

Climate Progress Update 2023

BRUNSWICK

Contents

Welcome

Welcome from our Group Environmental Committee Chair	3
About this climate update	4

Governance

Accountability and implementation	5
Climate risk and opportunity management	6

Our approach

Our carbon footprint	7
Our net zero commitment	7
Our net zero roadmap	8

Progress

Progress against 2025 SBTi targets	9
Progress against 2028 SBTi targets	11
Advising our clients on a path to net zero	14

Looking ahead	15
---------------	----



Welcome

With data from the World Meteorological Organization showing successive years as the hottest on record and the COP 29 meeting in Baku resulting in fresh commitments on Climate Financing and the Carbon Market, the pressure intensifies on all organizations to prove demonstrable progress in delivering against their climate goals.

This is Brunswick's third Climate Progress Update, mapping the practical progress we have made towards achieving our own Net Zero commitments. Last year, we set out in detail the progress we made in all areas of our business in the context of the constant upscaling of legislative and regulatory frameworks to improve accountability and change behaviours. This report builds on those themes and updates the statistical data up to the end of 2023.



As reported last year, we continue to expand our climate-related advisory capabilities and to actively engage and partner with our clients to support their objectives. Through innovative solutions and guidance, we can help our clients to achieve their climate goals, and to navigate the complexities of the evolving climate landscape.

58.6%

reduction in absolute Scope 1&2 emissions from 2019 baseline

23.3%

reduction in Scope 3 emissions per FTE from 2019 baseline

“

Through innovative solutions and guidance, we can help our clients to achieve their climate goals, and to navigate the complexities of the evolving climate landscape.”

Rob Pinker
GEC Chair

Our commitment

Brunswick is dedicated to the global goals of achieving net zero emissions and limiting the rise in temperatures to 1.5°C.

We have made four public commitments which guide our climate work:

- To the Race to Zero campaign.
- To four near and interim term targets, approved by the Science Based Targets Initiative (SBTi) to achieve emissions reductions aligned with 1.5°C.
- To evolve to the SBTi's Net Zero Standard.
- To keep developing our advisory capabilities through our Climate Hub and pilot of Brunswick's Climate Academy to increase the climate fluency of our team.

Our progress

In 2023 we:

- **Focused our efforts** in the areas in which we believe we can have the most impact as a firm - the advisory work we provide to our clients and to those leading the global campaign on climate change.
- **Made new investments in the Climate Hub, our centre of climate excellence** which has expanded our capabilities to advise on significant climate related issues including the development of credible net zero transition plans.
- **Continued to act as advisors** to the UN Climate Change High Level Champions and the Race to Zero campaign.
- **Remained on track** in reducing our absolute emissions and emissions per full-time employee in line with our targets.
- **Developed our internal processes** to further understand our emissions and support our reduction ambitions.

About this climate update

This report provides an update on our progress from our base year in 2019 through a second year of more "normalised" activity in 2023, following the misleading reductions seen during the COVID19 pandemic in 2020 and 2021. At the time of writing, our data has been verified by the Carbon Trust for the years 2019 through to 2022; our data for 2023 is still subject to completion of the verification process.

The numbers are substantially complete and the bases for collection and calculation have remained consistent throughout all of our reporting years. We

are pleased to be able to demonstrate the continued progress we have made as a firm since the time of our base year in 2019.

In our Climate Progress Update last year, we fulfilled our promise to provide more detail on how we approach climate through our operations and our advisory capabilities. In 2023 we have built on the approaches we outlined in our report last year and, as such, our update for 2023 contains many of the same themes as we continued to embed the progress we made in 2022.

Useful links

- [Science Based Targets initiative \(SBTi\)](#)
- [Race to Zero](#)
- [Business Ambition for 1.5°C](#)
- [UN Climate Change High Level Champions](#)

Governance

Our climate plans are determined, and our actions monitored, at the highest levels of the firm.

Accountability and implementation

Board

Ultimate accountability rests with the Board, headed by Sir Alan Parker, Brunswick's Chairman. The Executive Committee, now chaired by Henry Timms, CEO since his appointment on 1 August 2024, makes and monitors the most important day-to-day decisions for the firm, including on climate.

Group Committee

The Group Environmental Committee works closely with the Group Committee, chaired by the CEO, and the Operating Committee, chaired by the COO, which are engaged in all large strategic and operational projects that impact the firm.

Group Environmental Committee

The Group Environmental Committee (GEC), chaired by our Chair of Emerging Markets, Rob Pinker, and sponsored by our Group Chief Operating Officer, Tom Burns, is responsible for the day-to-day measuring and managing of the firm's carbon footprint. It is tasked with driving progress against short and medium-term carbon reduction targets through a number of key workstreams, as well as working on the implementation of a suitable Net Zero transition plan.

Regional Managing Partners

Regional Managing Partners and Office Heads are also directly involved in making progress towards implementing the firm's climate strategy.

Group Environmental Committee Working Groups

- Scope 1 and 2 emissions
- Scope 3 intensity emissions
- Data collection
- Procurement and request for proposal
- Transition to SBTi net zero standard
- Progress reporting

Governance (continued)

Climate risk and opportunity management

The Audit and Risk Committee, chaired by our Chief Financial Officer, Andrew Fenwick, reports directly to the Board and manages Brunswick's comprehensive risk register. The register is updated quarterly, and more frequently if required. It now includes climate specific risks related to our own impact, and our advice to clients.

1 Identification of climate risks and opportunities:

- **Stakeholder Engagement:** We regularly engage with clients, employees, and industry experts to gather insights and perspectives on climate-related risks and opportunities.
- **Mandate assessment:** Climate-related risks and opportunities to advance the net zero transition are considered carefully at the point of taking on new clients and projects, particularly in carbon intensive sectors; for example mitigating and challenging greenwash risk, advocating science-based target setting, and actively supporting development of credible transition plans.

2 Monitoring climate risks and opportunities:

- **Continuous monitoring:** The GEC has established systems for ongoing monitoring of climate-related developments, these include news alerts and regular reviews of industry reports. Issues are discussed during monthly GEC meetings and raised to the Audit and Risk Committee and Group Com as appropriate.
- **Client feedback:** Climate remains a key focus of our Client Reviews, enabling us to understand client priorities, how their businesses are adapting, and how Brunswick can best support the alignment of their growth and sustainability strategies. To further embed the importance of climate in our strategy on client feedback we now have a Brunswick climate and sustainability expert among our Interview Partners, enhancing our ability to provide informed, actionable insights.

▪ Employee training and awareness:

Our office managers continue to engage building managers, where possible, to quantify and measure our emissions as well as ensure colleagues are aware of and actively engaged in sustainable practices, including our firmwide sustainable travel policy and recycling. Our priority from last year has been to ensure that employees are trained and aware of climate-related risks and opportunities that could impact the company and its clients. Following a series of client handler pilots, our new Climate Academy driven by a new Director-level hire will now accelerate our effort to raise and deepen client-relevant climate fluency across the firm.

3 Emissions reduction and supporting action:

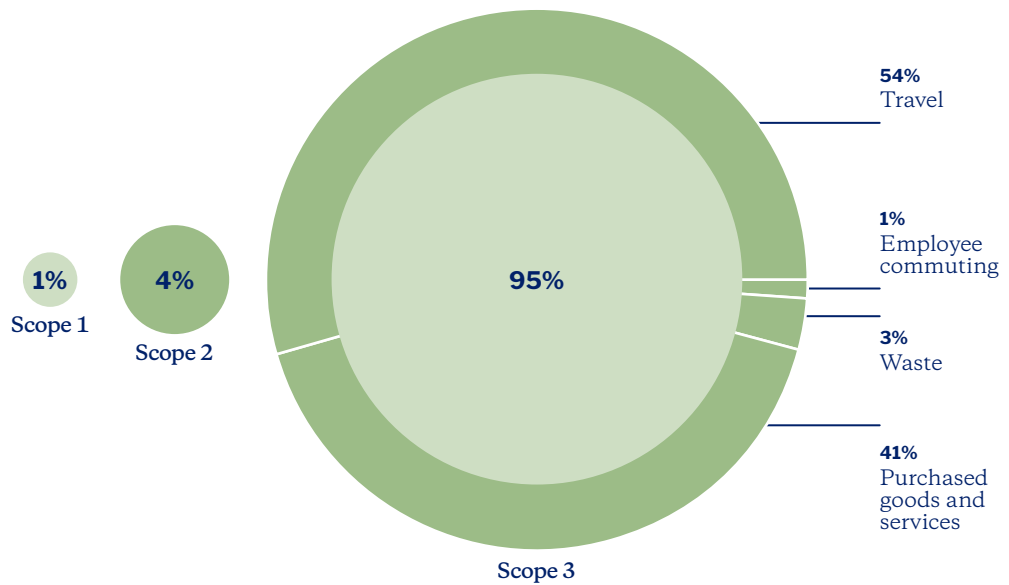
- **Implementing sustainable practices:** Across our global locations, we have adopted energy and waste-saving office practices and promote sustainability internally and among clients. For example, several offices in the U.S. have shifted to Bevi water dispensers, refillable snack containers, and coffee machines that do not use k-cups in order to minimize waste from cans, plastic and other single-use packaging/containers.
- **Client advice and support:** Leveraging the company's expertise in communication to advocate for climate awareness and action, both internally and for clients.
- **Regular review and adjustment:** Continuously reviewing the effectiveness of these strategies and adjusting as necessary.

Our approach

Like most in the advisory sector, our Scope 1 and Scope 2 emissions, those we emit directly or indirectly, are a small percentage compared to the Scope 3 emissions, those outside of our direct operations.

As a firm focused on critical issues, we can have an additional impact through the advice we give to our clients.

Our carbon footprint



This is reflected in our approach to climate, which focuses on two broad categories. First, cutting our own operational emissions. Second, helping our clients succeed in the net zero economy.

As the firm grows, we will need to keep adjusting our plans and supporting programmes to continue to keep our commitments and meet our targets. We are currently finalizing our next step – mapping our path to Net Zero and beyond.

Our commitment on Net Zero has two parts

1 **Cutting our own emissions**

- SBTi approved short and medium term 1.5 aligned targets against Carbon Trust assured footprint baseline
- Shift to net zero SBTi standard and related targets

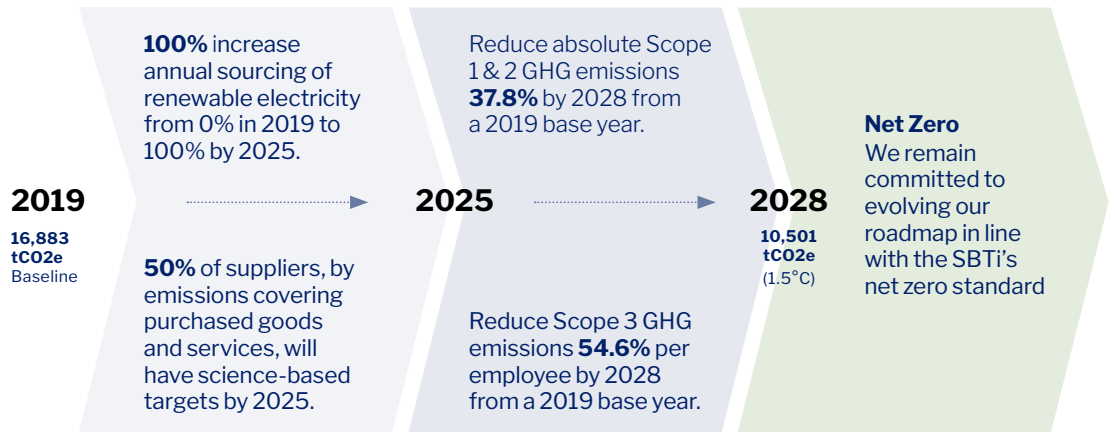
2 **Helping our clients play a successful role in the net zero economy, through:**

- World class Climate hub
- Raising climate fluency across the firm
- Developing robust guiding principles for advising clients on climate-related issues

← Advocacy and partnership that supports our commitments underpins both of these parts. →

Our SBTi approved 1.5° aligned roadmap

To achieve a 1.5°C aligned emissions reduction in accordance with the Science Based Targets Initiative (SBTi) we have committed to cutting our overall emissions by 45% between 2019, our base reporting year, and 2028. We have also set SBTi approved short and medium-term milestone targets to help us achieve this commitment.



How we'll achieve these targets

- Switch to renewable electricity
- Landlord and fellow tenant engagement
- Formal leasing guidelines
- Supplier net zero commitment engagement
- Energy efficiency
- Travel Policy execution (preferred suppliers, reduced travel)

Progress against our 2025 1.5°C SBTi targets

2025

TARGET:

100%
of electricity from
renewable sources by 2025.

PROGRESS:

54%
of our electricity came from
renewable sources in 2023

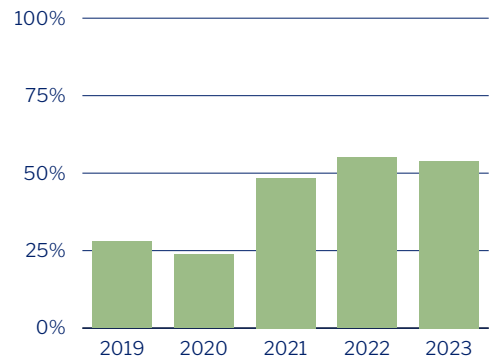
Our progress in 2023

- London, now using 100% renewable sources, reduced its energy consumption in 2023.
- Our New York and San Francisco offices are still working towards being 100% renewable by 2025.
- Continued engagement with landlords and suppliers to switch to renewables where possible.

The percentage of electricity from renewable sources dropped slightly in 2023, to 54.3% from 55.1% in the previous year. The change in proportions was driven by a successful reduction in overall energy consumption in our London and Washington DC offices, both of which use renewable sources.

Our principal challenge in achieving our target remains the fact that most of our offices are shared spaces, and thus we do not directly manage the electricity provision or are in regions with infrastructure limitations that inhibit our ability to use providers with renewable sources. Our commitment to renewable energy is integrated into our formal guidelines for leasing new office

% of electricity from renewable sources



space and we are working with our office managers, landlords and fellow tenants globally to drive progress in shared office spaces. We continue to re-address our approach to ensure progress towards our targets.

Several of our offices have sustainable building credentials, including Chicago, New York, San Francisco, Washington, and Dubai, all of which are LEED (Leadership in Energy and Environmental Design) certified. This certification supports our aim of reducing the environmental impact within our network. In different regions and offices alternate sustainable building credentials are in use. Where possible, we will work with landlords to encourage this further.

Progress against our 2025 1.5°C SBTi targets

2025

TARGET:

50%

of suppliers by emissions to have SBTi targets by 2025.

PROGRESS:

30%

of suppliers by emissions have SBTi targets as of FY 2023.¹

Our progress in 2023

- In 2023, we conducted a trial supplier survey in the U.S. to begin engagement with vendors in one of our largest markets. This trial allowed us to test whether responses would be valuable in helping us to collect accurate data and with setting out a robust plan, understanding which suppliers we may need to work most closely with as we work towards achieving our net zero target. Response rates were low and while the effort did not have a significant impact on our ability to measure progress against this target, it did signal what we thought to be true: smaller and more local suppliers, which were the majority of respondents, were not engaged with SBTi despite in many cases making efforts to be climate conscious (for example, recycling or switching to hybrid and electric vehicles). Given these results, we shifted our approach and instead utilized the SBTi database to track vendor commitment status, and are exploring options for more efficient and robust supplier tracking.
- 44% of emissions are related to Air Transportation services – we will therefore focus on this group as we further engage with our suppliers on their SBTi targets. Brunswick began the process of switching to a new travel management company (TMC) that has set carbon reduction targets and is committed to managing and reducing its environmental impact. We continue to engage the new TMC and our airline, hotel and rail partners to ensure sustainability in the corporate travel industry remains a priority.
- To achieve our 50% target, we are working to better understand and support our suppliers' climate commitments. We are drafting a Supplier Code of Conduct laying out our supplier specific SBTi aligned expectations, which we will share with our existing and potential suppliers. We are providing more guidance to those making finance and procurement decisions and enhancing our systems to keep better track of the climate credentials of our existing and potential suppliers.

¹ 1. 47% of our suppliers' emissions are not SBTi committed, with a further 23% still being verified. This progress data has been gathered through our pilot survey in the US as well as our own independent verification of the SBTi commitment status of our suppliers globally. Due to the limitations of data collection and analysis there remains some uncertainty, further data analysis continues

Progress against our 2028 1.5°C SBTi targets

2028

TARGET:
38.8%
reduction in absolute Scope 1 & 2
emissions by 2028.

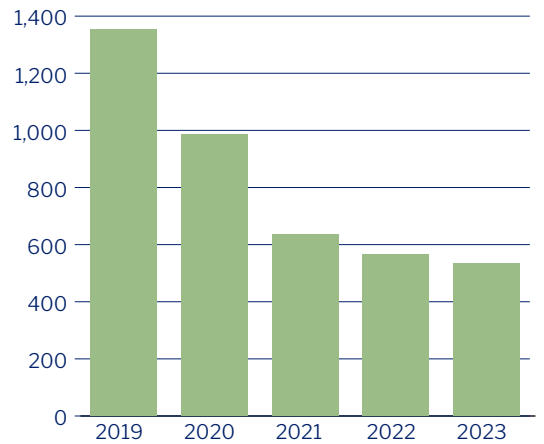
PROGRESS:
58.6%
reduction in absolute Scope
1 & 2 emissions in 2023.

Our progress in 2023

- Absolute reduction is ahead of schedule due to the switch to renewable electricity sources so far.
- Continued our work with office managers to better understand the sources of our scope 1 emissions and outlined steps to minimize or eliminate them.
- Implemented toolkits for office managers, created in 2022, on energy reduction opportunities and levers.

Our scope 1 and 2 emissions reduction has been driven by our efforts to switch to renewable energy suppliers and through our ongoing activities to ensure efficient energy use. We continue to look for ways to be more efficient in how we use energy and to share good practice across the firm. This includes leveraging office moves, renovations and expansions to implement energy efficient practices including LED lights, sensors and timers. We are also working with our office managers and landlords to enhance the quality of data we received on scope 1 emissions and scope 2 efficiency.

Our Scope 1 and 2 emissions, Thousands kg CO2e (market based)



Progress against our 2028 1.5°C SBTi targets

2028

TARGET:

54.6%

reduction in Scope 3 emissions per Full Time Employee by 2028.

PROGRESS:

23.3%

reduction in Scope 3 emissions per FTE in 2023

Our progress in 2023

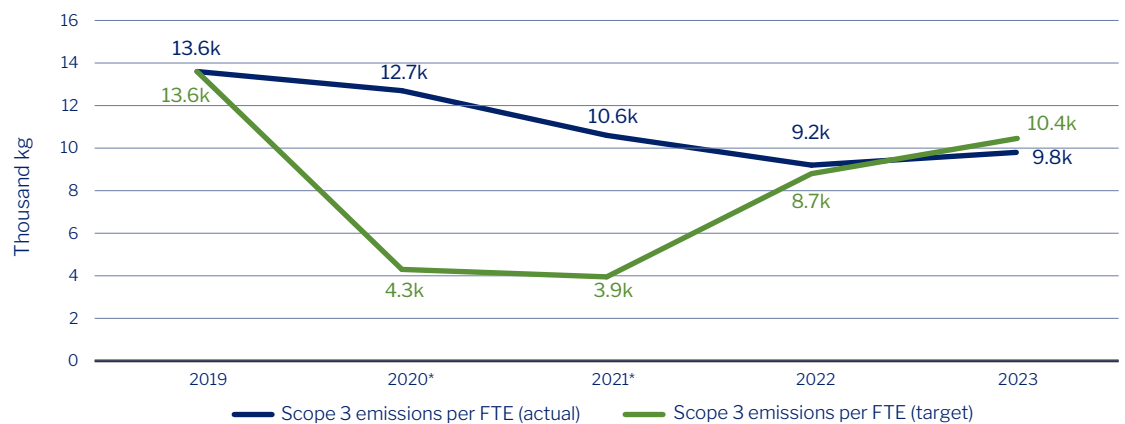
- Maintained emphasis on economy class travel.
- Limited business travel as much as possible to implement a hybrid approach while balancing the need to enable our teams to get together in person, something that is a fundamental ingredient for success in a professional services firm such as ours.
- Continued engagement with office managers on our emissions reduction ambitions and travel policy.

In the 2019 base year, our Scope 3 emissions were split roughly 30% from purchased goods and services and 70% from travel. In 2023 this has become much more evenly balanced, with a roughly 50:50 split. Overall, the impact from our business travel is still lower than at pre-pandemic

levels but, despite this, in 2023 we saw Scope 3 emissions fall behind our interim target of a 27.7% reduction by this stage; against our 2019 base year, emissions per FTE have fallen by only 23.3%.

We currently anticipate a similar challenge to the FTE metric in our data for 2024 but will be looking to revisit our approach in 2025 as this remains our primary focus. We continue to adopt the use of economy class air travel and rail where possible, which creates fewer emissions per passenger, and are encouraging longer, less frequent trips to maximise the opportunity from the requirement to travel. We also continue to invest in our technology infrastructure to support virtual interaction amongst colleagues.

Scope 3 emissions per full time employee (FTE) – target vs actual



* 2020 and 2021 were anomaly years due to the impact of the global pandemic. The increase from 2021 to 2022 therefore represents a return to a more normal environment and is not indicative of an underlying longer term trend.

Progress against our 2028 1.5°C SBTi targets

2028

TARGET:

54.6%

reduction in Scope 3 emissions per Full Time Employee by 2028.

PROGRESS:

23.3%

reduction in Scope 3 emissions per FTE in 2023

A more embedded approach to travel will allow us to gather better data and ensure we have options and suppliers which advance us to our emissions target. We are currently in the process of implementing the provision of a worldwide travel platform to enhance the accuracy of our travel data

and we will continue to explore further levers to help us stay on track. As in 2021, we repeated the use of our employee commuting survey in 2022. This is now the second year that we have undertaken such an approach and our completion rate improved as a result.

Our carbon emissions performance (kg CO₂e)

	2019	2020	2021*	2022*	2023**
Scope 1	144,371	139,086	37,875	43,555	33,013
Scope 2 (market based)	1,207,562	845,574	611,953	530,322	526,601
Scope 1&2 (market based)	1,351,933	984,642	649,827	573,877	559,614
Scope 3	15,356,681	4,962,171	4,919,144	12,141,410	14,743,375
Total Scope 1,2&3 emissions	16,708,614	5,946,813	5,568,971	12,715,287	15,302,989
Scope 3 emissions per FTE	13,590	4,274	3,946	8,707	10,423
Energy usage (SECR)	2.501 mkWh	2.272 mkWh	2.109 mkWh	2.215 mkWh	2.117 mkWh

* the figures reported for 2021 and 2022 have been subject to minor revision following the completion of the verification process. Total emissions for 2021 have been reduced from 6,501,573 to 5,568,971 and total emissions for 2022 have been reduced from 12,894,394 to 12,715,287.

** the figures currently reported from 2023 are subject to change pending completion of the verification process.

Advising clients on the path to net zero

As a professional advisory firm, our net zero commitment means both reducing our operational footprint and making a positive contribution through the specialist advice and support we provide to clients.

During 2023, we took significant steps to expand Brunswick's Climate Hub and our specialist capabilities to advise clients on the actions required to build credibility such as the development of credible Net Zero Transition Plans, in line with leading practices.

World-class advice: Brunswick Climate Hub

The universal threat of climate change and the economic opportunities from the transition make it highly relevant to our work with clients across all geographies and sectors. That is why Brunswick established the Climate Hub: a world-class advisory capability to help clients make sense of what is happening in the external world, how to engage with fast-moving critical stakeholder expectations and how they want to show up on climate-related issues to be credible and successful. In 2023, we developed new capabilities to advise businesses on how to progress from setting climate targets to develop, launch and then implement credible transition plans that drive down emissions this decade, build stakeholder trust, and support their long-term success.

Firmwide approach: Consistent with our commitment

Businesses have a significant role to play in the economy-wide transition to Net Zero. We want to advise them on the actions required to build credibility through their transition and help them engage stakeholders critical to their success as a business and to achieving the goals of the Paris Agreement. We believe it is important to engage with and support companies in the most complex sectors to decarbonise, because of their considerable potential to contribute to the transition.

Raising climate understanding: Unique climate training

In parallel with building specialist climate advisory expertise, we are seeking to raise understanding of climate change across the firm. This includes developing a foundational grasp of the science, key policy frameworks, corporate standards, credibility challenges and opportunities within the transition. In 2023, we began to create and pilot a unique climate training program, designed specifically to equip colleagues across the world with the necessary understanding of climate-related issues that is relevant for their own advice to clients. With a dedicated new senior hire to lead the Climate Academy in 2024, our plan is to shift from office and practice-specific pilots to a firm wide training.

Supporting the Race to Zero campaign

Brunswick has worked with the UN Climate Change High-Level Champions for COP25, COP26, COP27, COP28 and now COP29, supporting the Race to Zero campaign, the launch of the 2030 Breakthroughs and the Sharm El Sheikh Adaptation Agenda to mobilise climate action. This partnership has enabled Brunswick to help build momentum for corporate climate action.

Looking ahead



The prevalence of climate related disasters this year has reinforced our commitment to a sustainable future and support of global efforts to limit temperature rise to 1.5°C. Despite the considerable challenges we face, we remain committed to evolving our plans and targets as we work towards our net zero goal.

Through our Climate Hub we are continuing to enhance our client work on climate issues and supporting robust transition planning for clients in some of the most complex sectors. We continue to embed climate knowledge internally as we plan to build on the pilot undertaken by our Climate Academy.

As I stepped into the role of COO at Brunswick this year, the annual process of pulling together this report highlighted both areas which have moved us in the right direction and areas for improvement we will look to focus on. I look forward to working with the Group Environmental Committee to drive our sustainability initiatives forward and thank the full team for their continued efforts last year.

“

Despite the considerable challenges we face, we remain committed to evolving our plans and targets as we work towards our net zero goal”

Tom Burns
Group Chief Operating Officer

