



SUSTAINABILITY & CLIMATE ANNUAL DISCLOSURE

TCFD REPORT

2022

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 2022 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 carbon and climate disclosure. The Group currently operates in 30 countries around the world with the vast majority of operations being based in the United Kingdom. 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
EC3R 7BB

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

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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 2022 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 producing 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

The Insurance industry increasingly relies on first class providers of services and solutions to access expertise and operational capacity, and to help market participants across the world deliver what their clients want. This will be truer than ever over the coming years as we see market conditions drive a more rapid change in operating model with climate change a key topic. Charles Taylor has a reputation for superior client service and this ethos will continue as we drive our climate change strategy forward to ensure we are not only providing the best service to our clients, but the most sustainable solutions too.

Given the nature of our business, providing claims management and technology to the insurance market, climate change poses both risks and opportunities. Changes have already been made to our working practices with the adoption of digital and desktop adjustments to claims, the use of drone technology and our InHub technology solution for our clients.

However, we accept that we must do more and we are committed to furthering our efforts to support our business, clients, and supply chain in our collective efforts to be more sustainable.

We have a long-term vision for the development and improvement of our environmental performance, by committing to and maintaining best practice throughout our operations, informing our supply chain in support of the same and meeting our client's expectations. We are just beginning to understand our impacts within our supply chain and are committed to working with our partners, clients and the wider industry to address the climate emergency.

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

Robert Brown
Group Chief Executive Officer



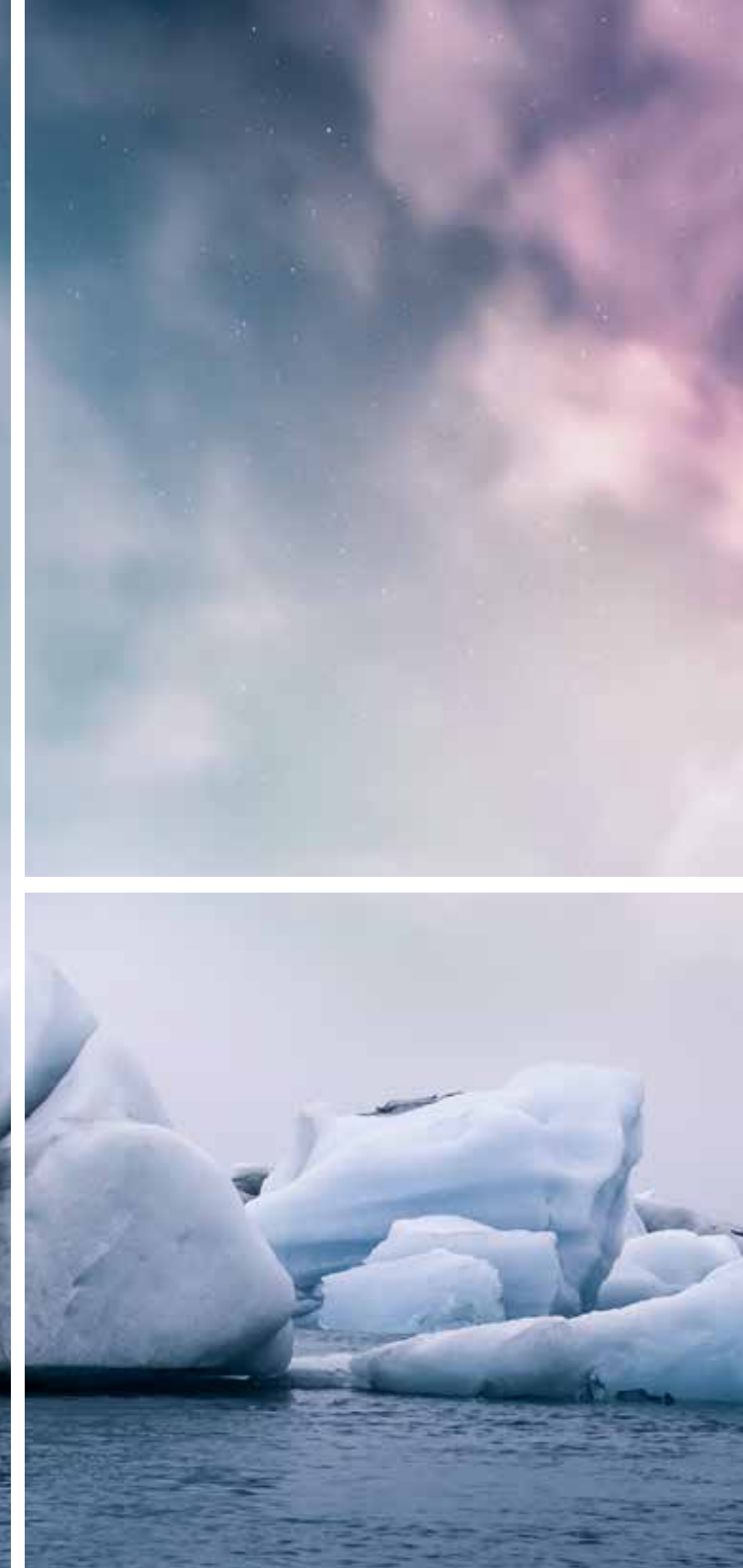
Our reporting approach

The content of this report is focused on the requirements of our stakeholders and relevant regulations within the industry. It focuses on the concepts and key performance indicators (KPIs) that reflect our most material climate issues and has been prepared in accordance with the Taskforce on Climate-related Financial Disclosures (TCFD) as well as the UK FCA (Financial Conduct Authority).

Whilst we are not a typical financial institution according to the 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 for the first time included within our Scope 3 footprint a limited assessment of our first-tier supply chain in order to understand these emissions further and how we can work to reduce them.

We have also included in line with TCFD recommendations, the carbon emissions from our investments and aim to improve this and our supply chain data over the coming years.



An overview of sustainability at Charles Taylor:

As a financial institution, Charles Taylor has created its sustainability framework in accordance with the guidelines laid out by the Task Force on Climate-related Financial Disclosures (TCFD). Our report is therefore split into the recommended four sections accordingly:

Governance

The Board has overall responsibility for environmental impacts and reviews current sustainability actions and initiatives on a quarterly basis. It has oversight of climate-related issues in relation to our climate-related risks and opportunities and with regards to financial activities. These and other sustainability impacts are managed by the ESG Committee. The Group Chief Executive Officer is responsible for environmental performance. The heads of each business unit are responsible for compliance with our environmental policy and the processes within their respective operations.

Strategy

Charles Taylor is currently developing its low carbon transition plan and net zero carbon pathway. Part of this is our environmental commitments from our Board laid out in our environmental policy. Our low-carbon transition plan also commits Charles Taylor to developing and implementing science-based targets which will set us on the pathway to achieving our net-zero goals. As we are able to increasingly improve the management of scope 1 & 2 emissions, our strategy looks beyond this to Scope 3 and how we can work with our upstream and downstream ecosystem to collaboratively reduce emissions that are shared.

Risk Management

Charles Taylor aims to analyze, identify and understand our risks and opportunities throughout the business in relation to climate change. On an asset level, we currently monitor and manage our risks including climate and extreme weather-related events and scenarios on a quarterly basis. This is carried out by the ESG Committee who consider disaster and climate risk. The Committee is led by the Head of Risk with representatives from each area of the business with assessments conducted on a 4-6 year basis. Charles Taylor is currently identifying and integrating climate-related risk processes further into our procedures throughout the organsiation.

Metrics & Targets

To assess the quantification of the annual emissions and impacts associated with our activities, Charles Taylor have used the following metrics:

- tCo2e per person
- tCo2e per person working from home
- tCo2e per area of office space
- tCo2e per £ (GBP revenue)

Charles Taylor is currently assessing how to create and achieve science-based targets and net-zero. We currently have surpassed our stated absolute reduction of 20% on 2019 our baseline. We target to achieve 100% of our global energy from green sources by 2025 whilst sourcing any remainder from market instruments (RECs).

TCFD Contents Guidance

Below you will find each of the TCFD categories and requirements as well as the location of each within this document.

TCFD Category	TCFD Recommended Disclosure	Section the disclosures are included in
Governance Disclosure of Charles Taylor's governance around climate-related risks and opportunities.	a. Describe the Board's oversight of climate-related risks and opportunities. b. Describe management's role in assessing and managing climate-related risks and opportunities	- Governance - Board Oversight, management's roles and responsibilities (see page 14) - Governance - Board Oversight, management's roles and responsibilities (see page 14)
Strategy Disclosure of our potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning as well as our scenario analysis.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term. b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning. c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	- Our climate strategy, risks and opportunities (see page 22) - Our climate strategy, risks and opportunities (see page 22) - Our strategic focus (see page 34)
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks. b. Describe the organisation's processes for managing climate-related risks. c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	- Risk management (see page 40) - Risk management (see page 44) - Risk management (see page 44)
Metrics & Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process. b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas emissions (GHG), and the related risks. c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	- Our metrics to assess climate-related risks and opportunities (see page 54). - Decarbonising our operations and supply chain (see page 57). - Our metrics to assess climate-related risks and opportunities. (see page 54).

GOVERNANCE

Sustainability processes, structures & responsibilities at Charles Taylor.

The Board has overall responsibility and oversight of the Group's environmental strategy, climate-related issues and associated impacts. This responsibility includes risk and opportunities associated with any investments and our own operations. To carry out its work, the Board relies on our Environmental, Social and Governance (ESG) Committee which incorporates climate-related issues into the Group's overall business strategy and provides to the Board quarterly reports on the current actions and initiatives on environmental and sustainability matters pertaining to the Group. Whilst Climate related risks and opportunities with regards to our operations, financial activities and business are discussed every meeting, the ESG Committee provides an in-depth analysis and recommendation to the Board on an annual basis allowing for discussions on strategy, climate-related risk management and other issues pertaining to Climate change within Charles Taylor.

Our ESG Committee was established in 2021 and works to build a sustainable, equitable, healthy and diverse company through a combination of innovative solutions and exemplary environmental, social and governance performance. The Committee headed by our Chief People Officer, and directly reports to the Board on ESG risks including climate risk and the work measures Charles Taylor is implementing to mitigate these. Our Group Real Estate Director also sits on the ESG Committee and is responsible for global real estate at Charles Taylor including Group Sustainability reporting, managing annual budgets for carbon reductions and mitigation activities from our operations and managing climate related risk with regards to our operations and estate.

They are also responsible for the development of the climate transition plan and our net zero carbon pathway as well as conducting climate-related scenario analysis for our operations and tasked with expanding this to the rest of the business.



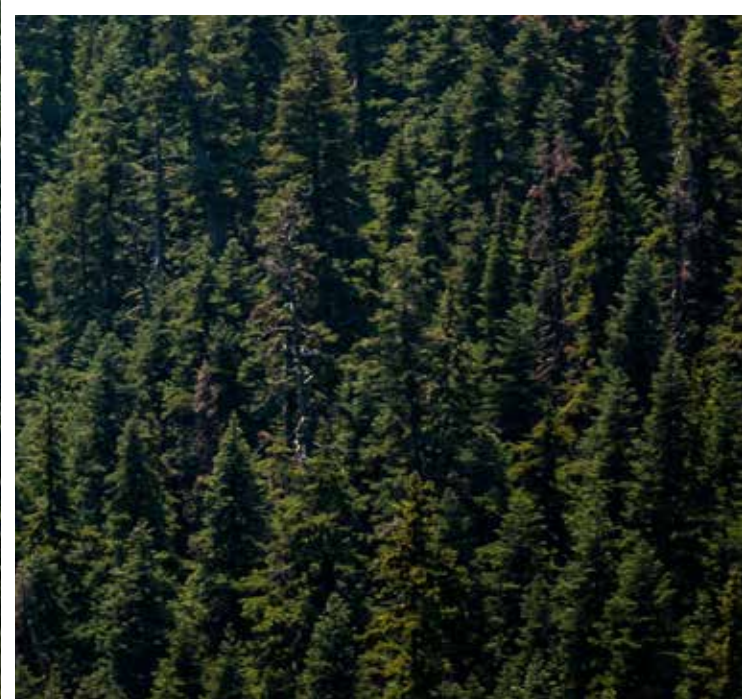


Within our Group Real Estate team, headed by a member of the ESG Committee, our Group Business Resilience and Sustainability Manager is responsible for the Group's overall Environmental Strategy, sustainability reporting and emissions reduction programme. They are also responsible for business continuity and managing climate risk with regards to our assets and operations. The Group Real Estate and Workplace team review and guide annual budgets with regards to operational efficiency and carbon reductions, reviewing and guiding strategy and the development of our net zero carbon pathway. Moreover, it

is within this role that our scenario analysis takes place, corporate targets and the monitoring of them is set as well as any value chain engagement. Our Group Workplace Compliance Officer works closely within this team and is responsible for sustainability data management and supporting the emission reduction programme. The entire team is tasked with setting climate-related corporate targets that will be in line with the science-based targets institute as well as managing climate related issues within our value chain.

Throughout the Group, in every location we are present, the hard work of our office managers allows us to collect meaningful carbon related data, supporting our annual carbon footprint calculations and the subsequent reductions of these emissions.

Finally, it is the responsibility of each and every Business Unit Leader to ensure compliance throughout their department or team to our Environmental policy. (See following page).





Governance structure



Committee	Roles & Responsibilities	2022 Activities
Board	Managing climate-related acquisitions, mergers, and divestitures. Managing major capital and/or operational expenditures related to low-carbon products or services (including R&D).	No climate-related acquisitions or mergers took place in 2022. As a privately held company our transition plan will be maintained by the ESG Committee and signed off by the Board & ExCo.
ESG Committee	Managing annual budgets for climate mitigation activities Providing climate-related employee incentives.	This year saw the ESG Committee sign the UN Development Goals and is now creating a strategy that will support and align to these commitments. As part of this the ESG Committee shall be looking at providing climate-related employee incentives. The ESG Committee shall be working across the business to demonstrate these positive actions. For more information, please view the ESG Committee Terms of Reference within this document. The ESG Committee has also signed off the latest travel policy which requires a conscious effort to find alternative means to achieve a goal before a flight is taken.
Risk Committee	Conducting climate-related scenario analysis. Integrating climate-related issues into the strategy. Risks and opportunities related to our banking. Risks and opportunities related to our investing activities. Risks and opportunities related to our insurance underwriting activities.	Climate related risk is deemed a principal risk and a key driver of the ESG Committee strategy. The Risk Committee identifies climate-related risk and exposure and reports this to the ESG Committee who in turn report anything material to the Board. The Risk Committee works throughout the business to align with the UN Sustainable Development goals of industry innovation and economic growth.
Real Estate & Global Operations department	Real Estate & Global Operations department Developing a climate transition plan. Implementing a climate transition plan. Risks and opportunities related to our own operations.	The Global Business Services business unit, including Real Estate & Workplace leads our day to day environmental and sustainability management, the annual carbon footprint and its subsequent reporting. The department also manages operational climate-related risk from our offices around the world, undertaking scenario analysis to assess climate -related physical risk to our operations and mitigation efforts to reduce this. As part of these responsibilities, the department oversees operational reductions from Scopes 1 & 2 and supports reductions within Scope 3 wherever feasible.

The Environment, Social and Governance Committee (ESG)

This Committee has oversight of climate-related issues in relation to our climate-related risks and opportunities and with regards to operations and financial activities. The designated executive responsible for our environmental performance is the CTA Chief Executive who is a Board member. The heads of each business unit are responsible for compliance with our Group Environmental Policy, strategy, and the processes within their respective operations within 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.

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 the 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 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 clients, 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 Cosec

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 on the following pages:





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,
- To 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 Office 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.



STRATEGY & SCENARIO ANALYSIS

Sustainability processes, structures & responsibilities at Charles Taylor.

Charles Taylor Group is a recognised global leader in adjusting aviation, natural resources, marine, property, casualty, technical and special risks claims. Charles Taylor focuses 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. We believe we are the only global loss adjuster to have achieved a true market leadership position across all 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 around the world 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. Climate change is driving various risk types including systemic, regulatory, competitive, strategic, reputational and market. These and other challenges create a continuing need for the sound management of all aspects of our business including its impact on the environment. Sustainability makes good business sense as the benefits can feed directly to our bottom line. This in turn can act as a catalyst for innovation in the way we do business and finding new ways of operating that are both sustainable and that society finds acceptable.

Key drivers of the Strategy include:

- Improvements to profitability through the reduction in carbon, energy, natural resources, and other costs
- Developing products and services linked to sustainable projects, thereby increasing opportunities.
- Taking a leadership position to enhance our brand and position within the marketplace
- Meeting the expectations of a new generation of employees, attracting the best skilled in the marketplace
- Compliance with existing, and being fully prepared for new legislation governing sustainability
- Managing our climate-related risks and opportunities to build a more sustainable and robust business





Our Sustainability Strategy is an opportunity for us to operate in a more cost effective, sustainable way and innovate within the business, creating new products that address social and environmental challenges. We understand that the next decade and beyond will be characterised by climate change with an increase in the severity and frequency of natural disasters. As these disasters accelerate, they provide increasing risks and opportunities for our business. Charles Taylor aims to continually analyse, identify, and understand our risks and opportunities throughout the business in relation to climate change.

In a post-disaster situation, our expertise is needed at speed to assess the damage on the ground and any major losses

which can often happen at the cost of smaller losses. We have also found that in a post-pandemic world, global travel is not always the easiest solution to getting our experts into an area to assess a situation. That is why we are currently developing technological solutions that will allow us to scale up and speed up the process in which we can respond to these accelerating number of disasters, allowing us to serve our clients quicker and more efficiently, keep our employees safe from problematic or disaster-stricken areas whilst covering a higher volume of work and simultaneously reducing our own environmental impacts through travel avoidance. This ultimately reduces the carbon intensity of our claims services to our clients whilst providing a range of additional benefits.

The challenges and opportunities that climate change is presenting us as a Group are vast and differing. Whilst our Real Estate and Workplace, and global operations team have been focused on developing a scenario analysis to analyse the future physical impacts to our business, our Risk Committee has been identifying and managing transitional risks throughout the business. Meanwhile our Global Business Services and Investments teams are looking at NGFS (Network for Greening the Financial System) scenarios aligned to RCP 2.6 to ensure consistency with our other analysis and to manage climate-related impacts within these areas. For more on scenario analysis, please see the relevant section in this report.



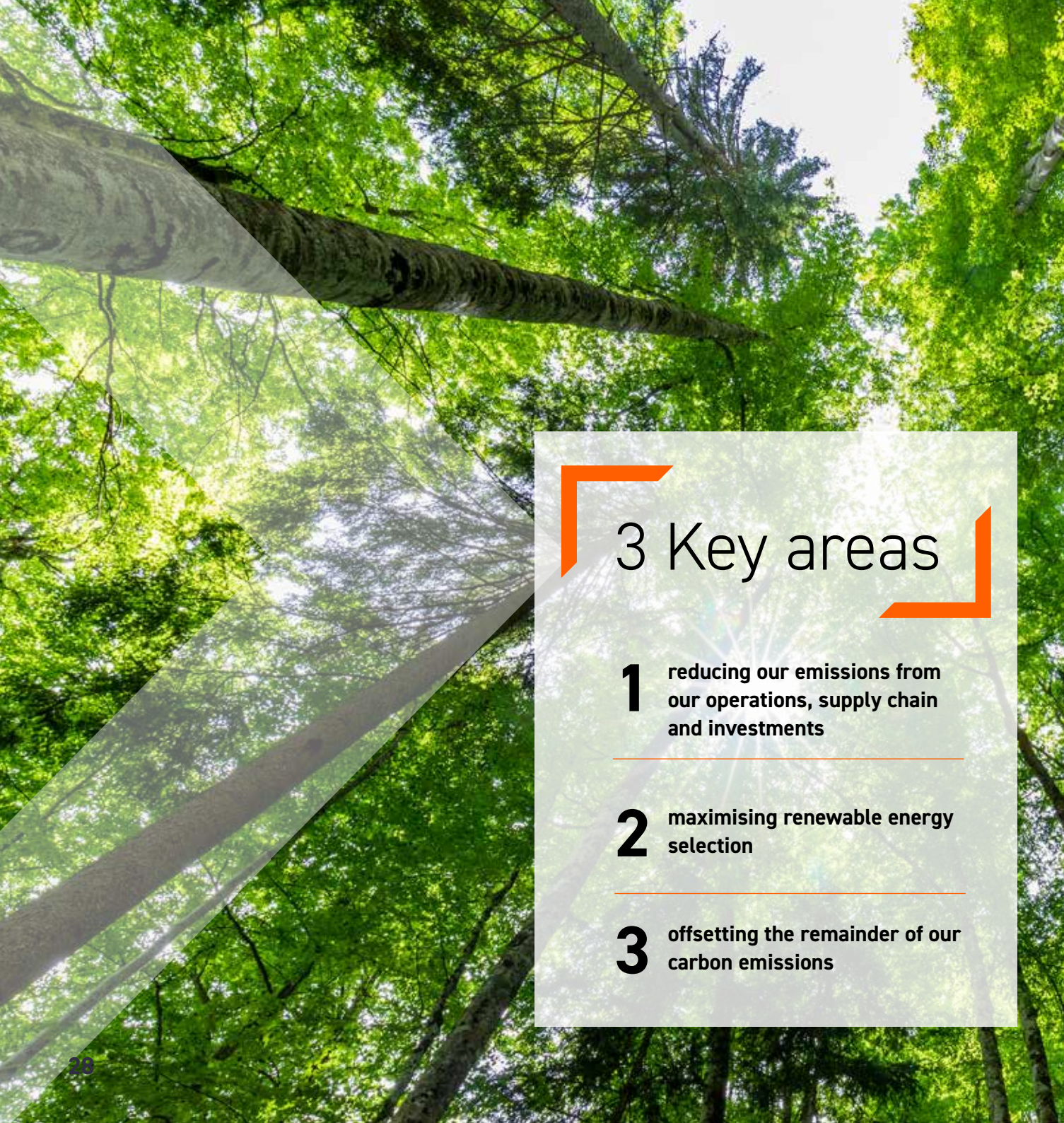
Our Climate Transition Plan and Net Zero Carbon Pathway

As one of the leading claim management services globally, we have a responsibility and role to play in contributing to the transition to a low carbon economy. In November 2022, we set an ambition to become a Net Zero carbon company by 2050. That's why throughout 2022 and 2023 we will be developing our Net Zero Carbon Pathway (NZCP). This public commitment from our ExCo to reach (net) zero GHGs as soon as possible, and by mid-century at the latest, is in line with global efforts, our industry, and client's requests to limit warming to 1.5C. Charles Taylor has committed itself to the reduction of Greenhouse Gases (GHG's) in line with Science Based Target's (SBT's) to achieve its Net-Zero goals by 2030 (Scopes 1 & 2) and 2050 (All Scopes) respectively. Our Net Zero Carbon Pathway (NZCP) alongside its science-

based targets which are due in 2024 focuses our own and our partners 15 efforts to reduce emissions from our services, operations, and supply chain to avoid the worst impacts of climate change in the future.

Charles Taylor is currently developing its Climate Transition Plan alongside our NZCP which focuses on reinforcing our climate-related risk management, creating robust internal processes to manage and mitigate climate-related risk and utilise opportunities all whilst aligned to the outcomes from our proposed scenario analysis. This transition plan will focus on creating a Charles Taylor that will need to be adaptable and flexible in a world of increasing natural catastrophes.





3 Key areas

1 reducing our emissions from our operations, supply chain and investments

2 maximising renewable energy selection

3 offsetting the remainder of our carbon emissions

As a business, emissions reduction is our main environmental priority. Our pathway will focus on 3 key areas, reducing our emissions from our operations, supply chain and investments, secondly maximising renewable energy selection, and lastly, offsetting the remainder of our carbon emissions. We understand and take full 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.



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 carbon dioxide by 2030 identified in the IPCC Special Report on Global Warming of 1.5C¹ We are developing our transition plan over the next two years that will align with a 1.5c world.

Our transition plan and NZCP is directly influenced by the climate-related risks and opportunities that arise from the processes within our Governance structure and the management of our operations. Once developed, our net zero carbon pathway will be publicly available.

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% renewable electricity and increase wherever feasible the direct purchasing of green energy.
- 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 and/or exclusion policies in our policy framework in the next two years 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 within the next two years and communicate this with our external stakeholders publicly.
- Engage with our supply chain in order to allocate emissions based upon spend, to identify collaboration opportunities for future reductions.

Our employee-based retirement scheme

Our company-wide pension scheme is managed by Aviva who are also a client that we work closely with on climate-related issues. Part of the management of their pension scheme requires ESG criteria to be incorporated as a default requirement. Their pension and investments fall within the net-zero carbon pathway with a plan to divert from coal and fossil fuels in general and to invest in low-carbon businesses. For more information on their ESG policies and how they manage climate-related risk and opportunities in accordance with pension schemes please view their website. Apart from being a current business partner, Aviva was selected to manage our employee-based pension scheme due to its sustainability credentials and the inclusion of its pension scheme within its decarbonisation plans.

Offset Strategy

As part of our future NZCP, Charles Taylor understands that high quality carbon offsets will take an evolving role in line with market best practices and the latest scientific data available. Charles Taylor's offset strategy has therefore been developed in line with the Science Based Target institute and the Oxford Net Zero principles for offsetting. Our strategy, through careful program selection and the use of technology, shall also undertake steps to mitigate any negative issues with regards to offset short comings within the voluntary carbon markets, portfolio leakage and emission reversals.

We understand that our priority is to reduce our emissions first and foremost with offsetting being for residual and unavoidable carbon. Our carbon offsetting strategy is therefore the final piece of our Net Zero journey as we

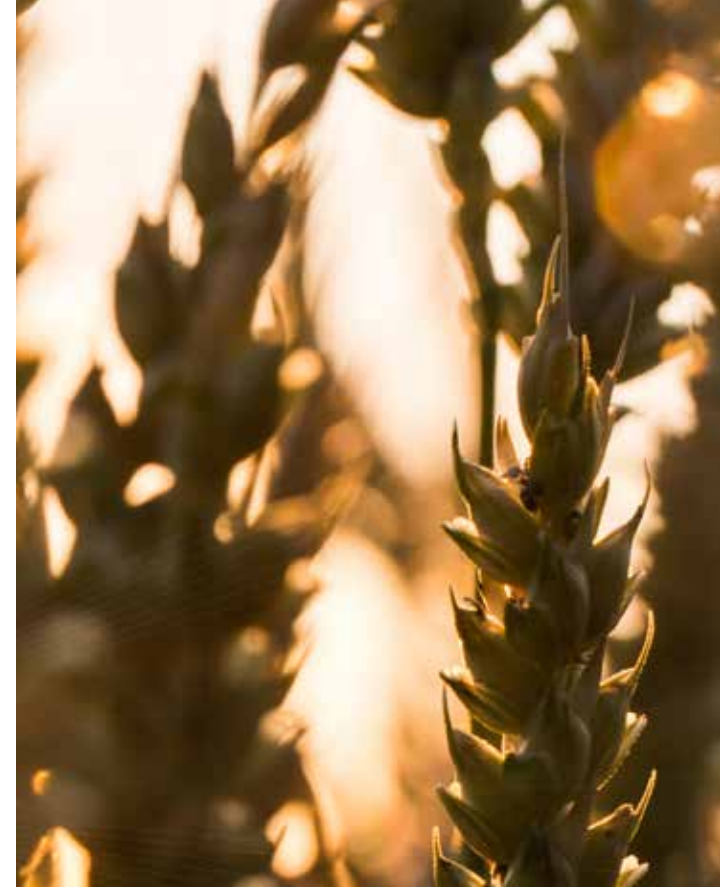
will only be using offsets to manage unavoidable residual emissions that cannot be reduced through other means. It will allow us to create a positive impact far beyond the boundaries of our operations and our supply chain. It will demonstrate climate leadership within our sector and help instigate corporate change at a level demanded by the climate emergency.

We will offset all our corporate emissions for 2023 (emissions from our direct corporate activities and offices) and commit to the actions that will be outlined in our forthcoming NZCP. We are taking responsibility for our actions and seeking to mitigate their impact now, whilst achieving our absolute emissions reduction target, in order to have the maximum impact.

Our Carbon offset strategy will be updated upon the renewal of each offset purchase to reflect any changes in the marketplace and in order to source offsets with increasingly permanent and low risk carbon sequestration. This will be managed by our Environmental Manager who will be responsible for updating the ESG Committee on an annual basis regarding the state of our offset portfolio, the current progress of 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.

The criteria for offset selection will be revisited at this point in our purchase cycle, since emissions that were previously considered hard-to-reduce may become easier to reduce due to new technologies, falling costs, or new incentives.

Charles Taylor shall only procure offsets that are verifiable and correctly accounted for, have a low risk of non-additionality, reversal, and creating negative unintended consequences. By taking steps to verify the offsets, we can ensure that the emission reduction or carbon removal takes place, and that all forms of double-counting, including double-claiming of the emission reduction benefit, are avoided. Forward-selling, and any time gap between the purchase of the offset and the successful execution of the emission reducing or carbon removing activity must be minimised, and mechanisms to ensure that the environmental benefits from an offset are delivered must be strong. Charles Taylor therefore commits to retiring all offsets immediately upon purchase completion and wherever feasible, sourcing offsets directly from a project.



Offsetting Scope & Boundary

The defined boundary of our offset is determined in line with our annual carbon footprint in order to cover its entirety after all other reductions including the purchasing of green energy have been accounted for. Our offsets will only be purchased for the residual carbon on an annual basis although we will look to enter longer term commitments in order to provide financial security to the offset market and the projects we work with.

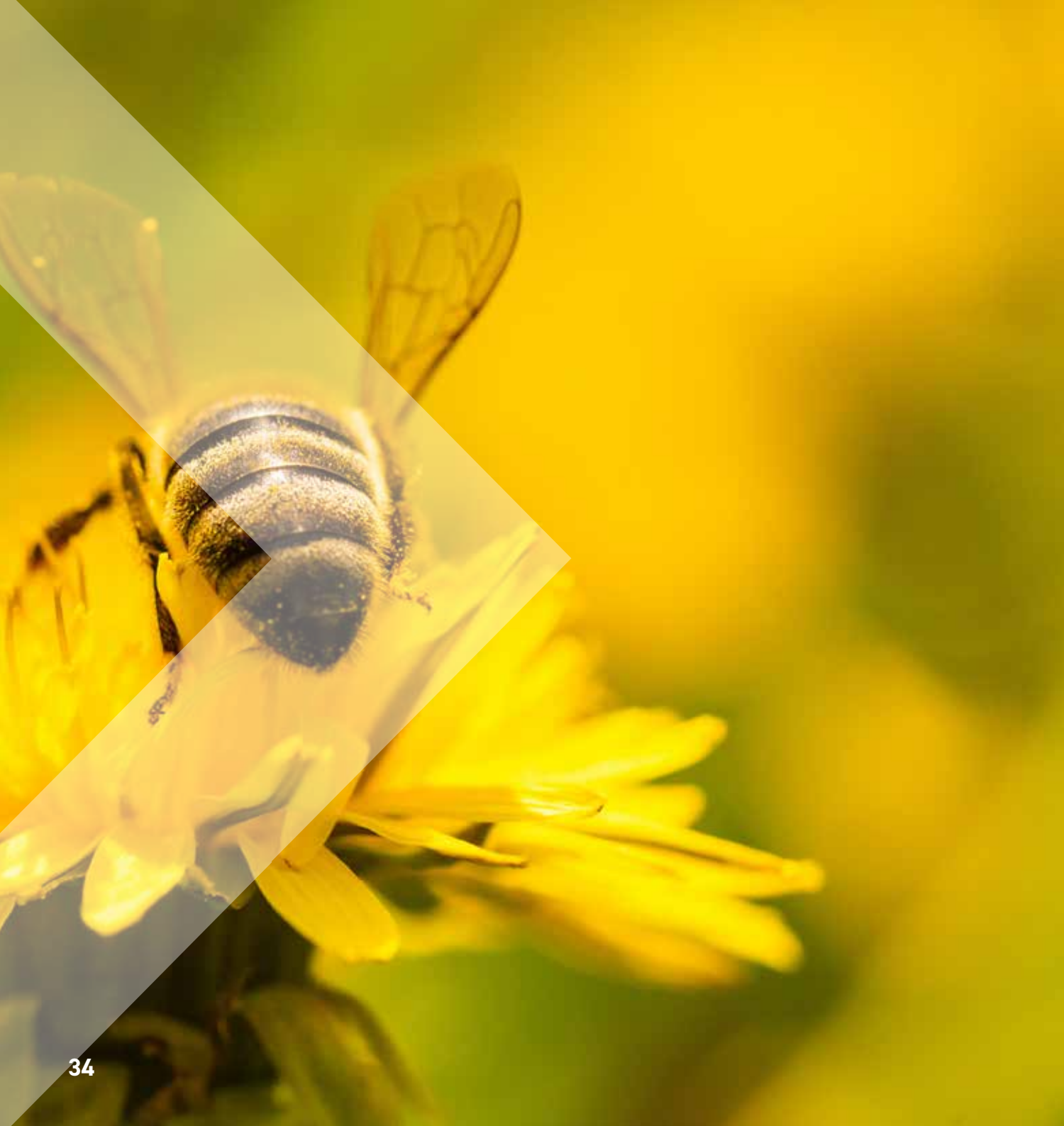
Whilst Charles Taylor is committed and required by law in several countries it operates to reduce its carbon and environmental footprint, it is not required to utilise mandatory carbon trading currently. This could be subject to change as laws evolve and the Scope of mandatory carbon markets expands in the future to include more businesses rather than major polluters. The decision

therefore to offset emissions came out of an assessment of climate-related transitional risks. Charles Taylor is basing the foundations of our offset strategy upon the principles laid out by the Oxford principles for carbon offsetting:

- A. Cut emissions, use high quality offsets, and regularly revise offsetting strategy as best practice evolves.
- B. Shift to carbon removal offsetting
- C. Shift to long-lived storage
- D. Support the development of net zero aligned offsetting

By maintaining best practices and aligning with the University of Oxford's offsetting and Net-Zero principles, Charles Taylor will procure only the highest quality offsets within the voluntary market, to ensure that they would be recognised under any future mandatory market requirements, mitigating any regulatory risks and would be counted towards our net-zero goals. We shall be developing an internal carbon pricing mechanism that takes into account the cost of our offsetting in order to further drive operational reductions.





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. Whilst this is our first year conducting a scenario analysis, this exercise shall be carried out on an annual basis and updated each year in accordance with the latest data and information available.

Methodology

This year is Charles Taylor's first climate change scenario analysis across the Group and will be limited in scope to establish a foundation for our findings going forward. Over time we aim to improve this disclosure with the findings from this year, developing our analysis to include other future potential scenarios and widening the scope to cover all our business as well as our supply chain.

This scenario analysis is in line with the recommendations laid out by the TCFD. TCFD recommendations state the importance of the development of a sound scenario narrative, before proceeding to quantifying the scenarios. Further quantifications and financial implications of each scenario will be an objective for future maturity reporting levels for Charles Taylor.

The scenarios that will be 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). | 3) Consistent – the scenarios will be based on logic and rationale of current trends and positions. |
| 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 SSP1, a green development social pathway and the second being 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. | 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. |



Scope & Boundary

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 have advised the use of global averages for risks and opportunities rather than regional ones. As our scenarios develop, we will be enriching them with improved data and understandings of the complex services being impacted.

As part of this scenario analysis, we are attempting to understand 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 aim to allow further scenario analyses, utilising additional frameworks and introduce our own metrics to provide better depth and understanding as to how we can mitigate and manage these risks.

Our Aims

We have created a narrow list of aims for our first year of 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 initial scenario analysis Charles Taylor shall be using the Intergovernmental Panel on Climate Change (IPCC) scenario analysis and pathways. During our analysis, we shall be utilising two potential scenarios with the United Nations narratives or Shared Socioeconomic pathways (SSP's), that have been built by the IPCC.

Two different narrative storylines were developed to describe consistently the relationships between emission driving forces and their evolution and 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 have used RCP 2.6 alongside an SSP1 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 SBTI's in our strategy according to this RCP.

For our second scenario we have 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 have 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. We aim to report the outcomes of our scenario analysis in the next annual report.





RISK MANAGEMENT

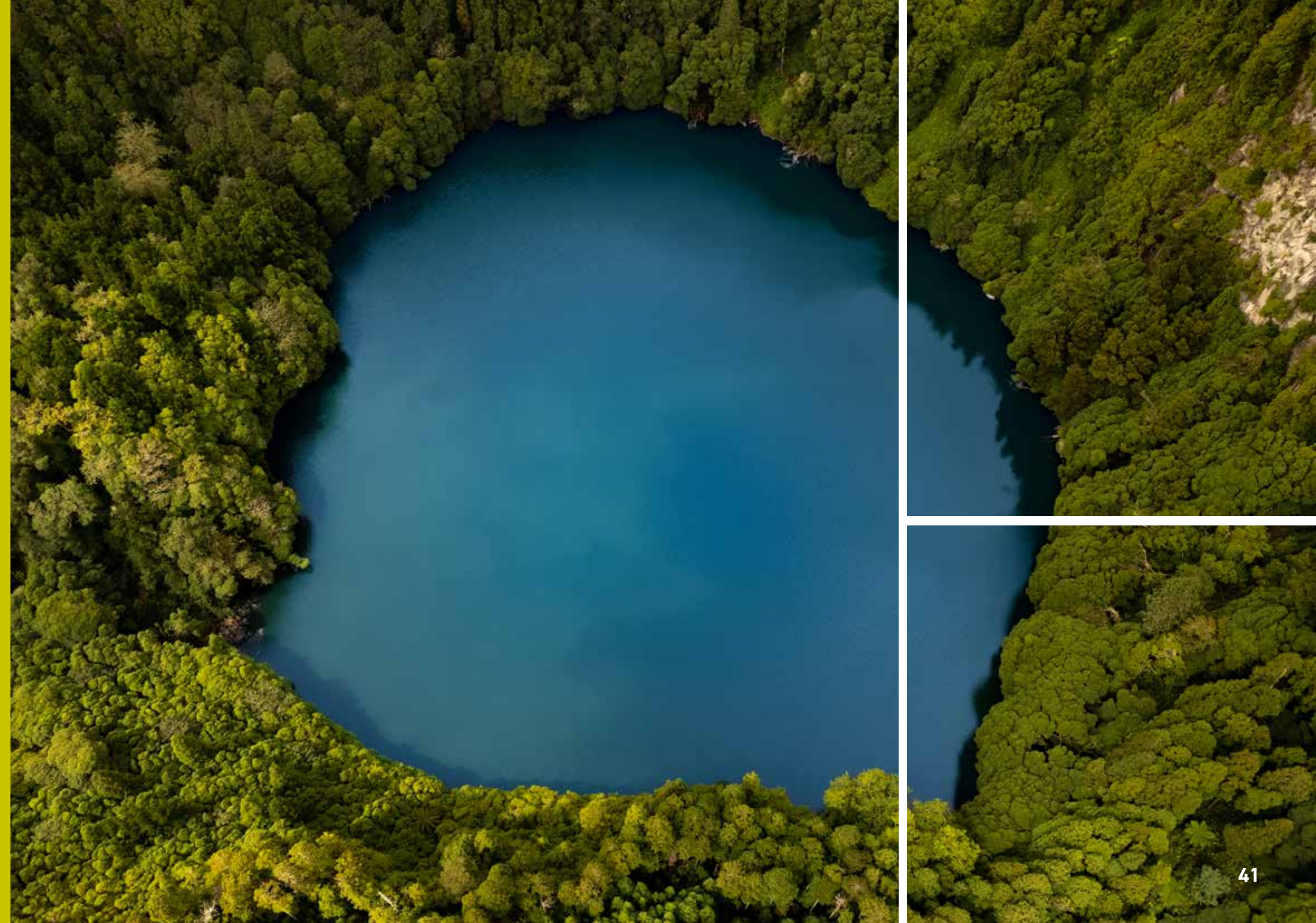
Sustainability processes, structures & responsibilities at Charles Taylor.

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.

Our Real Estate & Workplace team manages asset-based and operational risk and has several processes for incorporating physical climate-related risk into its processes. This has led to the inclusion of climate-related risk at Board meetings with the ESG Committee and Group

Risk team providing the relevant information for strategic decision making. For more information, please see the Governance section of this report.

Our Group Risk team identifies emerging, current risks and climate-related transitional risks as they evolve, incorporating them into our current risk management process, assessment, measuring, monitoring, and escalation processes. Our strategy aims to understand emerging risks that we have identified from the business.





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. Our Assurance 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 trends and themes and

ultimately report to the ExCo & Board. Charles Taylor's Chief Executive, has extensive experience and expertise in risk management and is currently working directly with our Group Assurance team to identify the work that Charles Taylor does and what mitigation efforts can be put in place.

Risks currently identified are mostly in the areas of our supply chain, global operations and offices around the world whilst opportunities seem to have presented themselves mainly in the development of our business services. The following is a list of our most relevant climate-related

risks and opportunities that have been identified and are integrated into our risk management tool.



Type	Climate-related risks	Potential Financial Impacts
Transition Risks	Policy and Legal <ul style="list-style-type: none">• Increased pricing of GHG emissions• Enhanced emissions• reporting obligations• Mandates on and regulation of existing products and services• Exposure to litigation.	<ul style="list-style-type: none">• Increased operating costs (e.g., higher compliance costs, increased insurance premiums)• Write-offs, asset impairment, and early retirement of existing assets due to policy changes• Increased costs and/or reduced demand for products and services resulting from fines and judgments
	Technology <ul style="list-style-type: none">• Substitution of existing products and services with lower emissions options• Unsuccessful investment in new technologies• Costs to transition to lower emissions technology• New technologies that disrupt markets	<ul style="list-style-type: none">• Write-offs and early retirement of existing assets• Reduced demand for products and services• Research and development (R&D) expenditures in new and alternative technologies• Capital investments in technology development• Costs to adopt/deploy new practices and processes
	Market <ul style="list-style-type: none">• Changing customer behaviour• Uncertainty in market signals• Increased cost of raw materials	<ul style="list-style-type: none">• Reduced demand for goods and services due to shift in consumer preferences• Increased production costs due to changing input prices (e.g., energy, water) and output requirements (e.g., waste treatment)• Abrupt and unexpected shifts in energy costs• Change in revenue mix and sources, resulting in decreased revenues• Re-pricing of assets (e.g., fossil fuel reserves, land valuations, securities valuations)
	Reputation <ul style="list-style-type: none">• Shifts in consumer preferences• Stigmatization of sector• Increased stakeholder concern or negative stakeholder feedback• Growing expectations for responsible conduct from stakeholders, including investors, lenders, and consumers.	<ul style="list-style-type: none">• Reduced revenue from decreased demand for goods/services• Reduced revenue from decreased production capacity (e.g., delayed planning approvals, supply chain interruptions)• Reduced revenue from negative impacts on workforce management and planning (e.g., employee attraction and retention)• Reduction in capital availability• Opportunity to enhance reputation and brand value
Physical risks	Acute <ul style="list-style-type: none">• Increased severity of extreme weather events such as cyclones and floods Chronic <ul style="list-style-type: none">• Changes in precipitation patterns and extreme variability in weather patterns• Rising mean temperatures• Rising sea levels	<ul style="list-style-type: none">• Reduced revenue from decreased production capacity (e.g., transport difficulties, supply chain interruptions)• Reduced revenue and higher costs from negative impacts on workforce (e.g., health, safety, absenteeism)• Write-offs and early retirement of existing assets (e.g., damage to property and assets in “high-risk” locations)• Increased operating costs (e.g., inadequate water supply for hydroelectric plants or to cool nuclear and fossil fuel plants)• Increased capital costs (e.g., damage to facilities)• Reduced revenues from lower sales/output• Increased insurance premiums and potential for reduced availability of insurance on assets in “high-risk” locations

Type	Climate-related risks	Potential Financial Impacts
Resource efficiency	<ul style="list-style-type: none">• Use of more efficient modes of transport• Use of more efficient production and distribution processes• Use of recycling• Move to more efficient buildings• Reduced water usage and consumption	<ul style="list-style-type: none">• Reduced operating costs (e.g., through efficiency gains and cost reductions)• Increased production capacity, resulting in increased revenues• Increased value of fixed assets (e.g., highly rated energy efficient buildings)• Benefits to workforce management and planning (e.g., improved health and safety, employee satisfaction) resulting in lower costs
Energy Source	<ul style="list-style-type: none">• Use of lower-emission sources of energy• Use of supportive policy incentives• Use of new technologies• Participation in carbon market• Shift toward decentralized energy generation	<ul style="list-style-type: none">• Reduced operational costs (e.g., through use of lowest cost abatement)• Reduced exposure to future fossil fuel price increases• Reduced exposure to GHG emissions and therefore less sensitivity to changes in cost of carbon• Returns on investment in low-emission technology• Increased capital availability (e.g., as more investors favour lower-emissions producers)• Reputational benefits resulting in increased demand for goods/services
Products and Services	<ul style="list-style-type: none">• Development and/or expansion of low emission goods and services• Development of climate adaptation and insurance risk solutions• Development of new products or services through R&D and innovation• Ability to diversify business activities• Shift in consumer preferences	<ul style="list-style-type: none">• Increased revenue through demand for lower emissions products and services• Increased revenue through new solutions to adaptation needs (e.g., insurance risk transfer products and services)• Better competitive position to reflect shifting consumer preferences, resulting in increased revenues• Increased demand for energy-efficient, lower-carbon products and services
Markets	<ul style="list-style-type: none">• Access to new markets• Use of public-sector incentives• Access to new assets and locations needing insurance coverage	<ul style="list-style-type: none">• Increased revenues through access to new and emerging markets (e.g., partnerships with governments, development banks)• Increased diversification of financial assets (e.g., green bonds and infrastructure)• Reduced market demand for higher- carbon products/commodities
Resilience	<ul style="list-style-type: none">• Participation in renewable energy programs and adoption of energy efficiency measures.• Resource substitutes/diversification	<ul style="list-style-type: none">• Increased market valuation through resilience planning (e.g., infrastructure, land, buildings)• Increased reliability of supply chain and ability to operate under various conditions• Increased revenue through new products and services related to ensuring resiliency

In addition to understanding and managing the risks to the business, work has begun on the opportunities available to us. We've introduced supply chain emissions within our Scope 3 reporting for the first time this year. 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. We are already working proactively with some of our clients and have begun investigating initiatives and reporting methods to support requests in this arena. We expect that this will only increase as we approach 2025.

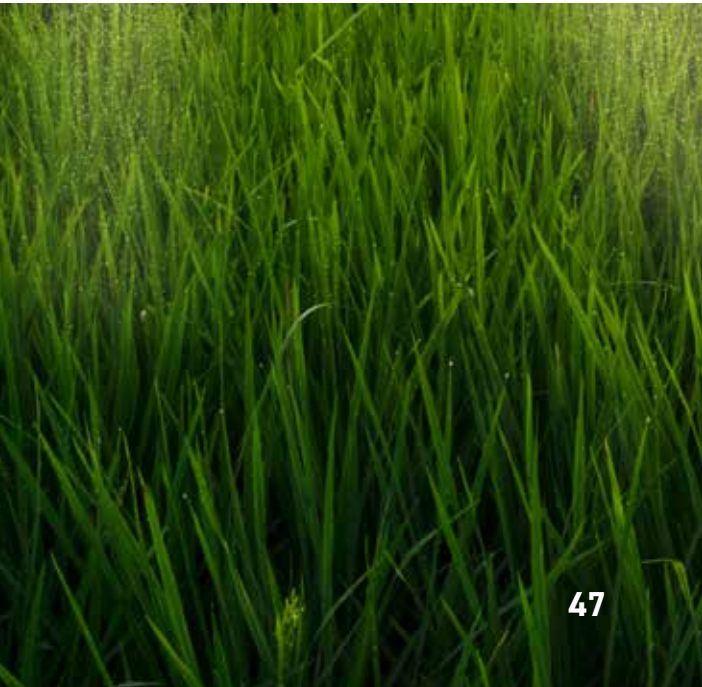
Currently we have seen a direct opportunity arise from climate-related risk. As previously mentioned in the strategy section of this document, our embrace of AI, drone and satellite technology will provide for speedier claims settlements helping improve our clients' satisfaction and additionally helping us to differentiate our position in the marketplace. Our InsureTech business unit provides market-leading platform and infrastructure solutions and fosters innovation. Claims digitalisation will reduce our travel, carbon footprint and energy usage compared to traditional claims. Whilst reducing carbon emissions from our services, we will be able to scale up and speed up the delivery of

claims, all whilst keeping our employees safe from natural catastrophe zones. As part of this development, we have started to assess how managing claims with the use of technology is able to reduce our carbon footprint per claim compared to a traditional claims process, in turn feeding straight into our business strategy and informing our clients of their impact by utilising our services. Climate change is both a challenge but also an opportunity for us. Charles Taylor sees that there's a lot of risk from climate change that the industry still needs to address. By looking forward and adopting the appropriate tools, products and focus, Charles Taylor understands that there is a real opportunity

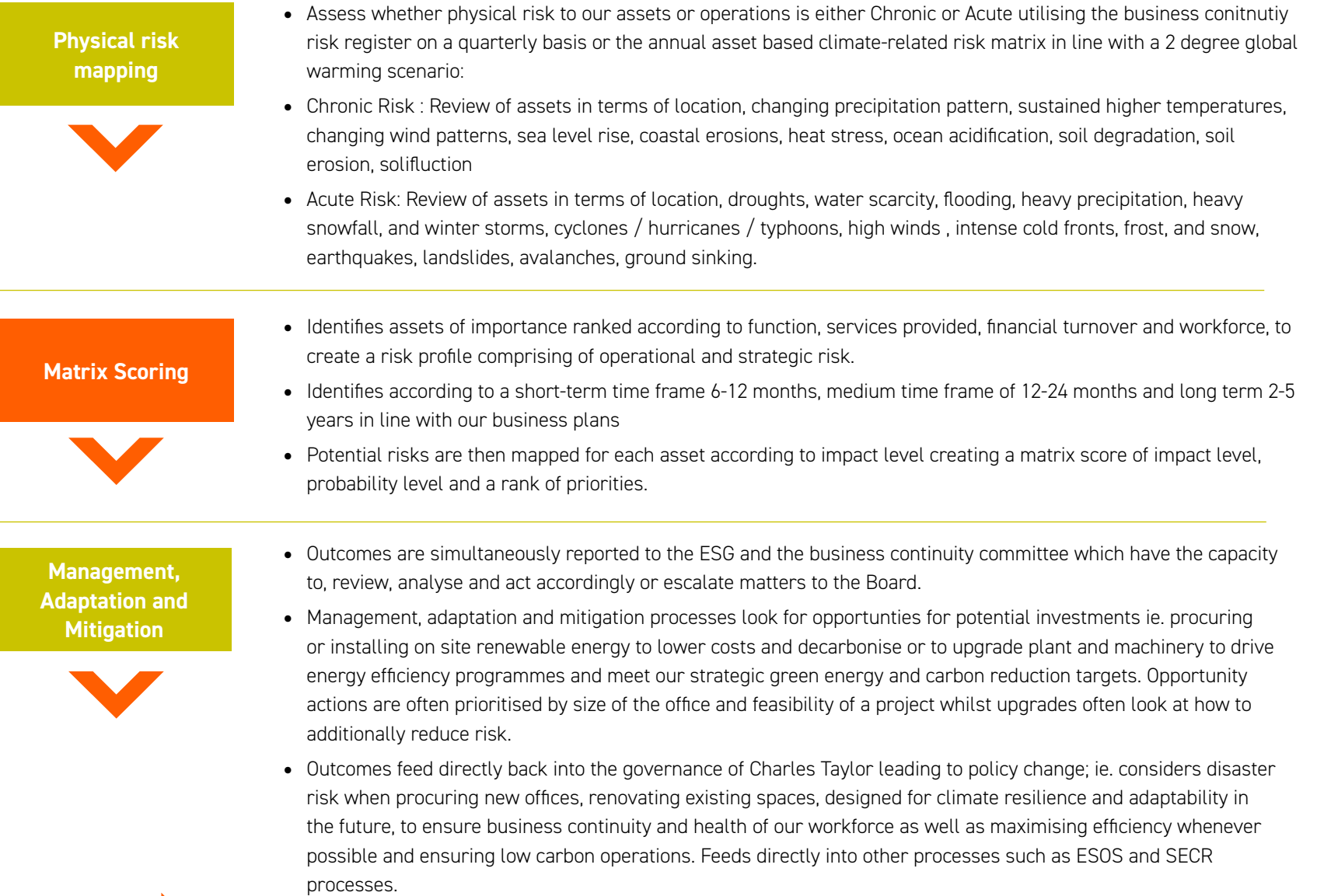
to better provide risk mitigation to consumers for climate-related disasters.

Our climate risk assessment identifies risk according to a short-term time frame of 6-12 months, medium time frame of 12-24 months and long term 2-5 years in line with our business plans. This annual process of risk evaluation is conducted based upon the UN's Representative Concentration Pathway 2.6 (RCP) which sets out a scenario of global warming by 2100 by up to 2 degrees Celsius utilising a qualitative scenario analysis. Charles Taylor endeavours to transition from a narrative-based

qualitative scenario assessment to a mixed qualitative and quantitative scenario analysis in the future, enriching our analysis and creating a greater understanding of our climate risk. For more information on our scenario analysis, please see the relevant part of the report.



Asset-based & operational climate-related risk management process



Group Risk integrated climate-related risk management process

The Group Risk team reports to the ESG Committee using the following process to track and manage both physical and transitional risks and opportunities related to climate on an annual basis whilst creating management, mitigation and adaption decisions that feed back into the sustainability strategy. The diagram below outlines the process whilst the table notes the current climate-related risk identified for the business.

Current regulation

- Regulatory compliance to reflect business Growth
- ESOS / EED
- UK Energy savings opportunity scheme /
- European energy directive
- Carbon pricing mechanisms
- Mandates on regulation of existing products and services
- Regulation and supervision of climate-related risk in the financial sector
- Enhanced emissions-reporting obligations
- SECR – streamlined energy and carbon reporting

Emerging regulation

- Enhanced emissions – reporting obligations
- Regulation and supervision of climate-related risk in the financial sector
- Financial support for fossil fuel industries
- Carbon pricing mechanisms
- Mandates on and regulation of existing products and services

Reputation

- Shifts in consumer preferences
- Stigmatization of sector
- Increased stakeholder concern or negative stakeholder feedback
- Lending that could create or contribute to systemic risk for the economy
- Investing that could create or contribute to systemic risk for the economy
- Insurance underwriting that could create or contribute to systemic risk for the economy
- Negative press coverage related to support of projects or activities with negative impacts on the climate (e.g., GHG emissions, deforestation, water stress)

Legal

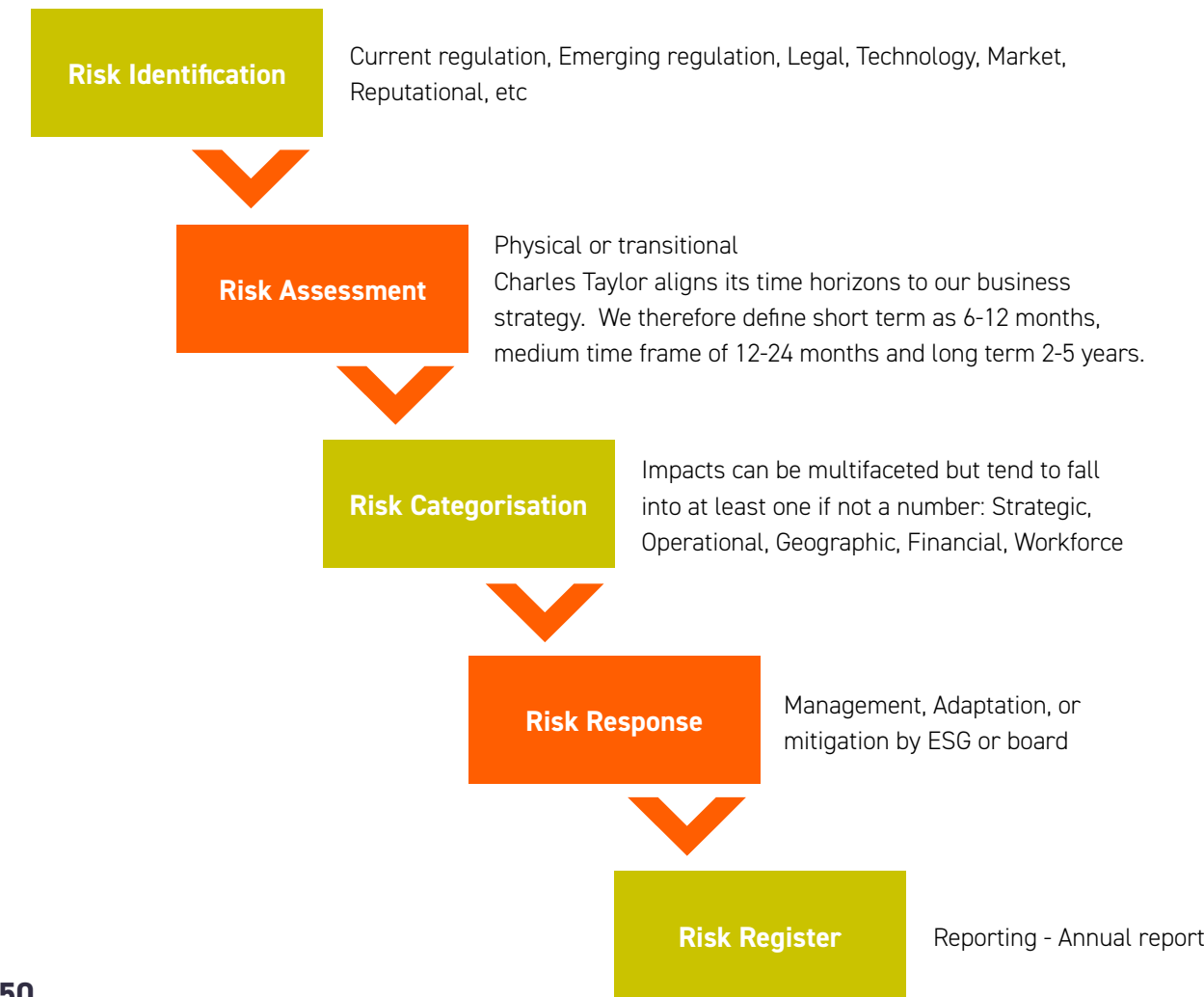
- Brexit
- climate-related litigation claims
- Exposure to litigation
- Regulation and supervision of climate-related risk in the financial sector
- Lending that could create or contribute to systemic risk for the economy
- Investing that could create or contribute to systemic risk for the economy
- Insurance underwriting that could create or contribute to systemic risk for the economy

Market

- Shifts in supply and demand for certain commodities, products, and services
- Changing customer behaviour
- Uncertainty in market signals
- Increased cost of raw materials
- Inability to attract co-financiers and/or investors due to uncertain risks related to the climate
- Loss of clients due to a fund's poor environmental performance outcomes
- Contraction of insurance markets, leaving clients exposed and changing the risk parameters of the credit
- Rise in risk-based pricing of insurance policies (beyond demand elasticity)

Technology

- Transitioning to lower emission technology
- Substitution of existing products and services with lower emissions options
- Unsuccessful investment in new technologies
- Shift to Agile Working



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 42.8 tonnes a year. Phase II of the lighting upgrade was completed in 2021 and led to an additional annual saving of 20,567 Kilowatt hours or the equivalent of 12.5 tons of additional carbon saved. Since then additional projects have occurred including the removal of petrol vehicles for electric vehicles in 2022. Cumulatively we have managed to save 94,943 kWh of energy per year which is equivalent to 57.3 metric tons of carbon.

Site	Stage Of Development	Activity Type	Total energy savings kWh / year	GHG Savings / year (tCO2e)
Chichester	Completed	Electricity: Lighting	70,895	42.8
Chichester	Completed	Electricity: Lighting	20,567	12.5
London	Completed	Behavioural change	2,166	1.31
London	Completed	Electricity: Lighting	1,089	0.658
Chichester	First stage analysis	Renewable energy: Solar Panels	124,080	35
Chichester	First stage analysis	Energy Saving: Insulation	162,370	40
Chichester	First stage analysis	Energy saving: Boiler upgrades	93,690	23
Chichester	First stage analysis	Energy saving: Double Glazing	75,950	19
Chichester	First stage analysis	Behavioural: energy management system	44,510	10
Chichester	First stage analysis	Energy saving: Heat pump installation	4,510	3
London	First stage analysis	Energy saving: Solar Film	24,370	7
London	First stage analysis	Behavioural: energy management system	41,380	9
London	First stage analysis	Behavioural: Heat set point	39,390	7
Funtington	Implemented	Vehicle Change (Petrol to EV)	225.64	0.057

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 analysing and identifying the feasibility of introducing Science – Based Targets in line with TCFD and UK government recommendations. Science based targets ensure that corporate targets for cutting Greenhouse Gas Emissions (GHG’s) are set at the 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 will form the foundation of our Net-Zero targets and Net-Zero carbon pathway which is currently under development.

Charles Taylor currently has a target of reducing our absolute location-based footprint by 20% on our 2019 baseline and are currently performing well beyond that target as can be seen our sustainability data section.

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 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.

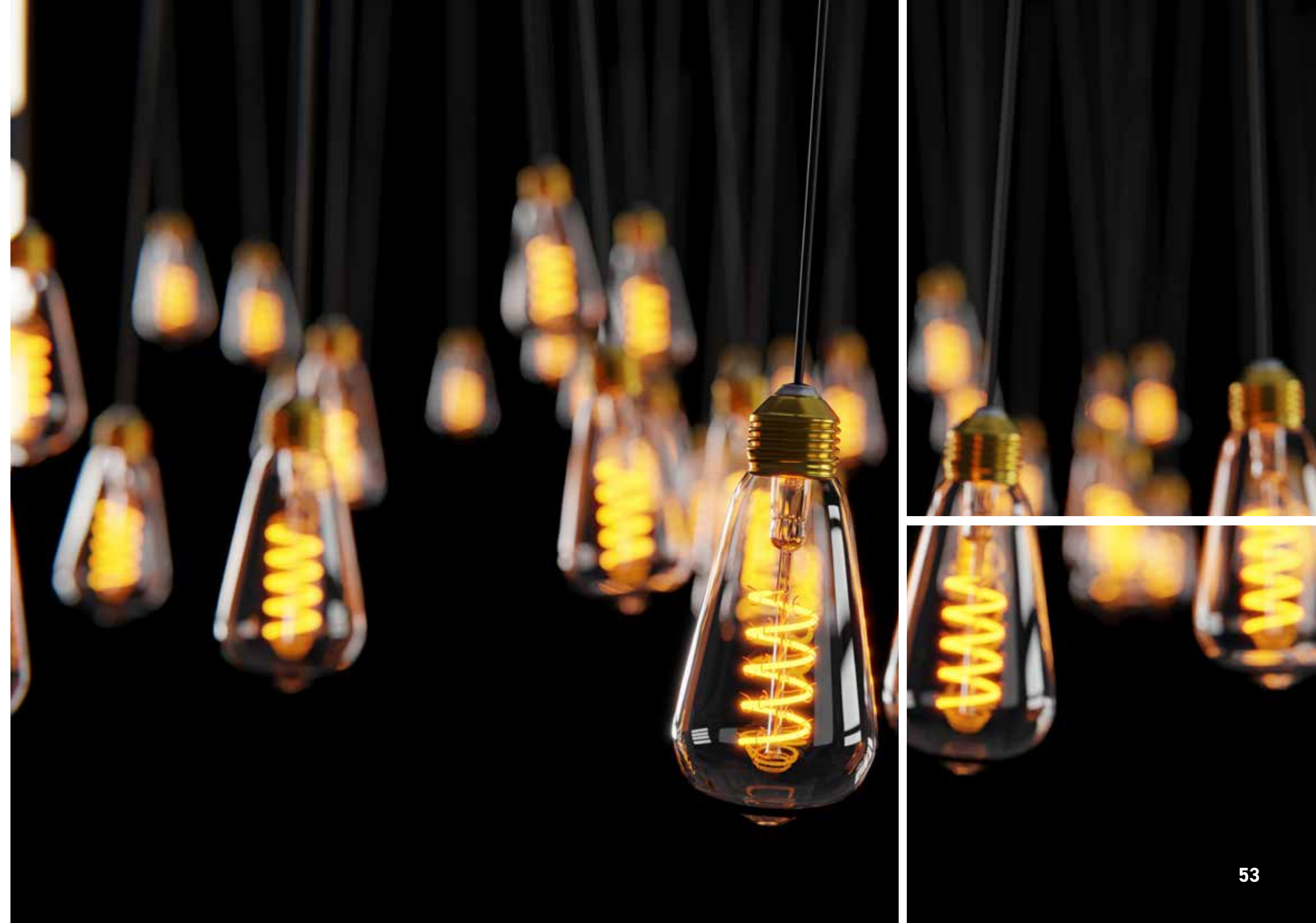
This will be achieved through a combination of direct purchases from renewable energy suppliers wherever possible and the purchasing of renewable energy certificates (REC's) where we are unable to source directly from renewables. We shall continue to pursue options in all the

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.

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.



SUSTAINABILITY DATA

ENVIRONMENTAL IMPACTS DISCLOSURE, EMISSIONS METHODOLOGY, CARBON DATA, TARGETS & PERFORMANCE 2022

Our Greenhouse Gas Emissions - Carbon Footprint

Charles Taylor's total greenhouse gas location-based emissions for 2022 were: 7,051 tCo₂e Charles Taylor's total greenhouse gas market-based emissions for 2022 were: 6,076 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 are reported on:

- **Scope 1 emissions:** Direct emissions from sources owned or operated by the Company.
- **Scope 2 emissions:** Indirect emissions attributable to the Company due to its consumption of purchased electricity, heat or steam. The market-based emissions include energy purchased directly from renewable sources as well as the use of renewable energy attribute certificates to cover all of Charles Taylor's energy usage.
- **Scope 3 emissions:** Indirect emissions due to the activities of the Company.

Emission sources included Scope	Emission sources
One	Natural gas Fuel Fugitive gases Petrol use in company cars Diesel use in company cars
Two	Electricity (generation) Steam
Three	Category 1 Purchased goods & services (supply chain) Category 3 Other Fuel & energy-related activities (not in Scopes 1 or 2) Category 5 Waste generated in operations Category 6 Business travel Category 7 Employee commuting & remote working Category 13 Downstream leased assets Category 15 Investments (financed emissions).

Modelling

The modelling methodology utilised by Charles Taylor in integrated into our carbon accounting software which has been endorsed by PWC and Carbon Disclosure Project Partner. Our modelling uses a four-step methodology to plug data gaps and is dependent on what data that specific location already has for the selected time period. Currently Charles Taylor is using modelling across electricity, fuel and water data source types only. The modelling methodology applies the below Steps in order, only moving to the next Step once the previous has been attempted.

Step 1 – Previous Year’s Data

When a site does not have consumption data, Step 1 is attempted first. This step takes consumption data (actual or estimated) from the same time period in the previous year and applies that as the modelled consumption value.

Step 2 – 12 month rolling average

If the location does not have consumption data (actual or estimated) from the same time period in the previous year, Step 2 is used. Step 2 is applied if the location has actual data for at least seven months in the previous 12 months from the month that the modelling will apply to. The value used for the missing month is the average of the previous 12 months data. When calculating this data the system evaluates the variance of this average value and if it exceeds 50%, the next level of modelling is used for this location.

Step 3 – Normalised intensity factor

If the location does not meet the requirements for either Steps 1 or 2 then this option is used to model the data (Step 3). This option can only be used if the location has at least one actual data entry for the previous 12 months and has area (m2) data in the system for that month. For each of

the last 12 months that has data and area data, a 6 month running average intensity factor is calculated and stored against that month. Then the average of those intensity factors is calculated over the last 12 months and this is multiplied by the location’s area to complete the modelling.

Step 4 – Client intensity factors

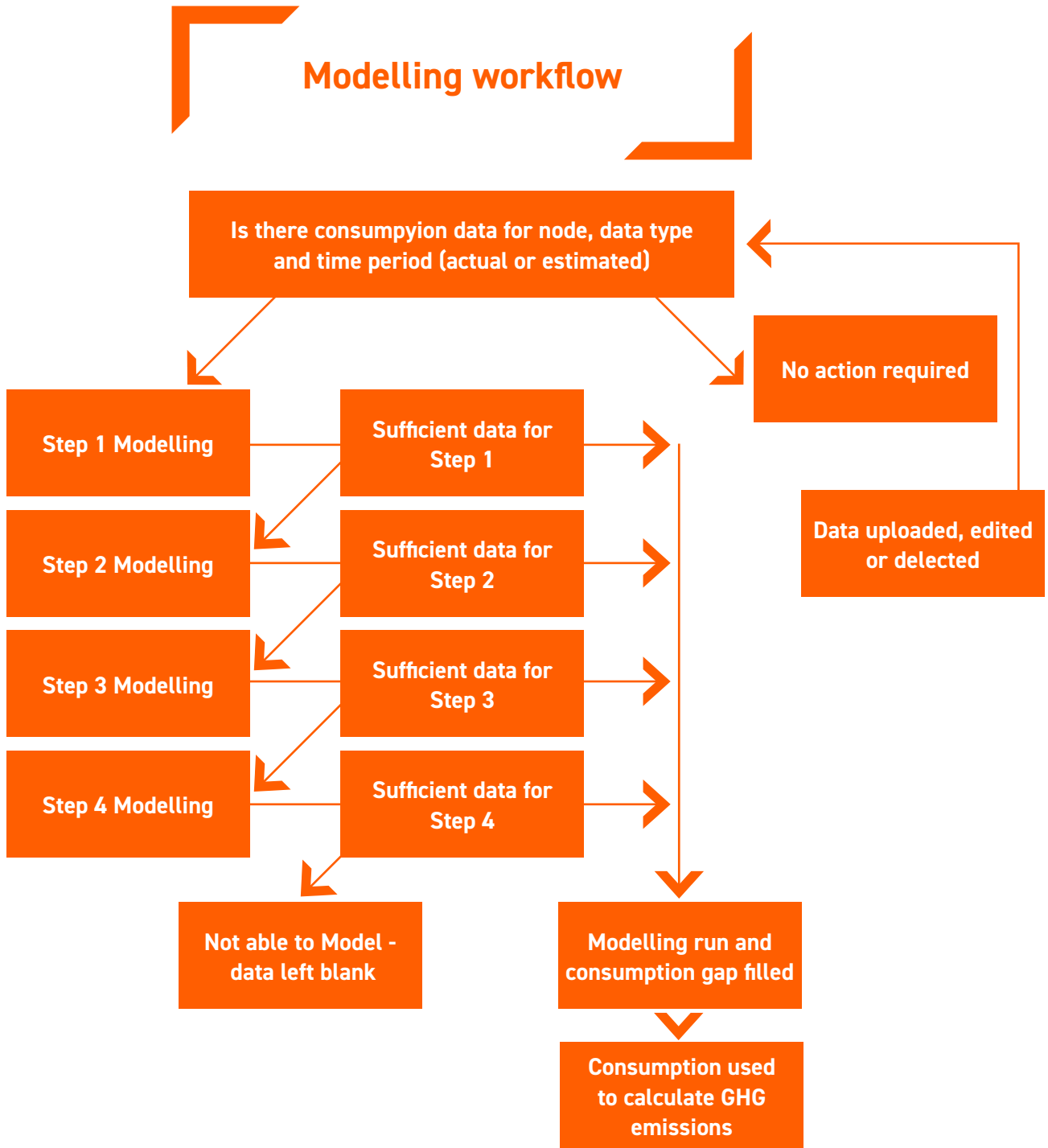
If a location has no actual data for any previous time period, Charles Taylor may elect to use its own intensity factors. These are usually based upon global data or externally sourced factors from a reputable source. Step 4 modelling will only occur if client specific intensity metrics have been defined and the associated nodes have floor area for the time period which is looking to be modelled. Clients are able to define their own Step 4 intensity metrics (associated with a node type) to apply a more transparent gap-plugging methodology to sites unable to be modelled on Steps 1-3.

➤ **Calculating modelled GHG emissions**

In all steps, the consumption is modelled and the associated GHG emissions are calculated from the consumption values and the Greenstone emissions factors database as for non-modelled data.

Modelling market-based emissions

If market-based emissions factors have been provided then these factors will be used to calculate the market-based emissions for modelled consumption. As with calculating location-based emissions, the modelled consumption has the market-based emissions factor applied to calculate the market-based emissions. This applies to all modelling steps. When modelling market-based emissions, the factors provided Market-Based Emissions are applied as priority one. Residual mix factors are applied as priority two and location-based as priority three.



Changes to Metrics & Comparative Amounts

In 2022 we expanded the Scope of emissions and metrics to include our immediate first tier supply chain and investments. We have also considered the latest methodology published in 2022. As a result, the following metrics have been updated:

Scope 1: Some emissions apportioned to office energy usage have been re-categorised under Scope 1 as transport emissions.

Scope 2: No changes made.

Scope 3: Two additional categories have been deemed relevant and added to this years footprint (category 1 – supply chain and category 15 – investments). Some emissions have been redefined since last year changing from leased assets to supply chain. Investments have been calculated in line with the Partnership for Carbon

Accounting Financials (PCAF) recommendations and TCFD requirements.

Reporting

Charles Taylor reports its carbon footprint emissions one year in arrears allowing it to calculate its carbon effectively and plan accordingly for reductions. This year was notable once again for the inclusion of data modelling for employees working from home (teleworking) under Scope 3 emissions. Charles Taylor has also expanded its Scope 3, separately calculating Category 13 (downstream leased assets), expanding Category 1 to include all first-tier supplier data that was available and lastly to include Category 15 (financed emissions). Whilst there has been no significant operational change to trigger a re-baselining, the expansion of our Scope 3 has meant that comparisons with previous years should draw caution and be done on a Scope-by-Scope basis. A re-baselining exercise will be considered

in 2023 before science-based targets are established and if there are any significant operational changes or those required to be in accordance with UK government recommendations outlined within SECR guidance.

To assess the quantification of our annual emissions associated with our activities, we have used permanent and contract employees to calculate our normalisation factor, which provides the best comparative measure over time; see the carbon and environmental data table. Charles Taylor also uses area of office space as a normalisation factor in order to keep track of operational changes and efficiencies. Additionally, we are now also including a working from home metric to consider structural changes that have occurred due to the global pandemic as well as a revenue-based metric in accordance with TCFD recommendations.

The annual footprint reports all material emissions from all Scopes according to the GHG protocol and is audited one

year in arrears of publication by an independent third party. Any material changes or updates post audit are shown in the following years footprint which can be found publicly on our website.

Our 2022 Greenhouse Gas Emissions Summary

We are growing extensively outside of the UK both organically and by acquisition. We currently have 74 offices across 30 countries and our data collection process is complex. This year, work has continued in improving our data collection, internal auditing of our carbon disclosure data and reassessing the relevancy of Scope 3 categories. This led to a significant expansion of our Scope 3 to include a vastly greater proportion of our first-tier supply chain as well as our investments and leased assets. Moreover, steps have been taken to identify further operational reductions in energy usage from our offices globally with a net zero carbon pathway currently being developed

throughout 2022 and 2023. This year will see Charles Taylor establish its science-based target setting in line with TCFD recommendations, based upon the data and trends presented to us.

The total carbon emissions for Charles Taylor's location-based footprint were 7051tCo2e in 2022 with the total for our market-based emissions being 76 tCo2e. A full breakdown according to Scope and various intensity metrics can be seen in the data below. Although there was a was an 113% increase on last year's footprint, we have reached our target a year early of a 20% reduction on our 2019 baseline (location-based) footprint by 2024. As we continue to focus on our Scope 1 and 2 emission reductions, we expect to see a closing gap between our market-based and location-based footprint.

Throughout 2022 we expected a rise in our emissions as we expanded our Scope 3 to include new categories. The

new categories account for approximately 25% of Scope 3 emissions that were previously not measured. The largest impact has been from our transportation (category 6 and partly 7) within Scope 3 which has seen a significant rise to approximately 3992 tCo2e. This is partly due to better data capturing of employees commuting to work but there has also been a considerable rise in the amount of business flights since the global pandemic has receded. With the further digitalisation of claims, we aim to refocus on reducing these emissions. This closing of the gap recognises the success of our strategy in reducing emission from our energy usage and sourcing renewable electricity wherever it is available, whilst matching the shortfall with RECs (renewable energy certificates). It also highlights that our focus needs to turn now to our Scope 3 and work with others within our industry and ecosystem to reduce emissions from these categories.



Scope 3 shall be a formative part of our net zero carbon pathway currently under development.

Charles Taylor is for the fourth consecutive year now accounting for our employees impacts whilst working from home. Utilising International Energy Agency (IEA) recommended intensity factors and data modelling, Charles Taylor has tried to understand how our environmental and carbon impacts have changed by working under a new model initiated in 2020 by the global pandemic. By employing these intensity metrics, we have considered the additional energy usage that our employees would have produced in their remote work locations in compensation of the lower energy due to reduced operations at our offices. Our hybrid working policies have resulted in carbon reductions, with remote working allowing us to cover a wider geographical area at lower financial and carbon cost whilst increasing services and support to our clients and

customers. Believing these practices will continue under any future agile working, we have adopted the additional metric of 'carbon per working from home employee' (tCo2e per WFHE) to track changes which has increased from last year of 3.13 tCo2e per WFHE to 4.46 tCo2e per WFHE (location-based). This change is mostly due to a better understanding of how our workforce is working remotely in different parts of the world and increased availability of data around commuting to the office.

The results from our annual footprint feed back into existing processes for the Real Estate and Workplace team who are responsible for quantifying the annual GHG emissions created from our operations. This provides us with a solid baseline in which we can manage and mitigate our own carbon impacts. Our assets are assessed for performance utilising metrics of carbon per employee and carbon per square feet of office area to provide key performance

indicators. Low performing offices that have room for improvements are identified and reviewed for energy efficiency upgrades and renovations or possible future relocations in alignment with our portfolio strategy and climate risk matrix which uses scenario analysis, allowing us to further our strategy, continue to decarbonise and meet our targets.

Regulatory Compliance

In response to the UK Government's carbon regulations under SECR (Streamlined Energy & Carbon Reporting) introduced on 1st April 2019, we have measured our total greenhouse gas emissions and provided the required information within the summary above.

We have also reported our greenhouse gas emissions, environmental impacts, and reductions as well as various information on climate change in accordance with the recommendations laid out by the UK Task Force on Climate

– Related Financial Disclosures and EU Directive 2014/95/ EU Non-Financial Reporting Directive. This report, under TCFD guidance also complies with the UK FCA (Financial Conduct Authority) requirements for climate-related reporting.

Following the recommendations of TCFD, Charles Taylor will endeavour to further improve on areas around governance, strategy, risk management, 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.

Moreover, Charles Taylor has completed its requirements to comply with ESOS (Energy Savings Opportunity Scheme) Phase 2 requirements in the UK and Energy Efficiency

Directive (EED) in the EU and is now starting its compliance period for ESOS III. Charles Taylor has identified areas of high energy consumption and are following said options to reduce this. SECR builds upon the current requirements already in place and therefore we have taken steps to implement initiatives for the year ahead. Please see our carbon reduction activities for more information.

For a list of SECR initiatives and their subsequent energy and carbon reductions please view the strategy section of the document under 'carbon reduction initiatives.'



Carbon & Environmental Data 2022

Note: Due to rounding, summing and regional divisions, some numbers may yield slightly different results. Gas breakdowns have been provided wherever possible but may not sum to the total due to unavailable breakdowns in certain categories.

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
Charles Taylor	Total All Scopes Location Based	tCO ₂ e	6668.00	4.55	25.22	7051
Group - Global	Total All Scopes Market Based	tCO ₂ e	5665	2.61	20.47	6076
Scope 1	Total Emissions	tCO ₂ e	324.00	0.46	1.19	325.65
	Natural Gas	tCO ₂ e	229.07	0.32	0.84	230.24
	Other fuels	tCO ₂ e	91.25	0.13	0.34	91.71
	Transportation fuels	tCO ₂ e	3.49	0.00	0.01	3.51
	Fugitive Emissions	tCO ₂ e	0.00	0.00	0.00	0.00
Scope 2	Location - Based Total Emissions	tCO ₂ e	969.00	1.66	4.31	975.00
	Purchased electricity	tCO ₂ e	969.00	1.66	4.31	975.00
	Purchased heating & cooling	tCO ₂ e	N/A	N/A	N/A	N/A
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
Charles Taylor	Total All Scopes Location Based	tCO ₂ e	6668.00	4.55	25.22	7051
Group - Global	Total All Scopes Market Based	tCO ₂ e	5665	2.61	20.47	6076
Scope 3	Total Emissions	tCO ₂ e	5376.16	2.43	19.72	5751
Category 1	Purchased goods & services (supply chain)	tCO ₂ e	423.48	0.00	0.00	423.48
Category 3	Other Fuel & energy-related activities (not in Scopes 1 or 2)	tCO ₂ e	—	—	—	142.02
Category 5	Waste generated in operations	tCO ₂ e	36.70	0.00	0.00	36.70
Category 6	Business travel	tCO ₂ e	3118.52	0.24	13.67	3132.43
Category 7	Employee commuting & remote working	tCO ₂ e	—	—	—	1662.60
Category 13	Downstream leased assets	tCO ₂ e	43.54	0.13	0.18	43.88
Category 15	Investments	tCO ₂ e	310.00	0.00	0.00	310.00
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO	2.70			
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				2.33
	Per Square feet of office space - Location Based	tCO ₂ e/m²				0.049
	Per Square feet of office space - Market Based	tCO ₂ e/m²				0.042
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				4.46
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				3.84
	Per Revenue - Location Based	tCO ₂ e/MEGBP				22.89
	Per Revenue - Market Based	tCO ₂ e/MEGBP				19.73
Carbon	SECR Carbon Reduction Projects	tCO ₂ e	-		-	0.057
Reductions	Carbon offset purchasing	tCO ₂ e	0	0	0	0
	REC's purchasing (Scope 2 Market-based)	tCO ₂ e				892
	Residual Carbon	tCO ₂ e				6076
Carbon Targets	Target %	%		-		-4
Location Based	Actual Progress	%		-		-69.1
	Target Value	tCO ₂ e			-	8,624
	Actual (tCO2e)	ttCO ₂ e			-	027
	Actual In Year Saving (tCO2e)	tCO ₂ e			-	1727
	YTD Saving (tCO2e)	tCO2e			-	6773
	In Year Target Variance (tCO2e)	tCO ₂ e			-	-5,597
	Variance Adjusted Target	%				3.57
	Electricity	MWh				4059
Energy Usage	Other fuels	MWh				2533.7
	Renewable Electricity matched	% of MWh				100
	Direct Purchase Renewables	MWh				720.4
	Renewable Energy Certificates	MWh				1896.6
	Air Travel	KM				10760244
Environmental	Road Business Travel	KM				709033.8
Impact KPI's	Water Usage	M³				14513
	Waste	Metric Tons (t)				52.8264



Carbon & Environmental Data 2022
(Continued)

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
International	Total All Scopes Location Based	tCO ₂ e	2212.3	2.2105	5.345	2219.6
(All excluding UK)	Total All Scopes Market Based	tCO ₂ e	1409	1.15	2.09	1413
Scope 1	Total emissions	tCO ₂ e	129.5	0.22207	0.088089	129.76
Scope 2	Location - Based Total Emissions	tCO ₂ e	807.7	0.9865	3.1463	810.8
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	1276.75	1.00318	2.11186	1279.908
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				1.61
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				1.02
	Per Square feet of office space - Location Based	tCO ₂ e/m ²				0.0164
	Per Square feet of office space - Market Based	tCO ₂ e/m ²				0.0104
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				2.16
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				1.37
Energy Usage	Electricity	MWh				3035.3
	Other fuels	MWh				1633.4
Environmental	Air Travel	KM				892361
Impact KPI's	Road Business Travel	KM				99232.8
	Water Usage	M ³				8913
	Waste	Metric Tons (t)				36.0854

United Kingdom	Total All Scopes Location Based	tCO ₂ e	4456	2.34	19.9	4478
	Total All Scopes Market Based	tCO ₂ e	4255.4	1.457	18.34	4275.3
Scope 1	Total emissions	tCO ₂ e	194	0.236	1.1	196
Scope 2	Location - Based Total Emissions	tCO ₂ e	162	0.678	1.16	164
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	4094.8	1.4304	17.621	4118.26
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				3.65
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				3.48
	Per Square feet of office space - Location Based	tCO ₂ e/m ²				0.478
	Per Square feet of office space - Market Based	tCO ₂ e/m ²				0.456
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				8.08
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				7.7
Energy Usage	Electricity	MWh				1021
	Other fuels	MWh				903
Environmental	Air Travel	KM				9867883
Impact KPI's	Road Business Travel	KM				609801
	Water Usage	M ³				5598
	Waste	Metric Tons (t)				16.741

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Totall
Asia-Pacific	Total All Scopes Location Based	tCO ₂ e	472	0.403	1.79	474
	Total All Scopes Market Based	tCO ₂ e	78	0.05	0.06	78
Scope 1	Total emissions	tCO ₂ e	6.18	0.0154	0.00293	6.2
Scope 2	Location - Based Total Emissions	tCO ₂ e	394	0.358	1.73	396
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	71.8	0.0298	0.0635	71.9
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				1.45
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO			23	0.23
	Per Square feet of office space - Location Based	tCO ₂ e/m ²				0.0114
	Per Square feet of office space - Market Based	tCO ₂ e/m ²				0.0018
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				4.56
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				0.75
Energy Usage	Electricity	MWh				611
	Other fuels	MWh				69
Environmental	Air Travel	KM				4594
Impact KPI's	Road Business Travel	KM				920.8
	Water Usage	M ³				3707
	Waste	Metric Tons (t)				0.018

Europe	Total All Scopes Location Based	tCO ₂ e	59	0.0716	0.0856	59.2
	Total All Scopes Market Based	tCO ₂ e	42.3	0.05	0.02	42.3
Scope 1	Total emissions	tCO ₂ e	8.51	0.025	0.0115	8.54
Scope 2	Location - Based Total Emissions	tCO ₂ e	19.1	0.0174	0.0551	19.1
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	31.48	0.0292	0.0191	31.5283
Out of Scope	Total Emissions	tCO ₂ e	0	0	0	0
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				0.474
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				0.338
	Per Square feet of office space - Location Based	tCO ₂ e/m ²				0.00234
	Per Square feet of office space - Market Based	tCO ₂ e/m ²				0.00166
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				0.74
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				0.52
Energy Usage	Electricity	MWh				90.5
	Other fuels	MWh				73.5
Environmental	Air Travel	KM				58694
Impact KPI's	Road Business Travel	KM				0
	Water Usage	M ³				346
	Waste	Metric Tons (t)				0.112

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
Middle East & Africa	Total All Scopes Location Based	tCO ₂ e	48.3	0.0329	0.0394	48.4
	Total All Scopes Market Based	tCO ₂ e	8.7	0.01	0	8.7
Scope 1	Total emissions	tCO ₂ e	1.91	0.00477	0.000909	1.92
Scope 2	Location - Based Total Emissions	tCO ₂ e	36.6	0.023	0.0352	39.7
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	6.79	0.00518	0.00326	6.8
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				1.38
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				0.25
	Per Square feet of office space - Location Based	tCO ₂ e/m²				0.0651
	Per Square feet of office space - Market Based	tCO ₂ e/m²				0.0011
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				2.42
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				0.43
Energy Usage	Electricity	MWh				77.8
	Other fuels	MWh				16.9
Environmental	Air Travel	KM				0
Impact KPI's	Road Business Travel	KM				0
	Water Usage	M³				421
	Waste	Metric Tons (t)				0

North America	Total All Scopes Location Based	tCO ₂ e	910	1.03	2.22	913
	Total All Scopes Market Based	tCO ₂ e	658	0.46	1.15	660
Scope 1	Total emissions	tCO ₂ e	96.9	0.137	0.0652	97.1
Scope 2	Location - Based Total Emissions	tCO ₂ e	254	0.507	0.97	255
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	559.58	0.387	1.18	561.58
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				2.85
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				2.05
	Per Square feet of office space - Location Based	tCO ₂ e/m²				0.0431
	Per Square feet of office space - Market Based	tCO ₂ e/m²				0.0311
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				3.31
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				2.39
Energy Usage	Electricity	MWh				1123
	Other fuels	MWh				750
Environmental	Air Travel	KM				745185
Impact KPI's	Road Business Travel	KM				85701
	Water Usage	M³				2869
	Waste	Metric Tons (t)				35.95

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
South America	Total All Scopes Location Based	tCO ₂ e	723	0.673	1.21	725
	Total All Scopes Market Based	tCO ₂ e	622.00	0.59	0.85	624.00
Scope 1	Total emissions	tCO ₂ e	16	0.0399	0.00755	16
Scope 2	Location - Based Total Emissions	tCO ₂ e	101	0.0811	0.356	101
	Market - Based Total Emissions	tCO ₂ e	0	0	0	0
Scope 3	Total Emissions	tCO ₂ e	607.1	0.552	0.846	608.1
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO				1.27
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO				1.09
	Per Square feet of office space - Location Based	tCO ₂ e/m²				0.0156
	Per Square feet of office space - Market Based	tCO ₂ e/m²				0.0134
	Per Person Working from Home - Location Based	tCO ₂ e/PWFH				1.32
	Per Person Working From home - Market Based	tCO ₂ e/PWFH				1.14
Energy Usage	Electricity	MWh				1133
	Other fuels	MWh				724
Environmental	Air Travel	KM				83888
Impact KPI's	Road Business Travel	KM				12611
	Water Usage	M³				1570
	Waste	Metric Tons (t)				0



Historic Carbon & Environmental Disclosure Data 2018 – 2021

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
Charles Taylor	Total All Scopes Location Based	tCO ₂ e	3300	4963.4	8746	8701
Group - Global	Total All Scopes Market Based	tCO ₂ e	2406.6	4965.4	9124.86	-
Scope 1	Total emissions	tCO ₂ e	417	332	326	554
Scope 2	Location - Based Total Emissions	tCO ₂ e	851	955.9	1704	1715
	Market - Based Total Emissions	tCO ₂ e	0	958	2080	-
Scope 3	Total Emissions	tCO ₂ e	2032.2	3675.4	6716	6432
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO	1.35	1.76	3.35	2.535
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO	0.98	1.77	3.49	-
	Per Square feet of office space - Location Based	tCO ₂ e/m²	0.010	0.166	0.34	0.34
	Per Square feet of office space - Market Based	tCO ₂ e/m²	0.007	0.167	0.352	-
	Per Person Working from Home – Location Based	tCO ₂ e/PWFH	3.13	3.28	-	-
	Per Person Working From home – Market Based	tCO ₂ e/PWFH	2.28	3.3	-	-
	Per Revenue – Location Based	tCO ₂ e/£GBP	12.7	19.6	31.1	32.7
	Per Revenue – Market Based	tCO ₂ e/£GBP	12.5	19.7	32.2	-
Carbon	SECR Carbon Reduction Projects	tCO ₂ e	-12.5	-46.06	-1.78	-
Reductions	Carbon offset purchasing	tCO ₂ e	0	0	0	0
	Renewable Energy Certificates purchasing (Scope 2)	tCO ₂ e	899	1237	1176	0
	Residual Carbon	tCO ₂ e	2406.6	3838	7948	8701
Carbon Targets	Target	%	-4	-4	-	-
Location Based	Actual Progress	%	-51.3	-4.42	-	-
	Target Value	tCO ₂ e	9,016	9,408	-	-
	Actual (tCO ₂ e)	tCO ₂ e	4,770	9,367	-	-
	On Target Estimate (tCO ₂ e)	tCO ₂ e			-	-
	Actual In Year Saving (tCO ₂ e)	tCO ₂ e	4,597	433	-	-
	YTD Saving (tCO ₂ e)	tCO ₂ e	5,030	433	-	-
	In Year Target Variance (tCO ₂ e)	tCO ₂ e	-4,246	-40.9	-	-
	IVariance Adjusted Target	%	4	-	-	-
Energy Usage	Electricity	MWh	3849	4233	5037	5049
	Other fuels	MWh	2095	2203	1037	2400
	Renewable Energy Sourced	% of MWh	100%	100%	100%	-
	Direct Purchase Renewables	MWh	9.5%	10%	0%	-
	Renewable Energy Certificates	MWh	90.5%	90%	100%	-
Environmental	Air Travel	KM	1592681	3767434	24764324	21053268
Impact KPI's	Road Business Travel	KM	1067947	221120	932343	487713
	Water Usage	M³	13424	18769	22698	42725
	Waste	Metric Tons (t)	76.2	85.7	354	274

	Disclosure	Unit	Co ₂	CH ₄	N ₂ O	Total
International	Total All Scopes Location Based	tCO ₂ e	2020	3240.5	2430	-
(All excluding UK)	Total All Scopes Market Based	tCO ₂ e	1398.84	3234.5	2507.53	-
Scope 1	Total emissions	tCO ₂ e	245	166.1	133	-
Scope 2	Location - Based Total Emissions	tCO ₂ e	624	696.7	1077	-
	Market - Based Total Emissions	tCO ₂ e	0	690.7	1151.00	-
Scope 3	Total Emissions	tCO ₂ e	1150.44	2377.7	1221	-
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO	1.44	1.8	2.33	-
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO	0.57	1.8	2.4	-
	Per Square feet of office space - Location Based	tCO ₂ e/m²	0.009	0.148	0.181	-
	Per Square feet of office space - Market Based	tCO ₂ e/m²	0.011	0.148	0.182	-
	Per Person Working from Home – Location Based	tCO ₂ e/PWFH	1.91	3.03	-	-
	Per Person Working From home – Market Based	tCO ₂ e/PWFH	1.32	3.03	-	-
Reductions	Renewable Energy Certificates purchasing (Scope 2)	tCO ₂ e	644	-	-	-
	Residual Carbon	tCO ₂ e	1398.4	-	-	-
Energy Usage	Electricity	MWh	2783	2859	2585	-
	Other fuels	MWh	1533	752	558	-
Environmental	Air Travel	KM	742331	1539295	5232096	-
Impact KPI's	Road Business Travel	KM	420703	9961	209586	-
	Water Usage	M³	8923	10621	11699	-
	Waste	Metric Tons (t)	30.2	20.4	215	-
United Kingdom	Total All Scopes Location Based	tCO ₂ e	1280	3234	6315	-
	Total All Scopes Market Based	tCO ₂ e	1007.76	3234.5	6617.83	-
Scope 1	Total emissions	tCO ₂ e	172	165.9	193	-
Scope 2	Location - Based Total Emissions	tCO ₂ e	224	259.2	627	-
	Market - Based Total Emissions	tCO ₂ e	0	267.3	929	-
Scope 3	Total Emissions	tCO ₂ e	881.76	1297.8	5495	-
Intensity metrics	Per Person Working from Office - Location Based	tCO ₂ e/PWFO	1.22	1.21	4.03	-
	Per Person Working from Office - Market Based	tCO ₂ e/PWFO	0.96	1.2	4.23	-
	Per Square feet of office space - Location Based	tCO ₂ e/m²	0.01	0.137	0.501	-
	Per Square feet of office space - Market Based	tCO ₂ e/m²	0.002	0.137	0.524	-
	Per Person Working from Home – Location Based	tCO ₂ e/PWFH	-	2.55	-	-
	Per Person Working From home – Market Based	tCO ₂ e/PWFH	-	2.55	-	-
Carbon	SECR Carbon Reduction Projects	tCO ₂ e	-12.5	-46.06	-1.78	0
Reductions	Carbon offset purchasing	tCO ₂ e	0	0	0	0
	Renewable Energy Certificates purchasing (Scope 2)	tCO ₂ e	255	-	-	-
	Residual Carbon	tCO ₂ e	1007.76	4965	9124	-
Energy Usage	Electricity	MWh	1066	1374	2452	-
	Other fuels	MWh	562	191	479	-
Environmental	Air Travel	KM	850350	2228140	19532228	-
Impact KPI's	Road Business Travel	KM	647244	211160	722757	-
	Water Usage	M³	4501	8148	10659	-
	Waste	Metric Tons (t)	46	65.2	135	-

Glossary of Terms and 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 number 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), sulphur hexafluoride (SF₆), nitrogen trifluoride (NF₃).

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-tcf.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/>



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