

FTI CONSULTING



# Carbon Reduction Plan

7 February 2025

# Carbon Reduction Plan

**Supplier name:** **FTI Consulting, Inc.** and its direct and indirect subsidiary, affiliate and associate undertakings, including those in the UK (including specifically **FTI Consulting LLP**, together, “**FTI Consulting**” or “we” or “our”).

**Publication date:** 7 February 2025

## FTI Consulting’s Environmental Commitments and Initiatives

### Commitment to Achieving Net Zero

FTI Consulting, Inc. is committed to working toward our ambition to achieve net zero greenhouse gas (“GHG”) emissions by 2030 by primarily focusing on reducing emissions from office usage, business travel and non-hazardous waste. Although we operate with a relatively small environmental footprint because we are a professional services firm with no manufacturing or product distribution activities, we continue to make efforts to reduce our environmental impact and GHG emissions where feasible.

Our approach to sustainability management includes data-backed initiatives that are led by comprehensive oversight with the goal of transparency to our stakeholders. In 2024, FTI Consulting received third-party verification of its 2023 GHG emissions inventory, confirming the firm’s methodology is compliant with GHG Protocol.

This commitment applies to FTI Consulting, LLP, and the environmental measures set out in this document will be applied during the performance of any relevant contract (e.g., with a ‘contracting authority’ under a Crown Commercial Services framework) by FTI Consulting, LLP. The emissions data within this document reflects reporting year 2023 and further detail can be found in FTI Consulting’s Corporate Sustainability Report.

### Details Relating to Emissions Calculations

FTI Consulting tracks its GHG emissions annually. GHG emissions disclosed in this report represent data for entities under the operational control of FTI Consulting and its subsidiaries which is consistent with GHG Protocol.

### Scope Definitions

- **Scope 1** emissions are the result of GHGs emitted at FTI Consulting office locations, either from directly burning fossil fuels or on-site vehicles. HFCs, or refrigerant gas losses associated with office operations, are not included in FTI Consulting’s publicly reported 2023 emissions Scope 1 inventory.

- **Scope 2** emissions are the result of the energy that FTI Consulting purchases, but is generated elsewhere, such as electricity. The market-based method calculates Scope 2 emissions on the basis of electricity purchased, which allows FTI Consulting to report on green energy purchases as well.
- **Scope 3** emissions are indirect emissions from sources that are not owned, leased or operated by FTI Consulting but are related to business activities. As of reporting year 2023, FTI Consulting's Scope 3 emissions calculation covers category 6 business travel emissions only (air, car, rail, hotel) as per travel agency data. Scope 3 emissions for category 6 are calculated using the VDR standard methodology, developed by the German Business Travel Association and consistent with the GHG Protocol. Reporting of these activities is optional under the WBCSD/WRI GHG Protocol, and FTI Consulting currently only includes emissions associated with employee business travel in our annual inventory.

### **Areas of Environmental Impact**

- **Real Estate** encompasses the use of commercial real estate and the consumption of energy.
- **Business Travel** is a large component of FTI Consulting's operations, whether it involves traveling to client sites or networking opportunities. The modes of transportation our employees take contribute to our emissions profile.
- **Non-Hazardous Waste**, though relatively minor, is generated through our operations and contributes to pollution and emissions, especially if improperly managed. FTI Consulting does not generate hazardous waste through its operations. We plan to update this document to reflect this additional scope 3 category once STBi validation is received later this year.
- **Upstream/Downstream Transportation and Distribution** is expected to be a minor contributor of Scope 3 emissions to FTI Consulting because we are a professional services firm. We plan to update this document to reflect these additional scope 3 categories once STBi validation is received later this year.
- **Employee Commuting** is an area FTI Consulting is hoping to better understand by initiating a process to understand emissions associated with employee commuting. We plan to update this document to reflect this additional scope 3 category once STBi validation is received later this year.

For more details on the methodology utilized for our environmental impact calculations, see our FTI Consulting, Inc. [GHG Emissions Methodology Document](#).

### **GHG Reduction Targets**

Through quantifiable targets, FTI Consulting has formalized our approach to reducing emissions by establishing clear objectives to pursue. We routinely assess the progress and long-term strategic direction of our emissions reduction efforts relative to our targets.

To further validate these efforts, we recently submitted our emissions reduction targets with SBTi and anticipate validation by year-end 2025. We also recognize that there are other science-based target-setting bodies that use different variations of science-based definitions, and we continue to review their applicability to our business. Our current targets include the following reductions against our 2019 baseline:

- 50% reduction in Scope 1 emissions by 2030<sup>2</sup>
- 50% reduction in Scope 2 emissions (market-based) per employee<sup>3</sup> by 2030
- 50% reduction in Scope 3 emissions from business travel per employee<sup>3</sup> by 2030

FTI Consulting anticipates learning of our SBTi validation status by year-end 2025, and plan to reassess our current emissions reduction targets against a 1.5-degree scenario with the ambition of reaching net-zero GHG emissions by 2030.<sup>1</sup> Our work to submit refined targets to SBTi reflects our continued efforts to review our emissions strategy and calculation methodology, providing stakeholders with accurate and transparent information. We believe our current targets, which we announced in 2022, have been key commitments promoting progress, accountability and tracking our journey to reduce our carbon footprint.

### **Baseline and Current Emissions Footprint**

Baseline emissions are a record of GHGs that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions and serve as a reference point against which emissions reduction can be measured. More information about our emissions data can be found in FTI Consulting's [2023 Corporate Sustainability Report](#).

#### **Baseline Year Emissions: 2019**

<b>Emissions</b>	<b>Total (MT CO2e)</b>
Scope 1	4.04
Scope 2	5,542
Scope 3 (business travel)	30,813
Total emissions intensity per employee <sup>3</sup> , including contractors	4.90
Total emissions	36,359
Total emissions intensity reduction from 2019 baseline	-

**Current Emissions Reporting: 2023**

<b>Emissions</b>	<b>Total (MT CO2e)</b>
Scope 1	141
Scope 2	3,216
Scope 3 (business travel) <sup>Note 1</sup>	25,530
Total emissions intensity per employee <sup>3</sup> , including contractors	2.71
Total emissions	28,887
Total emissions intensity reduction from 2019 baseline	45

**Note 1:**

Scope 3 data currently reported only includes Category 6 (business travel). As part of seeking SBTi certification, FTI Consulting is in the process of obtaining accurate figures for the following Scope 3 categories:

- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operation
- Category 7: Employee Commuting
- Category 9: Downstream transportation and distribution

We plan to update this document to reflect these additional Scope 3 categories once SBTi validation is received later this year.

## Carbon Reduction Projects

In addition to partnering with external consultants to calculate our emissions data and seek SBTi validation, the following environmental management measures and projects have been completed or implemented since the 2019 baseline.

### Real Estate

At our physical locations, our sustainability initiatives encompass energy efficiency, emissions reduction and sustainable waste management. These efforts include achieving third-party environmental certification for our offices, implementing energy-efficiency measures for office buildouts and having waste diversion and recycling programmes.

- FTI Consulting aims to occupy office space that is LEED-certified (or equivalent). In 2023, 58% of employees<sup>4</sup> sat in LEED-certified (or equivalent) buildings.
- 20% of our employees<sup>4</sup> were based out of ISO 14001-certified office buildings as of December 31, 2023.
  - Our Aldersgate office in London, the largest office by headcount, has an environmental management system certified to ISO 14001, awarded by the British Assessment Bureau. Additionally, the London Aldersgate office has used 100% renewable energy since 2019.
  - Other offices that have achieved ISO 14001 certifications are Aldermanbury Square in London, Paseo de Recoletos and Paseo de la Castellana offices in Madrid. We aim to add our offices in Paris, Dubai, Amsterdam and two locations in Brussels as ISO 14001-certified offices.
- As of 2023, we have conducted third-party energy audits for our eight largest offices globally, including London Aldersgate.
- FTI Consulting is designing and operating our offices to introduce seat sharing where possible to absorb head count and growth without adding additional space to the office portfolio. In 2023, we reduced square footage per employee<sup>3</sup> by 46% compared with 2019.

## **Energy**

- FTI Consulting reduced total emissions intensity per employee<sup>3</sup> by 45% from 4.90 MT CO<sub>2</sub>e in 2019 to 2.71 MT CO<sub>2</sub>e in 2023.
- As of 2023, 44% of our office portfolio (as measured by square footage) is powered or offset by 100% renewable energy. This is a significant increase from 9% in 2021.
- FTI Consulting is leveraging energy efficiency measures, such as LED lighting and efficient HVAC design, in new office buildouts and existing office operations. For example, we converted our London office to all LED lighting in 2023 which is expected to result in a 25% annual energy savings.
- In 2023, we completed the transition of 100% of data storage servers in our North America and Europe, the Middle East and Africa (“EMEA”) regions to the cloud in 2023.
- In the U.S. and UK, we avoided 4.93 MT CO<sub>2</sub>e and 0.14 MT CO<sub>2</sub>e, respectively, of GHG emissions by recycling and remarketing various electronic devices.
- We continue to evaluate opportunities to expand our portfolio both of Renewable Energy Credits and carbon offsets.

## **Materials**

- In 2023, FTI Consulting maintained an average diversion rate of at least 90% for the decommissioning of materials when vacating offices in North America.
- FTI Consulting is committed to minimizing waste and operating with effective waste management procedures, including proper recycling and the eventual elimination of single-use plastics. Our employee-focused sustainability campaign encourages our people to commit to sustainable, environmentally friendly behaviours in the workplace.
  - Our offices use bottle filler stations as we seek to offset the landfill waste associated with an estimated 100,000 single-use plastic bottles annually.
  - We have installed low-flow fixtures and motion sensors in our sinks and toilets in the bathrooms and low-flow sinks in the kitchens.
  - Where possible, we participate in local recycling programmes, and have launched composting programmes, including in the London office.
- We have also put guidelines in place for materials purchased for new office spaces, which recommend considering GHG emissions, air quality and pollutant source controls. These materials undergo testing for compliance with volatile organic compounds regulations. In addition, we consider the manufacturing life cycle of materials in the context of the waste and carbon emissions generated in delivering the final product.

- FTI Consulting's London Aldersgate office partners with the building to track waste on a monthly basis, including recycling and compostable waste. With this information, our operations team is working to identify ways to reduce waste, specifically recyclables, in the office.

### **Travel**

- In 2024, FTI included a focus on travel practices in a new campaign to address our employees' sustainability-related behaviours. Elements of this campaign include:
  - Promoting the use of virtual meetings over those requiring travel whenever possible.
  - Identifying the most common air travel legs, focusing on alternatives, including rail options and virtual meetings.
  - Educating employees on the environmental costs of premiere or business class vs. economy air travel.
- We have banned the use of black cars and are endorsing the use of ride sharing companies in order to reduce emissions as a standard policy.



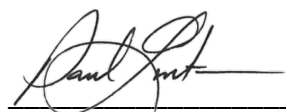
**Declaration and Sign Off**

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>5</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.<sup>6</sup>

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.<sup>7</sup>

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

**Signed on Behalf of the Supplier**

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*Signature*

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Paul Linton

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*Name*

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7 February 2025

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*Date*

## Appendix

1. Refers to GHG emissions for Scope 1 and Scope 2 emissions, as well as Scope 3 emissions from business travel.
2. Hydrofluorocarbons ("HFCs"), or refrigerant gas losses associated with office operations, were not included in FTI Consulting's publicly reported 2023 emissions Scope 1 inventory. We are currently evaluating if HFCs are relevant to our business operations and our operational boundary for reporting years 2024 and beyond. If so, we expect to revisit our Scope 1 emissions inventory and targets, where feasible.
3. "Per employee" refers to FTI Consulting's total employee headcount (excluding independent contractors), as reported in our Annual Report on Form 10-K for each applicable calendar year ended December 31 plus independent contractors as of December 31 of the applicable calendar year ended December 31. "Independent contractors" are defined as temporary resources who at times may travel on behalf of FTI Consulting for business purposes. See the appendix of FTI Consulting's Corporate Sustainability Report for reconciliations of "employees, including independent contractors," to "employees, excluding independent contractors," for the applicable calendar year ended December 31.
4. "Employees" refer to FTI Consulting's total headcount as reported in our annual reports on Form 10-K filed with the SEC for each calendar year ended December 31.
5. <https://ghgprotocol.org/corporate-standard>
6. <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>
7. <https://ghgprotocol.org/standards/scope-3-standard>