



BRUNSWICK

Climate progress update

2021 - 2022

Welcome...



...to our inaugural climate progress update

Climate change is one of the defining critical issues facing the world today and a priority for our people, our clients and their stakeholders. Brunswick is committed to being part of the solution, both in terms of how we operate and the advice we provide to our clients.

As a firm, we have worked to understand our carbon footprint and we have signed up to the Business Ambition for 1.5°C and the Race to Zero. As an initial step, working with the Carbon Trust, we measured and externally validated our 2019 greenhouse gas emissions baseline across both direct and indirect emissions. And in 2021 we published near and interim term targets to achieve a 1.5°C aligned emissions reduction by 2028:

- Switching our energy procurement to 100% renewable energy by 2025
- Requiring our largest suppliers to set science-based targets by 2025

- Reducing our Scope 3 employee travel emissions by 54.6% by 2028.

In October 2021, these targets were approved by the Science-based Targets initiative (SBTi), the gold standard for businesses committed to aligning themselves to a net zero-carbon economy.

For our clients across all industries, we are proud of the advice that we provide on what is expected of them on climate change by financial, political and societal stakeholders - and the actions that they can take to build trust and credibly demonstrate that they can be part of the solution. Our climate advice is informed by science-based pathways for transition.

Given that achieving net zero requires an economy-wide transition, we believe it is vital to be engaged with companies in the most complex sectors to decarbonise.

In addition to our clients, we have been acting as advisors to the UN Climate Change High Level Champions and the Race to Zero campaign.

Transparent, continuous improvement of our climate performance is an integral part of our business strategy and operating model, and this short update provides an overview of our progress.

Rob Pinker

Chair of Emerging Markets and Chair of the Group Environmental Committee

Additional links:

- > Science Based Targets initiative (SBTi)
- > Race To Zero
- > Business Ambition for 1.5°C
- > UN Climate Change High Level Champions

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Welcome... continued

About this climate update

Reporting is an important tool to better understand our performance and drive our progress. This climate update is the first of our annual disclosures on our GHG emissions performance and our progress against our 1.5°C aligned goals and net zero ambition pathway. The update provides externally verified 2020 data with 2021 data, which is in the process of being verified, for comparison.

In 2023, we will publish a more detailed climate report that will provide fully verified data as well as further detail on how we are managing and embedding our transition plan.

Assurance

Our Scope 1, 2 and 3 2019 baseline data was verified by the Carbon Trust in July 2021. Our 2020 carbon emissions data was verified by the Carbon Trust in February 2022. Our 2021 carbon emissions data is currently being assured and will be verified in our full report in summer 2023.

Highlights on progress to date

- **Gaining SBTi approval for our 1.5°C aligned targets:** which include achieving a 1.5°C aligned reduction in our absolute carbon emissions and emissions per employee by 2028; using 100% renewable electricity to power our offices by 2025 and requiring our suppliers to join us in setting science-based targets by that same date.
- **Defining and embedding business travel principles:** implementing a values-based approach to inform smarter travel decisions with office-level oversight to help reduce travel emissions per employee.
- **Integrating consideration of our climate commitments into client advice:** we are working to define our approach to integrating consideration of our climate commitments into client advice.

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Our impact

We are taking direct action to tackle our climate impact and reduce our carbon footprint across all emissions and scopes, in line with 1.5C. This means delivering against our science-based target (1.5C SBTi) by decarbonising our global operations, including our travel footprint – our biggest source of Scope 3 emissions.

However, as a firm that helps businesses to engage on issues critical to their future, we believe our responsibility goes beyond managing our own carbon footprint. We advise clients across a range of sectors on the transition to a resilient, zero-carbon economy and the actions they can take to build credibility and trust on climate change.



¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Roadmap to net zero and beyond

We recognise the importance of reducing our own carbon footprint and have set a clear roadmap to achieving not only our 1.5°C ambition but to becoming a net zero company. That plan, which started in 2020, has already delivered Brunswick's baseline carbon footprint, which we have used to set a pathway to align with Business Ambition for 1.5°C.



A baseline assessment was conducted of our global CO₂ emissions for the 2019 financial year, across the three components of our carbon footprint: direct emissions from sources owned or controlled by Brunswick, our limited natural gas use, refrigerants use and onsite fuel (Scope 1); indirect emissions from the electricity we purchase (Scope 2); all other emissions associated with our business activities from business travel, to purchased goods and services, and waste (Scope 3).



We set and began to implement the two strands of our strategy – reducing our own impact and harnessing our network to accelerate the transition to net zero. We set 2025 and 2028 science-based targets (SBTs) to comply with our Race to Zero commitment. This means reducing our footprint across all three scopes. We are also working to define our approach to integrating consideration of our climate commitments into client advice.



Our next step is to look beyond 1.5C to the SBTi's Net Zero Standard. Setting targets and plans to align with this new ambition will require a combination of education, accountability, and partnership. We want to empower the firm to better understand our own carbon impact and how our actions can help us meet our goals at a collective, regional and individual level.



The final step of our approach is integrating consideration of our climate commitments across our client advice and supporting the businesses we advise on the positive role they can play in the transition to a resilient, net zero economy. We want to enable our clients, across all sectors, to be part of the solution.

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Our pathway to 1.5°C

We have committed to achieving reductions in greenhouse gas (carbon) emissions, both absolute and per person (on an FTE basis), in line with a 1.5°C global temperature increases by 2028. To achieve this, our pathway incorporates targets and activities that address our direct and indirect emissions contributions.

As the firm evolves and grows to meet the ever-changing needs of our clients, we will need to adjust our roadmap and supporting programmes to continue to achieve our absolute and intensity targets, and to ensure we remain on track with our reduction pathway.

Absolute pathway aligned to 1.5°C

To achieve our absolute reduction ambition, we will need to decrease our emissions from our 2019 baseline of 16,708 tCO₂e, to 9,206 tCO₂e in 2028.

Our SBTi approved 1.5° targets

50%

of suppliers, by emissions covering purchased goods and services, will have science-based targets **by 2025**

100%

Increase annual sourcing of renewable electricity from 0% in 2019 to 100% **by 2025**

-54.6%

FTE
Reduce Scope 3 GHG emissions 54.6% per employee **by 2028** from a 2019 baseline

-38.8%

Reduce absolute Scope 1 & 2 GHG emissions 38.8% **by 2028** from a 2019 baseline

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Governance

Since signing up to the Business Ambition for 1.5°C and the UN Race to Zero in June 2020, Brunswick has developed and formalised a robust climate governance structure.

A global Group Environmental Committee (GEC) was launched in 2019, with representatives from each of the firm's regions, across a range of levels. Chaired by our Chair of Emerging Markets, Rob Pinker, and sponsored by our Group Chief Operating Officer, Helen James, the Committee is specifically tasked with measuring and monitoring the firm's global carbon footprint and developing and implementing measures to reduce it, with the ultimate goal of reaching carbon net-zero.

The Committee regularly reports to the Executive Committee and Group Committee, who are responsible for assessing and approving their recommendations.

Renewable energy

Six of our offices now source 100% renewable electricity and across all offices we have achieved 24% renewable energy in our total energy mix.

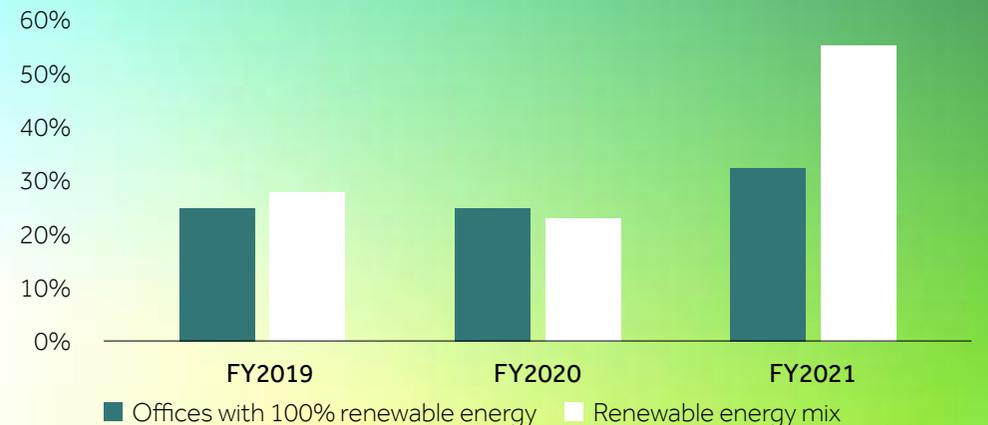
In tandem, renewable energy and related considerations are driving factors where office contracts are up for renewal, or decisions about new office spaces need to be made. These have been formalised in Brunswick's "Guidelines for Leasing New Office Space".

Looking ahead, through new office and supplier contracts we expect to achieve 100% renewable energy in our biggest office, London.

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.



Total renewable energy mix chart



Governance continued

Our absolute and TFE GHG/ carbon emissions performance

Our emissions data for 2021 is comparable to our 2020 performance. This is in part due to travel restrictions related to ongoing covid restrictions in many of the markets in which we operate. Our 2022 data will provide a more meaningful picture of progress against our business travel footprint goals (which is by far our biggest emissions contributor). With business travel levels increasing globally post pandemic, it is important that we continue the positive momentum in reducing our travel footprint, for example, by embedding our travel principles across the firm.

Scope 1-3 GHG emissions (global, kg CO₂e)

| | 2019 (b/line) | 2020 | 2021 |
|--|-------------------|------------------|------------------|
| Scope 1 | 144,371 | 139,068 | 130,912 |
| Scope 2 (market-based) | 1,207,562 | 845,574 | 670,826 |
| Scope 1&2 (market-based) | 1,351,933 | 984,642 | 801,738 |
| Scope 3 | 15,356,681 | 4,962,171 | 5,705,834 |
| Total (gross) GHG emissions | 16,708,614 | 5,946,813 | 6,507,573 |
| Scope 3 emissions per FTE | 13,590 | 4,274 | 4,284 |

The chart on this slide breaks down our data on a calendar year basis. Our baseline data represents the footprint of the majority of the firm at the time, covering 22 offices.

The pandemic had a significant impact on emissions due to changes in working practices. This is most evident in Scope 3, which includes business travel and employee commuting and saw a significant drop between the baseline data of 2019 and the data for 2020. Decreases were also noted in Scope 1 & 2, which accounts for the energy used within our buildings, in the same period, although the decreases were not as large proportionally.

Scope 1 & 2 emissions continued to decrease in 2021 based on the provisional data while Scope 3 emissions rose by 15% as travel restrictions eased in some parts of the world, although they were still significantly below the baseline data of 2019.

Gross emissions, which include all reported emissions in Scope 1, Scope 2 (market-based) and Scope 3 (business travel and supply chain: purchased goods and services), dropped in 2020, driven by the significant decrease in Scope 3, but rose in 2021 in line with the same increase in Scope 3 witnessed as COVID restrictions eased.

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.

Looking ahead

Our approach to climate change is being driven by the Group Environmental Committee, ensuring we are taking the practical steps across the whole firm to deliver on our targets – and specifically to evolve our 1.5°C aligned carbon emissions reduction commitment to achieve the SBTi's net zero standard.

Our continued commitment

Each member of the Committee has gone above and beyond with the time and energy they have put in to bringing this programme alive and I would like to express the firm's sincere thanks to them all.

A central component of our success in this area rests on our ability to consistently collect accurate data in every region of the firm. We have made good progress on this, building on the implementation of a new

finance system in 2019 that is helping to provide the basis for a more granular level of data analysis. We will continue to work on improving the accuracy of our data collection.

In order to further support clients on their emissions reduction journeys we will continue to develop our climate-related advisory capabilities through the firm's Climate Hub, which is focused on connecting colleagues with our climate

expertise across geographies, sectors and practice groups, and supporting clients with the best possible advice on climate-related issues.

Rob Pinker

Chair of Emerging Markets and Chair of the Group Environmental Committee

¹ The baseline data covers a period when Brunswick Group had 24 offices. Two offices were excluded on the grounds of immateriality due to their size.



BRUNSWICK