Climate-Related Financial Disclosures

Davies Group FY23

Davies Group is committed to addressing the challenges and opportunities presented by climate change, recognising the significant impact climate change will continue to have on its business, its clients, and its communities.

The Group does not fall into scope for mandatory reporting within the Task Force on Climate-related Financial Disclosures (TCFD) framework. Since the risks are both material and emerging, and the disclosures are new to the business, there is value in voluntarily reporting on climate risk and opportunity; The report will be useful to all stakeholders, helping to inform our strategy, examine risk management processes and refine disclosure practices in advance of likely mandatory TCFD reporting in FY24 and beyond.

The following sections summarise our disclosures against each of the recommended TCFD disclosure topics:

Governance

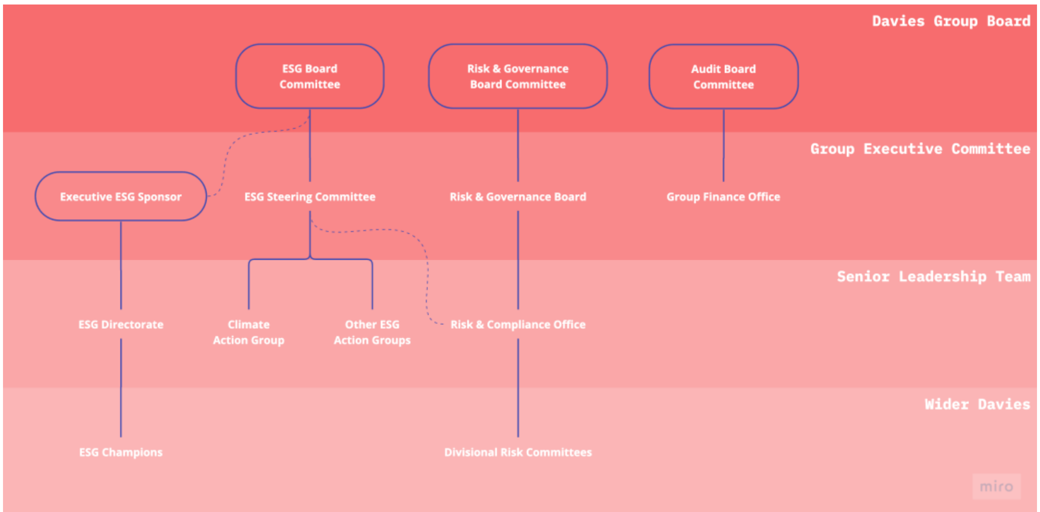
Disclose the organisation's governance around climate-related risks and opportunities.

Describe the board's oversight of climate-related risks and opportunities.

Davies Group's Board of Directors (the "Group Board") maintains ultimate oversight of the overall business strategy and approach to major risks and strategic opportunities facing the company. The Group Board delegates this oversight through the appointment of the Group Executive Committee ("GEC"), which is accountable for delivering the strategy and responsible for ESG performance and risk management, including for evaluating the impact and integrating material climate-related risks and opportunities across the organisation.

Davies has also established a Risk & Governance Board to directly oversee risk management, policies and processes. The Risk & Governance Board is Chaired by the Group Chief Risk Officer and reports into GEC, meeting quarterly to discuss and act upon the prevalent risks communicated from the business and take action with regards to the treatment of key risks, including environmental-related risks.

To support the GEC's oversight, the ESG Board Committee sits regularly to review environmental and governance matters and is led by Non-Executive Director, Dr Nneka Abulokwe, OBE. Together with the newly-formed ESG function - headed by the Group Director of ESG - they are responsible for ensuring that climate risks are embedded into the Group's overall risk management framework to periodically identify, assess and manage climate-related risks and opportunities over the short, medium and long term.



Describe management's role in assessing and managing climate-related risks and opportunities.

The Group CEO, who also serves on Group Board, is responsible for ensuring that material risks are appropriately assessed and mitigated. Under the oversight of the Group Board, the Group CEO and the GEC established the Risk & Governance Board, headed by the Group Chief Risk Officer to ensure effective risk management.

In 2023, Davies created the role of Group ESG Director, reporting to Group CHRO who, in turn, reports directly to the Group CEO. The Group ESG Director plays an integral role in developing Davies' climate strategy, elevating sustainability and climate-related matters, and ensuring coordination and alignment of Davies' environmental and social activities across the firm.

The Group CHRO is our Executive sponsor for ESG and chairs our ESG Steering Committee - a cross-functional committee responsible for sustainability matters across the business. Delegates from the global Executive team represent each business function, including Risk & Compliance, and meet regularly throughout the year to review sustainability performance, new and existing risks and opportunities (including those relating to climate), reporting back into GEC. The Group ESG Director is vice chair of this committee.

Under the direction of the ESG Steering Committee and the Group ESG Director, Davies has also established several ESG Action Groups to address specific issues and drive key initiatives. The Climate Action Group (CAG) is Davies' core environmental action group. The CAG is focused on delivering Davies'

	carbon strategy, enhancing environmental management and reporting systems, and for identifying and raising new climate-related risks and opportunities to the ESG Steering Committee and the Risk & Governance Board. New risks are submitted into the existing risk management framework to analyse their impact over time against our risk tolerance, helping to inform the Group's strategy in responding to climate-related risks and opportunities. Addressing climate-related risks and opportunities at Davies is a collaborative effort. Senior managers from across divisions, together with external environmental specialists, all lend their expertise to help Davies to tackle the challenges posed by climate change. Climate-related risk management and associated metrics are being embedded into risk processes across the business, forming an integral part of a comprehensive update to our risk management framework in 2023/2024; As Davies evolves its systems and processes to complement the growing and diversifying nature of organisation following a period of expansion, our risk management framework is undergoing a complementary evolution to maintain an appropriate risk appetite. This may result in different thresholds, analysis or treatment for climate-related risks, which will be published in our 2024 TCFD report.

Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	
Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	See our most material climate-related risks and their financial impact on the following page.
Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	See our most material climate-related risks and their financial impact on the following page.
Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	To assess our vulnerability to physical and transition risks, we have evaluated identified climate-related opportunities and risks in the short (0-5 years), medium (5-10 years), and long (10+ years) term against two climate scenarios: one high-emissions scenario for physical risks (based on the Intergovernmental Panel on Climate Change Representative Concentration Pathway 8.5), because there are negligible differences in climate impact over the medium term for different scenarios until emissions reduction really starts to take effect, and one low-emissions scenario (based on the International Energy Agency World Energy Outlook) whereby global temperatures and emissions are much more limited, through more stringent or sweeping policy and market changes. The most likely scenarios will result in both types of risk, as emissions may be limited to an extent by policy change but not enough to eliminate climate impact. Mapping risk and opportunity against the more severe transition and physical risk scenarios in this way guides our strategic planning and helps to better evaluate Davies' long-term resilience. Embracing a low-carbon transition can offer Davies competitive advantage through new products and services, tender preference, enhanced reputational and ratings improvements, factoring in long-term climate risks and business sustainability. Regardless of policy shifts in the coming decade, Davies is likely to face impacts from changing weather and climate patterns. Monitoring indicators like global carbon pricing and renewable energy trends will shape Davies' future strategies. Overall, Davies sees a low to medium level of impact from climate-related risks. Direct threats to Davies in the short- to medium-term, such as acute weather events, reputational issues, or targeted tightening of regulations, are largely manageable under our existing climate-conscious plans and mitigations, with minimal cause for concern anticipated. These circumstances will affect our competition similarly, yet also offer opportunities for new service lines in consulting, repair, and claims management around surge events. Indirect threats are the most material climate-related risks to Davies under either scenario, in terms of the impact of regulation and physical effects on our clients. Broadly, clients are acutely vulnerable to physical climate risk, heavily regulated and more exposed to reputational issues. The trickle-down effect of these affects how Davies operates and performs, requiring us to diversify across markets, continue to evolve our services in line with client requirements, and ensure we strengthen carbon best practice across the business to prepare for client exigencies driven by heightened sectoral regulation. Davies remains committed to climate action and has refined its methodologies to incorporate climate risks better and will further develop our climate risk framework in the coming year. We are proud of our ability to adapt and transform our business strategy to take best advantage of developing opportunities, to minimise risk and to shape our operations for a more sustainable future. Our expertise in this area is embodied by the Davies Consulting business division, which is recognised as a global expert in increasing resilience and agility in the insurance operating model.

Transition risks & opportunities *under a 2°C scenario*	Category	Risk driver	Risk & financial impact	Impact	Likelihood	Time frame	Davies response / mitigation	Risk level
	Emerging regulation	Tighter regulation of existing products or services	Regulations on high-carbon products are likely to affect property or motor repair activities, motor hire and field-based teams with heavy vehicle use, as well as intervention from financial regulators on investment in high carbon areas, affecting our role as asset manager and intermediary. However, in most cases, low-carbon alternatives are available throughout the supply chain and as part of our offer to clients. Policy changes could also lead to the write-off, impairment or early retirement of assets, or adjustments to our advisory services.	Major	Almost certain	Short-term	Davies is moving to an all-electric fleet for its company cars. We will continue to explore additional ways to decarbonise and de-risk our value chain as part of our ambitions for net-zero, including offering low-carbon alternatives through our repair services where financially appropriate and working with our supply chain to reduce vehicle emissions. Our vehicle replacement services work on a like-for-like basis and will decarbonise in line with consumer trends. Greater regulatory change also offers greater opportunities for Davies' consulting, advisory and legal solutions. Where the risk of policy tightening in highly-regulated markets is high, such as in the Lloyd's market, Davies' expertise and pooled client ESG information is a strength.	High
	Market	Changing client requirements (adapting services)	Davies is unlikely to experience reduced demand for services due to increased input prices or premiums that clients charge customers, but we will have to shape our service offering around the changing requirements of clients as they evolve in response to climate pressure, but in a cost-effective manner to remain competitive. Davies recognises a considerable opportunity to support both existing and potential clients as they shift towards a low-carbon economy. Yet, there are inherent market risks if we fail to adapt our services to address these evolving demands. An inflexible approach would be a signal to clients to look elsewhere for the services and carbon performance they require. which will lead to a considerable loss of market share in the long term. Similarly, adapting our services without heed to cost efficiency or without promoting our points of difference could lose to shorter-term market losses.	Critical	Likely	Long-term	Davies remains a dynamic organisation and able to realise opportunities presented through changing client needs. Multiple feedback mechanisms are in place to inform Davies of changing client perceptions and requirements, as well as internal levers to adapt our offering to suit changing market needs. We're acutely aware of the challenges our clients grapple with and are committed to assisting them in every possible way. We've refined our client engagement strategy to provide counsel on key ESG matters, including climate change impacts. When introducing new products or services, environmental impact is a crucial consideration alongside price. Relevant topics are presented to the ESG Steering Committee as needed. Davies will continue to invest in R&D to ensure we are at the forefront of low-carbon insurance services technology, and that we continue to grow our service offering for clients to become a provider of choice. We will look to be flexible in our services to provide options for those clients with more ambitious climate targets, and keep client requirements at the heart of our product development and business strategy.	High

	Market	Changing client requirements (ESG performance)	Tendering for large contracts brings significant financial uncertainty and opportunity. Clients are increasingly requiring better emissions and general ESG performance throughout their supply chain, and ESG carries an ever-growing weighting in the tender process. There is real risk in losing clients to competitors with better climate action credentials. And there is significant opportunity for demonstrating climate leadership in the sector. The swing between losing contracts and winning more business makes it imperative for Davies to out-compete on sustainability, to drive tangible sustainability improvements and prove itself as a climate leader in insurance services. This would also be expected to increase opportunities for the growth of Davies' services.	Critical	Possible	Medium-term	Davies and its Board are committed to measurably improving ESG performance through targets published in our 2023 Sustainability Report. In developing the new strategy, the materiality process required assessment and weighting of the needs of all stakeholders, including our clients. The ambitious strategy and net zero targets - signed off by Group CEO - account for the significant emphasis given to ESG matters and climate performance in tender processes. This approach to developing our services does not preclude other important considerations for winning business, such as cost and service efficiency.	High
	Current regulation	Increased reporting and regulatory obligations	There are financial penalties and reputational risks for non-compliance with environmental reporting, as well as potential increased compliance costs or insurance premiums. As Davies grows and enters new regulated markets, there are increased reporting demands across ESG. Under a limited-emissions scenario, sweeping new reporting regulations are likely to be brought in. More granular and audited reporting will bring complexity and cost to Davies in terms of headcount, processes, oversight and assurance. Additionally, clients will experience even greater weight of regulation, and will be required to evidence their supply chain's climate approach to regulators and to the public, with an expectation of best practice from preferred suppliers.	Moderate	Almost certain	Short-term	Davies' Risk, Compliance and ESG functions review regulatory compliance regularly. Davies is investing in ESG reporting capability to ensure best-practice reporting is in place in the short-term, boosting our preparedness for any changes. We will continue to monitor client expectations through existing feedback mechanisms, the tender process and beyond.	Medium
	Emerging regulation	Increased pricing of GHG emissions	Under this scenario, carbon prices are likely to rise and could affect Davies in a number of ways: Taxing emissions already happens in the UK (and in other geographies) but this is currently limited to fossil fuels used in electricity production. Higher carbon prices will directly make electricity from non-renewable sources more expensive. There is a risk that mandatory emissions taxes are broadened to include large businesses. A new carbon levy could directly impact Davies, proportional to the carbon price and Davies' emissions. For this scenario, \$100 per tCO2e carbon price by 2030 would result in around £250k annual tax, based on our current emissions reduction trajectory. For the above, some residual risk will remain through increased costs in the supply chain.	Major	Possible	Medium-term	Davies is continuing its ambition for 100% renewable energy and will continue to intensify its net zero initiatives to minimise this risk. In the short-term, Davies' will engage with existing suppliers to identify emissions reduction opportunities and therefore carbon costs, as well as improving sustainable procurement and supplier selection processes. Although medium-term price increases might be expected from some suppliers, market forces will ensure this is minimised in the medium/long-term.	Medium

	Technology	Costs to transition to low-carbon technology	There will be costs associated with adopting new practices, processes, and capital investments in technology. This could include office efficiency improvements or IT infrastructure. Davies' diverse portfolio of services and subsidiaries could add transitionary complexity and cost when introducing new technology. Conversely, the World Energy Outlook Sustainable Development Scenario shows a significant continued reduction in the pricing of renewable and energy-efficient technologies; therefore, we will benefit from avoided costs in the continued procurement of renewable electricity.	Moderate	Likely	Short-term	Davies maintains a slim asset base and our services and leased office premises are already adopting lower-emissions practices. Because Davies' sustainability view is long-term and the financial benefits of low-carbon technology outweigh the initial capital investment, technology investment is already accounted for Davies' financial planning.	Medium
	Market	Increased stakeholder concern	Key stakeholders hold a large amount of influence over the company and will have expectations on the performance of the company.	Major	Unlikely	Medium-term	Davies' increased reporting and transparency on carbon and general ESG issues, plus implementation of science-based targets, will likely meet stakeholder expectations	Medium
	Market	Supply chain emissions	Although Davies is a people-centric business and less dependent on our supply chain than non-services industries, suppliers still play a significant role in our carbon footprint, accounting for around half of the total emissions that Davies is responsible for. Our goal to cut 50% of our emissions by 2030 and reach Net Zero by 2050 depends on sourcing products and services that are environmentally friendly. Under this accelerated emissions reduction scenario, there's the possibility that utility providers might not consistently supply us with renewable power, and environmental or geopolitical challenges could cause disruption to our supply chain, increasing costs and potentially hindering our Net Zero journey. Additionally, suppliers could focus competition more on carbon footprint than on price, and Davies will be forced to choose potentially more expensive suppliers in order to fulfil its climate action targets.	Major	Possible	Short-term	We will prioritise strengthening supply chain resilience in our procurement strategy. This includes collaborating with our main suppliers to understand their footprint in more detail, their business continuity plans and their ability to reduce emissions. We are also analysing the extent to which Davies can measure and impact the Scope 3 emissions of Asta's managed investments and Lloyd's client services to include in our 2024 Group emissions reporting. The recently-formed Procurement directorate and Office for Group Operations has already introduced new supply chain environmental policies and a code of conduct for all suppliers. In 2024, the roll-out of our new procurement management system will enable Davies to closely monitor the environmental performance of existing and potential suppliers.	Medium
	Reputation	Talent choices	The future success of Davies hinges on our colleagues. To be a frontrunner in the professional services sector, especially in light of the global climate crisis, it's essential that we take significant steps to draw and retain talent. Not doing so might lead to an increased turnover, presenting continuity, quality, efficiency and cultural risks for the Group. There is also opportunity in all those areas for taking a leading positing on climate.	Major	Likely	Short-term	Our environmental policies are universal, covering every colleague worldwide. Each individual is anticipated to play their part in our collective drive to reduce, reuse, and recycle. Hence, it's vital that everyone grasps the significance of their role. Additionally, we're providing our senior leaders and other internal figures with insights into environmental matters, such as the journey to net zero. By instilling these principles, offering training, and publicly sharing our climate-related endeavours, we aim to underscore our dedication to the climate crisis and, in turn, appeal to and keep top talent.	Medium

Physical risks & opportunities *under a 4°C scenario*

Category	Risk driver	Risk & financial impact	Impact	Likelihood	Time frame	Davies response / mitigation	Risk level
Chronic physical	Extreme weather events and climate stress - impact on clients	Insurance clients are heavily exposed to climate risk. Insurance firms could incur hefty losses from a surge in claims after natural disasters, which will become much more frequent, severe and widespread under this scenario. While insurance is based on the idea that risks are predictable and a limited number of policyholders will claim simultaneously, the growing number of people and properties at risk from future natural events will dramatically shift these dynamics. This shift may result in some insurance types becoming prohibitively expensive for consumers or unsustainable for insurers, reducing market size. Some clients might face liquidity issues or even go bust at short notice (mid contract), if extreme events affect them disproportionately.	Critical	Likely	Long-term	This is part of the normal evolution of insurance markets - clients already price in a long-term view of climate effects and reduce narrow exposures, therefore client liquidity is highly unlikely to become an issue. However, we monitor the industry and our client relationships regularly, and early warning signs of would be picked up and elevated through the risk management framework. Our business strategy is resilient to the changing focus of clients, and we see more claims as an opportunity for Davies more than a risk. In that regard, Davies' biggest risk here is capacity on surge events (covered below).	Extreme
Chronic physical	Extreme weather events and climate stress - impact on business and colleagues	Our offices, particularly those in high-risk regions, are becoming more susceptible to extreme weather and climate events. Under a 4℃-warming scenario, this is increases dramatically. Even where our offices are not directly affected, local transport and the homes and communities where our colleagues live could be significantly impacted. Financially, this would disrupt our operations, and subsequently, our capacity to cater to our clients. Work days and productivity would be lost, there would be colleague and community support costs, potential reputational damage and reliability implications. There would also be internal or external reputational opportunities depending on how Davies responds in these situations. CDP data shows that the top five hazards faced by cities are flash/surface flooding, heat waves, rain storms, extreme hot days and droughts. Water stress and heat stress affect the health and wellbeing of our colleagues and could even lead to loss of life. Davies has a diverse geographical spread and our locations could be affected in a variety of ways. For an example, Davies' Consulting & Technology division has a footprint in many of the highest-risk global cities, like Jakarta or Manila. Additionally, intense surge events are unpredictable and can stretch our resources across multiple business areas, such as claims management or property repairs, risking underperformance for clients. However, increased claim numbers also present opportunities for Davies' services, especially where we can prove surge capability.	Major	Likely	Medium-term	The potential effect of this risk on the business is challenging to gauge due to variables like the affected areas, the intensity of the impact, and the efficacy of our mitigation measures. We are undertaking an office consolidation and improvement programme and have progressive working practices and policies in place for flexibility. Less travel to offices is therefore necessary in extreme weather. However, being digitally dependent at a global scale, Davies could be affected by any impact to national infrastructure. This risk will be further analysed in the coming year, mapping our geographical footprint against areas most at risk of natural events like floods, wildfires, storms, sea level rise, as well as the impact of climate stresses on business activity and infrastructure. Capacity on surge events is a competitive opportunity and valued by those clients with most exposure to climate risk. Davies already plans for surge events based on likelihood, and we offer specific client services to cope with surge events, such as 24-hour claims management and flexible resourcing.	High

	Chronic physical	Extreme weather events and climate stress (heat stress, water stress, sea level rises) - impact on financial institutions and markets	Financial institutions and markets are susceptible to global events. Climate stress and extreme weather issues exacerbate global macroeconomic market dynamics, disrupting supply chains, creating political instability, prompting mass migration and unemployment, increasing state burden of support, reducing available capital and talent. Instability could lead to riskier financial operating environments, higher interest rates or even to the collapse of some markets or institutions. All of which would have a profound impact on Davies' financial performance (albeit our competitors too). The Covid pandemic is a useful proxy for how intertwined global systems can break down under the pressure of a global natural disaster, and how even short-term problems can have serious long-term ripple effects on our operating environment. "Climate boiling" will happen over a much longer time scale, with more serious effects. For example, the FSOC (financial stability oversight council) says climate change could have similar effects to the 2008 financial crash.	Critical	Possible	Long-term	Davies can have limited mitigating impact here. We will plot a path to joining clients in climate leadership, advocating best practice to our industry and ensuring our services increase client resilience. We will continue to monitor macroeconomic risks and opportunities as they crystallise and raise through our risk framework. Davies is an innovative and diverse organisation, with the ability to thrive in dynamic market conditions.	High
	Acute physical	IT infrastructure	As a heavily-digital, global professional services business with thousands of colleagues working remotely or across offices and different geographies, connectivity and IT infrastructure are vital to the smooth operation of the business. IT infrastructure is vulnerable to the effects of a warming planet due to the increased frequency, likelihood and severity of extreme weather events and their associated macro and micro impacts. Flooding, storms and heavy rain or snow, sea level rise, erosion, fires, power outages and cooling failures can all damage IT equipment and cause loss of data or data transfer, depending on where servers and data linkages are located. Such disruptions not only incur repair and recovery costs and affect Davies' colleagues' immediate ability to work, but also lead to lost business opportunities, potential contractual penalties, and a damaging loss of trust among our clientele. Increasing use of advanced technology across the group, digital integrations and reliance on third parties, new business acquisitions and the introduction of additional geographical markets all bring added complexity to data transfer, storage and IT preparedness. This underlines the imperative nature of robust business continuity planning and mitigation, ensuring both data integrity and operational resilience.	Critical	Likely	Medium-term	Davies is ISO 27001 compliant, which includes provision for "Protecting Against External & Environmental Threats". Davies Infosec risk management and IT infrastructure planning processes account for and regularly review climate-related risks. As part of those plans, Davies will continue investing in continuity technology and services to increase our resilience to climate risk in the short-term. In the long-term, technological improvements will improve efficiency and resilience of IT infrastructure and cloud services over time (for example, reduced cooling requirements or ability to operate longer under stress or without external power). Davies' business continuity plans and policies are tested and reviewed as part of our Business Continuity Management System (BCMS). We also verify that third-party providers have established contingency plans in case of disruptions. Such testing gives Davies the best opportunity to continue to survive and thrive in the face of all perceived potential threat types and scenarios that it faces. Unfortunately, there is residual risk from environmental impact to areas out of Davies' control, for example the national infrastructure that supports our offices and remote workers. Davies will continue to review relevant regulations that affect our business and our clients' businesses, including the BoE/FCA/PRA's Operational Resilience Framework in the UK and Digital Operational Resilience Act in the EU.	Medium

Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	
Describe the organisation's processes for identifying and assessing climate-related risks.	By following the ISO 31000 risk management process, Davies applies a systematic and methodical process to ensure all categories of risk, including climate-related risks, are managed successfully and constant improvement is achieved. (Our risk management framework is currently under review with the aim of restating risk thresholds for 2024 appropriate to the size of the Group. The 2024 TCFD report will be updated to reflect the new framework.) A range of techniques are used to analyse the risk. Each risk identified will be entered onto the risk register, from this, Group Risk Profiles will be created. • Risk Identification: Both internally and externally, this is the identification of what, why and how events arise as the basis for further analysis. It sets out to identify Davies Group's exposure to uncertainty. On top of our regular risk monitoring and reporting processes, climate-related risks are reviewed annually for inclusion or further analysis by the Climate Action Group, ESG Steering Group and Risk & Governance Board, however these groups each meet at least quarterly and new climate-related risks can be escalated to the framework ad hoc. • Risk Analysis: This is the determination of existing controls and the analysis of risks in terms of the consequence and likelihood in the context of those controls. The analysis should consider the range of potential consequences and how likely those consequences are to occur. Consequence (in this case, financial impact) and probability of occurrence are combined to produce an estimated level of risk. • Risk Evaluation: This is a comparison of estimated risk levels against pre-established criteria and thresholds. This enables climate-related risks to be ranked and prioritised according to severity and likelihood. • Risk Treatment: This is the process of selecting and implementing measures to modify the risk e.g. Avoid, Transfer, Accept and Reduce. For higher priority risks, Davies Group is required to develop and implement specific risk management plans including funding considerations. Lower priority risks may be accepted and monitored. Plans are communicated to responsible teams and individuals across the Group. • Monitor and Review: Effective risk management requires a reporting and review structure to ensure the risks are effectively identified and assessed, and that the appropriate controls and responses are in place. Monitoring and reviewing occurs concurrently throughout the risk management process. • Risk Reporting: This is the provision of information from the risk management process to the Risk and Governance Board. Not all risks can be eliminated completely and result in an element of residual risk, but the likelihood and consequence can be reduced or better controlled through assessment, control implementation, monitoring and review. Climate-related risks are treated in the same way as any other business-wide risk category.
Describe the organisation's processes for managing climate-related risks.	See above
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	See above

Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	
Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Risk is constantly monitored across Davies, and the various weightings attached to risk consequence, likelihood, and risk profile are reviewed and updated frequently to aid in prioritising and treating climate-related risks. We measure our global greenhouse gas carbon emissions across all material scopes annually to ISO 14064-1:2018 and in line with GHG Protocol, and gain third-party assurance on emissions statements and carbon reduction plans in line with ISO 14064-3:2019 and Carbon Reduce Programme Technical Requirements. Davies has shown a commitment to disclosure of GHG inventory and climate-related strategies via published carbon reduction plans and visible carbon metrics and climate-risk plans on EcoVadis, since 2021. We report absolute emissions across scopes, emissions intensity to account for the changeable scale of the business, and internally across Scope 3 categories to identify emissions hotspots. We also report on % progress towards our net zero targets as well as qualitatively on our carbon-reduction initiatives. Given our primary risks are centred around our clients, risks and opportunities here are measured in business opportunities gained and lost, the related financial projections for each, and the emissions reductions potential of opportunities.
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Davies FY23 global emissions were measured and verified to ISO 14064 standards: • Absolute GHG Emissions (global) 20,511 tCo2e • Intensity of emissions (per £m) 44.7 tCO2e • Scope 1 emissions (global) 1,091 tCO2e • Scope 2 emissions (global) 1,700 tCO2e • Scope 3 emissions (global) 17,720 tCO2e
Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We have set net zero targets, committing to the SBTi Net Zero Pathway and to the Business Ambition for 1.5°, pledging to cut 50% of our carbon emissions by 2030 and to achieve net zero carbon in line with SBTi criteria by 2050. We are aiming for 100% renewable energy across the business (having already achieved this across our Legal Solution arm) and will publish progress against our climate-related targets annually in our sustainability ESG report. Further climate-related risk and opportunity targets are being developed in the coming year by the Climate Action Group, ESG Steering Committee and Risk & Governance Board, and signed off by the ESG Board Committee.