enterprise-wide approach to addressing the need for action amid the Climate emergency.

Robert Brown

Group Chief Executive Officer

Our reporting approach

The content of this report is focused on the requirements of our stakeholders and relevant regulations within the industry and is aligned to a variety of reporting requirements in the locations that we operate. Whilst we are not a typical financial institution according to the Task Force on Climate Related Financial Disclosures (TCFD) guidelines, we still aim to report in line with the recommendations that have been laid out.

Therefore, this report is written with the principles of completeness, accountability, transparency and relevancy.

Charles Taylor is committed to disclosing complete and relevant data to improve our climate disclosures for internal decision-making and for our external stakeholders. We also look to our clients and partners to join us in this ambition and aim to help those upstream and downstream of our supply chain to meet the challenges of the climate emergency, disclose relevant information and act to reduce our joint impacts through collaborative and innovative means. For this reason, we have included a full relevant Scope 3 inventory. In line with TCFD recommendations, we have also included the carbon emissions from our investments and first tier supply chain data within the UK for the first first time, disclosing the vast majority of our material Scope 3 emissions. We understand that our Scope 3 emission data is a mixture of estimated emissions and real data and will be investing our resources in working with our partners and ecosystem to increase the quality of this data as well as the coverage over the next 24 months to include our global offices.

Regulatory Compliance notice

This report is crafted to address essential climate concerns and performance metrics while adhering to regulatory standards, including the Taskforce on Climate-related Financial Disclosures (TCFD) guidelines and the UK Financial Conduct Authority (FCA) requirements. Additionally, this report aligns with the U.S. Securities and Exchange Commission's (SEC) regulations on greenhouse gas and climate risk disclosure (33-11275).

Furthermore, we have fulfilled our obligations under the UK's Energy Savings Opportunity Scheme (ESOS) Phase III and the EU's Energy Efficiency Directive (EED). Identifying areas of significant energy consumption, we are actively pursuing options to mitigate this consumption. Our efforts under the Streamlined Energy & Carbon Reporting (SECR) regulations are ongoing, with initiatives planned for the upcoming year to further address carbon reduction.

Our disclosures encompass comprehensive data on greenhouse gas emissions, environmental impacts, reduction efforts, and InSights into climate-related risks and opportunities. Its layout has been crafted in consistency with TCFD recommendations from TCFD, reporting our work on areas around governance, strategy, risk management, and metrics and targets with relation to climate change and climate-related risk and opportunities. Charles Taylor will continue to integrate these recommendations into our annual report to ensure transparency and the effective communication of our sustainability and climate-related activities to our stakeholders.

GOVERNANCE

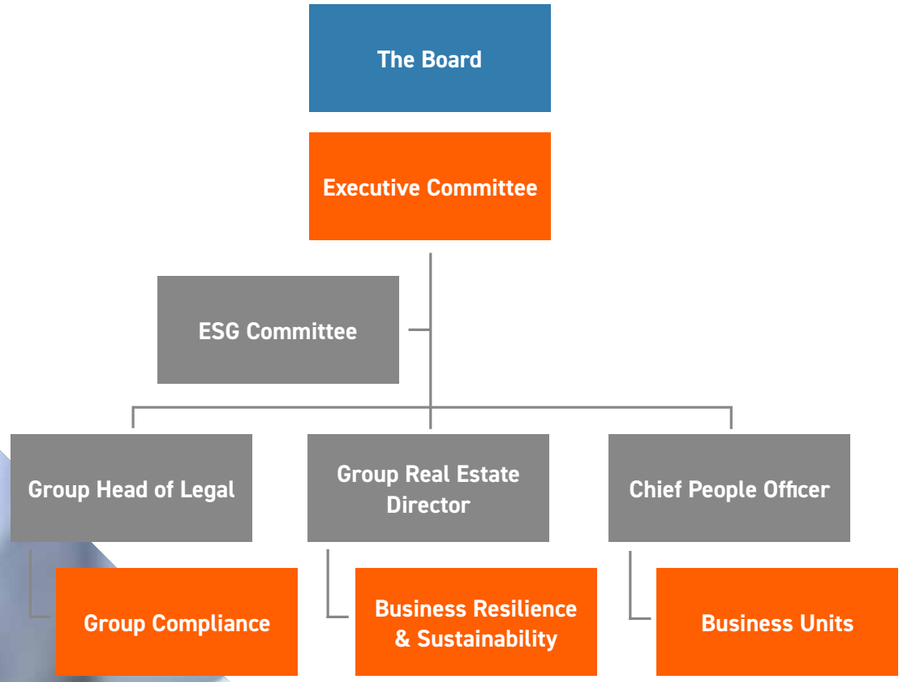
Our processes for identifying, assessing, managing climate-related risks & how they are integrated into our risk management.

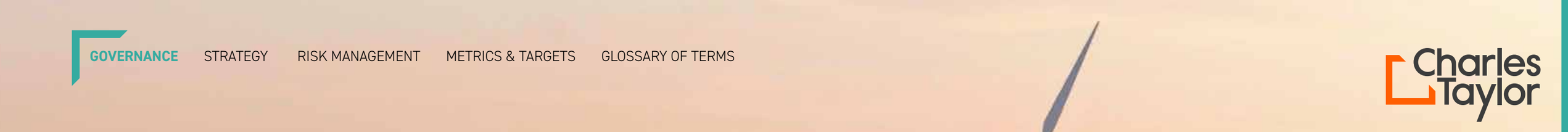
The Board and the Executive Committee.

Their oversight of climate-related risks and opportunities.

As a private equity funded business, Charles Taylors Board has oversight of the Group's Environmental, Social and Governance (ESG) work. The Board works directly with the Executive Committee (ExCo) to meet the ESG standards expected from our investors and to incorporate climate-related issues into our overall business strategy.

Governance structure





The Executive Committee makes strategic decisions, endorsed by the Board, regarding our environmental strategy, climate-related issues and associated impacts related to our investments and operations. The ExCo manages climate related acquisitions, mergers and divestitures, as well as major capital and/or operational expenditures related to low-carbon products or services, including research and development.

To carry out its work, the Board and the ExCo rely on the ESG Committee, which provides them with biannual reports on the current actions and initiatives on environmental and sustainability matters pertaining to the Group, as well as periodic interim reports about climate-related risks and opportunities with regards to our operations, financial activities and business. The issues presented in the reports are discussed at every Board meeting and integrated into our risk management framework and risk analysis matrix software for decision making across the business.

The risk management framework – which includes identified Principal Risks, controls and mitigating actions - is ultimately owned by the Board and cascaded into the various Charles Taylor business units and support functions via the ExCo and senior management teams of those business units and functions.

Our risk management software, called InSight, hosts the risk register for the business and integrates climate risks within it. Climate risks and sustainability sits within one of our principal risks: Failure to Comply with Legal, Regulatory or Ethical requirements. Risk controls and completion dates are linked to each risk within the platform, and management from the business are assigned responsibility for the controls outlined. If there are any outstanding actions, the system flags the risk to the Group Assurance team. Additionally, we have an Internal Audit team who carries out audits on this matter.

The designated executive responsible for our environmental performance is the Chief People Officer, who is an ExCo member. .

+1.48°C WARMER

2023's global temperature was 1.48°C warmer than preindustrial average[1]

The Environment, Social and Governance Committee (ESG)

Members and their role in assessing and managing climate-related risks and opportunities

The ESG Committee was established in 2021 and it works to build a sustainable, equitable, healthy and diverse company through a combination of innovative solutions and exemplary environmental, social and governance performance. In the Appendix section, we have added the Environment, Social and Governance (ESG) Committee Terms of Reference.

This committee is responsible for incorporating climate-related issues into the Group's overall business strategy, managing annual budgets for climate mitigation activities, and providing climate-related employee incentives. The committee reports to the Board the progress against goals and targets for addressing climate-related issues.

During 2023, the ESG governance structure was re-organized, which suspended meetings for the reporting period. The new structure, which is described below, will commence with updated roles and responsibilities in 2024.

The ESG Committee's new structure is made up of three officers and their teams: the Chief People Officer, the Group Head of Legal, and the Group Real Estate Director.

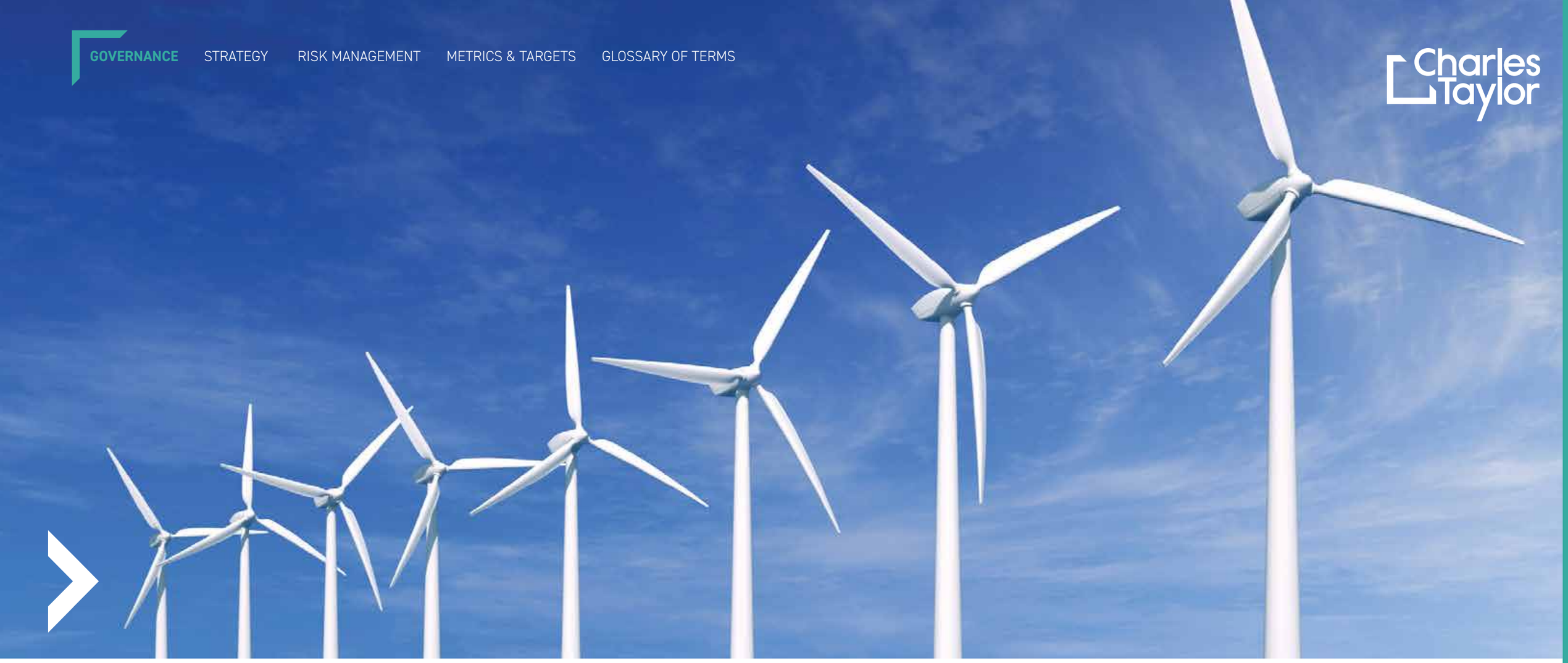
The Chief People Officer

The Chief People Officer oversees our entire global team, ensuring that each Business Unit Leader complies with our environmental policy and the processes within their respective operations.

The Business Unit Leaders are responsible for compliance with our Group environmental policy, strategy, and the processes within their respective operations with Global Business Services, providing guidance together with logistical support to analyse and assess climate-related risk and opportunities and suggest mitigation strategies or corrective actions for adoption by the ESG Committee. .

The Group Head of Legal

The Group Head of Legal oversees adherence to regulatory and legal standards, collaborating with the business to detect, oversee, and address regulatory risks. Reporting to the ExCo, they present climate-related concerns reported by the business and ensure mitigation through established risk protocols. Additionally, they stay updated on climate-related scenario analysis, risks, and opportunities in areas such as claims management, investments, and other insurance activities..



The Group Real Estate Director

The Group Real Estate Director and its team are key to Charles Taylor's sustainability efforts, providing essential InSights and guidance to ensure our business operates responsibly and efficiently. Their responsibilities include sustainability reporting, managing annual budgets for carbon reductions and climate risk management, as well as climate transition planning for our operations and estate.

The Group Real Estate team is tasked with reporting on the Group's sustainability performance to the ESG Committee on a quarterly basis. This includes presenting carbon footprint metrics, monitoring progress against targets, and highlighting key climate-related risks facing our operations and estate. These InSights, alongside any strategic decision recommendations or mitigation suggestions, are then presented by the ESG Committee to the Board.

Within this team sits the Sustainability Manager, who is responsible for updating the ESG committee on an annual basis regarding the state of current progress regarding the offset strategy, any potential risks or actions that need to take place, as well as any new projects that would be suitable for adding to the offset portfolio.

Moreover, when new offices or assets join the Charles Taylor Group, the Group Real Estate team takes the lead, onboarding them onto our business resilience and risk management processes. They conduct initial analyses of the climate impacts, risks, and opportunities associated with these additions. Additionally, they collaborate with all offices to update their business continuity plans annually, ensuring they are responsive to climate-related risks. Being a global Group, onboarding new office managers on our environmental strategy is key, as we rely on them to collect meaningful carbon related data, supporting our annual carbon footprint calculations and the subsequent reductions of these emissions.

We want to be known for helping insurance companies focus on measurable outcomes, not just technology.

That's what makes us different.

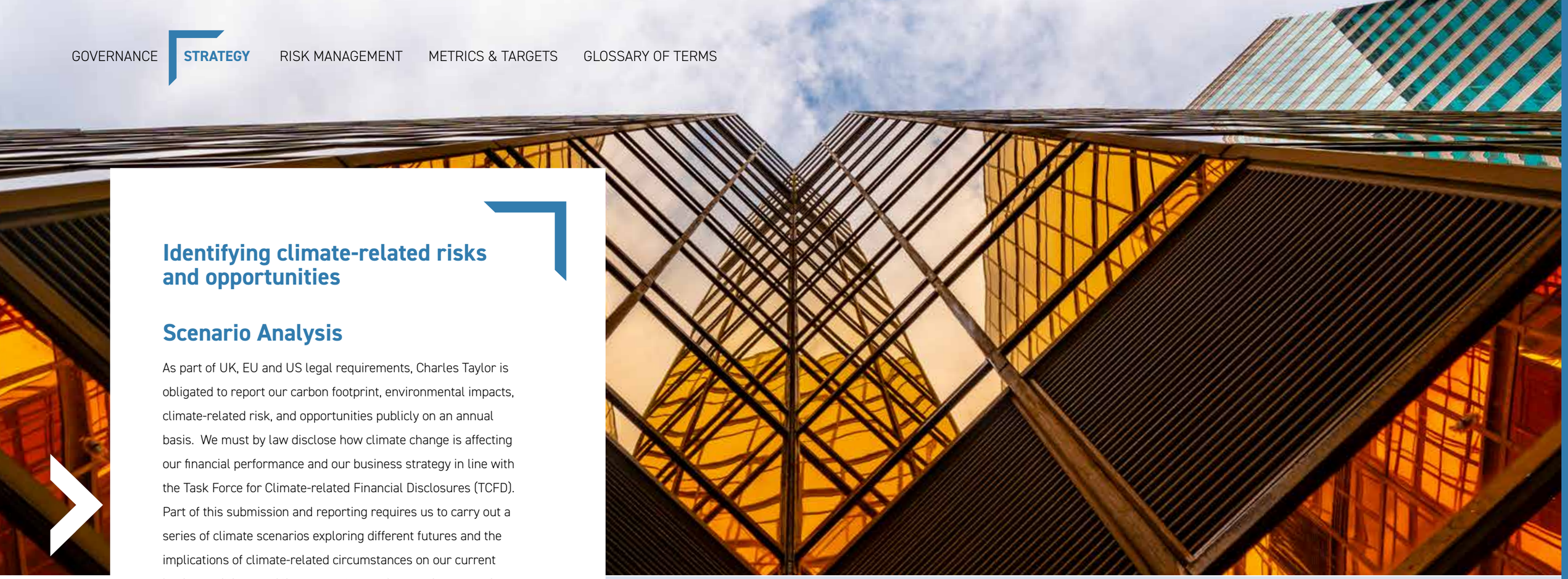
STRATEGY

Climate-related risks & opportunities identified over time, their impact on our businesses, strategy & financial planning and our resilience taking into account different climate-related scenarios.

Charles Taylor Group is a recognised global leader in adjusting aviation, natural resources, marine, property, casualty, technical and special risks claims. We focus on commercial losses and claims across all major lines and geographies, many of which are large and complex in nature. We handle onshore and offshore energy claims, maritime casualties, aircraft losses and specialist property and casualty claims. Our InsureTech subsidiary specialises in developing and implementing technology solutions tailored to the needs of insurance companies, brokers, and other stakeholders in the insurance sector. Our software solutions and services are aimed at improving efficiency, enhancing customer experience, and driving innovation within the insurance industry. We want to be known for helping insurance companies focus on measurable outcomes, not just technology. **That's what makes us different.**

We believe we are the only global loss adjuster to have achieved a true market leadership position across all of these disciplines. Working within this industry on a global level, we find ourselves on the front line of climate change as weather related events increase both risks and opportunities for our business.

The business landscape is fast changing; resource constraints and environmental concerns put pressure on the way our company operates, its supply chains and profitability. These challenges create a continuing need for the sound management of all aspects of our business including its impact on the environment. Our Sustainability Strategy is an opportunity for us to operate in a more cost effective, sustainable way, and to innovate within the business, creating new products that address social and environmental challenges.



Identifying climate-related risks and opportunities

Scenario Analysis

As part of UK, EU and US legal requirements, Charles Taylor is obligated to report our carbon footprint, environmental impacts, climate-related risk, and opportunities publicly on an annual basis. We must by law disclose how climate change is affecting our financial performance and our business strategy in line with the Task Force for Climate-related Financial Disclosures (TCFD). Part of this submission and reporting requires us to carry out a series of climate scenarios exploring different futures and the implications of climate-related circumstances on our current business. It is one of the cornerstones of a complete annual report on climate-related risks and opportunities. This is our second year conducting scenario analysis, and we will continue to do this on an annual basis to enrich our understanding, utilising the latest data and information available.

The processes used to determine risks and opportunities

Our scenario analysis is in line with the recommendations laid out by the TCFD, which recommends developing a sound scenario narrative before proceeding to quantifying them.
Further quantifications and financial implications of each scenario will be an objective for future maturity reporting levels for Charles Taylor.

The scenarios that we conducted this year are in line with the five main principles of scenario analysis planning including:

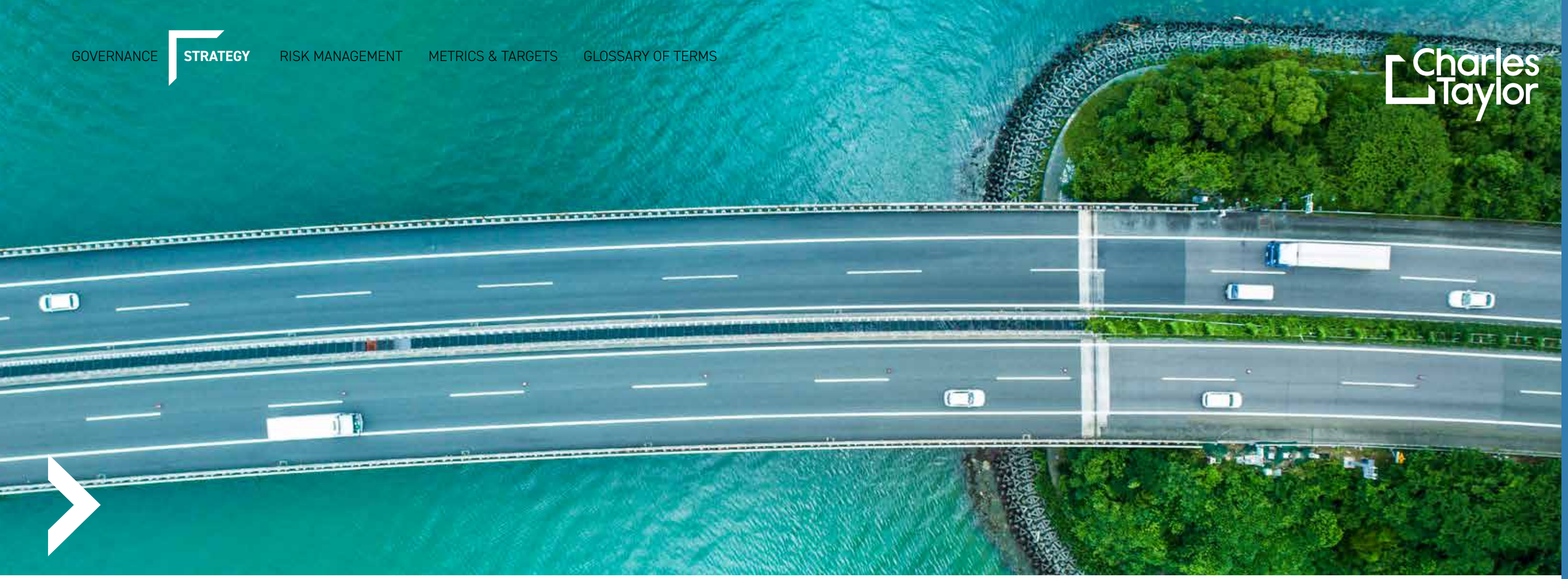
1. Plausibility – the events in these scenarios are possible and credible based upon the IPCC's RCP's (Representative concentration pathway).

2. Distinctive – each of the two proposed scenarios focus on different physical pathways, the first being a 1.5 C increase in global temperature and the second being a 2 C increase in global temperatures. This has been coupled with two distinct Shared Socioeconomic Pathways (SSP's). The first being a 1.5 C increase with SSP1 1.9, a green development social pathway and the second being a 2 C increase with SSP2, a middle of the road approach like today. Multiple scenarios upon these RCP's shall be explored in later years as our process matures.

3. Consistent – Neither actors nor external factors should completely overturn the evidence of current trends and positions unless logical explanations for those changes are a central part of the scenario.

4. Relevant - Each scenario, and the set of scenarios taken as a whole, should contribute specific InSights into the future that relate to strategic and/or financial implications of climate-related risks and opportunities.

5. Challenging - Scenarios should challenge conventional wisdom and simplistic assumptions about the future. When thinking about the major sources of uncertainty, scenarios should try to explore alternatives that will significantly alter the basis for business-as-usual assumptions.



Our Aims

We have created a narrow list of aims for our scenario analysis. This will change as the results become apparent and we enrich our analysis year on year.

- Understand on a qualitative and limited quantitative level what the impacts of Climate Change will be to all areas of the business but most notably areas that have a transitional risk or opportunity with a financial impact or physical risk or opportunity on our operational impact.
- Challenge our current thinking with regards to our current business strategy to create resilience and flexibility.
- Create a list of key risks and mitigation actions that need to be undertaken in the short term in order to manage longer term risks.
- Understand where the gaps in our foundational scenario analysis occurred in order to find improvements for the next year. .

Scenarios

For our scenario analysis Charles Taylor, we used two of the Intergovernmental Panel on Climate Change (IPCC) scenario analysis and pathways, as well as two Shared Socioeconomic pathways (SSP's), that have been built by the IPCC. These two different narrative storylines were developed to consistently describe the relationships between emission driving forces and their evolution, and to add a social context for the scenario quantification. Each storyline represents different demographic, social, economic, technological, and environmental developments, which may be viewed positively by some and negatively by others.

Charles Taylor has used RCP 2.6 alongside an SSP1 1.9 which allows for a 1.5C warming scenario to be attained by 2100 in line with the Paris Agreement and visualises a more sustainable and environmentally conscious world. This was selected as it ties in with our goals to reach Net-Zero and establish Science-Based Targets in our strategy according to this RCP.

For our second scenario, we used RCP 3.4 alongside SSP2 which allows for warming of approximately 2-2.2 C by 2100. This pathway reflects the current trajectory that we believe the world is on at the moment and is therefore most useful in understanding the physical and transitional risks associated with a 'middle way' world in which the world takes some limited action at first before increasing to act faster and harder later in the century in order to mitigate the worst impacts of climate change.

Both RCP's were chosen from the IPCC depository as they are widely respected by the international scientific community and allow for easy comparison with other businesses who have followed similar scenario analysis. The rich open data sources allow for a high level of transparency and understanding that in-house scenario analysis development would not and make them more understandable to external stakeholders.

Charles Taylor has also committed to developing Science-Based Targets and achieving Net Zero by 2030 for its immediate operations and supply chain by 2050. This commitment will be a significant driver in moving the business along both pathways having impacts across the business. This has also been built into both scenarios.

Charles Taylor has made a commitment to the **Science-Based Target Institute** to develop its Science-Based Targets within the next 12 months.

Scope & Boundaries: horizons

The defined boundary of our analysis is determined in line with our financial statements and is therefore based upon the Group's activities in all the geographic jurisdictions where business is conducted. Because of the complex nature of the business being one that is global with many differing levels of risk and exposure, we are conducting scenarios on both geographical and sector-oriented Scopes, combining both global and regional datasets for identifying the most appropriate risks and opportunities.

The horizon chosen for the risks and opportunities mapped in the scenario analysis conducted in 2023 was a 5-year period, taking into account a longer time frame when needed. This five-year horizon was decided based on the risk management/enterprise team's usual business risk analysis horizons, in order to ease the integration of climate-related risks to the business strategy.

As our scenarios develop, we are enriching them every year with improved data and understanding of the complex services being impacted. In 2023, we updated the scenario-analysis from last year, as well as conducted new analysis for sectors and/geographies that had not conducted this analysis yet.

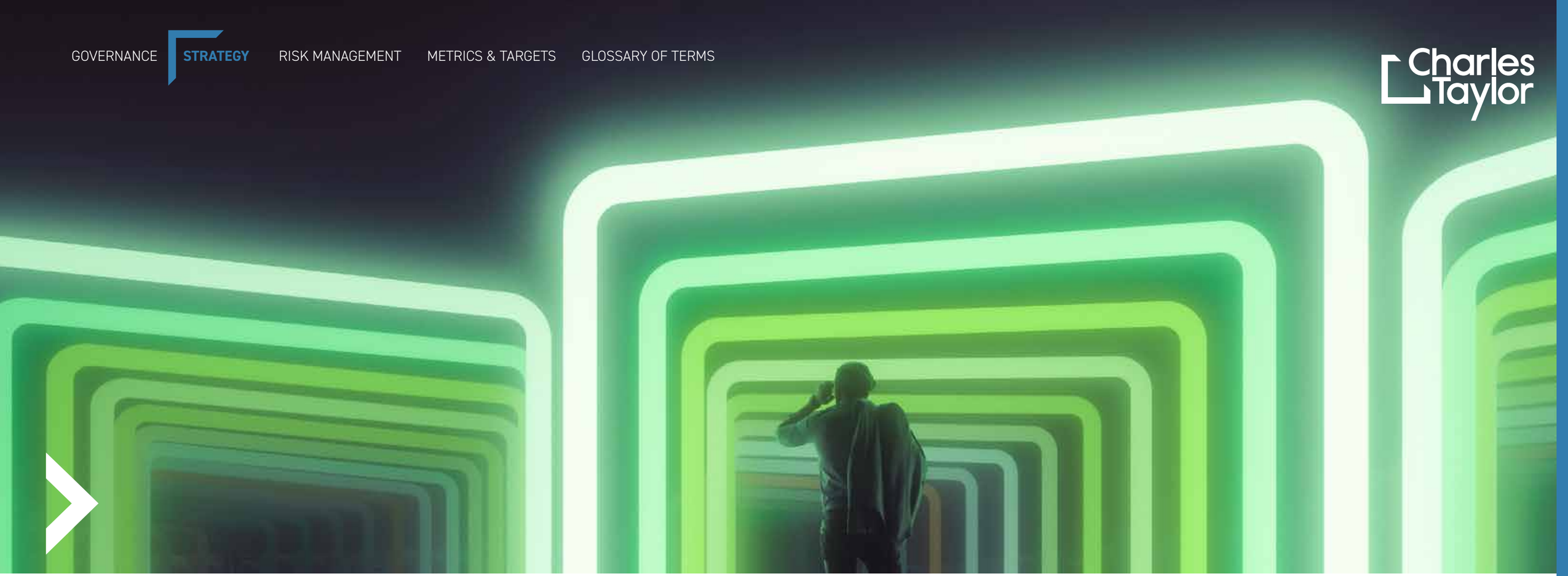
2022's scenario analysis focused on understanding on a fundamental level how Climate Change is likely to impact all parts of our business, but particularly the financial impacts as well as our assets, most important of which are our people. From this foundation, we expanded this year, updating the operational risks to our global facilities, and focusing on our Charles Taylor Assistance subsidiary and on the business conducted in the Asia Pacific region. We will continue expanding this work in 2024, updating the risks and opportunities and conducting scenario analysis for other regions and subsidiaries.

Methodology

Our external sustainability experts conducted first-level research on the most probable physical and transitional risks that each region and/or business sector would face in the chosen horizons and scenarios. For each climate-related risk that we identified, we mapped their associated probability based on climate predictions from the IPCC.

This information was then presented to a cross-section of our employees in a workshop setting, where they verified the materiality of the risks and opportunities and in collaboration with the sustainability experts identified further risks and opportunities. The sustainability experts then conducted a second workshop. Afterwards, the employees who participated in the workshops, together with the sustainability experts and the finance team mapped the impact level that each risk would have, using a reference based on the percentage change each risk would pose to our operational expenditures, capital expenditures and/or assets.

Finally, by multiplying the impact level by the probability level, we assigned priority levels to each risk. The risks with the highest priority will be the ones in which we will focus on our business resilience plan. All these risks were then integrated into InSight, our risk management software, and assigned to the relevant managers. For further information on this process, please see the Governance and Risk Management sections of this report.



Outcomes: climate-related issues and their impact to Charles Taylor

From the scenario analysis workshops, we identified the key climate-related issues that could have a material financial impact on our business within the defined Scope. When focusing on Charles Taylors business, the risks identified are mostly in the areas of our supply chain, global operations and offices around the world, whilst opportunities seem to have presented themselves predominantly in the development of our business services. In the Risk Management section of this report we will expand on the major climate-related issues identified.

Climate-related risks and opportunities: the impact on our business and our resilience

The impact on our financial planning process, performance and position, and our resilience plan:

At Charles Taylor, we recognize the dynamic nature of our world and the imminent impacts of climate change. In anticipation of these shifts, we acknowledge the necessity of continually revisiting and refining our strategy to align with evolving global conditions, emerging knowledge, and industry best practices.

Consequently, our recent scenario analysis has scrutinised the potential challenges that may arise under various climate scenarios, including both a 1.5°C and 2.2°C increase. Through this analysis, we have meticulously mapped out these issues, their potential impact to our finances (including revenues, costs, assets, and liabilities) and identified corresponding mitigation measures essential for both prevention and adaptation. Our climate-resilience strategy serves as a comprehensive action plan aimed at fortifying Charles Taylor against these risks. We aim to expand the scenario analysis in the upcoming years, considering different RCP and SSP narratives, to our understanding of potential climate impacts.

During the reporting year, the finance department has contributed to our scenario analysis by assigning impact levels to each risk, according to their financial impact to our assets, revenues, capital expenditures and operational expenditures. With this information and a better understanding of risks and opportunities, during next year the finance department will include climate risks to the financial planning process and our business continuity plans. We aim to include more information about this process in next year's report.

In the forthcoming risk management section of this report, we will not only elaborate on the opportunities seized upon in 2023 to bolster our business's resilience but also outline the strategic actions proposed for the coming years to proactively prepare for the impacts of climate change.

Charles Taylor has also committed to developing Science-Based Targets and achieving

Net Zero by 2030

for its immediate operations, and supply chain by 2050

Our Net Zero Carbon Pathway

Our plans for transitioning to a low-carbon economy, GHG emissions targets and reduction activities

As one of the leading claim management services globally, we have a responsibility and role to play in contributing to the transition of a low carbon economy. In August 2022, we set an ambition to become a Net Zero carbon company by 2030 (Scopes 1 & 2) and 2050 (All Scopes). This commitment is in line with global efforts, our industry, and client's requests to limit warming to 1.5°C, and is aligned with the Science-Based Targets Institute (SBTi). As Charles Taylor develops its SBT's, it will set an interim target to achieve in the next decade, which reflects maximum effort toward or beyond a fair share of the 50% global reduction in Greenhouse Gas emissions by 2030 identified in the IPCC Special Report on Global Warming of 1.5°C.

Throughout 2023, we developed our Net Zero Carbon Pathway (NZCP), which focuses our own and our partners' efforts to reduce emissions from services, operations, and supply chain, as well as on reinforcing our climate-related risk management. As a business, emissions reduction is our main environmental priority. Our pathway focuses on three areas: reducing our emissions from our operations, supply chain and investments; maximising the percentage of renewable energy in our electric consumption; and offsetting the remainder of our carbon emissions. We understand and take responsibility for the emissions associated both with our direct activities (Scope 1 & 2) but also our indirect activities, investments, and value chain (Scope 3) and therefore will be aiming to include a full Scope 3 of relevant categories within our target setting and future reductions.

Our strategy highlights and ambitions are:

- To be Net Zero by 2050; our plan covers operational emissions (Scope 1 and 2) by 2030 and those contributed by our supply chain by 2050 (Scope 3).
- To continue our commitment to matching our global group electricity usage with 100% electricity from renewable energy and increase wherever feasible the direct purchasing of green energy. In 2023, we purchased Renewable Energy Certificates (RECs) to match our global energy consumption with renewable energy, covering our Scope 2 emissions and neutralising our Scope 2 market-based footprint.
- To use carbon offsetting as a last resort within our strategy after we have made reductions wherever possible and to offset in accordance with the Oxford Principles for offsetting.
- Incorporate the UN Sustainable Development Goals into our overall ESG strategy.
- Develop climate related requirements policies in our policy framework that covers climate, forestry and water with regards to our operations, services and investments
- Drive staff engagement and improve governance through the development of internal policies, education and compliance requirements for staff.
- Measure our portfolio's impact on forests and water security and communicate this with our external stakeholders publicly..
- Engage and collaborate with our supply chain, allocating emissions to them based upon our spend and working together for future carbon reductions.

Offset Strategy

Charles Taylor acknowledges the evolving role of high-quality carbon offsets within our Net Zero Carbon Pathway. Aligned with market best practices and current scientific data, our offset strategy follows the Science-Based Target Institute and Oxford Net Zero principles.

Our priority is and will be emissions reduction, using offsets for unavoidable residual greenhouse gas (GHG) emission. When offsetting is unavoidable, we prioritise sourcing verifiable offsets with low risks, aiming to minimise negative impacts such as portfolio leakage and reversals.

We commit to updating our strategy regularly to ensure alignment with market changes and to secure increasingly permanent and low-risk carbon sequestration. Our procurement principles emphasise verification, avoidance of double-counting, and prompt offset retirement upon purchase completion.

RISK MANAGEMENT

Our processes for identifying, assessing, managing climate-related risks & how we integrate them into our risk management.

Charles Taylor aims to analyse, identify, and understand our risks and opportunities throughout the business in relation to climate change.

With regards to our global operations, principal and emerging risks and uncertainties are mapped at a Group level to strategic and business plans to ensure the appropriate coverage of risks in respect to our assets and global operations. This allows us to make a robust assessment of the principal and emerging risks which the Group faces with regards to climate change. Since 2019, with the undertaking of Charles Taylor's sustainability strategy and first carbon footprint, we have identified that climate change is an emerging risk that is important to the Board.

Climate-Related Risk Categories

The categories used for our scenario analysis and climate-risks and opportunities identification were taken from the resources provided by the Task Force on Climate-related Financial Disclosures (TCFD).

When identifying risks, the first categorization falls between transitional and physical risks. Transitional risks describe the risks that arise from the transitioning process to a lower-carbon economy, and they are related to policy, legislation, technology, and market changes, among other sectors. Physical risks describe the risks that arise from the direct physical impacts of climate change, and they are subdivided into chronic or acute. Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. .

Climate-Related Risk Management Processes

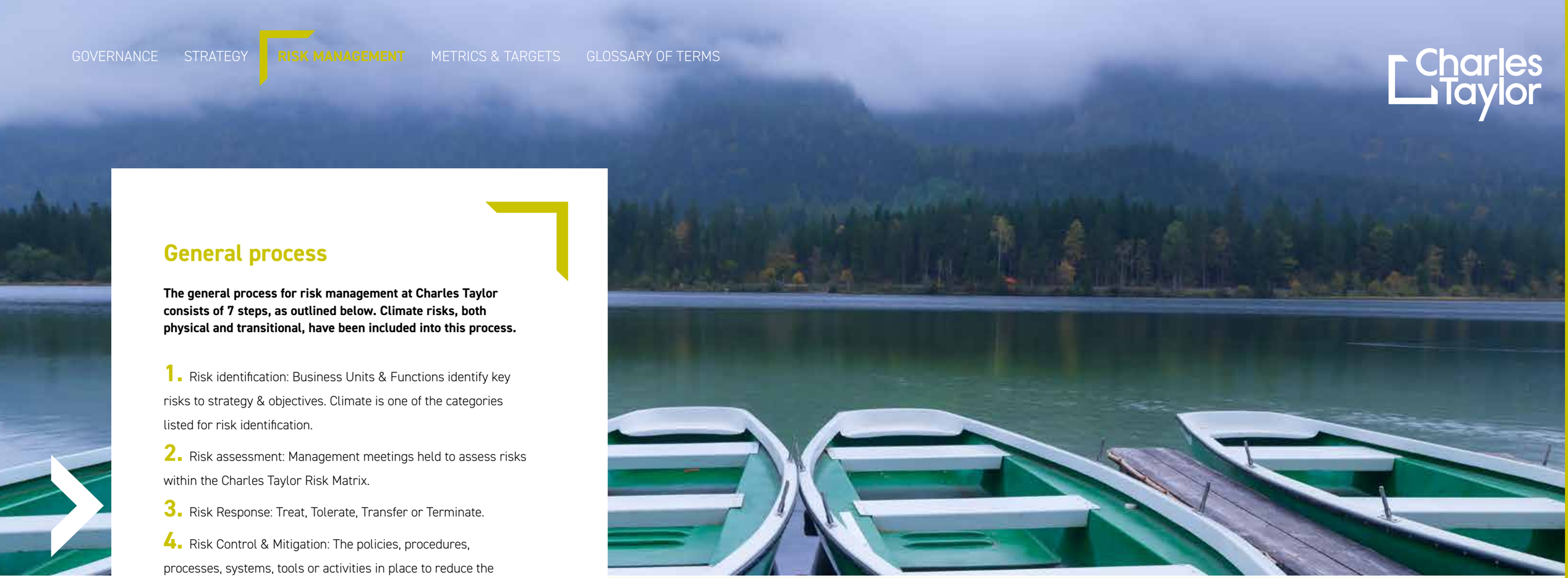
Roles and responsibilities:

As described in the Governance section of this report, we have a hierarchical process where different committees and teams are tasked with climate risk and opportunities management, and their work is cascaded and informed upwards all the way to our Board, who ultimately makes the key decisions regarding risk management.

Our Group Assurance team provides support, training and guidance to our ExCo, Business Unit Leadership Teams, functions and projects to identify, assess, respond, control, mitigate and escalate risks throughout the business. This team set the framework for managing risk via our fully integrated risk management tool, InSight, which allows all entities to feed into our risk register including climate-related risk. Using InSight has provided Group Assurance with a global view of risks and opportunities across the business and further supports the work that they do to categorise risks, identify standing actions, deadlines, and trends and themes, and ultimately report to the ExCo & Board.

Our Group Risk team identifies emerging and current climate-related transitional risks, incorporating them into our risk management processes, consisting of assessment, measuring, monitoring, and escalation.

Our Workplace and Real Estate Team manages asset-based and operational risks, and it has several procedures for incorporating climate-related physical risks into its processes. This has led to the inclusion of climate-related risk discussions at Board meetings, providing the relevant information for strategic decision making. .



General process

The general process for risk management at Charles Taylor consists of 7 steps, as outlined below. Climate risks, both physical and transitional, have been included into this process.

1. Risk identification: Business Units & Functions identify key risks to strategy & objectives. Climate is one of the categories listed for risk identification.

2. Risk assessment: Management meetings held to assess risks within the Charles Taylor Risk Matrix.

3. Risk Response: Treat, Tolerate, Transfer or Terminate.

4. Risk Control & Mitigation: The policies, procedures, processes, systems, tools or activities in place to reduce the likelihood of the risk occurring. To be effective the controls need to be implemented across the business. When implementing a control, it's best to ensure each control is well thought out, structured and communicated to the organisation. Controls can be directive, preventative, detective or corrective.

5. Upload Data within the InSight platform: risks, controls, and actions

6. Risk Register: Reporting and Analysis

7. Evaluate & Assurance: Regular review, monitoring & updating including for new or emerging risks.

Real Estate and Workplace Team processes for mapping climate-related risks:

Some of the processes that this team uses to map climate-related risks to our operations or assets are:

1. The climate risk scenario analysis.

2. A baseline operational assessment annually for every office on a variety of risk indicators, including physical risks.

3. Annual updated Business Continuity Plans encompassing potential chronic physical Climate-Related Risk.

4. The biennial monitoring of acute physical risks over time for our assets and operations.

5. The annual carbon footprint calculation that monitors, manages and assists in the reduction of emissions from our operations.

The methodology used in these processes is the following (differing in frequency, boundary and focus on each process):

1. Assess whether physical risk to our assets or operations is either chronic or acute, utilising the business continuity risk register on a quarterly basis or the biennial asset based climate-related risk matrix in line with a 2°C global warming scenario. Also consider the findings of the annual scenario analysis.

- **Chronic Risk:** Review of assets in terms of location, changing precipitation pattern, sustained higher temperatures, changing wind patterns, sea level rise, coastal erosions, heat stress, ocean acidification, soil degradation, soil erosion, solifluction.
- **Acute Risk:** Review of assets in terms of location, droughts, water scarcity, flooding, heavy precipitation, heavy snowfall, and winter storms,

Our innovative approach has not only optimised our efficiency but also yielded substantial environmental benefits, with a **remarkable 26,442 kg reduction** in carbon emissions recorded this year alone

cyclones / hurricanes / typhoons, high winds , intense cold fronts, frost, and snow, earthquakes, landslides, avalanches, ground sinking.

2. Potential risks are then mapped for each asset according to impact level creating a matrix score of impact level, probability level and a rank of priorities. The methodology includes:

- Identifying assets of importance ranked according to function, services provided, financial turnover and workforce, to create a risk profile consisting of operational and strategic risk.
- Identifying risk according to a short-term time frame 6-12 months, medium time frame of 12-24 months and long term 2-5 years in line with our business plans.

3. Management, Adaptation and Mitigation actions are then fed into the strategy for the coming year. Outcomes are simultaneously reported to the ESG and the business continuity committees which have the capacity to review, analyse and act accordingly or escalate matters to the Board. At this stage, both physical and transitional risks are considered for adaption and mitigation measures to our facilities.

- The management, adaptation and mitigation processes look for opportunities for potential investments to mitigate risks, such as procuring or installing on-site renewable energy to lower costs and decarbonise, or to upgrade plant and machinery to drive energy efficiency programmes and meet our strategic green energy and carbon reduction targets. Opportunity actions are often prioritised by size of the office and feasibility of a project, whilst upgrades often look at how to additionally reduce risk. Maximising efficiency whenever possible and ensuring low carbon operations feeds directly into other processes such as our ESOS compliance and SECR reporting requirements.
- Outcomes feed directly back into the governance of Charles Taylor, leading to policy change; such as considering disaster risk when procuring new offices, renovating existing spaces for climate resilience and adaptability in the future, etc.

Climate-risks and opportunities identified during 2023

As a result of our risk assurance processes, such as scenario analysis, described above, we were able to map risks and opportunities to our business and to the industry.

Climate change will increase the frequency and intensity of natural disasters. As Charles Taylor is a service provider to the insurance industry, the core of our work will depend on the ability of the insurance industry to properly adapt and meet the challenges that climate change poses. To face this, we will have to work with our clients and partners throughout the industry to understand how they are preparing to face this risk.

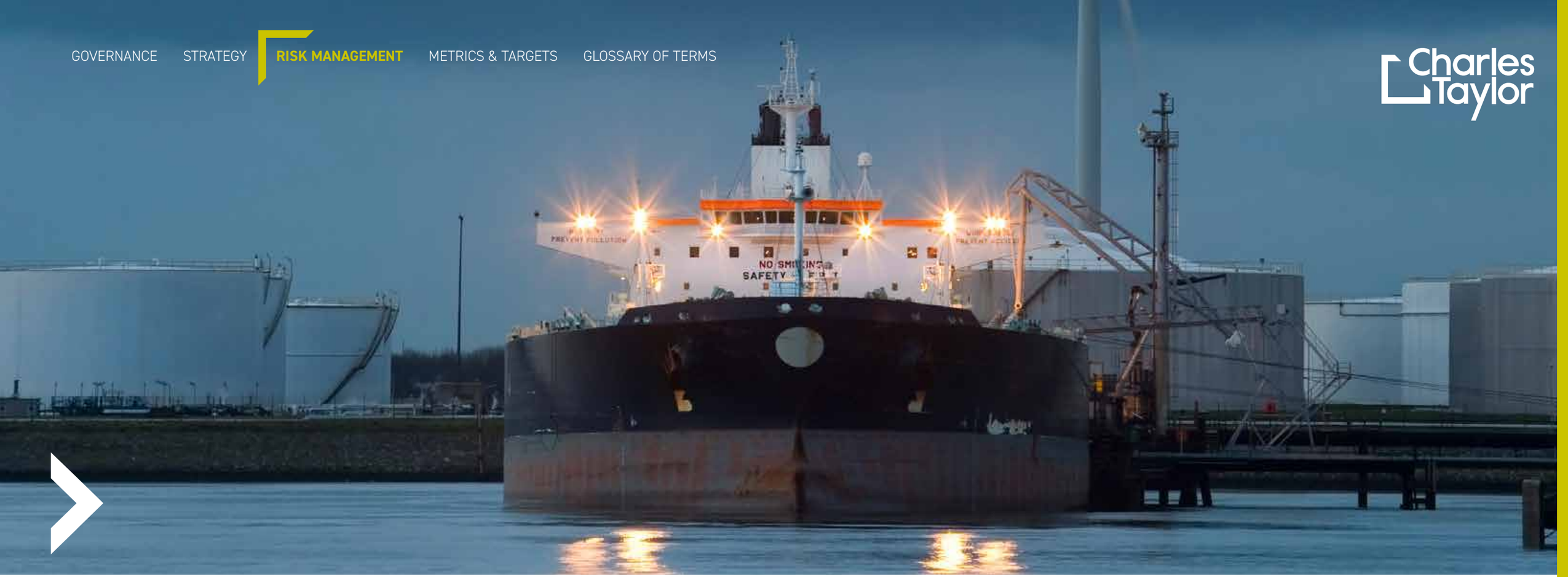
Additionally, we have introduced supply chain emissions within our Scope 3 reporting for the first time this year.

When focusing on Charles Taylor's business, the risks identified are mostly in the areas of our supply chain, global operations and offices around the world, whilst opportunities seem to have presented themselves predominantly in the development of our business services.

One of the major risks that we found during our scenario analysis was the volatility of climate change and its physical impacts. This volatility will bring an increasing complexity and periodicity of claims arising from natural disasters that will require us to have the ability and flexibility to quickly scale up when a natural disaster happens, which would in turn increase the amount of claims received in a short period, and, conversely, to continue our business with a decrease in demand during periods where there are fewer climate change physical impacts. Additionally, we will need to expand our skills and knowledge to evaluate complex claims arising from natural disasters and their inclusion or exclusion of insurance policies. For this purpose, we will have to invest in both developing in-house expertise and bringing external industry experts to assess climate impact.

While this volatility is expected to happen in both scenarios, there are some differences between both cases. As mentioned, natural disasters are expected to increase their frequency and impact in both scenarios. However, as in Scenario 1 the narrative suggests an orderly transition, where prevention is common, and we would therefore expect clients to be more prepared to face natural disasters. This would in turn decrease the number of claims we deal with, posing a potential risk to our business. Nonetheless, in Scenario 2, this same issue could become an opportunity, considering that prevention is expected to be less common, and this lack of preparedness could cascade into more nature-disaster related claims.

Moreover, the fluctuating nature of these claims will influence their growth trajectory over time. While certain claims may be brief, complex claims stemming from climate change are anticipated to endure for extended durations, a trend already observed within the industry.



Climate change already has a small impact on our current payment and fee arrangements which is susceptible to potential cash flow delays when claims persist over extended periods, this could in turn impact our financial liquidity in the future. To address this risk, we will need to reassess and adapt our fee and payment structures to manage these increasing complexities.

Another risk that was identified is the increase in climate-related regulations. This increase in extra-financial disclosure regulations and related-penalties is expected to happen in both scenarios. However, in Scenario 1, we anticipate a global trend towards standardised regulation, which may streamline reporting and compliance efforts but also elevate the expenses involved, including potential fines for non-compliance and negative impact on brand reputation impacting revenue. Conversely, Scenario 2 suggests a less stringent regulatory environment, potentially resulting in lower fines. However, with reduced international and interregional collaboration, each sector and region would need to allocate resources independently for reporting and compliance, leading to complexity and increased costs. Consequently, both scenarios pose multiple significant financial risks.

Finally, the last major risk that was identified during our 2023 scenario analysis workshops is the impact in our business and portfolio when refusing to engage with operations relying on fossil fuels.

Although we regularly review our work with clients and refine our selection of claims to enhance sustainability, we continue to provide solutions for operations closely linked to the fossil fuel industry, such as mining and aviation. In our aim (and our client's aim) to become net zero, we will have to reconsider our relationships for this type of sector. On a similar note, we could face conflicting client requirements, where some might require us to stop managing claims around fossil fuels and some will still allow it. Scenario 1 is expected to be a higher risk in this regard, as regulations and penalties related with fossil fuel emissions are expected to be higher and more strict..

Climate Opportunities Capitalised on 2023

In addition to understanding and managing the risks to the business, work has begun on the opportunities available to us. One of the direct opportunities that arise are new technologies. We are currently embracing Artificial Intelligence, drone and satellite technology, that will provide speedier claims settlements, helping improve our clients' satisfaction. The inclusion of said technologies will also differentiate our position in the marketplace. Claims digitalisation will reduce our travel, carbon footprint and energy usage compared to traditional claims. We will be able to scale up and speed up the delivery of claims, all whilst keeping our employees safe from natural catastrophe zones.

For instance, our team in Australia harnessed climate opportunities by leveraging Near Map, a cutting-edge technology providing high-resolution satellite imagery. By incorporating Near Map into our operations, our adjusters have streamlined desktop claims assessments, significantly speeding up the claims process, especially for natural disaster claims, as well reducing the need for on-site visits, thus mitigating travel-related carbon emissions. Our innovative approach has not only optimised our efficiency but also yielded substantial environmental benefits, with a remarkable 26,442 kg reduction in carbon emissions recorded this year alone. Near Map's platform has empowered our team to make informed decisions remotely, enhancing our commitment to sustainability while maintaining exceptional service standards.

Another opportunity we capitalised on was moving our operations to greener and safer buildings. During last year's climate risk assessment, we identified that our office located in Funtington, UK, was not only significantly contributing to our carbon footprint due to the energy source of the building for heating, but also had several operational risks, as they were located in a high flood risk area, a phenomenon expected to increase with climate change.

After thorough evaluation and consideration, we moved our operations to Lakeside North Harbour's sustainable office. At the new location in Lakeside, energy efficiency measures such as LED lighting and motion sensors were implemented to reduce electricity consumption. Solar PV were installed in the roof, which will allow us to procure 100% renewable on-site energy for the entire running of the office, reducing our Scope 2 emissions to zero. Additionally, we used sustainable materials for furniture, incorporated waste reduction strategies, and green spaces, and promoted its public transportation accessibility. The results of the sustainable office move were impactful, with reductions in environmental footprint and enhancements in employee well-being. This success was possible thanks to the Real Estate and Workplace team.

Similarly, we also moved offices in Singapore to a greener building. The new location has Platinum Greenmark, a certification given by the Singapore Building and Construction Authority (BCA) to green buildings, as well as Platinum level in the LEED (Leadership in Energy and Environmental Design) certification, the world's most widely used green building rating system. Some of the building's sustainable features include west oriented facades to minimise direct exposure to sunlight; motion sensors; LED lighting; NEWater for Cooling Tower; low flow fixtures; high energy efficient, centralised water-cooled chilled plant air-conditioning that requires low maintenance; among others. The new location of the office is well connected to local public transportation, in addition to offering bicycle storage, which promotes clean transport among employees.

Additionally, we have introduced supply chain emissions within our Scope 3 reporting for the first time this year. We are already working proactively with some of our clients and have begun investigating initiatives and reporting methods to support requests in this arena. During 2023, we worked with one of our major clients on finding solutions to reduce their emissions that are caused from the insurance products that they provide to customers, such as repatriation flights from our travel insurance claims management business. Similarly, we are measuring these emissions on their behalf. Moreover, we have created a supplier portal within our greenhouse gas emissions platform in order for our partners to provide information about their ESG practices and to report their emissions associated with our working relationships. It's our intention to build on this work in the future and work alongside our supply chain to identify emission saving opportunities and areas we can collaborate in order to reduce our joint environmental impacts.der to reduce our joint environmental impacts.

METRICS & TARGETS

Sustainability data: environmental impacts disclosure, methodology, GHG emissions, targets & performance

Our Greenhouse Gas Emissions - Carbon Footprint

Charles Taylor Groups total greenhouse gas location-based emissions for 2023 were: **14,141 tCo2e.**

Our total greenhouse gas market-based emissions for 2023 were: **13,193 tCo2e.**

For a full breakdown please see the metrics & targets tables.

Methodology: Our emissions have been calculated based on the GHG Protocol Corporate Standard. Charles Taylor has taken an operational control approach to defining the boundaries of its carbon footprint. Our footprint is measured at a Group level with emissions from both our owned and leased assets for which we are responsible worldwide. No material emissions have been omitted, and the following GHG Protocol category emissions are included.

GHG category	Applicability
Scope 1 (Direct emissions)	
Stationary Combustion : (office heating, etc)	Yes
Mobile Combustion : (Company owned / long leased cars, etc)	Yes
Fugitive emissions : (Air conditioning, etc)	Yes
Process emissions	N/A
Scope 2 (Indirect purchased emissions from electricity, heat, and steam)	
Purchased electricity	Yes
Purchased heat & steam	Yes
Scope 3 (Other indirect upstream emissions)	
1. Purchased goods and services (extraction, processing, freight...)	Yes
2. Capital goods	Yes
3. Fuel- and energy-related activities (not included in scope 1 or scope 2)	
– T&D and WTT emissions.	Yes
4. Upstream transportation and distribution	Not Applicable
5. Waste generated in operations	Yes
6. Business travel	Yes
7. Employee commuting	Yes
8. Upstream leased assets	Not Applicable
Scope 3 (Other indirect downstream emissions)	
9. Downstream transportation and distribution	Not Applicable
10. Processing of sold products	Not Applicable
11. Use of sold products / services	Not Applicable
12. End of life treatment of sold products	Not Applicable
13. Downstream leased assets	Yes
14. Franchises	Not Applicable
15. Investments - investments (including equity and debt investments)	Yes
Outside of scope	
Biogenic sources	N
Repatriation Flights	Yes – Separately

Reporting approach

Reporting period

Charles Taylor's carbon footprint reporting period is from 1st of January to 31st December one year in arrears. Charles Taylor's financial reporting year is also 1st January to 31st, by aligning the annual footprint one financial quarter in arrears with the calendar year, we are able to provide the most up to date footprint data to our stakeholders within our annual report. .

Baseline year

Charles Taylor has chosen to use a baseline year of 2019. This was the first complete year of Scope 1 & 2 GHG Accounting with a limited Scope 3. Each year Charles Taylor will report its performance against this 2019 baseline. Due to the significant changes in Scope 3 reporting, Charles Taylor is currently assessing whether a re-baselining exercise is required. If it meets the requirements, then this will be conducted during 2024 with updated data reported next year.

Organisational boundary

Charles Taylor's carbon footprint is calculated using an operational control approach for its Scope 1 & 2 footprint. Under this approach, all entities and associated assets over which Charles Taylor has 100% operational control are included under the organisation's Scope 1 and 2 emission categories.

All other entities, over which Charles Taylor does not have 100% operational control, such as joint ventures or third-party processing sites, data centres or investments, are included in the organisation's Scope 3 emissions along with

all other indirect emissions associated with the organisation. For more information on this please see the Scope 3 categories breakdown and boundaries section.

Operational boundary

An operational boundary defines the Scope of direct and indirect emissions for operations that fall within a company's established organisational boundary. Our operational boundary (Scope 1, Scope 2, Scope 3) is decided at the corporate level after setting the organisational boundary. Charles Taylors' boundary is as described below. Sites within the operational boundary are determined by the following:

Length of time operating:

- If a site has been operational throughout the entire year, then it is fully included within the reporting boundary.
- If a site has been open more than 3three months of the reporting year it is deemed to be included within the reporting Scope for that period of which it was operational only.

Lease Type:

- If an office has a standard direct lease from a landlord or property manager, then it is included within the Scope of the reporting boundary for all the area that is occupied by Charles Taylor plus its percentage of shared areas.
- If a site is not operated at all by Charles Taylor and falls into the category of a serviced office and no data normalisation is available for office area, then the site will utilise the estimation and modelling methodology.

Subleases & Sublets:

- If Charles Taylor is subleasing from another company, then reporting is included within Scopes 1 & 2 as per normal. If the size and type of the office makes this impossible to calculate (ie. 1-2 people leasing a desk in a larger office) then the estimation and modelling methodology will be used.
- If Charles Taylor is the sublessor of the area, then these emissions will be reported under Scope 3, Category 13: downstream leased assets.

Data Centers:

- Whilst Charles Taylor does not own or operate any data centres, they are a significant source of GHG emissions for the operations of the business. Each data centre has its own 'node' for reporting its emissions from energy usage with the Greenstone platform. These are reported as part of Scope 3; Category 1 – Purchased goods and services. For more information please see that section of the protocol.

Value Chain:

- The 2023 footprint marks the first year of Charles Taylor incorporating data from the Greenstone Supplier Portal for purchased goods and services. We are currently limited to our top 100 first tier suppliers by spend amount (in £GBP) globally, but will be looking to expand this in the future as we work to reduce emissions from our business ecosystem. We use a hybrid system to calculate these emissions. Where possible, spend is used but if data is unavailable we use DEFRA emission factors for the suitable economic sector.

Investments:

- Charles Taylor uses the approved suitable PCAF methodology in order to calculate the emissions from our various investments.

Changes to Metrics & Comparative Amounts

In 2023, we expanded the scope of emissions in order to report a full, relevant, Scope 3 inventory. We have also considered the latest methodology published in 2022. As a result, the following have been updated:

Scope 1: Some emissions apportioned to office energy usage in 2022 have been re-categorised under Scope 1 as transport emissions. The 2023 footprint maintained this consistency yet clarified this further, ensuring there was a breakdown of mobile, combustion and fugitive emissions.

Scope 2: There were no changes made to the location-based Scope 2 emissions. For Market-Based emissions, renewable energy certificates purchased to neutralise these emissions now follow the Science-Based Target Institute protocol.

Scope 3: A full Scope 3 relevant inventory is now being reported with expected additional emissions. Our Scope 3 emissions (Category 1 Purchased Goods & services and Category 2 Capital goods) cover our major supply chain emissions from the United Kingdom with the intent to include more global emissions in the coming years.

Out of Scope: Charles Taylor now measures a limited amount of emissions from our business that are deemed out of Scope as they belong to one of our major customers. This designation is due to the fact that whilst we do not directly emit these emissions, we do facilitate the process by which they would eventually occur. Our commitment to measuring this is in order to help our clients start to focus on meaningful reductions from this source.

Work-from-home metric: We have clarified how we calculate our people working from home with a new methodology that does not differentiate between full time homeworkers and part-time workers. The new methodology allows us to apportion the carbon in line with the emissions we have calculated more appropriately.

Key metrics used in our Climate Change footprint and climate risk analysis

Charles Taylor uses a number of metrics in order to measure changes in our environmental impacts and climate risks.

Carbon Metrics:

Carbon Footprint: Measure of the total greenhouse gas emissions (usually in CO2 equivalent) directly and indirectly associated with our activities, services and suppliers.

- Total emissions globally
- Total emissions by region

Carbon Intensity: Ratio of greenhouse gas emissions to a specific activity to help evaluate emission efficiency and set reduction targets.

We use:

- tCo2e per person in our workforce (PWFO) - This differs from an Full Time Employee (FTE) metric as it includes all those that work in a Charles Taylor office on a regular basis including part-time employees, contractors and consultants. This provides a truer representation of the emissions per person in our offices.
- tCo2e per person working from home in our workforce (PWFH)

- tCo2e per area of office space (per metre squared)
- tCo2e per £ (GBP revenue)

Energy Efficiency Metrics:

Energy Consumption: Total energy usage across different sources (electricity, fuel, heat, etc.) within the organisation.

- Total energy consumption globally
- Total Energy from fuels globally
- Total Energy from electricity globally
- Total Energy from district steam and heat globally

Energy Intensity: Ratio of energy consumption to a specific output metric

- Total and % of renewable energy directly procured globally
- Total of renewable energy certificates bought in line with SBTi guidelines.

Renewable Energy Procurement:

- Percentage and consumption of energy sourced directly from renewable sources (solar, wind, hydro, etc.) compared to total energy consumption globally.
- Percentage and consumption of energy matched with renewable energy certificates in line with SBTi guidelines.

Physical Risks Metrics:

- Extreme Weather Events: Frequency and severity of weather-related events (e.g., hurricanes, floods, droughts) impacting operations, supply chain, or infrastructure.
- Asset Vulnerability: Assessment of physical assets' exposure to climate-related risks, such as sea-level rise, heatwaves, or wildfires.

Transition Risks Metrics:

- Regulatory Compliance: Evaluation of the company's compliance with current and anticipated climate-related regulations and policies.
- Market Risk: Shifts in supply and demand for certain commodities and products, such as travel, which will directly affect our business
- Reputation Risk: Changing customers and clients perceptions of the company due to our potential involvement in controversial climate-change-inducing industries.

Supply Chain Metrics:

- Supply Chain Emissions: Measurement of greenhouse gas emissions associated with the company's supply chain, including upstream and downstream activities.
- Supplier Engagement: Degree of engagement with suppliers to reduce emissions, improve environmental performance, and build resilience to climate risks.

Financial Metrics:

- Return on Investment (ROI): Financial returns from climate-related investments, such as energy efficiency upgrades.

Stakeholder Engagement Metrics:

- Investor Disclosure: Level of disclosure and transparency in reporting climate-related risks and opportunities to investors and other stakeholders.

Other Environmental Performance Indicators

- Air Miles / Kilometres: we track the amount of air miles that we travel as a business every year as it has a direct relationship with our Scope 3 emissions and also lets us assess the success of our plan to decarbonise our claims management process through a combination of digitalization, automation, and remote adjusting using drones, satellite imagery and virtual claims assessment tools.
- Road Miles / Kilometres: we track the amount of miles our adjusters travel every year in order to assess the same successes of claims automation and digitalization as with flights.
- Water Usage: We are cognizant of the link between water and climate change and the risks it can also present. Being water efficient is not only helping us reduce our carbon footprint and water footprint, but it also plays our part in reducing the climate risks involved, especially those of drought.
- Waste and recycling: We measure our waste and recycling in terms of carbon but also in terms of our impact on the earth. Whilst we have yet to develop targets for all our offices, we have successfully managed to divert waste from landfill in many of our workplaces and are working to reduce the amount of waste we produce overall. This will come with digitization and automation of our processes.

Our performance regarding many of these metrics can be seen in the data disclosure later on in this report.

Our 2023 Greenhouse Gas emissions summary

This report aims to provide an overview of the factors contributing to the increase in carbon emissions for Charles Taylor during the fiscal year 2023. Despite our ongoing efforts to mitigate and reduce environmental impacts, it is crucial to understand the drivers behind this rise in emissions so that targeted strategies can be implemented for reductions in the future, allowing us to meet our Science-Based Targets.

Whilst our Net Zero Carbon strategy has been focused on our Scope 1 & 2 emissions in order to meet the obligations of our interim Science-Based Targets, we have also been widening the parameters of our Scope 3 emissions in order to gain a better InSight into our value chain emissions and how we can start to work with those within our ecosystem to reduce these and meet our 2050 target obligations. This year marked the first year that Charles Taylor reported a full Scope 3 of relevant emission categories. This has naturally led to an increase in emissions overall as we are capturing far better quality data and have significantly widened the parameters in order to take responsibility for more of the greenhouse gases that we contribute to the atmosphere.

Scope 1: Despite the growth of Charles Taylor and our acquisitions, our strategy of reducing emission from our operations is starting to show some results, with our Scope 1 emissions in 2022 at 325 tCo2e in comparison to our 2023 results of 282 tCO2e. The 13% decrease has been the result and success of our Real Estate and Workplace Team identifying sites that produce significant direct emissions and either investing in energy efficiency measures or moving to greener sites - please see the case study on our new Lakeside office and Singapore office within the Risk Management

section of this report as an example. We have also started to move our transport fleet in the UK and Europe to electric vehicles and will continue to do this within our strategy over the coming years, reducing our Scope 1 combustion emissions further. This is a considerable achievement as our business has grown significantly in comparison to our baseline year of 2019 with our Scope 1 then being 326 tCo2e.

Scope 2: Our Scope 2 location-based emissions followed the trend within our Net Zero strategy. Whilst our Scope 2 has reduced by approximately 3.3% alone this year, we have succeeded in reducing our total Scope 2 by 44.6% on our baseline of 2019 from 1,704 tCo2e to 943 tCo2e in 2023. This has been achieved through a mixture of energy reduction initiatives at existing sites in compliance with UK and EU regulations as well as increased efficiency of the offices within our global portfolio.

We expect a slowdown in reducing our location-based Scope 2 emissions as we start to move our offices to more environmentally friendly locations that are using electrification for heating and cooling rather than natural gas or heating fuels. Whilst some of these emissions will move from Scope 1 to Scope 2, this transfer will happen over the longer term. Our procurement of greener electricity at site will aim to minimise these emissions within our Scope 2 market-based footprint. This year showed that 42% of our electricity or 1,144 MWh of consumption globally was directly from renewable sources, our best achievement to date. As part of undergoing the implementation of our Science-Based Targets and net-zero carbon pathway, Charles Taylor will use the purchasing of renewable energy certificates (RECs) to match the remaining consumption of electricity, bringing our Scope 2 market-based emissions for 2023 to zero.

Scope 3: The primary driver behind the growth in our carbon emissions was our decision to report as full and relevant Scope 3 inventory as possible. Whilst our Scopes 1 & 2 saw a decrease in line with our ambitions, we have added new categories into our Scope 3 measurements allowing us to successfully begin tracking, managing and reducing these emissions. Our inclusion of our first tier suppliers from the United Kingdom within our value chain is in line with industry recommendations and will allow us to better work with our clients to reduce emissions from our ecosystem. It is our aim to increase the coverage of these emissions to all our major suppliers globally over the next 24 months.

Moreover, our business has grown significantly since our baseline was established in 2019. We have entered new markets and territories, increased operations, including office setups, transportation, and the associated emissions that come with that, which has led to a general increase in our Scope 3 emissions.

The inclusion of our Scope 3, Category 1 supply chain emissions from the UK resulted in an additional 2,675 tCo2e that was previously unmeasured, constituting 18.9% of our total footprint. Coupled with the resurgence of business travel and commuting following the relaxation of COVID-19 restrictions in early 2022 likely played a significant role in partially driving up emissions. Increased air travel, employee commuting, and transportation for client meetings contributed to our overall footprint. Despite this, air business travel mileage is still 50% down on its all time high in 2019, partly thanks to our efforts at claims automation and digitization, with fewer trips to sites.

It is notable that business growth and the additional onboarding of Scope 3 categories increased our overall footprint by 61.7% on our 2019 baseline. In spite of this, our strategy for Scopes 1 & 2 have surpassed our interim targets with reductions of 13% and 44.6% respectively. As we work to understand the new emission categories, we can begin to formulate effective strategies, implementing targeted measures and adopting sustainable practices across operations, mitigating environmental impact while fostering long-term sustainability and resilience.

Historic Carbon Reduction Activities

Through our work on the UK ESOS (Energy Savings Opportunities Scheme) and EU EED, we have been able to better focus our efforts in identifying areas to reduce our energy consumption and ensure compliance with SECR. Our first energy saving project began in early 2020 resulting in an energy saving of 70,895 kWh a year and carbon saving of 16.52 tonnes a year. Phase II of the lighting upgrade was completed in 2021 and led to an additional annual saving of 20,567 kWh or the equivalent of 4.36 tons of additional carbon emissions saved. Since then additional projects have occurred including the removal of petrol vehicles for electric vehicles in 2022. This resulted in 92,461 kWh of energy per year which is equivalent to 20.89 metric tons of carbon.

Date	Site	Project	Status	Kwh	Co2e
2020	Chichester	Electricity: Renewable Generation	Under Investigation	124,080	28.9280112
2020	Chichester	Energy Efficiency: Building Fabric	Under Investigation	238,328	55.5637899
2020	Chichester	Energy Efficiency: Building Services	Under Investigation	119,420	27.8415788
2020	Chichester	Behavioural change	Under Investigation	48,539	11.3163825
2020	Guildford	Electricity: Lighting	Under Investigation	2,999	0.69923582
2020	Guildford	Behavioural change	Under Investigation	899	0.20967446
2020	TMB	Behavioural change	Under Investigation	82,937	19.3359322
2020	TMB	Energy Efficiency: Building Fabric	Under Investigation	24,371	5.68182696
2020	TMB	Electricity: Lighting	Implemented	1,089	0.25397339
2020	Chichester	Electricity: Lighting	Implemented	70,895	16.5284214
2021	Chichester	Electricity: Lighting	Implemented	20,567	4.36691255

Current savings initiatives

In 2023, our energy-saving initiatives delivered significant results across various activities. Electricity-saving measures in lighting at our London Minster Building site yielded a total of 20,778 kWh saved, reducing emissions by 4.3 tCO2e.

Investigations into transportation fleet usage in the United Kingdom are ongoing, with results pending. These accomplishments underscore our unwavering commitment to sustainability and energy efficiency across our operations with further reductions to come in 2024.

Targets

Carbon Targets

Charles Taylor has made a commitment to the Science-Based Targets Institute to develop its Science-Based Targets within the next 12 months. We are currently in the process of identifying and gaining approval for our Science–Based Targets in line with TCFD and UK government recommendations.

Science–Based Targets ensure that our targets for cutting Greenhouse Gas Emissions (GHG's) are set at a rate consistent with the pace recommended by climate scientists to limit the worst impacts of climate change. This is in line with the UNFCCC Paris conference in 2015 where 195 countries adopted a consensus to pursue efforts to limit the temperature increase to 1.5 degrees above pre-industrial levels.

Our Science-Based Targets form the foundation of our Net-Zero targets and Net-Zero carbon pathway which is continuously under review as part of our ongoing strategy. Please see the Strategy section of this report for more information on our net zero carbon pathway.

Charles Taylor currently has a target of reducing our absolute location-based footprint by 20% on our 2019 baseline. We achieved this target but have now expanded our Scope 3 to include all relevant emissions. A new target will be introduced once our Science-Based targets are approved by the Science Based Target Institute which is expected in 2024.

2023 Scope 1 decrease from baseline year (2019) : - 13%

2023 Scope 2 decrease from baseline year (2019) : - 44.6%

2023 Scope 3 increase from baseline year (2019) : +110% (due to the significant widening of value chain emissions included within the Scope).

Year	Site	Activity Type	Stage of Development	Total Energy Savings (kWh)	Total Carbon Savings (tCO2e)
2023	London - TMB	Electricity: Lighting	Implementation commenced	1,144	0.23689266
2023	London - TMB	Electricity: Lighting	Implemented	5,553	1.14988182
2023	London - TMB	Electricity: Lighting	Implemented	520	0.10767848
2023	London - TMB	Electricity: Lighting	Implemented	5,553	1.14988182
2023	London - TMB	Electricity: Lighting	Implemented	3,744	0.77528506
2023	London - TMB	Electricity: Lighting	Implemented	520	0.10767848
2023	London - TMB	Building Optimisation	Implemented	0	0
2023	Charles Taylor Group	Electricity: Lighting	Implemented	3,744	0.77528506
2023	United Kingdom	Transportation: fleet, use	Under Investigation	N/A	N/A

100% Renewable electricity target

Charles Taylor has undertaken the target of purchasing all its electricity globally across the Group from renewable energy sources. Reaching our 100% renewable energy electricity purchasing goal means that Charles Taylor will buy on an annual basis the same amount of Kilowatt Hours of renewable generated electricity as the amount of kWh that we consume for our global operations.

This will be achieved through a combination of direct purchases from renewable energy suppliers wherever possible and the purchasing of renewable energy certificates (REC's) where we are unable to source directly from renewables. We shall continue to pursue options in all the energy markets where we consume to procure renewable energy directly.

Over the course of a year our total global renewable electricity purchases will match up to 100% of our global consumption and, if necessary, overbuy renewables on one grid to offset our inability to purchase renewables on another. We will be transparent in our progress, reporting how much electricity we have managed to secure through suppliers each year and how much we have attained through the purchasing of RECs. This will be noted in our annual report. We have also aligned our procurement of RECs with the requirements of the SBTi to ensure compliance in claiming net-zero in our Scope 2.

With regards to our Scope 2 emissions from electricity, Charles Taylor is now procuring renewable electricity directly from the supplier wherever possible and purchasing renewable energy certificates to match its usage where direct purchasing is not available. We have seen an increase in our electricity usage globally as our offices have enlarged and we have taken on additional office space in various markets globally. Our commitment to matching our electricity with renewables through REC purchases allows us to decarbonise our supply, meet our green electricity goals and reduce our market-based footprint. Our market-based Scope 2 footprint has achieved net zero emissions through this strategy. Please see the sections on our market-based footprint and renewable energy for more information.

Please see our data disclosure for further information on our energy consumption and renewable energy purchases.

Charles Taylor Group's Audited Greenhouse Gas Emissions Footprint 2023

*Please note our per person working from office is not an FTE figure. For a full definition please see the intensity metrics definitions above.

- 2023 Scope 1 decrease from baseline year (2019) : **13%**
- 2023 Scope 2 decrease from baseline year (2019) : **44.6%**
- 2023 Scope 3 increase from baseline year (2019) : **110%** (due to the significant widening of value chain emissions included within the scope).

Charles Taylor Group's Audited GHG Emissions Footprint 2023

	Disclosure	Unit	Co_2	CH_4	N_2O	Total
Charles Taylor Group - Global	**Total All Scopes Location Based**	**tCO_2e**	**14061**	**14.9**	**65.6**	**14141**
	Total All Scopes Market Based	**tCO_2e**	**13121**	**11.7**	**61.48**	**13193**
Scope 1	Total Emissions	tCO_2e	281	0.407	0.607	282
	Stationary Combustion (Heating Fuels)	tCO_2e	229.66	0.34	0.24	230.23
	Mobile Combustion (Transportation fuels / Vehicles)	tCO_2e	51.34	0.07	0.37	51.77
	Fugitive Emissions	tCO_2e	0.00	0.00	0.00	0.00
Scope 2	Location - Based Total Emissions	tCO_2e	936.00	2.84	3.66	943.00
	Purchased electricity	tCO_2e	936.00	2.84	3.66	943.00
	Purchased heating & cooling	tCO_2e	149.00	1.02	0.43	150.45
	Market - Based Total Emissions	tCO_2e	0	0	0	0
	Purchased electricity	tCO_2e	0	0	0	0
	Purchased heating & cooling	tCO_2e	0.00	0.00	0.00	0.00
Scope 3	Total Emissions	tCO_2e	12844.14	11.659	61.361	12917.44
Category 1	Purchased goods & services (supply chain)	tCO_2e	2675.01	0.00	0.00	2675.01
Category 2	Capital Goods	tCO_2e	147.37	0.00	0.00	147.37
Category 3	Other Fuel & energy-related activities (not in Scopes 1 or 2)	tCO_2e	155	_	_	155
Category 4	Upstream Transportation & Distribution	tCO_2e	N/A	N/A	N/A	N/A
Category 5	Waste generated in operations	tCO_2e	29.21	0.00	0.00	29.21
Category 6	Business travel	tCO_2e	5071.32	0.00	0.00	5071.32
Category 7	Employee commuting & remote working	tCO_2e	4709.60	0.00	0.00	4709.60
Category 8	Upstream Leased Assets	tCO_2e	N/A	N/A	N/A	N/A
Category 9	Downstream Transportation & Distribution	tCO_2e	N/A	N/A	N/A	N/A
Category 10	Processing of sold goods	tCO_2e	N/A	N/A	N/A	N/A
Category 11	Use of sold goods	tCO_2e	N/A	N/A	N/A	N/A
Category 12	End of life treatment of sold products	tCO_2e	N/A	N/A	N/A	N/A
Category 13	Downstream leased assets	tCO_2e	129.11	0.00	0.00	129.11
Category 15	Investments	tCO_2e	4.20	0.00	0.00	4.20
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				5.38
	Per Person Working from Office - Market Based	tCO_2e/PWFO				2.85
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.457
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.425
	Per Person Working from Home – Location Based	tCO_2e/PWFH				56.20
	Per Person Working From home – Market Based	tCO_2e/PWFH				52.35
	Per Revenue - Location Based	tCO_2e/M£GBP				42.20
	Per Revenue - Market Based	tCO_2e/M£GBP				39.38
Carbon	SECR Carbon Reduction Projects	tCO_2e		-	-	4.96
Reductions	Carbon offset purchasing	tCO_2e	0	0	0	0
	REC's purchasing (Scope 2 Market-based)	tCO_2e	902	1.30	1.32	905
	Residual Carbon	tCO_2e	13121	11.7	61.48	13193
Carbon Targets	Target %	%		-		-4
Location Based	Actual Progress	%		-		44.5
	Target Value	tCO_2e			-	6880
	Actual (tCO2e)	$ttCO_2e$			-	13193
	Actual In Year Saving (tCO2e)	tCO_2e			-	6313
	Variance Adjusted Target	%				-47.8
	Electricity	MWh				2.722
Energy Usage	Other fuels	MWh				67,977.00
	Renewable Electricity matched	% of MWh				100%
	Direct Purchase Renewables	MWh				1144
	Renewable Energy Certificates	MWh				1578.00
	Air Travel	KM				9,618,390.00
Environmental	Road Business Travel	KM				634,683.00
Impact KPI's	Water Usage	M^3				16,866.00
	Waste	Metric Tons (t)				35.70

	Disclosure	Unit	Co_2	CH_4	N_2O	Total
International (All excluding UK)	**Total All Scopes Location Based**	**tCO_2e**	**4524.1**	**11.1861**	**42.7753**	**4577.2**
	Total All Scopes Market Based	**tCO_2e**	**3780.2**	**9.1845**	**40.197**	**3829**
Scope 1	Total emissions	tCO_2e	121.24	0.17456	0.06155	121.28
Scope 2	Location - Based Total Emissions	tCO_2e	741.9	2.0016	2.5223	747.2
	Market - Based Total Emissions	tCO_2e	0	0	0	0
Scope 3	Total Emissions	tCO_2e	3660.27	8.996793	40.207432	3710.56
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				3.03
	Per Person Working from Office - Market Based	tCO_2e/PWFO				2.42
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.235
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.196
	Per Person Working from Home – Location Based	tCO_2e/PWFH				32.7
	Per Person Working From home – Market Based	tCO_2e/PWFH				27.35
Energy Usage	Electricity	MWh				1462
	Other fuels	MWh				67188
Environmental	Air Travel	KM				3688112
Impact KPI's	Road Business Travel	KM				253026
	Water Usage	M^3				21343
	Waste	Metric Tons (t)				23.4

	Disclosure	Unit	Co_2	CH_4	N_2O	Total
United Kingdom	**Total All Scopes Location Based**	**tCO_2e**	**9537**	**3.71**	**22.9**	**9564**
	Total All Scopes Market Based	**tCO_2e**	**9341**	**2.51**	**21.2**	**9365**
Scope 1	Total emissions	tCO_2e	159	0.233	0.545	160
Scope 2	Location - Based Total Emissions	tCO_2e	145	0.626	0.854	147
	Market - Based Total Emissions	tCO_2e	0	0	0	0
Scope 3	Total Emissions	tCO_2e	9183.6	2.6387	21.134	9207.87
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				8.59
	Per Person Working from Office - Market Based	tCO_2e/PWFO				8.23
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.833
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.816
	Per Person Working from Home – Location Based	tCO_2e/PWFH				85.4
	Per Person Working From home – Market Based	tCO_2e/PWFH				83.61
Energy Usage	Electricity	MWh				1260
	Other fuels	MWh				789
Environmental	Air Travel	KM				5930278
Impact KPI's	Road Business Travel	KM				381657
	Water Usage	M^3				11108
	Waste	Metric Tons (t)				12.3

Charles Taylor Group's Audited GHG Emissions Footprint 2023

	Disclosure	Unit	Co_2	CH_4	N_2O	Totall
Asia-Pacific	**Total All Scopes Location Based**	**tCO_2e**	**1403**	**0.138**	**0.551**	**1404**
	Total All Scopes Market Based	**tCO_2e**	**1298**	**0.0833**	**0.245**	**1298**
Scope 1	Total emissions	tCO_2e	3.28	0.0806	0.00157	3.29
Scope 2	Location - Based Total Emissions	tCO_2e	105	0.0547	0.306	106
	Market - Based Total Emissions	tCO_2e	115	0.0547	0.306	116
Scope 3	Total Emissions	tCO_2e	1294.41	0.07577	0.24329	1295.42
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				4.24
	Per Person Working from Office - Market Based	tCO_2e/PWFO				3.92
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.364
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.336
	Per Person Working from Home – Location Based	tCO_2e/PWFH				26.90
	Per Person Working From home – Market Based	tCO_2e/PWFH				24.96
Energy Usage	Electricity	MWh				180.1
	Other fuels	MWh				16.3
Environmental	Air Travel	KM				1412289
Impact KPI's	Road Business Travel	KM				51
	Water Usage	M^3				3474
	Waste	Metric Tons (t)				0.897

Europe	**Total All Scopes Location Based**	**tCO_2e**	**298**	**1.14**	**0.677**	**299**
	Total All Scopes Market Based	**tCO_2e**	**125**	**0.1**	**0.185**	**126**
Scope 1	Total emissions	tCO_2e	8.76	0.0155	0.00293	8.77
Scope 2	Location - Based Total Emissions	tCO_2e	170	0.04	0.492	172
	Market - Based Total Emissions	tCO_2e	0	0	0	0
Scope 3	Total Emissions	tCO_2e	118.52	0.0798	0.1824	118.8
Out of Scope	Total Emissions	tCO_2e	0	0	0	0
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				3.17
	Per Person Working from Office - Market Based	tCO_2e/PWFO				1.32
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.135
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.056
	Per Person Working from Home – Location Based	tCO_2e/PWFH				27.20
	Per Person Working From home – Market Based	tCO_2e/PWFH				11.45
Energy Usage	Electricity	MWh				73.27
	Other fuels	MWh				66582
Environmental	Air Travel	KM				15345
Impact KPI's	Road Business Travel	KM				129
	Water Usage	M^3				741
	Waste	Metric Tons (t)				0.12

	Disclosure	Unit	Co_2	CH_4	N_2O	Total
Middle East & Africa	**Total All Scopes Location Based**	**tCO_2e**	**65.1**	**0.0171**	**0.0293**	**65.2**
	Total All Scopes Market Based	**tCO_2e**	**28.6**	**0**	**0**	**28.6**
Scope 1	Total emissions	tCO_2e	1.91	0.00477	0.000909	1.92
Scope 2	Location - Based Total Emissions	tCO_2e	36.5	0.0171	0.0293	36.5
	Market - Based Total Emissions	tCO_2e	0	0	0	0
Scope 3	Total Emissions	tCO_2e	28.69	0	0	28.69
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				1.86
	Per Person Working from Office - Market Based	tCO_2e/PWFO				0.82
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.0878
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.0386
	Per Person Working from Home – Location Based	tCO_2e/PWFH				16.30
	Per Person Working From home – Market Based	tCO_2e/PWFH				7.175
Energy Usage	Electricity	MWh				73.4
	Other fuels	MWh				0
Environmental	Air Travel	KM				0
Impact KPI's	Road Business Travel	KM				102,212
	Water Usage	M^3				421
	Waste	Metric Tons (t)				0

North America	**Total All Scopes Location Based**	**tCO_2e**	**2249**	**9.78**	**41.1**	**2300**
	Total All Scopes Market Based	**tCO_2e**	**1893**	**8.968**	**39.584**	**1941**
Scope 1	Total emissions	tCO_2e	104	0.138	0.0546	104
Scope 2	Location - Based Total Emissions	tCO_2e	357	0.812	1.46	359
	Market - Based Total Emissions	tCO_2e	0	0	0	0
Scope 3	Total Emissions	tCO_2e	1788.07	8.820623	39.600742	1837.07
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				4.53
	Per Person Working from Office - Market Based	tCO_2e/PWFO				4.16
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.245
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.206
	Per Person Working from Home – Location Based	tCO_2e/PWFH				49.00
	Per Person Working From home – Market Based	tCO_2e/PWFH				41.29
Energy Usage	Electricity	MWh				856
	Other fuels	MWh				565
Environmental	Air Travel	KM				1437192
Impact KPI's	Road Business Travel	KM				243,008
	Water Usage	M^3				3589
	Waste	Metric Tons (t)				22.2

	Disclosure	Unit	Co_2	CH_4	N_2O	Total
South America	**Total All Scopes Location Based**	**tCO_2e**	**509**	**0.111**	**0.418**	**509**
	Total All Scopes Market Based	**tCO_2e**	**435.6**	**0.0332**	**0.183**	**435.3**
Scope 1	Total emissions	tCO_2e	5.2	0.013	0.00245	5.22
Scope 2	Location - Based Total Emissions	tCO_2e	73.4	0.0778	0.235	73.7
	Market - Based Total Emissions	tCO_2e	73.4	0.0778	0.235	73.7
Scope 3	Total Emissions	tCO_2e	430.58	0.0206	0.181	430.58
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO				0.94
	Per Person Working from Office - Market Based	tCO_2e/PWFO				0.78
	Per Square feet of office space - Location Based	tCO_2e/m^2				0.155
	Per Square feet of office space - Market Based	tCO_2e/m^2				0.132
	Per Person Working from Home – Location Based	tCO_2e/PWFH				19.60
	Per Person Working From home – Market Based	tCO_2e/PWFH				16.74
Energy Usage	Electricity	MWh				279
	Other fuels	MWh				25.7
Environmental	Air Travel	KM				823287
Impact KPI's	Road Business Travel	KM				9,839
	Water Usage	M^3				2742
	Waste	Metric Tons (t)				0.202

Historic Carbon & Environmental Disclosure Data 2018 – 2022

	Disclosure	Unit	2022	2012	2020	2019	2018
	Disclosure	**Unit**	**Co_2**	**CH_4**	**N_2O**	**Total**	
Charles Taylor	**Total All Scopes Location Based**	**tCO_2e**	**7051**	**3300**	**49.63.4**	**8746**	**8701**
Group - Global	**Total All Scopes Market Based**	**tCO_2e**	**6076**	**2406.6**	**4965.4**	**9124.86**	**-**
Scope 1	Total Emissions	tCO_2e	325.65	417	332	326	554
Scope 2	Location - Based Total Emissions	tCO_2e	975	851	955.9	1704	1715
	Market - Based Total Emissions	tCO_2e	0	0	958	2080	-
Scope 3	Total Emissions	tCO_2e	5751	2032.2	3675.4	6716	6432
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO	2.70	1.35	1.76	3.35	2.535
	Per Person Working from Office - Market Based	tCO_2e/PWFO	2.33	0.98	1.77	3.49	-
	Per Square feet of office space - Location Based	tCO_2e/m^2	0.049	0.010	0.166	0.34	0.34
	Per Square feet of office space - Market Based	tCO_2e/m^2	0.042	0.007	0.167	0.352	-
	Per Person Working from Home – Location Based	tCO_2e/PWFH	4.46	3.13	3.28	-	-
	Per Person Working From home – Market Based	tCO_2e/PWFH	3.84	2.28	3.3	-	-
	Per Revenue – Location Based	tCO_2e/£GBP	22.89	12.7	19.6	31.1	32.7
	Per Revenue – Market Based	tCO_2e/£GBP	19.73	12.5	19.7	32.2	-
Carbon	SECR Carbon Reduction Projects	tCO_2e	0.057	-12.5	-46.06	-1.78	-
Reductions	Carbon offset purchasing	tCO_2e	0	0	0	0	0
	Renewable Energy Certificates purchasing (Scope 2)	tCO_2e	892	899	1237	1176	0
	Residual Carbon	tCO_2e	6076	2406.6	3838	7948	8701
Carbon Targets	Target	%	-4	-4	-4	-	-
Location Based	Actual Progress	%	-69.1	-51.3	-4.42	-	-
	Target Value	tCO_2e	8,624	9,016	9,408	-	-
	Actual (tCO_2e)	tCO_2e	3027	4,770	9,367	-	-
	On Target Estimate (tCO_2e) Actual	tCO_2e	1727	4,597	433	-	-
	Actual In Year Saving (tCO_2e)	tCO_2e	4,597	433	-	-	
	YTD Saving (tCO_2e)	tCO_2e	6773	5,030	433	-	-
	In Year Target Variance (tCO_2e)	tCO_2e	-5,597	-4,246	-40.9	-	-
	Variance Adjusted Target	%	3.57	4	-	-	-
Energy Usage	Electricity	MWh	4059	3849	4233	5037	5049
	Other fuels	MWh	2533.7	2095	2203	1037	2400
	Renewable Energy Sourced	% of MWh	100%	100%	100%	100%	-
	Direct Purchase Renewables	MWh	720.4%	9.5%	10%	0%	-
	Renewable Energy Certificates	MWh	1896.6%	90.5%	90%	100%	-
Environmental	Air Travel	KM	10760244	1592681	3767434	24764324	21053268
Impact KPI's	Road Business Travel	KM	709033.8	1067947	221120	932343	487713
	Water Usage	M^3	14513	13424	18769	22698	42725
	Waste	Metric Tons (t)	52.8264	76.2	85.7	354	274

	Disclosure	Unit	Co_2	CH_4	N_2O	Total	0
International	**Total All Scopes Location Based**	**tCO_2e**	**2219.6**	**2020**	**3240.5**	**2430**	**-**
(All excluding UK)	**Total All Scopes Market Based**	**tCO_2e**	**1413**	**1398.84**	**3234.5**	**2507.53**	**-**
Scope 1	Total emissions	tCO_2e	129.76	245	166.1	133	-
Scope 2	Location - Based Total Emissions	tCO_2e	810.8	624	696.7	1077	-
	Market - Based Total Emissions	tCO_2e	0	0	690.7	1151.00	-
Scope 3	Total Emissions	tCO_2e	1279.908	1150.44	2377.7	1221	-
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO	1.61	1.44	1.8	2.33	-
	Per Person Working from Office - Market Based	tCO_2e/PWFO	1.02	0.57	1.8	2.4	-
	Per Square feet of office space - Location Based	tCO_2e/m^2	0.0164	0.009	0.148	0.181	-
	Per Square feet of office space - Market Based	tCO_2e/m^2	0.0104	0.011	0.148	0.182	-
	Per Person Working from Home – Location Based	tCO_2e/PWFH	2.16	1.91	3.03	-	-
	Per Person Working From home – Market Based	tCO_2e/PWFH	1.37	1.32	3.03	-	-
Energy Usage	Electricity	MWh	3035.3	2783	2859	2585	-
	Other fuels	MWh	1633.4	1533	752	558	-
Environmental	Air Travel	KM	892361	742331	1539295	5232096	-
Impact KPI's	Road Business Travel	KM	99232.8	420703	9961	209586	-
	Water Usage	M^3	8913	8923	10621	11699	-
	Waste	Metric Tons (t)	36.0854	30.2	20.4	215	-

United Kingdom	**Total All Scopes Location Based**	**tCO_2e**	**4478**	**1280**	**3234**	**6315**	
	Total All Scopes Market Based	**tCO_2e**	**4275.3**	**1007.76**	**3234.5**	**6617.83**	**-**
Scope 1	Total emissions	tCO_2e	196	172	165.9	193	-
Scope 2	Location - Based Total Emissions	tCO_2e	164	224	259.2	627	-
	Market - Based Total Emissions	tCO_2e	0	0	267.3	929	-
Scope 3	Total Emissions	tCO_2e	4118.26	881.76	1297.8	5495	-
Intensity metrics	Per Person Working from Office - Location Based	tCO_2e/PWFO	3.65	1.22	1.21	4.03	-
	Per Person Working from Office - Market Based	tCO_2e/PWFO	3.48	0.96	1.2	4.23	-
	Per Square feet of office space - Location Based	tCO_2e/m^2	0.478	0.01	0.137	0.501	-
	Per Square feet of office space - Market Based	tCO_2e/m^2	0.456	0.002	0.137	0.524	-
	Per Person Working from Home – Location Based	tCO_2e/PWFH	8.08	-	2.55	-	-
	Per Person Working From home – Market Based	tCO_2e/PWFH	7.7	-	2.55	-	
Energy Usage	Electricity	MWh	1021	1066	1374	2452	-
	Other fuels	MWh	903	562	191	479	-
Environmental	Air Travel	KM	9867883	850350	2228140	19532228	-
Impact KPI's	Road Business Travel	KM	609801	647244	211160	722757	-
	Water Usage	M^3	5598	4501	8148	10659	-
	Waste	Metric Tons (t)	16.741	46	65.2	135	-

GLOSSARY OF TERMS & FURTHER INFORMATION

Carbon neutral - means the amount of carbon being emitted is equal to the amount of carbon being absorbed from the atmosphere thanks to carbon sinks such as forests, which absorb and store more carbon from the atmosphere than they emit. For a company to be Carbon Neutral, a company first reduces their carbon emissions as much as they can which is what our strategy aims to do. Some companies will be able to eliminate all the sources of greenhouse gases from their operations known as 'Absolute Zero,' and require no offsets. If they cannot do this, then they invest in carbon offsets to balance out the remaining amount of carbon emitted by their operations. If all carbon emissions produced are equal to the amount of emissions being reduced through carbon offsets, the company is considered to be Carbon Neutral.

Carbon offsetting - A carbon offset is a reduction or removal of emissions of carbon dioxide or other greenhouse gases made to compensate for emissions made elsewhere. Offsets are measured in tons of carbon dioxide equivalent (tCO2e). A carbon offset credit is a transferrable instrument certified by governments or independent certification bodies to represent an emission reduction of one metric tons of CO2, or an equivalent amount of other GHGs. The purchaser of an offset credit can "retire" it to claim the underlying reduction towards their own GHG reduction goals.

EED (Energy efficiency directive) - The Energy Efficiency Directive 2012/27/EU (abbreviated EED) is a European Union directive which mandates energy efficiency improvements within the European Union. It was approved on 25 October 2012 and entered into force on 4 December 2012. The directive introduces legally binding measures to encourage efforts to use energy more efficiently in all stages and sectors of the supply chain. It establishes a common framework for the promotion of energy efficiency within the EU in order to meet its energy efficiency headline target of 20% by 2020. It also paves the way for further improvements thereafter. Under this directive, businesses are required to measure and find energy reduction opportunities. In the United Kingdom this legislation became known as ESOS (Energy Savings Opportunity Scheme).

ESOS (Energy Savings Opportunity Scheme) – The UK Government established ESOS to implement Article 8 (4 to 6) of the EU Energy Efficiency Directive (2012/27/EU). The ESOS Regulations 2014 give effect to the scheme. ESOS is a mandatory energy assessment scheme for businesses and organisations in the UK that meet the qualification criteria.

EU 2014/95 non-financial reporting directive - The EU 2014/95 directive is an official instruction from the European Union. It says the largest European organizations will need to be transparent regarding their non-financial information. In this way, big companies will have to disclose non-financial information about their businesses. Therefore, firms will need to share data regarding their environmental protection policies, social responsibility strategies or anti-corruption and bribery tactics.

FCA (Financial Conduct Authority) – A UK based authority that regulates the financial services industry in the UK. Its role includes protecting consumers, keeping the industry stable, and promoting healthy competition between financial service providers.

GHG (Greenhouse Gases) - Any gas that absorbs infrared radiation emitted from Earth's surface and reradiates it back to Earth's surface, contributing to the greenhouse effect. The Kyoto Protocol which aims to create GHG limits, applies to seven GHG's: carbon dioxide (CO2), Methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), nitrogen trifluoride (NF3).

Green Energy - Charles Taylor currently characterises the following technologies as legitimately Green Energy in accordance with the US Green-e energy program: Solar Electric, Fuel Cells, Biomass & Bio-fuels, Wind power, Hydro power, Geothermal power. We are still awaiting further trials on carbon capture and storage as well as other evolving technologies before including it within this definition and reserve to update this definition over time.

IEA (International Energy Agency) - A Paris-based autonomous intergovernmental organisation, established in 1974, that provides policy recommendations, analysis and data on the entire global energy sector. The 31 member countries and 11 association countries of the IEA represent 75% of global energy demand. The International Energy Agency works with countries around the world to shape energy policies for a secure and sustainable future.

Location based & Market based footprint - A location-based footprint reflects the average emissions intensity of energy grids on which consumption occurs (using mostly grid-average emission factor data from governments and national bodies).

A market-based method reflects emissions from electricity that companies have purposefully chosen (or their lack of choice). It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims. This allows for the procurement of green energy to be shown as a reduction in our Scope 2 emissions. Charles Taylor reports both footprints on an annual basis, publicly, one year in arrears.

Net Zero - refers to a state in which the GHG's going into the atmosphere are balanced by removal out of the atmosphere - this is the state at which global warming stops. In order for net zero to be effective, it must be permanent removal. Net Zero is a similar concept to Carbon Neutral, however it goes beyond just carbon to include all GHG's and is typically on a larger scale. Net zero emissions are achieved when our activities no longer cause global warming. For Charles Taylor to reach Net Zero, this means cutting greenhouse gas emissions to as close to zero as possible throughout our operations and supply chain, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests for instance. We are currently identifying how to achieve this in the future to reach our Science-Based Targets of 2030 and 2050.

Net Zero Carbon Pathway – A Net Zero Carbon Pathway is simply the process and route taken to achieve Net Zero (see above). Charles Taylor is currently developing their pathway in order to reduce greenhouse gases in line with Science-Based Targets (see below).

NGFS (Network for Greening the Financial System) - A group of central banks and supervisors committed to sharing best practices, contributing to the development of climate –and environment– related risk management in the financial sector and mobilising mainstream finance to support the transition toward a sustainable economy.

PCAF (Partnership for Carbon Accounting Financials) - The Partnership for Carbon Accounting Financials (PCAF) is an industry-led initiative enabling financial institutions to measure and disclose greenhouse gas (GHG) emissions of loans and investments.

RCP (Representative Concentration Pathway) - is a greenhouse gas concentration (not emissions) trajectory adopted by the UN Intergovernmental Panel on Climate change (IPCC). The pathways describe different climate futures, all of which are considered possible depending on the volume of greenhouse gases (GHG) emitted in the years to come.

RECs (Renewable Energy Certificates) - A renewable energy certificate, or REC, is a market-based instrument that represents the property rights to the environmental, social, and other non-power attributes of renewable electricity generation. RECs are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource. This can be purchased by a business to claim that their energy is sourced from renewable energy generation and counts as a reduction in Scope 2 market based footprints.

SECR (Streamlined Energy Carbon Reporting) - is the UK Government's name for the replacement legislation to a number of existing and some soon to expire programmes covering energy and carbon reporting and taxation. SECR came into force on 1 April 2019. It sets out who is obligated to report on climate related issues and emissions and what information must be included in their annual disclosure. SECR is adopting many of the recommendations laid out by TCFD.

SBT (Science-Based Targets) - An initiative created to help companies set GHG reduction targets in line with climate science and the UN Paris Agreement goals. SBT institute or SBTi developed and launched the net zero standard, providing a framework for companies to set science-based net zero targets and limit global temperature rise above pre-industrial levels to 1.5 °C.

SSPs (Shared Socioeconomic Pathways) - Shared Socioeconomic Pathways (SSPs) are scenarios of projected socioeconomic global changes up to 2100. They are used to derive greenhouse gas emissions scenarios with different climate policies. SSP's can be mixed with RCPs to create a scenario of a possible future that includes climate-related physical and transitional risks and opportunities for a business

TCFD (Task Force on Climate-related Financial Disclosures) - provides information to investors about what companies are doing to mitigate the risks of climate change, as well as be transparent about the way in which they are governed. The reporting methodology consists of governance, strategy, risk management, and metrics and targets. It will become mandatory for companies including Charles Taylor to report on this by 2025 in the UK and EU. Charles Taylor has followed the recommendations of the TCFD for how it discloses and reports on its carbon and climate change impacts publicly since 2021. For more information please visit: **https://www.fsb-tcfd.org/**

tCo2e (Tons of Carbon Equivalent) - tCo2e stands for tons of carbon dioxide (Co2) equivalent (e). Ton refers to metric tons (2,200 lbs). "Carbon dioxide equivalent" is a standard unit for counting greenhouse gas emissions regardless of whether they're from carbon dioxide or another gas.

Carbon Transition Plan – A climate transition plan looks at the expected changes that will come from climate change. By analysing this using scenario analysis, businesses are able to understand the risks and opportunities that climate change will bring, mitigating any problems whilst ensuring their finances are sustainable. A transition plan looks at how Charles Taylor can best navigate the changes that will come in the future and build these expectations into our business plan to increase resiliency.

UNFCCC (United Nations Framework Convention on Climate Change) - established an international environmental treaty to combat "dangerous human interference with the climate system", in part by stabilising greenhouse gas concentrations in the atmosphere.

UN SDG's (United Nations Sustainable development Goals) - The Sustainable Development Goals are a call for action by all countries – poor, rich and middle-income – to promote prosperity while protecting the planet. They recognize that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection. There are 17 in total. For more information visit - **https://www.un.org/sustainabledevelopment/**

APPENDIX

Environment, Social and Governance (ESG) Committee Terms of Reference

1. Commitment and Scope

1.1 Charles Taylor believes that Environmental, Social, and Governance (ESG) principles are crucial to ensuring that our future for our people, our clients, and the communities that we operate in are resilient.

1.2 We strive to build a sustainable, equitable, healthy, and diverse company through a combination of innovative solutions and exemplary environmental, social and governance (ESG) performance. This commitment informs every aspect of our business, including how we operate, collaborate with stakeholders and report progress.

2. ESG at Charles Taylor

2.1 Charles Taylor is committed to integrating ESG factors throughout our corporate operations and we focus on matters that are meaningful. We seek to lead by example and apply our InSights to drive change across our operations, for our people, our clients, and our investors.

3. Environmental Stewardship

3.1 Overview: We aim to embed environmental stewardship in everything we do. We believe we have a responsibility to minimise the energy, carbon, water and waste impacts of our business.

3.2 Statement on Climate Change: We will work to minimise Charles Taylor's negative impact on the environment, while meeting our commitments to clients, people, and investors.

3.3 UN SDG's: We will commit to the United Nations Sustainable development goals (SDGs) aiming to build a more sustainable future for people and planet by 2030.

3.4 Carbon Neutrality: We are committed to driving down our energy and carbon impacts, as we believe that climate change is one of the greatest risks to our world. We will measure and reduce GHG emissions resulting from our business operations and increasing the use of green energy across our corporate offices.

4. Social Responsibility

4.1 Overview: We will accelerate and strengthen the culture of performance and growth through attracting, developing, rewarding, and retaining the best talent from a diverse range of backgrounds.

4.2 Culture, Engagement and Growth: We will work to create a transparent culture where all colleagues feel they have an equal opportunity to grow, develop and perform, so that we attract, develop, retain, and empower our people.

4.3 Unique but United: Our commitment to Diversity, Equity & Inclusion (DE&I) is led from the top, with all colleagues having a responsibility to create a workplace in which everyone is proud to bring their true selves to work. We celebrate all backgrounds, cultures and experiences at Charles Taylor and look outward (as well as inwards) to deliver innovative solutions. It is our talented people who set us apart and we believe we are so much better when we work together.

4.4 Health and Safety: The health and safety of our people, our client, and the communities that we operate in is of the utmost importance to us. We adhere to leading health and safety standards across our geographical locations and lines of business.

5. Governance

5.1 Overview: We will improve the health and performance of Charles Taylor and its clients by empowering the business to make risk aware decisions.

5.2 Annual Compliance Training: We train all employees through Annual Compliance Training and policy acceptance, which includes topics such as Sanctions, Anti Bribery and Corruption, Anti Money Laundering, Conflicts of Interest, Data Privacy, Risk Management, Fraud, Phishing and Information Security.

5.3 Cybersecurity Awareness: We engage the entire firm annually through our cybersecurity awareness program to educate our employee population to recognise suspicious activities and report them for investigation.

5.4 Whistleblowing: We have a Whistleblowing hotline that provides an anonymous method of reporting suspected compliance violations, unlawful or unethical behaviour, or fraud.

Key contacts

E: Group Real Estate Director

S: Chief People Officer

G: Group Head of Legal

Our Policy Statement is held within our Group Risk Management tool, InSight, along with all other core policies. All staff receive a copy of the Environmental policy statement which is refreshed at least annually. Staff are required to read and accept all core policies and, in some cases, complete a short test to ensure understanding. The Board has overall responsibility for ensuring that the company adheres to our environmental statement, which is displayed publicly within our annual report, online and included below:

Charles Taylor Environmental Statement

The following objectives demonstrate how we shall continue to meet our commitment to reduce our environmental impacts:

Environmental management

- To meet our obligations regarding reporting our environmental impacts to the relevant regulatory bodies in the jurisdictions in which we operate,
- o continuously measure, monitor and review our impact on the environment as we grow by utilising our environmental management system, improving the Scope and verification of data collected,

- To work on embedding our Design Guidelines into the business, further supporting how we approach every office project from a sustainability point,
- To work with our clients, suppliers, and subcontractors to raise awareness of our aims and to promote compliance with our standards throughout our supply chain.
- Developing a programme of initiatives to monitor and measure our progress,
- To promote awareness of our responsibilities and initiatives throughout the Group, engaging employees in sustainability activities and target setting,
- Allocate appropriate resources to ensure objectives can be achieved,
- Report environmental performance to the Charles Taylor Board to ensure top level leadership on environmental policy and to empower relevant management decisions and,
- Comply with all relevant environmental legislation in the jurisdictions in which we operate.

Impact reduction

- To reduce waste and enhance recycling schemes and promote renewable options throughout our offices
- To lower our carbon emissions created through travel by making increased use of the conferencing technologies. Ensuring the environmental impacts are considered when arranging necessary travel and that the most sustainable mode and routes are used,
- Consider the environmental impact within all business decisions, maximizing the opportunities for best practice.

Communicating & reporting

- To regularly report environmental impacts through the appropriate public disclosures (e.g. in our financial statements and via our website) and adhere to all current and relevant legislation. We acknowledge that our clients, investors, staff, and our wider stakeholder group have an interest in our environmental impacts and what we are doing to manage these on an ongoing basis,
- Report internally and externally on our environmental performance against our targets,
- Promote and build awareness of environmental responsibility amongst our employees and,
- Communicate and engage with staff at all levels to identify, assess and reduce operational impact on the environment.

Extending our commitment to our value chain

- Engage and support current or potential suppliers to improve environmental performance, and
- Develop working practices for staff and within our client relationships that encourage continued consideration to the environment.

Charles Taylor

For further information please contact:

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