Introduction

We are pleased to present GLG's inaugural climate-related financial risk report prepared in accordance with the California Climate-Related Financial Risk Act (SB 261). This report covers Calendar Year 2024 for submission on January 1, 2026 and is structured in alignment with the Task Force on Climate-related Financial Disclosures (TCFD) framework. It is intended to meet the disclosure requirements of SB 261 by providing an assessment of GLG's climate-related risks and opportunities across our operations, including qualitative evaluation of physical and transition risks under multiple climate scenarios.

Scope and Completeness of Disclosure

This report addresses the core TCFD elements relevant to GLG's current climate risk maturity, including:

- Governance: Board and management oversight of climate-related risks and opportunities
- Strategy: Identification of physical and transition risks and opportunities, including qualitative scenario analysis
- Risk Management: Processes for identifying, assessing, and managing climate-related risks
- Metrics: A greenhouse gas (GHG) emissions inventory for Calendar Year 2024, including third-party limited assurance

Certain TCFD elements are not yet fully addressed in this inaugural report. Specifically, GLG has not yet established:

- Formal climate targets (e.g., SBTi-aligned or net-zero targets)
- A quantified transition plan, including emissions reduction pathways or capital allocation plans
- Quantitative financial impact modeling related to climate risks and opportunities

These omissions reflect GLG's early stage of climate program development, the asset-light nature of our professional-services business, and the current focus on establishing foundational governance, data, and qualitative risk assessment capabilities. GLG expects to enhance the scope and depth of its climate-related disclosures over time as internal processes mature and regulatory expectations evolve.

Governance

Board oversight

GLG does not currently maintain a dedicated ESG or sustainability committee. Climate-related financial risks are incorporated into the company's broader enterprise risk management framework, which is overseen by the Audit Committee of the Board of Directors.

Frequency of Oversight

At present, the Board or its committees do not receive recurring or scheduled climate-specific updates. Climate matters are addressed as needed, primarily in the context of broader regulatory, operational, or compliance discussions.

Beginning in 2026, management will provide the Audit Committee with a scheduled annual update on climate-related financial risks, including a review of key physical and transition risk considerations and any material regulatory developments. This annual update will support the Board's ongoing oversight of climate-related risks in alignment with SB 261 requirements.

Management Roles

GLG does not have a formal sustainability function. When climate-related topics arise, they are generally addressed by members of the Finance, Legal, or Facilities/Operations teams, depending on the nature of the issue.

For SB 261 compliance, relevant information is coordinated by the Finance organization, with support from Legal.

Materials Reviewed

The Board may receive:

- Ad-hoc updates on climate-related regulations (e.g., SB 261, SB 253),
- Operational continuity updates related to extreme weather or regional disruptions,
- Facility-related updates when leases, business continuity, or risk insurance are discussed.

For this inaugural filing, the SB 261 climate-related financial risk assessment will be provided to the Audit Committee.

Board Competency

GLG's directors collectively have experience in enterprise risk management, financial oversight, and regulatory compliance, which provides a suitable baseline for evaluating climate-related financial risks. The Board does not currently include directors with specialized climate-science backgrounds, which is typical for companies with low direct climate exposure.

Training

The Board has not previously received formal training on climate disclosure frameworks (e.g., TCFD, ISSB). GLG plans to provide introductory training beginning in 2026, as part of broader preparation for emerging climate-related regulatory requirements.

Planned Improvements

- GLG expects to strengthen its governance approach by:
- Providing the Audit Committee with an annual update on climate-related risks beginning in 2026,
- Updating committee charters to explicitly reference climate-related oversight, and
- Offering board education sessions on SB 261, SB 253, and related disclosure frameworks.

Management's role

Management Responsibilities and Reporting

Oversight of climate-related topics sits with the Chief Financial Officer (CFO), with day-to-day coordination led by the Controller. Climate-related issues are elevated to the Audit Committee on an as-needed basis, typically in the context of enterprise risk, compliance updates, or regulatory developments. As GLG's climate program matures, management expects to provide periodic, more structured updates to the Board.

Cross-Functional Responsibilities

- Finance: Leads GHG accounting, integrates climate considerations into financial planning, and coordinates external verification.
- HR (CHRO team): Supports emissions reporting by gathering activity data (e.g., headcount, commuting, travel) alongside primary HR duties.
- Legal & Compliance: Monitors evolving climate and ESG regulations and advises management on compliance requirements.
- Facilities / Real Estate: Assesses building accessibility and physical risks across GLG's leased offices and informs long-term lease planning and business continuity.
- Enterprise Risk Management: Considers climate factors qualitatively within broader operational and regulatory risk assessments.

Coordination and Decision-Making

GLG does not have a standing climate committee; for this SB 261 cycle, a temporary working group led by Finance coordinated risk assessment and disclosure preparation. Climate-related issues are identified through existing regulatory monitoring, facilities planning, and financial processes, and are escalated to senior leadership when relevant to operations, compliance, or long-term planning.

Future Development

As regulatory expectations increase, GLG plans to strengthen its management approach through more formal coordination mechanisms, clearer accountability across functions, and more consistent reporting to senior leadership and the Board.

Strategy

Climate-related risks and opportunities

GLG evaluates climate-related risks across three time horizons aligned with our operational planning, technology roadmap, and long-duration real estate commitments:

Short-term (0–2 years)

Represents GLG's near-term planning cycle, including annual budgeting, short-term technology investments, and immediate operational considerations. Risks in this period primarily relate to acute events such as severe weather disruptions or emerging regulatory changes. Impacts during this horizon are operational rather than strategic.

Medium-term (3–10 years)

Covers the period during which GLG reassesses major strategic investments, multi-year technology upgrades, and regulatory compliance programs. This horizon also reflects the midpoint of many of our real estate commitments: while GLG maintains a flexible, remote-capable operating model, office locations often have multi-year leases that influence medium-term assessments of physical and transition risks.

Long-term (beyond 10 years)

Aligned with the full duration of GLG's largest lease agreements, which often extend 10–15 years. Risks in this horizon include gradual climate shifts that could influence real estate strategy such as long-term sea-level rise in coastal markets, as well as long-term regulatory, market, and stakeholder expectations around climate disclosure and ESG maturity. Although GLG's remote-first resilience reduces exposure, this horizon is relevant for decisions about renewing, relocating, or right-sizing offices in climate-impacted regions.

Physical Risks

Business activity	Risk	Reasoning	Short/medium/ long term
Office operations across global locations	Heavy precipitation (rain, hail, snow/ice)	Heavy rainfall in locations like Mumbai, Singapore, and Shanghai may cause short-term commute disruption but does not impact GLG's ability to operate remotely	Short-term (0-2 years): Occasional commute disruptions during severe weather events
Coastal office locations	Flood (coastal, fluvial, pluvial, ground water)	Localized flooding may affect physical building access in certain cities, but GLG does not rely on ground-floor infrastructure or physical assets for operations	Short-term (0-2 years): Temporary building access restrictions
Office operations in wildfire-prone areas	Wildfires	Locations such as Sydney and parts of the U.S. may experience air-quality issues from wildfires, impacting commutes but not business continuity	Short-term (0-2 years): Air quality impacts affecting employee commutes
Coastal office locations	Sea level rise	Coastal offices may face long-term environmental pressures, but GLG's high-rise tenancy and remote-work model significantly reduce operational risk	Long-term (beyond 10 years): Potential long-term lease considerations for coastal locations

Transition Risks and Opportunities

Theme	Risk/opportunity	Reasoning	Short/medium/ long term
Market	Changing customer behavior (opportunity)	Evolving ESG, climate, tax, and AI regulations (e.g., EU CSRD, SEC climate rules) may require enhanced disclosures, new reporting processes, and updates to internal controls	Short-term to medium-term (0-5 years): Enhanced compliance requirements
Policy	Changes to national legislation	Localized flooding may affect physical building access in certain cities, but GLG does not rely on ground-floor infrastructure or physical assets for operations	Short-term (0-2 years): Temporary building access restrictions

Market	Inability to attract investors/access to capital	Investors increasingly evaluate ESG maturity; weak ESG practices or disclosures could impact valuation, investor perception, or access to capital	Medium-term to long-term (3-10+ years): Potential impact on investor relations
Technology	Limited access to new technologies	Rapid advancements in AI, data analytics, and cybersecurity require ongoing investment; failure to adopt emerging technologies could reduce platform competitiveness	Short-term to medium-term (0-5 years): Technology investment requirements
Reputation	Increased stakeholder concern	Clients, investors, and employees increasingly expect strong ESG performance; inadequate progress could affect brand trust, client retention, or talent recruitment	Short-term to medium-term (0-5 years): Stakeholder expectation management

Impact of climate-related risks and opportunities

Climate-related risks and opportunities influence GLG's strategy in specific and practical ways. While GLG's distributed, office-based model limits exposure to physical risks, transition-related regulatory and market trends are beginning to shape planning across operations, service offerings, and financial processes.

Operations

Physical climate risks such as extreme precipitation, coastal flooding, wildfire smoke, and heatwaves present low operational exposure for GLG given our flexible, office-based structure and strong remote-work capabilities. Severe weather events may periodically disrupt employee commutes or temporarily restrict office access in locations such as Mumbai, Singapore, or Shanghai, but GLG's cloud-based systems, virtual collaboration tools, and remote-ready operating model allow business continuity with minimal disruption.

Long-term scenarios, including gradual sea-level rise in certain coastal markets, are considered when evaluating multi-year lease decisions, particularly given GLG's 10–15 year lease commitments in some locations.

Products and Services

Transition risks create meaningful growth opportunities for GLG's platform. As companies respond to new climate, ESG, and regulatory requirements, demand is increasing for expert insights on climate strategy, decarbonization, supply chain resilience, regulatory compliance, and sector-specific ESG topics. These trends expand GLG's addressable market and influence how we identify, recruit, and engage subject-matter experts.

Market demand for sustainability-related expertise is expected to grow across industries, and GLG incorporates these signals into service development, expert sourcing, and client engagement strategies.

Supply Chain

GLG's supply chain is limited and primarily consists of professional services, leased office spaces, and technology platforms. While climate risks do not materially affect sourcing today, evolving data privacy and cross-border data regulations may influence how GLG manages vendor relationships, data storage decisions, and regional service delivery models. These requirements can impact workflow design, system configuration, and certain cost structures, even though climate-specific impacts on procurement remain limited at this stage.

Financial Planning

Climate-related regulatory developments, particularly expanding ESG reporting obligations (including SB 261 and SB 253), are expected to require enhanced internal controls, improved data processes, and periodic third-party verification, which may modestly increase compliance costs. Although not financially material today, climate and ESG disclosures are increasingly evaluated by investors and stakeholders, and weaker ESG maturity could influence investor perception, diligence processes, or cost of capital over time.

Insurance carriers and financial institutions are also beginning to incorporate ESG factors into pricing and underwriting frameworks. GLG may face higher premiums or financing costs in the future should our ESG credentials lag behind peers.

At this stage, GLG has not adopted a validated SBTi or 1.5°C-aligned target and does not yet have a formal low-carbon transition plan. Supplier engagement, emissions reduction analysis, and long-term transition mapping remain areas for future development as GLG evaluates the feasibility and relevance of emissions-reduction targets.

Resilience of strategy

GLG conducted a qualitative scenario assessment to understand how our strategy performs under different climate futures. The analysis considered commonly referenced IPCC physical climate pathways (low-warming, intermediate, and high-emissions scenarios) and IEA transition scenarios (Net Zero 2050, Announced Pledges, and Stated Policies). Our goal was to stress-test our operating model and identify directional impacts on operations, services, supply chain, and financial planning.

Physical Risk Resilience

Across all physical climate scenarios including high-emissions pathways (e.g., IPCC RCP8.5)—GLG's business model remains highly resilient. Physical hazards such as heavy precipitation, flooding, wildfire smoke, and heatwaves may cause short-term office access or commute disruptions, but GLG's cloud-based systems, remote-work capabilities, and distributed office footprint allow operations to continue with minimal impact. In higher-warming scenarios, long-term sea-level rise may influence future lease decisions in select coastal locations, but core service delivery remains unaffected.

Transition Risk Resilience

Under rapid decarbonization scenarios (e.g., IEA Net Zero 2050), GLG benefits from increased demand for expert insights on climate strategy, regulation, supply-chain resilience, and ESG topics, expanding our service opportunity. These scenarios also imply increased reporting and compliance expectations, which may require incremental investments in data processes and internal controls, though not at a financially material level.

Under moderate or fragmented policy scenarios, GLG's presence across multiple regulatory environments emphasizes the need for centralized compliance oversight and region-specific controls. Under business-as-usual scenarios, GLG faces minimal exposure given our limited dependence on carbon-intensive operations or climate-sensitive supply chains.

Strategic Implications

Scenario analysis indicates that GLG's knowledge-based, flexible operating model is resilient across a wide range of climate futures. The most material opportunity arises under transition scenarios, where client demand for sustainability-related expertise is expected to grow. GLG has not yet adopted SBTi-aligned targets or a formal transition plan; further evaluation is needed to assess feasible reduction pathways and resource requirements.

Risk management

Process for identifying climate risk

GLG is in the early stages of developing its approach to climate-related financial risk. We do not yet maintain a formal, recurring climate risk assessment process. For this inaugural SB 261 filing, the Finance team supported by Legal and Facilities conducted a targeted, qualitative desktop review to identify potential physical and transition climate risks relevant to GLG's professional-services, asset-light business model. This assessment focused on office locations, regulatory developments, and market trends that could reasonably influence our operations, long-term lease decisions, or stakeholder expectations.

Physical Risk Process (Current and Planned)

For this report, GLG screened its global office locations using publicly available hazard information (such as government climate and flood maps, local authority guidance, and historical incident data) to evaluate exposure to extreme precipitation, flooding, wildfire smoke, heatwaves, and long-term sea-level rise. These risks were evaluated in terms of:

- Building accessibility and short-term disruption,
- Employee health and safety, and
- Long-term lease considerations, particularly for coastal locations where GLG holds multi-year (10–15 year) lease commitments.

Given GLG's remote-work flexibility and lack of critical on-site infrastructure, we concluded that most acute physical risks are more likely to affect commutes and temporary office access than core business continuity.

Looking ahead, GLG plans to incorporate periodic climate-hazard screening into real estate planning and business continuity reviews, with particular attention to locations facing higher exposure to flooding, climate-driven air-quality issues, or coastal pressures. These reviews will inform future lease renewals, potential relocations, and contingency planning.

Transition Risk Process (Current and Planned)

Transition risks were assessed qualitatively through a review of emerging climate- and ESG-related regulations (including SB 261, SB 253, proposed SEC climate rules, and EU CSRD), alongside shifts in client expectations and broader market and technology trends. This work was completed on an ad hoc basis as part of GLG's regular regulatory and market monitoring. Key areas considered included:

- Regulatory and policy changes affecting disclosure, data, and governance expectations,
- Market and client trends, including growing demand for sustainability-related expertise within GLG's expert network,
- Reputational expectations from clients, investors, and employees around ESG maturity, and
- Technology and data needs, particularly ongoing investment in AI, analytics, and cybersecurity as regulatory and customer expectations evolve.

Over time, GLG intends to integrate climate-related regulatory, market, and reputational considerations more systematically into its enterprise risk management, strategic planning, and compliance processes, with periodic updates to senior leadership and, as appropriate, the Board or its committees when material developments arise.

Process for managing climate risk

GLG manages climate-related risks primarily through the inherent resilience of our distributed, cloud-enabled operating model. Because GLG's services are not dependent on physical production or single-site operations, most climate-related risks can be addressed through remote-work flexibility, cloud-based systems, and practical, location-specific adjustments when severe weather or air-quality events arise.

Managing Physical Risks (Current State)

Physical climate risks are addressed through practical, ad hoc operational measures rather than formal climate resilience programs. These include:

- Allowing employees to work remotely during severe storms, extreme heat, or wildfire smoke events.
- Leveraging cloud-based platforms and virtual collaboration tools, which limit reliance on specific office locations.
- Considering high-level environmental conditions (e.g., coastal exposure) during long-term lease

discussions, as appropriate.

GLG does not maintain dedicated climate resilience procedures, facility hardening programs, or climate-specific supplier continuity plans. The company relies on its highly flexible service model to maintain operations during localized disruptions.

Managing Transition Risks (Current State)

Transition risks—particularly regulatory and market changes—are managed through GLG's normal regulatory monitoring and business planning processes, which are not climate-specific today. Existing functions support this as follows:

- Legal & Compliance track regulatory developments, including SB 261, SB 253, and emerging ESG or data privacy rules.
- Finance evaluates the resourcing and process impacts of new reporting requirements.
- Business teams respond to market signals by expanding expert networks in climate, ESG, and regulatory topics as client demand increases.

These activities occur within existing workflows; GLG does not currently maintain climate-based investment policies, carbon pricing tools, or formal transition planning.

Monitoring and Integration (Current State and Near-Term Improvements)

Climate-related issues are assessed qualitatively and on an as-needed basis, including during:

- Lease considerations in higher-risk coastal areas
- Operational decisions during extreme weather
- Market and regulatory reviews led by Finance and Legal
- Annual GHG accounting conducted with support from HR

There are no formal KPIs, risk thresholds, or structured review cycles in place today. GLG intends to strengthen its approach over time by improving data processes, clarifying internal responsibilities, and incorporating climate considerations more consistently into enterprise risk and planning discussions.

Integration with overall risk management

GLG is in the early stages of integrating climate-related risks into our broader risk management processes. Climate risks are currently identified and assessed qualitatively through the same functional groups that manage operational, regulatory, financial, and strategic risks more broadly. For this inaugural assessment, climate considerations were reviewed by Finance, Legal, Facilities, and HR, and evaluated alongside other business risks based on professional judgment rather than a formalized scoring framework.

At present, climate risks are not yet incorporated into a standalone enterprise risk register, nor do they follow a formalized risk scoring methodology. Instead, climate-related insights are discussed within existing risk and compliance workflows. Potential impacts such as regulatory requirements, physical disruptions to offices, or market changes affecting client demand are escalated to senior leadership as part of routine operational and regulatory monitoring.

Going forward, GLG plans to strengthen climate risk integration by aligning climate-related assessments with our broader enterprise risk management approach. This may include:

- Periodic reassessment of climate-related risks (e.g., during annual or biennial planning cycles)
- Incorporating climate risks into the enterprise risk register using the same prioritization criteria applied to other strategic and operational risks
- Clarifying responsibilities for reviewing climate-related risk findings across Finance, Legal, Facilities, and HR
- Periodic reporting of material climate-related risks to senior leadership and the Audit Committee as appropriate

As GLG's climate program matures and data quality improves, climate-related risks will be more consistently evaluated alongside traditional business risks, ensuring they are considered within the company's overall risk oversight framework.

Metrics and targets

Targets for greenhouse gas reduction

GLG conducts annual carbon accounting to better understand the environmental impacts associated with our professional services, asset-light business model. Our emissions profile is modest and primarily driven by office energy consumption, purchased goods and services, employee commuting, and business travel.

For Calendar Year 2024, GLG completed a comprehensive greenhouse gas (GHG) inventory covering Scopes 1, 2, and relevant Scope 3 categories, which received limited assurance verification from KERAMIDA, Inc. under ISO 14064-3:2019. Total verified emissions for CY2024 were approximately 15,900 metric tons of CO_2e, with the majority attributable to Scope 3 purchased goods and services and other value-chain activities, consistent with GLG's operational structure. This independently verified inventory represents GLG's most complete emissions baseline to date and will serve as an important input into future climate and ESG planning.

GLG has not adopted a validated Science Based Targets initiative (SBTi) or 1.5°C-aligned emissions reduction target, and we do not yet maintain a formal low-carbon transition plan. As a company operating primarily in leased office spaces, GLG's ability to drive emissions reductions is influenced by building characteristics, lease structures, and supplier practices; however, management recognizes that the company can indirectly influence outcomes through leasing decisions, engagement with landlords and service providers, procurement practices, and operational choices such as office utilization and travel policies. Additional work is required to better understand building-level constraints, identify feasible reduction levers across our office portfolio and value chain, and evaluate supplier engagement opportunities. Formal transition mapping and structured supplier engagement have not yet been initiated.

As part of our broader climate risk management approach, GLG is currently evaluating whether and how to establish greenhouse gas reduction targets in the future. This evaluation will consider:

- Relevant baseline years, likely anchored to our fully verified CY2024 inventory;
- Scope coverage, including Scopes 1 and 2 and select Scope 3 categories where GLG can reasonably influence outcomes;
- Feasible emissions-reduction levers, given our leased-office model and remote-work flexibility;
- Data and systems needs to support credible progress tracking; and
- Alignment with GLG's broader enterprise risk management and long-term operational strategy.

As GLG continues to mature its climate and ESG frameworks, we expect to further assess the appropriateness of formal target-setting and transition planning, with the objective that any future commitments are practical, credible, and aligned with our business model and stakeholder expectations.
Metrics for climate-related risks and opportunities

At this time, GLG's use of climate-related metrics is limited and primarily focused on emissions measurement to support regulatory disclosure requirements. As a professional services, asset-light organization, GLG is prioritizing metrics that are most decision-useful given our operating model and current stage of climate program development.

Metrics Currently Used

- Greenhouse Gas (GHG) Emissions: GLG conducts annual GHG accounting covering Scopes 1, 2, and relevant Scope 3 categories. For Calendar Year 2024, GLG's emissions inventory was subject to limited third-party assurance. These metrics are used to support climate-related disclosures, assess transition risk exposure, and establish a baseline for potential future target-setting and emissions management activities.

Metrics Not Yet Systematically Used

GLG does not currently use the following metrics as formal inputs into climate-related risk management or decision-making:

- Energy consumption (beyond data collected for GHG accounting purposes)
- Water consumption
- Waste generation or diversion
- Vehicle fleet metrics (GLG does not operate a material owned fleet)
- Supplier climate performance metrics, such as the percentage of suppliers with GHG reduction targets

While GLG does not directly control many aspects of building-level utilities or supplier operations, management recognizes that the company may influence outcomes indirectly through leasing decisions, vendor selection, procurement practices, and engagement with landlords and service providers. To date, these metrics have not been prioritized for systematic tracking due to their limited materiality to GLG's operations and the current focus on establishing reliable emissions baselines.

Future Considerations

As GLG's climate program matures, the company expects to evaluate whether additional metrics, such as energy use intensity, supplier engagement indicators, or other operational measures would provide meaningful insight into climate-related risks or opportunities. Any expansion of metrics will be guided by materiality, data quality, and decision-usefulness, rather than by reporting considerations alone.