Grant Thornton

Championing our path

Grant Thornton 2021 sustainability report

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About this report:

Grant Thornton LLP, the U.S. member firm of Grant Thornton International Ltd, reports annually on its Environmental, Social and Governance (ESG) performance. This report includes updates on our progress since our last sustainability report in 2020. Data provided represents our progress and performance for fiscal year 2021, from August 1, 2020 through July 31, 2021, unless otherwise noted.

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and with reference to the Sustainability Accounting Standards Board (SASB) Standards for the professional and commercial services industry, the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), and the United Nations Sustainable Development Goals (U.N. SDGs). GRI, SASB, and TCFD indexes are available in this report.

We take responsibility for the completeness, accuracy, and validity of the metrics contained in this report and for the conformity of the metrics with our reporting criteria. No external assurance for this report has been obtained.

A message from CEO Brad Preber

As the COVID-19 pandemic continued over the past year, the sustainability imperative for the global business community became clearer than ever. Here at Grant Thornton, we looked to our purpose – to make business more personal and to build trust into every result – to guide our actions and decisions as we championed our own path toward environmental, social and governance (ESG) leadership. Among other actions, we increased our efforts to actively manage and oversee our ESG risks and remained steadfast in our commitment to making a meaningful impact in our communities and the world.

Over the past year, sustainability has become central to our operating philosophy and fully integrated into our growth strategy and business objectives. Throughout 2021, we increased our sustainability work with a strong focus on the priority areas identified by our stakeholder assessment, including talent attraction, retention and development, and employee health, safety and well-being. We committed to ambitious climate and diversity, equity and inclusion (DE&I) goals, and increased transparency by providing more information about our work in all these important areas.

In this report, we discuss the significant progress we've made over the past year on many of our ESG initiatives. We share more about our strategies, progress, data and evolving work aligned with important ESG reporting frameworks, including select United Nations Sustainable Development Goals (U.N. SDGs).

One area I am particularly pleased about is the growth of the firm's integrated ESG service offering. ESG is front and center for many of our clients and we are working to help them better understand the ESG landscape, mitigate their risks, and set and execute their own ESG strategies. This is a growth area of our business that truly exemplifies the idea of "doing well by doing good."

As we turn our focus from the challenges of 2021 to the exciting opportunities of 2022, I am confident we will accelerate our sustainability work under Seth Siegel, whom our partners ratified as CEO-elect in September. Seth is a visionary leader who cares deeply for our clients, colleagues and communities. Seth shares my belief in the importance of strong relationships and that how we work matters as much as what we do. I could not be more pleased that we have chosen him to lead our firm, beginning in August 2022.

Throughout my career, I have been an advocate of servant leadership – the belief that it is the mission of a leader to serve others. In my view, business sustainability is a manifestation of this philosophy – a belief that, as a firm, we achieve our most meaningful success when, together, we help create success for all those we serve. Grant Thornton is ready to champion this path and to continue to exceed your expectations.

Brad Preber
CEO
Grant Thornton LLP

About Grant Thornton

Grant Thornton LLP (Grant Thornton) is the U.S. member firm of Grant Thornton International Ltd, one of the world's leading organizations of independent audit, tax and advisory firms. With revenues approaching $2 billion, Grant Thornton is the largest member firm in the GTIL network.

At Grant Thornton, how we work matters as much as what we do. We're collaborators who understand the value of strong relationships. Pursuing a strategy of profitable growth through organic expansion, together with mergers and acquisitions, revenues have recently been increasing in the double digits. Many of the firm's services are subject to federal and state regulations.

The firm's clients include dynamic publicly- and privately-held companies, government agencies, financial institutions, and civic and religious organizations. Core industries served include consumer and industrial products, financial services, not-for-profit, private equity, and technology.

At Grant Thornton, our purpose is to make business more personal and build trust into every result, while our vision is to be the most admired professional services firm in the industry. At the outbreak of the pandemic, we adopted three clear priorities for our firm that remain our focus today:

- **To take care of our people**
- **To be there for our clients**
- **To keep our business strong**

Our firm at a glance*

Services

Audit | Tax | Advisory

Headquarters

Chicago

606
Partners/Principals

6,729
U.S. employees

$1.97 billion
in annual revenue

51
Offices

Our industries

Asset management, banking, energy, healthcare, hospitality and restaurants, insurance, life sciences, manufacturing, media and entertainment, not-for-profit, private equity, real estate and construction, retail and consumer products, services, technology and telecommunications, and transportation.

* Additional team members include 1,188 professionals employed by our shared services center in Bangalore, India. Data reflects fiscal year 2021.

Our culture

We are committed to fostering a caring, high-performance culture – it drives how we do our work and how we run our business. We take pride in creating an inclusive environment where extraordinary people are empowered to come together to deliver quality and innovation.

To ensure we relentlessly stay true to who we are, this year Grant Thornton launched True North. True North is our culture immersion training process and experience, designed to reinforce the most unique aspects of our culture. True North helps us navigate how we work and make decisions – using our purpose as the North Star to guide us.

By engaging in learning sessions, small group chats and other interactive activities throughout the year, our colleagues have the opportunity to explore the components of what makes Grant Thornton the firm we are today and who we want to be in the future. The training not only strengthens the foundation of our culture, but it also helps clarify our direction and the roles we play to serve each other, our clients and our communities every day.

We are a community anchored in our CLEARR values:

Collaboration
Work together;
act as one.

Agility
See with clarity;
act with purpose.

Leadership
Build trust;
make a difference.

Respect
Care deeply;
listen intently.

Excellence
Deliver quality;
pursue greatness.

Responsibility
Own your action;
be aware of your impact.

Advancing ESG at Grant Thornton

Because our purpose is to make business more personal and build trust into every result, it is critical that we not only bring value to all of our stakeholders, but that we also make a positive impact within our communities and for the planet. To champion this path, we continue to identify and address environmental, social and governance (ESG) topics as part of our overall business strategy and integrate them into our business decisions.

Our newly appointed chief risk and compliance officer has oversight for setting the strategy on ESG matters, developing and implementing related initiatives and policies, monitoring developments on those ESG risks and issues that are material to the business, and reporting on our sustainability performance.

Our strategy and goals

The following strategy principles frame and guide our actions and priorities, all with the intent to exceed the expectations of our stakeholders:

- Engaging directly with our stakeholders to make sure we address the most significant issues in our business
- Building mutual trust and a sense of shared responsibility with our clients and colleagues
- Emphasizing quality over quantity in setting priorities
- Maximizing the efficient use of resources in fundamental areas of our business, while mitigating negative impacts
- Playing a substantive role in advancing sustainability in partnership with our communities

Given the importance of these principles, we have set ambitious annual, short-term and long-term goals to advance our ESG and sustainability program.

Annually, we will:

- Achieve 100% personnel training on applicable ethics and compliance topics
- Report our greenhouse gas emissions data to CDP (formerly the Carbon Disclosure Project)

By the end of calendar year 2023, we will:

- Submit our greenhouse gas emissions and net zero targets for validation by the Science Based Targets initiative (SBTi)
- Educate 100% of Grant Thornton colleagues on environmental and sustainability initiatives

By the end of fiscal year 2025, we will achieve our DE&I goals:

- 30% of our new hires will be Black and African American or Hispanic and Latinx (also recognizing opportunities for increased hiring of Pan-Asians, Native Americans, Hawaiians and Pacific Islanders)
- 35% of our National Leadership Team and market-focused leaders will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses
- 40% of our partners, principals and managing directors will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses
- 50% of our hot-skills training opportunities (including firm-sponsored certifications, advanced technology skills and leader-sponsored training and development initiatives) will include women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses
- 50% increase across the firm of our representation of veterans, military spouses and individuals with disabilities, from fiscal year 2020

By 2030, we will:

- Achieve a 55% absolute reduction of our greenhouse gas emissions from our 2019 baseline
- Achieve net zero greenhouse gas emissions

Our stakeholders

We pride ourselves on building strong and lasting relationships with our stakeholders, as these relationships inform our ESG strategies, initiatives and reporting measures.

Our external stakeholders include our clients, regulators, suppliers and communities. While we work to further expand our external stakeholder engagement process, we understand our stakeholders' ESG priorities and positions through various communication channels and outlets. Our clients speak directly with us to voice their views on important ESG issues.

Our internal stakeholders include our partners and principals, colleagues, Grant Thornton International Ltd (GTIL) and other member firms of the GTIL network. We regularly enlist and engage our internal stakeholders to work together to advance innovative and progressive solutions to a diverse variety of issues.

Our approach to materiality

This year, we commissioned a third-party materiality assessment to help us prioritize the most significant ESG issues affecting our firm and our stakeholders. The overall objectives of the assessment were to engage our stakeholders, keep our finger on the pulse of important topics and confirm that our priority areas are aligned with stakeholder views – all while we continue to manage emerging and changing expectations.

We also used these findings to identify any new topics to build into our strategy, identify which ESG topics to include in our report, and to help us assess the impact of global challenges such as the COVID-19 pandemic.

Internal and external stakeholders who participated in the assessment were asked to rank the importance of specific ESG issues we should address. These stakeholders included our colleagues, clients, partners and leadership members of our firm. The process included:

- Conducting desk research by evaluating industry peers, standards and guidelines
- Developing a categorized list of ESG issues to rank
- Conducting surveys and interviews with internal and external stakeholders to understand their views on the issues
- Analyzing the results to determine the priority topics and developing a materiality matrix
- Determining the implications for the report and future strategy
- Validating findings and insights

The survey participants were asked to rank each ESG issue and select the top five in each category that they believed Grant Thornton should focus on, as they relate to the firm's success (business leaders), as a service provider (clients) and as a responsible employer (colleagues).

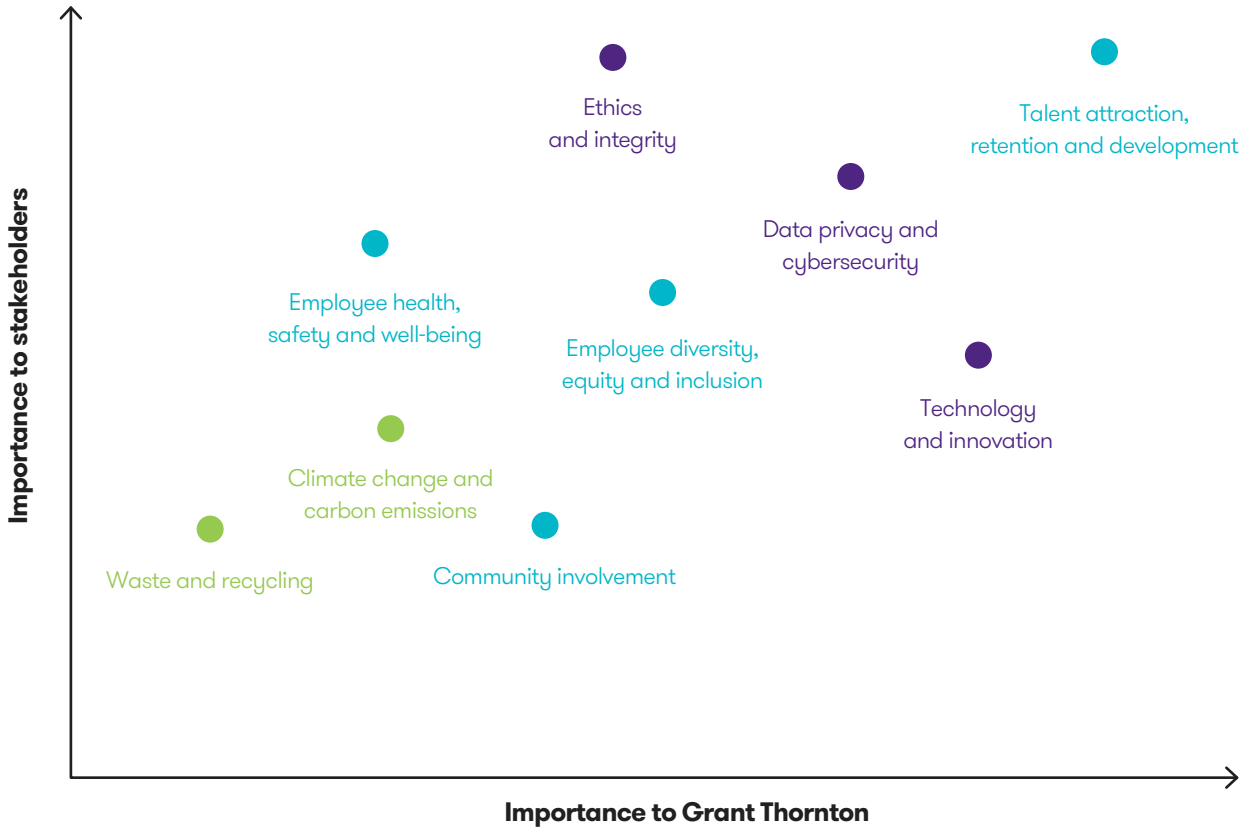
We also conducted semi-structured interviews with multiple business leaders to develop a clear understanding from their perspective on priority sustainability issues for the firm to manage – risk and opportunity (strengths and weaknesses), comparisons to peers, competitors and the industry, and our role in creating a more sustainable future within the professional services sector.

Although environmental issues did not score as high as the social and governance issues in the materiality assessment, the importance of addressing climate change and other environmental issues cannot be denied. Our colleagues rated environmental topics highly and the risks of climate change have become a global focus area of critical importance that we take seriously.

We live in a complex world and business environment that requires responsible organizations to take action on many fronts. We have taken a balanced view of the materiality assessment findings in determining what to include in this report. The highest-ranked topics in the materiality assessment are addressed in this report, including ongoing programs, data on our progress and plans for the future.

Our most material issues include:

Environmental	Social	Governance
Climate change and carbon emissions; Waste and recycling	Talent attraction, retention and development; Employee diversity, equity and inclusion; Employee health, safety and well-being; Community involvement	Ethics and integrity; Data privacy and cybersecurity; Technology and innovation

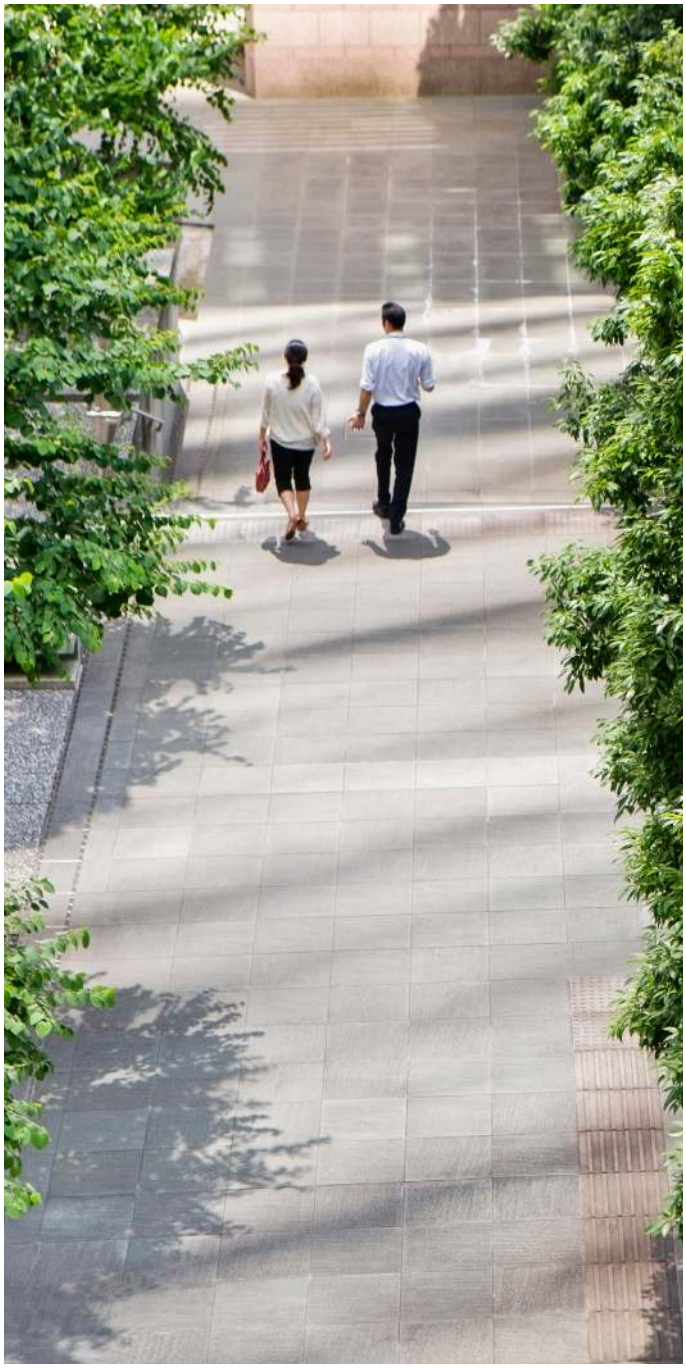


Contributing to the United Nations Sustainable Development Goals

We recognize our responsibility to make a positive contribution to society and the world at large. The United Nations Sustainable Development Goals (U.N. SDGs) provide a blueprint to achieve a more sustainable future by addressing global challenges. In our 2020 report, we identified six U.N. SDGs most relevant to our business and committed to integrating these important issues with our goals. Our 2021 materiality assessment results aligned with the six U.N. SDGs we had identified and provided insight into another goal we can impact: U.N. SDG 13: Climate action.

Our current and planned internal sustainability and ESG program efforts align best with these seven U.N. SDGs:

Our actions to advance these U.N. SDGs is referenced where relevant in the following pages. We will continue to look for opportunities to advance additional U.N. SDGs in the future.



ESG services for clients

Supporting U.N. SDGs

In addition to our own ESG and sustainability activities – and in light of the global demand for action – Grant Thornton offers ESG services to support companies and organizations as they address their own risks and opportunities. Our ESG and Sustainability Services team specializes in helping clients navigate their journey and – across our audit, tax and advisory service lines – understand the ESG landscape, risk mitigation and business model transformation.

Our team of specialists helps identify material ESG topics; develop, model and monitor key environmental and social capital strategies such as water usage or supply chain transparency; report on ESG disclosures including diversity metrics, carbon emissions and cyber management; identify and evaluate sustainable finance transactions; and advise on other ESG challenges such as data governance. Our team has assisted clients with connecting their risk management strategies to ESG topics, and has helped clients understand how to defray costs associated with ESG actions where applicable.

Working closely with our global affiliates, conducting our own research and speaking with a multitude of stakeholder groups, we will continue to develop services and share best practices with our clients, as well as continue to educate all of our colleagues about ESG topics.

Guiding clients on their ESG journey

A global manufacturer engaged Grant Thornton to help launch its ESG initiatives, starting with identifying its most material ESG topics and analyzing its peers' ESG efforts. The manufacturer wished to lay the foundation for an ESG vision and strategy that would help maintain its status as a market leader while also developing long-term risk resilience and business sustainability.

Grant Thornton conducted a series of stakeholder interviews to identify priority ESG topics and developed a visualization showcasing the priorities for management's consideration. At the same time, we benchmarked and analyzed six close peers, including an in-depth review of their public disclosures, as well as interviews with industry experts to understand the peer group's maturity in the wider industry marketplace.

With these analyses, the Grant Thornton team provided recommendations and guidance for the manufacturer's ESG strategy and future disclosures. Grounded in the materiality assessment, peer benchmarking analysis and discussions, the company's Board of Directors approved the new ESG strategy and vision.

Visit gt.com to view our ESG insights.

"Increasingly we find our clients are evaluating Grant Thornton's sustainability commitments and progress as part of their vendor selection process. It has become important for us to not only advise our clients on ESG matters but also to implement similar strategies within our business. Sustainability matters are not just important as service offerings – they are important for our business success."

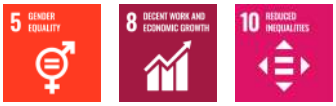
- Jim Burton, Partner, ESG & Sustainability

Our people and our communities

One of our firm's top strategic priorities is to care for our people, which is why we offer an experience that is welcoming, opportunity-rich and supportive. From ensuring the basic health, safety and well-being of our colleagues, to recruiting, retaining and developing a talented and diverse workforce, we are championing our path to ensure our future success and the professional and personal growth of our people.

Supporting our colleagues' health and well-being

Supporting U.N. SDGs



We are committed to taking care of our colleagues and meeting their needs at any stage of life, which is why we take a comprehensive approach to our colleagues' health and well-being. Because we know our colleagues are unique and their needs evolve throughout their life journeys, we offer varied and flexible benefit offerings. Over the years, our benefits have evolved from traditional offerings on health care and health management to a more holistic approach for each individual, encompassing five aspects of personal well-being: physical, emotional, social, career and financial.

Throughout the pandemic, we remained committed to taking care of our people in a new and uncertain environment. We introduced a number of support initiatives that addressed a range of needs for impacted colleagues and their families during these difficult times. Supporting mental wellness was and still is an ongoing priority and many of the new programs were selected to help reduce pandemic-related stress.

"The COVID-19 pandemic has changed what workers need and expect from their benefits. In the wake of COVID-19, employers have to provide better mental care benefits instead of simply recycling benefits from the pre-pandemic era. Employers must also remove the stigma around mental wellness and create safe spaces for people to be open about their mental states."

- Mike Monahan, National Managing Principal, People & Community

When schools, daycare and adult-care centers closed, we:

- Added 15 additional days of subsidized care for backup child- or elder-care, for a total of 30 days per year
- Expanded other family care benefits through premium memberships to care.com for all employees, enabling access to find full-time caregivers, tutors and other forms of household help
- Offered online tutoring through tutorme.com
- Modified paid parental leave such that all colleagues could take up to 12 weeks at full pay to care for and bond with their new child in the first year after the birth, legal adoption, or permanent placement of a child under their legal guardianship
- Added Expert Assistance to support colleagues in sourcing full-time care needs as well as other household support

When our offices closed, we:

- Expanded on-demand professional development opportunities
- Provided a work-from-home reimbursement payment, a monthly internet stipend, and access to on-demand videos and tools to enhance at-home office ergonomics

When gyms closed and stay-at-home orders were activated, we:

- Provided discounts to virtual workout services through ClassPass and free on-demand workouts/low-cost gym memberships with Active & Fit
- Subsidized food-delivery service memberships through GrubHub, and provided free access to a meal-planning app through DinnerTime
- Offered stipends for out-of-pocket expenses associated with receiving COVID-19 vaccinations

As mental health issues arose, we:

- Expanded our Employee Assistance Programs (EAP) by adding a second EAP vendor, increasing the number of virtual counseling options for family support
- Partnered with Happify to expand mental health and well-being services, including science-based tools, programs, online activities and games
- Amplified our pet-adoption reimbursement program and other pet-related benefits to offer colleagues support and ways to better contend with pandemic stress and loneliness
- Amplified existing flexible work arrangement (FWA) opportunities, such as reduced work schedules, compressed work weeks and flexible days, to enable focus on work/life balance
- Provided 8 extra days off around the holidays and encouraged the use of flexible time off (FTO) to allow colleagues to take the time they need to recharge
- Implemented quiet hours on Friday afternoons and other measures to reduce the fatigue of video conferences and remote work

And once we adjusted to this new normal, we were able to provide salary increases and annual bonuses for those eligible at above-average amounts for our firm.

"People go through stages in life, but well-being is a constant. Benefits need to reflect that. We've paid attention to our colleagues throughout the COVID-19 pandemic to better understand their pain points — and we are continuing to take their feedback seriously and design inclusive solutions that address their needs and offer support in their personal and professional journeys."

- Lou Ann Hutchison, Managing Director, People & Community

Making work more flexible

Supporting U.N. SDGs

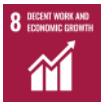
We are continuing to explore new and innovative ways to support our colleagues as we adjust to new ways of working and living.

One major change is a permanent shift to a flex-work model – formalized as more offices and public spaces began to reopen. With this shift, all of our colleagues are able to balance working at home, in the office or at client sites, based on business and personal priorities and responsibilities.

Our offices also began to transition from transactional, private workspaces to culture hubs used for collaboration, socialization, training and development. Remaining agile in our approach enables us to deliver quality results for our clients, remain focused on the personal goals of our colleagues and demonstrate that we are ready to go beyond the expectations of business.

Offering comprehensive benefits

Supporting U.N. SDGs



All of our full-time and part-time colleagues at our U.S. locations have access to an array of benefits, including:

- Health, dental, vision and well-being benefits, including coverage for eligible domestic partners and dependents
- Employee Assistance Program
- 401(k) savings and retirement plans
- Educational assistance
- Insurance options, including life insurance
- Reimbursement plans
- Disability coverage
- Parental benefits
- Gender transition benefits
- Adoption & surrogacy reimbursement benefits
- Innovative flexible time-off policy

In addition, same- and opposite-sex domestic partners and their dependents are eligible for:

- Health, dental, vision and well-being benefits
- Employee Assistance Program
- Gender transition benefits through our health plan

Over the past several years, medical insurance premiums nationally have increased significantly every year. The projected cost for Grant Thornton's 2022 medical plans is expected to increase by as much as 10% or more in some areas. For the calendar year 2022, the firm will pay the premium increase for employees – not pass it on – to ensure that cost and economic uncertainty do not interfere with our colleagues' well-being.

Working safely

Supporting U.N. SDGs

The health and safety of our colleagues is always of the utmost importance. As part of our workplace safety program, we have a variety of policies, procedures and mechanisms in place to support their safety while at work. These include:

- Safety, anti-harassment and workplace violence policies
- Reasonable accommodations policies
- Alcohol/drug-free workplace policy
- Safe driving policy
- Workplace risk assessments, safety trainings and emergency evacuation plans
- A reporting system for unsafe work conditions and work-related injuries
- COVID-19 related policies and practices, including an infectious disease preparedness plan, contact tracing protocols and masking and social distancing protocols

We also offer virtual ergonomics trainings to colleagues to ensure they can continue to work safely and comfortably at home and at client sites.

Expanding parental leave

Supporting U.N. SDGs

In November 2020, Grant Thornton announced an expansion of our parental leave benefits. Instead of just primary caregivers, all active colleagues became eligible for up to 12 weeks of paid parental leave at 100% of their base salary upon the birth, legal adoption or permanent placement of a child under their legal guardianship.

Parents at Grant Thornton now have increased flexibility to take time off for parental leave intermittently (in two-week intervals) as soon as the birth, adoption or guardianship of their new child occurs, with no requirement to take it consecutively. If both parents are Grant Thornton employees, each parent is eligible to take 12 weeks of leave.

In fiscal year 2021, 326 colleagues took parental leave: 162 women and 164 men. With our expanded parental leave policy, we saw an increase in the number of weeks men are taking to bond with their new children.

Strengthening colleague engagement

Supporting U.N. SDGs

Colleague engagement at Grant Thornton is about how well we stay connected with each other, whether we're collaborating together or serving our clients. As such, we continually assess our colleagues' individual needs, as well as how connected they feel to their teams and the firm. We measure engagement through our annual GTShape Engagement and Pulse Surveys, and we activate change through our local advisory councils and action plans carried out by office, by service line and across the firm.

Feedback from our 2020 annual GTShape Engagement Survey revealed a lack of connection, specifically sentiments of value and appreciation in a remote environment. Over the past year, we took this feedback to heart and created new, effective ways to collaborate, build meaningful relationships and express our appreciation for each other, which helped our people feel seen, known and celebrated, day in and day out. And these initiatives supported one of the firm's top strategic priorities: to care for our people. As a result, we saw an 8-percentage point increase in team members' perceptions of feeling valued and appreciated from our fall 2020 GTShape Engagement survey to our spring 2021 GTShape Pulse survey.

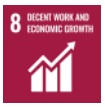
Results from our 2021 GTShape Engagement Survey showed we are staying consistent or improving with most of our engagement scores. In fact, 21 of the 42 questions asked in the prior year revealed significant improvements in favorability this year. These questions primarily related to themes of value, appreciation and connection to peers and leadership. Overall, 88% of our colleagues reported being engaged at work, with 51% reporting they are highly engaged. We will continue to strengthen engagement at Grant Thornton by ensuring our colleagues enjoy their work, feel valued, have a path for growth and development and feel they can depend on their teams and the firm.

Our awards

Grant Thornton won a 2021 Employee Voice Award in the Excellence in Engagement category from Quantum Workplace for maintaining and building a people-first culture during COVID-19.

Helping colleagues develop their talents

Supporting U.N. SDGs



At Grant Thornton, we put our people first. One way we do this is by fostering an environment where people want to work, learn and build a career they love, with the experiences and skills they need – as talent development was a leading issue cited in our materiality assessment. We believe in the power of continuous learning to champion our path — the benefits of training and upskilling opportunities that reflect our high-performance culture and give our colleagues the tools they need to deliver smart, innovative solutions for our clients.

We educate and train Grant Thornton colleagues in many ways, including real-time coaching, feedback, and distinctive learning modules and programs that elevate professional excellence and quality. We offer a wide range of more than 2,000 technical and professional skills training courses, many of which offer CPE credits. And we develop firm-specific training programs in-house, while also offering courses from leading educational partners. On average, our colleagues completed over 55 hours of training in fiscal year 2021.

Strengthening the performance management process is another important way to help colleagues and their coaches build an open, honest relationship to discuss performance expectations, elevate impact and discuss challenges. From April 2020 through August 2021, we transformed and simplified our performance enablement process – including continuous coaching and dialogue (not just periodically), two-way feedback mechanisms, and automated, streamlined forms. These improvements led to a more transparent and efficient process, as well as a 1,000%+ increase in the amount of feedback received by our colleagues.

Continuous learning during the pandemic

The COVID-19 pandemic presented new challenges in the learning landscape, but we responded with agility. We worked to convert all learning to virtual delivery formats to provide colleagues with learning opportunities that worked with their schedules. Through this transition, we were able to offer 22% more courses and 87% more training hours compared to the prior year (calendar year 2020 compared to calendar year 2019). Our colleagues consumed 6% more hours of training and completed 47% more courses.

Our awards

Grant Thornton won a 2021 global Best Advance in Performance Management Silver award from the Brandon Hall Group for the innovative transformations we made to our performance management process.

Cultivating the next generation of leaders

Supporting U.N. SDGs

Grant Thornton Leadership Academy (GTLA) is our firm's platform for cultivating high-performing leaders at all levels of the firm. Our suite of programs creates a shared experience for colleagues to acquire and demonstrate the leadership capabilities that will drive commercial success for the firm, as well as personal success for individuals and teams.

GTLA supports the firm's vision to be the most admired professional services firm in the industry, to attract and accelerate the development of top talent as we raise the bar of excellence. Our approach is to create the next generation of future leaders capable of driving a high-performing culture by embracing stewardship, accountability and trust.

Fusion digital badges

Supporting U.N. SDGs

In fiscal year 2021, we launched our Fusion digital badge program to provide additional ways for our colleagues to learn and improve, with a deep focus on building skill proficiency. In the pursuit of a digital badge, colleagues learn the technical and professional skills they want and need to serve our clients, such as improving their service line technical knowledge; advancing their understanding and capabilities in such areas as communications, project management and DE&I concepts; and improving skills and knowledge related to specific industries.

By offering digital badges for completing a curated learning path, we make verified skills more visible to partners and principals looking to staff their engagement teams, internal leaders who are building teams for key initiatives, and current or prospective clients reviewing their Grant Thornton team's biographies. Now, our colleagues can take the lead in attaining desired skills; earning formalized, visible and credible recognition of those skills; and sharing them inside and outside the firm.

To date, more than 6,700 colleagues have begun the process of earning digital professional skill badges, with more in the process.

Our GTLA programs include:

Our New Senior Experience program, a six-month, blended learning journey for our newly promoted senior associates, which provides opportunities for valuable education, experiences and connections across the firm as they begin to transition into supervisory and project leadership roles.

Our Manager Development program, a one-year program to prepare and support colleagues during their transition into management roles by providing exposure to senior leaders, collaboration experiences and insights that build self-awareness.

Our Senior Manager Academy, a three-year program designed to help high-potential senior managers and directors pursue a path to partner or principal. The program provides exposure to senior leaders and partner-level responsibilities, deliberate development experiences and the opportunity to discover their leadership styles and attributes.

Our Partner and Principal Leadership Academy, which provides our partners and principals with critical learning experiences for personal development, to shape how they lead in the market and optimize value provided to our clients.

"The Senior Manager Academy has provided me invaluable experiences and has enhanced my network of relationships with other senior managers, partners and senior leaders across service lines and geographies which have added to the richness and fullness of my experience overall at Grant Thornton."

- Dan Voogt, Senior Manager, Audit Services

"The Manager Development Program allowed me to collaborate with new managers across the firm, provided access to mentoring opportunities with seasoned managers and helped me expedite the strategic transition process of 'showing up' as a manager."

- Diana Ludwick, Manager, Advisory Services

Our awards

- 2021 Brandon Hall Group Gold Award for Excellence in Leadership Development for our Senior Manager Academy
- 2021 Association of Talent Development Excellence in Practice Award for leadership development for our Senior Manager Academy

Advancing diversity, equity and inclusion

Supporting U.N. SDGs

To advance diversity, equity and inclusion (DE&I), we are actively amplifying and responding to diverse and underrepresented voices to make sure Grant Thornton is fair, equitable and inclusive in all that we do. Because we know when everyone is empowered to contribute and act, we'll build a stronger community among our colleagues, clients and those around us. This means seeking out different perspectives and experiences; using our platform to create new opportunities; bringing the right people and resources together to act for change; and being active allies on matters that impact our workplace and broader communities.

We want to use our platform – our power, our position and our resources – to make sure those who are not often advocated for are seen and heard. And we continue to take steps to stregthen our commitment to integrating DE&I into everything we do. It is a strategic priority, designed to foster a sense of belonging in an environment of psychological safety and trusted relationships, which are fundamental for community building and empowerment. In doing so, we have:

- Assembled a National Leadership Team Committee to fast-track DE&I imperatives within our firm, leveraging the recommendations of our business resource groups (BRGs). This effort ignited a DE&I operating framework to support firmwide governance and operations.
- Encouraged our nine BRGs to present their ideas for change to the National Leadership Team DE&I Committee. These ideas included process improvements for our recruiting initiatives, professional development offerings, benefits and more.
- Embedded DE&I into True North, our new culture immersion experience, which includes a module dedicated to the importance of community and belonging and how we can effectively harness our diverse backgrounds and unite for the power of inclusion.
- Framed diversity as a metric we value, measure and track, including updated performance scorecards for our partners and principals that include measuring leadership accountability and our firm's commitments to DE&I. All partners and principals have to complete a DE&I-focused learning path, which includes 10 hours of educational courses, as part of their scorecard this year.

Through important ongoing programs, we have:

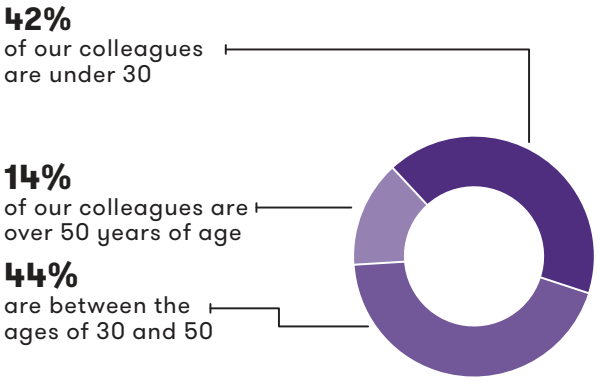
- Offered unconscious bias training and continued to incorporate DE&I sessions into firmwide conferences, onboarding programs for new hires, and our organizational learning and effectiveness initiatives.
- Added additional colleges and universities to our recruitment roster to expand the diversity pool – including 15 Historically Black Colleges and Universities – and updated our experienced-hire recruiting process to recognize the value of diverse backgrounds in advancing equity.
- Contributed, as part of this open-door recruiting effort, $600,000 ($300,000 each over three years) to the Southern Poverty Law Center and the Thurgood Marshall College Fund.
- Allocated 40 annual chargeable hours for each of our colleagues to give back to external charitable and community organizations, and to participate in our internal BRGs.

Grant Thornton colleagues by the numbers

All colleagues

45% are women

26% are people of color



Partners, principals and managing directors

27% are women

11% are people of color

New hires

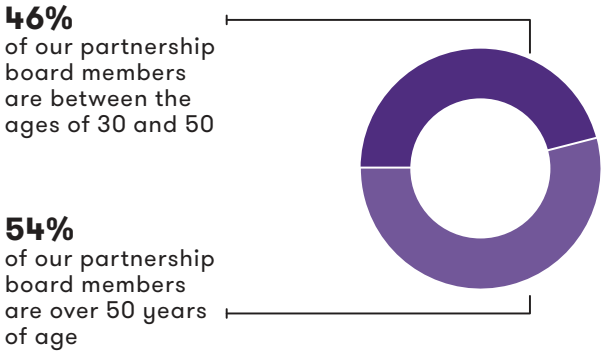
42% are women

34% are people of color

Partnership board members

30% are women

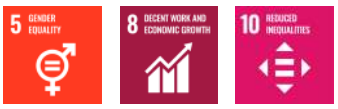
20% are people of color



Data summarized on 7/31/2021 and reflects fiscal year 2021 U.S.-based personnel.
"Colleagues" refers to all Grant Thornton personnel. Partners, principals, managing directors and partnership board members are included in colleague metrics.

DE&I goals for 2025

Supporting U.N. SDGs



With the input of our colleagues throughout the firm, Grant Thornton established five accountable and aspirational goals we aim to accomplish by the end of our fiscal year 2025.

- 30% of our new hires will be Black and African American or Hispanic and Latinx (also recognizing opportunities for increased hiring of Pan-Asians, Native Americans, Hawaiians and Pacific Islanders).
- 35% of our National Leadership Team and market-focused leaders will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.
- 40% of our partners, principals and managing directors will be women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.
- 50% of our hot-skills training opportunities – including firm-sponsored certifications, advanced technology skills and leader-sponsored training and development initiatives – will include women, people of color, LGBTQ+, individuals with disabilities, veterans or military spouses.
- 50% increase across the firm of our representation of veterans, military spouses and individuals with disabilities, from fiscal year 2020.

Expanding our relationships at HBCUs

Supporting U.N. SDGs

According to the 2019 Association of International Certified Professional Accountants (AICPA) Trends Report, only 10% of students in accounting bachelor's programs and 7% of students in master's accounting programs are Black. This is why Grant Thornton is working with the Thurgood Marshall College Fund (TMCF) and American Express to create a Train the Trainer Career Readiness program, which equips faculty and staff at Historically Black Colleges and Universities (HBCUs) with the tools they need to help students navigate a complex employment landscape.

Grant Thornton colleagues virtually joined talent professionals from American Express, as well as campus educators and career trainers from eight HBCUs, in the two-and-a-half days of programming. The focus: fostering professional preparation skills and resources at each institution to help students thrive in internships and full-time positions.

Championing our DE&I goals
To achieve our DE&I goals, we continue to expand our recruiting programs, advance career development opportunities, and foster a culture of belonging and community at the firm.

As part of this effort, we are taking a detailed look at how we promote colleagues and how we help them reach their potential in a way that minimizes and ultimately eliminates barriers and biases that can prevent advancement. Our unconscious bias training is critical to the success of these efforts, as are several new initiatives, including:

- Leader scorecards that incorporate DE&I actions.
- A new self-nomination process for leadership positions to expand the pool of diverse candidates and ongoing consultations with BRG leaders to determine potential new leader candidates.
- A new succession planning process to ensure a diverse candidate pool is in the pipeline for leadership positions.
- Expanded recruiting efforts targeting high school and college freshman to introduce them to the professional services industry earlier in their career exploration.

Creating more opportunities

Supporting U.N. SDGs

Young students from underserved and underrepresented backgrounds and communities often need more support to help them realize their future goals and ambitions. Grant Thornton has extended help to students in several ways.

Empower is our virtual student-growth program where college freshmen who are interested in accounting and professional services can benefit from personalized advice and one-on-one support to help them find the right career path. Participants sharpened their skills in professional development and leadership, participated in mentorship sessions and connected with peers nationwide.

We've developed year-round internships and apprenticeships in select offices in partnership with local universities. Student apprentices from Arrupe College at Loyola University in Chicago, for example, gain experience in professional services by rotating through our three core practices (Audit, Tax and Advisory Services). The goal is to help these individuals develop into full-time team members upon graduation.

NextGen Cyber Talent and Grant Thornton have partnered to develop cybersecurity coursework for underserved and underrepresented college-aged students in the San Francisco Bay Area. The free courses, offered to approximately 100 students each year, will help new and diverse talent enter an increasingly vital industry in need of capable professionals. Throughout the coursework, students can engage with demos, trainings and certifications offered by OneTrust, one of the most widely used platforms to operationalize privacy, security and data governance. While major companies have enhanced their cybersecurity efforts by hiring privacy professionals, there still remains a shortage of minorities in this all-too-important field.

Partnering on disability inclusion

Supporting U.N. SDGs

This year, Grant Thornton established a partnership with Disability:IN, the leading nonprofit resource for business disability inclusion worldwide. Disability:IN's network of more than 400 corporations expands opportunities for people with disabilities across enterprises. With a central office and 25 affiliates, the organization serves as the collective voice to effect change for people with disabilities in business.

We engaged with Disability:IN to first learn about and then make changes to make sure we're creating an inclusive and equitable work environment for colleagues who have a disability and/or are caregivers of people with a disability. Through our partnership, we will take part in Disability:IN's leadership councils to share best practices, provide collaboration opportunities with our Diverse Abilities & Allies BRG, provide firmwide access to disability inclusion webinars, and enhance our talent acquisition and supplier diversity processes.

Business Resource Groups

Supporting U.N. SDGs

Our Business Resource Groups (BRGs) work to fulfill our firm's mission, reinforce community and belonging, cultivate an inclusive culture and bring diverse perspectives to the table. These colleague-led groups operate at the national and local levels and are made up of colleagues from various service lines, career levels and job functions. Each group has one or more members of our National Leadership Team serving as its leadership BRG champion.

Membership in our BRGs has grown to nearly 4,000 colleagues who serve as valued advisers, providing input and recommendations on how we do business, engage with clients and prospective talent and live our firm's promise.

Throughout the pandemic, our BRGs maintained their strong sense of belonging and strengthened their service programs, despite the challenges of a remote workplace.

Our established BRGs include:

- **African Amerians & Allies**
- **Diverse Abilities & Allies**
- **Equality GT**
- **Future Leaders & Allies**
- **Hispanic/Latinxs & Allies**
- **Pan-Asians & Allies**
- **Veteran & Allies**
- **Women & Allies**
- **Working parents**

Our awards

- Disability Equality Index "2021 Best Places to Work for Disability Inclusion" with a 100% score for the second year (third year participating)
- Perfect score on the Human Rights Campaign Corporate Equality Index (five consecutive years)
- Seramount's "50 Best Companies for Dads" (three consecutive years)
- Seramount's "100 Best Companies for Working Mothers" (16 consecutive years)

Visit gt.com for more information on our commitment to DE&I.

Pay equity

Supporting U.N. SDGs

Grant Thornton's compensation program is built on principles of equity and fairness. Our compensation philosophy is to reward individual performance that contributes to strategic business objectives. When developing pay ranges and setting individual compensation, we utilize annually updated market data and rely on objective criteria, including job level, performance, skills and credentials, experience, geography and other job-related factors. We conduct regular reviews of our compensation practices and decisions to ensure they are based on objective criteria and compliant with applicable federal and state laws.

Being there for our communities

Supporting U.N. SDGs

For nearly 100 years, we have worked earnestly to make sure our firm has a positive impact on the people and communities we serve. Our purpose – to make business more personal and build trust into every result – guides our unique approach to volunteerism, community outreach and philanthropy. And it helped us go beyond what was expected when, in 2019, we established our national program to transform our traditional approach to service.

PURPLE PALADINS

Grant Thornton's Purple Paladins program invests in, recognizes and celebrates early-stage nonprofit organizations tackling challenges like accessibility, inclusion and health. Our firm supports these innovators through funding, volunteerism, business guidance and by leveraging our platform and relationships to accelerate their work.

Proud to support our Purple Paladins, we have helped raise more than $550,000, collectively, while attracting more than 6 million views on social media and encouraging more than 350 of our colleagues to volunteer their time and skills to help them succeed.

Since its inception, we have announced 10 Purple Paladins – all 501(c)(3) U.S. non-profits, operating for five years or less with gross revenue of $500,000 or less.

Coming Up Rosies™

Invisible Hands

hope in a box

Weird Enough Productions
Never Too Weird, Just Weird Enough

Foster Nation

FIND YOUR ANCHOR

GO TEAM THERAPY DOGS

WRF WARRIOR REUNION® FOUNDATION

Highlighting our newest Purple Paladins:

Foster Nation – An organization that engages the community to support and empower foster youth, who are aging out of the system, to become self-sufficient. Founded by former foster youth Maggie Lin, the organization focuses on providing the support and resources former foster youth need to graduate from college, including mentorships and the provision of meals and clothing.

Find Your Anchor – A grassroots movement aimed at suicide prevention through awareness and education, offering hope, resources and inspiration to those thinking about or impacted by suicide. The goal: finding the anchors in our world. At its helm is Ali Borowsky, who created the organization as an alternative to the white pamphlets and hotline numbers that are commonplace in mental health treatment today. As someone who struggled herself, Ali experienced first-hand how hard it can be to seek help and set out to provide materials filled with color, warmth and, above all, hope.

Visit gt.com to learn more about our Purple Paladins.

Go Team Therapy, Crisis and Airport Dogs – A rapidly growing nationwide organization whose mission is to produce well-trained, certified therapy dog teams and place these real-life heroes where they offer comfort, caring and assistance to those in need – in the way only a dog can. Founded by Nancy Trepagnier, Go Team therapy dog teams serve in a wide variety of settings, including disaster sites, assisted living homes, libraries, schools, airports and hospitals – anywhere a therapy dog team is needed.

Warrior Reunion Foundation – The foundation builds community among veterans by reconnecting those who served together overseas. They challenge stigma through shared experience and rebuild essential peer support networks so veterans can live with meaning, purpose and positive impact in their communities. Founded by James Ferguson, a veteran who served as a Marine officer for more than six years, the foundation is the only organization connecting combat veterans with their "battle buddies" – those who served next to them in combat. These reunions take place across the country and include both veterans and Gold Star families.

"The day I volunteered to build boxes for Find Your Anchor was really meaningful to me personally. Not only did we build tons of boxes that will touch many people in need of hope – we also united as colleagues to support this incredibly important cause."

- Donna Wachman, Associate Director, Marketing

Our charitable giving

The Grant Thornton Foundation was formed in 1995 to provide matching gifts to higher education. Since then, the Foundation's matching gifts program contributed nearly $12 million to more than 200 colleges and universities. In fiscal year 2021, our Foundation board broadened its scope to also focus on DE&I, reaffirming its alignment with our firm and recruiting strategies.

In August 2020, the Foundation – in partnership with our national DE&I task force and our African Americans & Allies BRG – committed to donating $300,000 over three years to the Southern Poverty Law Center and $300,000 to the Thurgood Marshall College Fund.

In 2021, the Foundation also committed to a donation of $150,000 to support initiatives at multiple universities, including scholarships to students from underrepresented populations.

In addition to the Foundation's charitable contributions, the firm itself donated $3.47 million to more than 200 organizations across the U.S. in support of education, healthcare, community aid and DE&I, among others.

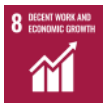
Responsible business practices

Ethics and integrity are unquestionably the center of all that we do as a business leader. Grant Thornton is committed to doing business and serving our clients ethically and in compliance with all applicable laws, regulations and professional standards. And we expect our colleagues to follow suit when carrying out their responsibilities and interacting with clients, vendors, third-party service providers, the community and one another.

We regularly reinforce the message that our exacting ethical culture is a collective asset and a shared responsibility for everyone to maintain. The criticality of our ethics and integrity also resonates with our clients. Those surveyed for our materiality assessment ranked ethics and integrity as a top issue.

Ethics and compliance metrics

Supporting U.N. SDGs



Proof of our commitment to ethics and compliance are the mandatory annual training programs we offer, including Code of Conduct, Respect in the Workplace and Independence & Ethics trainings. While we reinforce core content each year, these programs also give us the chance to incorporate current hot topics and emerging issues.

The results of our most recent annual trainings for each of these topics:

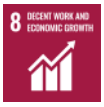
- 99% of our personnel completed annual Code of Conduct training and certification
- 99% of our personnel completed their Respect in the Workplace training
- 100% of our personnel completed their Independence & Ethics training and certification

Our goal for these trainings is always 100% completion.

In addition, the results of our two most recent GTShape Engagement Surveys showed that ethics and compliance topics rank among the highest engagement levels overall. Our 2021 survey showed that a vast majority of our colleagues are proud to work at the firm, and over 80% believe the firm effectively communicates our values and the importance of ethical behavior.

Maintaining the highest standard of conduct

Supporting U.N. SDGs



Our Code of Conduct serves as our guide for making the right decisions and taking the right actions to maintain the highest ethical standards of conduct and behavior and reinforce our commitment to professional excellence in all we do.

Our Code of Conduct shows us how to achieve our business goals and maintain these values at the same time. We strongly encourage our people to ask questions on ethical standards as they arise and to consult with others on particular issues.

We have a wide range of established policies, procedures and related trainings in place to ensure our colleagues understand what is expected of them. Examples of policy topics include:

- Anti-fraud, anti-bribery, anti-corruption and anti-competitive requirements
- Confidentiality of client and firm information
- Conflict-of-interest prevention, including mitigating potential or perceived threats
- Data privacy and proper collection, usage and retention of, and access to, personal data
- Government contracting ethics and conduct, including protection of classified information
- Independence requirements
- Information security, incident response, and identification of risks and threats
- Personnel clearance policies and protocols in accordance with federal security regulations
- Prohibited discrimination, harassment and retaliation
- Political activity and lobbying
- Security clearance policies and protocols

Annually, we require our colleagues to read key ethics and compliance policies, including those related to independence, anti-fraud, political compliance and CPA licensing, among others.

Promoting a speak-up culture

Supporting U.N. SDGs

Grant Thornton is committed to fostering an environment where our colleagues feel safe to report perceived unethical behavior without the fear of retaliation or retribution. Multiple channels are available within the firm to report concerns, and colleagues are actively encouraged to use them.

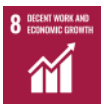
If someone suspects laws have been violated, or policies or principles breached, it is expected they report their concerns immediately. We make every effort to protect their confidentiality, and no retaliation will be permitted against anyone who reports a concern in good faith or assists with an investigation.

The health of our speak-up culture was reflected in our 2021 GTShape Engagement Survey, which showed at least 75% of our colleagues understand how to report a workplace issue or ethical concern, and believe it is safe to do so.

Among the multiple channels available within the firm to report violations or concerns – which includes speaking directly with immediate supervisors, our people and community human resources group, or firm leaders – we also maintain a phone and internet-based Ethics Hotline where matters can be reported anonymously.

Strengthening data privacy and cybersecurity

Supporting U.N. SDGs



Grant Thornton's information security program is designed to protect firm and client data from rapidly evolving security threats and vulnerabilities, especially as more people continue to work remotely. These initiatives align with the wishes of our stakeholders who cite data privacy and security as a top-rated governance issue. In 2021, we hired a chief information security officer and established a new organizational structure to elevate our information security program, establish additional core services, and enhance our people, process and technology capabilities.

ISO 27001/27701 are internationally accepted global standards that set out requirements and best practices for information security management systems and privacy management systems. Based on these standards, we designed our integrated Information Security and Privacy Management System (ISPMS) and implemented a comprehensive risk-based strategy. The objective: to identify, analyze and respond to information security and privacy risks, and to implement appropriate policies and controls to build a more robust security and privacy framework at Grant Thornton. We continually monitor and improve the efficiency and effectiveness of our ISPMS to make sure it continues to meet our needs.

The firm achieved ISO 27001 certification in 2016. In order to maintain the certification, Grant Thornton has demonstrated a systematic and ongoing approach to managing information security risks that affect the confidentiality, integrity and availability of firm and client information within a complex digital environment. Grant Thornton conducts numerous internal reviews and undergoes an annual external audit to maintain and improve the ISO 27001 certification.

Our information security program is composed of a wide range of comprehensive approaches, including:

- Information security risk assessments
- Information management and data security policies
- Administrative, physical and technical controls
- Awareness trainings to prevent information security breaches
- Identity and access management
- Audits of control procedures
- Whistleblower procedures for stakeholders to report information security concerns
- Incident response procedures to manage breaches of confidential information
- Practices to protect against unauthorized access or disclosure

In December 2020, Grant Thornton achieved ISO 27701 certification of our privacy management system. Successful certification and maintenance of ISO 27701 demonstrates our practices are systematic and ongoing in maintaining privacy risks, and that our practices can continue to identify and meet applicable privacy requirements that arise out of laws and regulations, contracts, relevant professional standards and firm policies.

Grant Thornton privacy metrics for 2021

- 99% of our personnel completed our most recent annual privacy training and privacy policy certification.
- 99% of our personnel completed our annual information security and awareness training.

Our goal for both trainings is always 100% completion.

Further, the right to privacy is an important societal concern and a key ESG issue for Grant Thornton. We collect and use personal data only for legitimate business purposes and consistent with the intent for which it was collected. We maintain appropriate access controls and organizational controls around data usage, and regularly assess the effectiveness of these controls. Privacy-by-design has also been incorporated into our personal data processing activities and our innovation efforts. We work closely with our architects to ensure that appropriate privacy protection measures are built into the design of products and solutions.

Our privacy statement outlines our commitment to protecting personal information and describes the rights that individuals have and how they can exercise those rights. We investigate incidents and customer privacy complaints thoroughly in accordance with applicable laws such as the California Consumer Privacy Act and others.

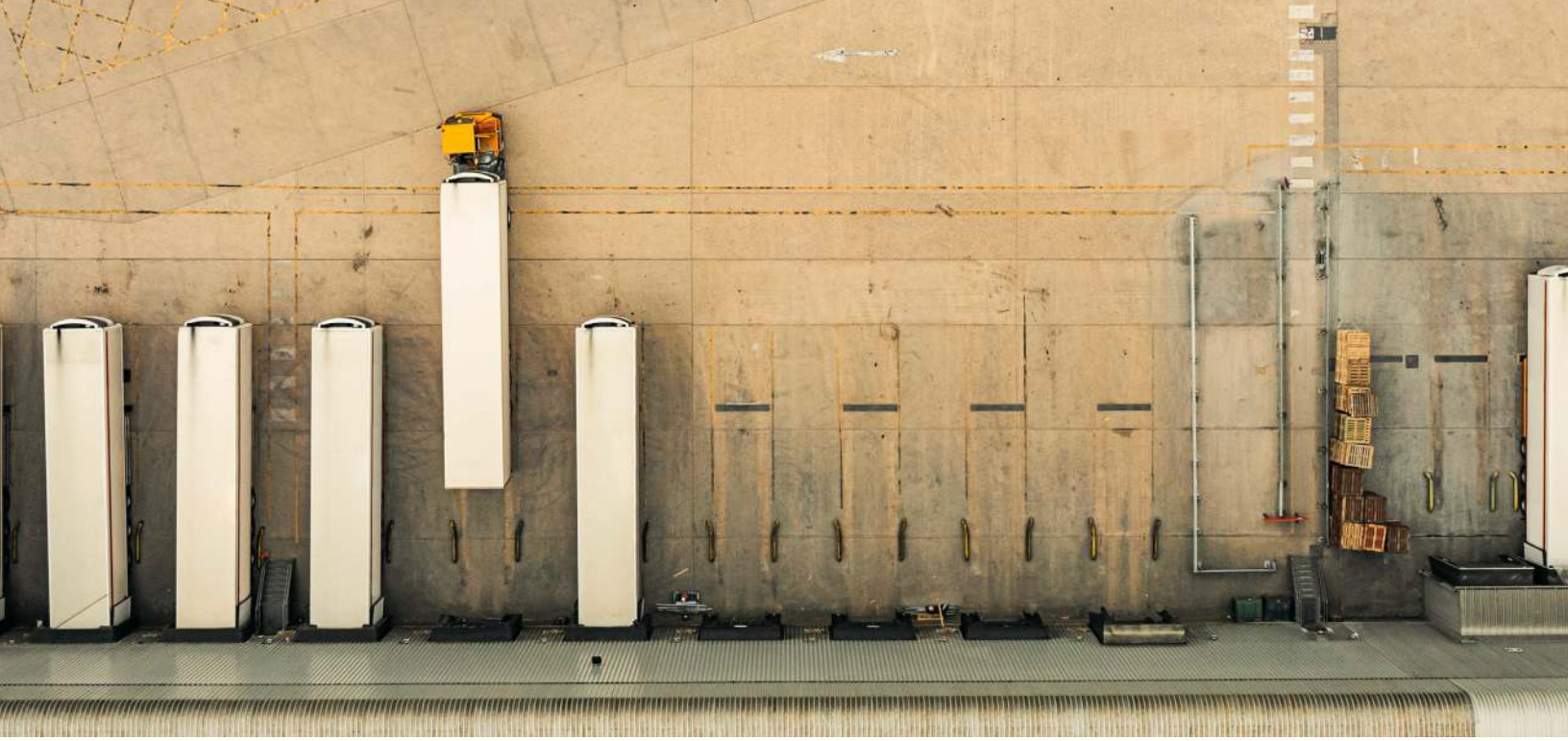
Upholding labor and human rights

Supporting U.N. SDGs

Grant Thornton complies with all applicable laws as they relate to employment practices, equal employment, nondiscrimination, wages and safe working conditions. We stand firmly against child and forced labor and exploitative labor practices of any kind.

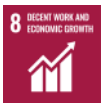
Our national managing principal of people and community serves as general equal opportunity administrator with overall responsibility for monitoring the effectiveness of the equal employment opportunity program and ensuring compliance. The firm maintains affirmative action plans covering minorities, women, individuals with disabilities, and veterans.

While we are not a unionized workplace, we comply with applicable labor and employment regulations. We seek our colleagues' feedback about their concerns and needs, and our policies support a retaliation-free culture of reporting.



Maintaining supply chain standards

Supporting U.N. SDGs



Our procurement team is dedicated to helping Grant Thornton source the goods and services necessary to serve our colleagues and clients and meet our annual operating objectives. As a professional services firm, our supply chain spending predominantly includes benefits, travel and meeting services, IT hardware and software, real estate and professional services.

We require our suppliers and subcontractors to abide by and embrace our ethical standards and values as outlined in our Supplier Code of Conduct. In addition, we have a Supplier Diversity Initiative to provide procurement opportunities to certified diverse businesses. And in 2021, we introduced our Sustainable Procurement Statement, which outlines our commitments and expectations around environmental and social considerations for suppliers.

Our awards

2021 Department of Homeland Security (DHS) Mentor-Protégé Team of the Year under the DHS Mentor-Protégé Program

Small business relationships in Public Sector

As a federal government mentor to small businesses with a dedicated small business staff, we have a strong commitment to helping small businesses succeed. We continually build relationships with small businesses and look forward to fostering and developing those relationships.

During the federal government's fiscal year 2021, our Public Sector awarded over 60% of our subcontracts to small businesses, valued at $21 million, including 12% to Women-Owned Small Businesses (WOSB), 22% to Small Disadvantaged Businesses (SDB), 7% to Veteran-Owned Small Businesses (VOSB), 4% to Small Disadvantaged Veteran-Owned Businesses (SDVOSB), 4% to Historically Underutilized Business Zones (HUBZone) and 7% to Minority-Owned Business firms. We also awarded another $2 million in other contracts to diverse businesses.

Aligning tech innovation with ESG

Supporting U.N. SDGs

Our technology infrastructure approach is "simple, modern and secure." To achieve this objective, we are delivering an operating environment that leverages new technology to streamline our work with clients.

New technologies and innovations, however, must also align with our responsible business practices, ethical standards, security criteria and sustainability goals, as outlined in this report.

> "ESG and innovation go hand in hand as integral to the foundation of the modern workplace. Grant Thornton is proud to acknowledge that reality and is committed to leading the way."
>
> **- Jamie Fowler, Chief Transformation Officer**

A primary example was the launch of cta.x – developed with the help of alyx™, our streamlined concierge-enabled tech platform – an app through which companies and auditors can rapidly develop and deploy automated internal-controls tests to comply with laws and regulations, such as Sarbanes-Oxley. The cta.x solution also provides companies new insights from their internal compliance efforts, increasing the return on investment in controls testing.

The cta.x app automates and integrates controls testing by taking existing assurance processes and applying them to the full population of procedures and policies governing controls. It then pipes the data through our proprietary logic engine, producing testing results in sophisticated, customizable dashboards.

We have also used alyx™ to develop several other new offerings that marry innovation and knowledge:

- te.x – An implementation platform for sophisticated indirect tax engines
- ptvault.x – A platform that helps companies manage personal property taxes
- SOC.x – A platform to more efficiently produce reports covering System and Organization Controls, better known as SOC reports

We expect to launch additional offerings aligned with sustainability that we will commercialize through the alyx™ platform.

Our awards

- 2021 Silver Stevie® winner for Governance, Risk & Compliance Solutions – SOC.x tool
- 2021 Bronze Stevie® winner for Integration Solutions – alyx™
- 2021 Bronze Stevie® winner for Most Valuable Service – our COVID-19 Pandemic Resiliency Assessment Tool

Commitment to quality

Quality is our foundation – it is embedded in everything we do. Each of our service lines (Audit, Tax and Advisory) and our Public Sector practice have quality standards, control systems and supporting quality groups to ensure that our services meet or exceed our quality expectations.

The success of the capital markets depends on the reliability of financial information, which requires high-quality audit and assurance engagements performed with professional skepticism, objectivity and independence. For nearly 100 years, Grant Thornton has focused on delivering high quality with exceptional client service in an ever-changing environment. Through our efforts to drive audit innovation and our focus on continually improving our processes, audit quality at Grant Thornton is the highest ever. This is evidenced in various audit quality indicators such as restatements and internal and external inspection results.

Grant Thornton has achieved these results by putting in place a system of quality control that provides the framework through which the firm complies with the standards of the auditing profession, meets the expectations of its clients, and secures the public trust. For every engagement:

1 We ensure that we are working with clients who share our commitment to excellence (client acceptance).

2 We confirm that we have the independence, skills and capabilities to perform the work (engagement acceptance).

3 We plan and execute each engagement pursuant to the relevant standards (engagement performance).

Visit gt.com to learn more about our innovative commitment to Audit Quality.

At each stage, we provide support to our audit teams through training, the technical guidance of our national office, an audit methodology that complies with applicable auditing standards, and technology that provides effective and efficient execution.

We have embraced the spirit of innovation, including the creation of an advanced analytics approach for our audits, as well as artificial intelligence and automation. Our Whole Ledger Analytics is an advanced analysis approach that allows audit teams to more easily and effectively examine a client's financial reporting activity and identify higher-risk transactions, human errors and reporting trends. We were awarded a patent by the U.S. Patent and Trademark Office for this proprietary system.

The Public Company Accounting Oversight Board's (PCAOB) annual inspection reports have consistently placed our audit quality measures among the leaders in the industry. This year's audits were made more challenging by several external events – the pandemic and the Texas winter storms, for example – but our team adapted quickly to new remote audit processes and delivered excellent results. Our most recent PCAOB public inspection report was the 2020 report issued in November 2021 and covered audits of companies most of which were inspections of audits of 2019 financial statements.

In Grant Thornton's 2020 PCAOB public inspection report, the inspection finding rate decreased (improved) from 22.6% to 17.2%, reflecting Grant Thornton's continued devotion to audit quality.

We are confident that our investments in audit processes, methodologies and new innovations will continue to support high-quality audits, and we remain committed to the sustained advancement of our quality results.

Our commitment to the environment

Grant Thornton is dedicated to creating more value and a more confident future for our clients, our people and our communities. To this end, we are committed to actions that reduce or eliminate any negative impact our business operations might have on the environment. We know for our firm to continue growing, we must act responsibly.

With this in mind, we are intensifying our efforts to reduce our environmental footprint and do our part as a member of the community of business leaders who are taking action to fight climate change.

Environmental management program

Supporting U.N. SDGs

In 2020, we formally launched our environmental management program. Guiding our program is the Grant Thornton Environmental Policy Statement, which commits the firm to minimizing our environmental footprint and actively managing our impact on the environment as an integral component of our business strategy. The policy focuses on four environmental pillars that define our strategies, actions and decisions on reducing greenhouse gas emissions and promoting environmentally sustainable business practices:

- Environmental governance – Establishing and maintaining the firm's environmental governance and accountability procedures
- Social responsibility engagement – Providing colleagues with opportunities to get involved in promoting environmental awareness and stewardship through education, volunteerism and community partnerships
- Environmental impact reduction – Reducing the firm's impact on the environment through the development and deployment of policies, practices and initiatives
- Environmentally responsible business practices – Integrating environmentally conscious strategies and considerations into existing business practices

Establishing the National Green Advisory Council

Supporting U.N. SDGs

We established the National Green Advisory Council (NGAC) in 2021 to provide support and advice to leadership on environmental sustainability issues. Council members, who serve as environmental knowledge ambassadors, represent each region, service line and level of the firm – from associate to partner – and provide perspective directly to the executive sponsor of the NGAC and other members of leadership.

In addition to helping enact measures of our environmental management program, the NGAC's mission is to help support a more environmentally sustainable firm for ourselves, our clients and our communities. The council assists with initiatives and events, serves as a sounding board on program goals and objectives, and helps solidify connections between the firm's leadership and local offices. Throughout fiscal year 2022, the NGAC will focus on:

- Creating sustainable offices by improving environmentally sustainable practices, developing sustainability scorecards, measuring progress, and sharing best practices among our office locations
- Educating and encouraging our colleagues to act in an environmentally sustainable manner, both at work and at home
- Championing local action through our offices and in partnership with our communities to support sustainability initiatives year-round

Committing to net zero

Supporting U.N. SDGs

Taking climate action has become a critical global priority, and it's our duty to pursue climate goals within our sphere of influence – setting an example for our clients and helping to protect the future for our families and the communities in which we operate.

In August 2021, we announced our goal to achieve a 55% absolute reduction of our greenhouse gas emissions by 2030 (from a 2019 baseline). In October 2021, we expanded on that goal. In addition to our absolute emissions reduction target – and in support of keeping the global temperature rise to 1.5 degrees Celsius above pre-industrial levels – we have also committed to achieving net zero greenhouse gas emissions by 2030. To ensure our commitment is in line with what science has deemed necessary to address climate change, we are having our goals validated by the Science Based Targets initiative (SBTi).

Our strategy to achieve these goals is to reduce business travel, optimize our use of office space, improve the energy efficiency of our offices, and seek opportunities to use renewable energy where possible. For any emissions we cannot eliminate, we will invest in renewable energy certificates (RECs), purchase power agreements, carbon sequestration or carbon credits to account for our residual emissions.

"We are committed to environmental stewardship and doing our part to combat climate change. Grant Thornton announced two emissions reduction goals this year toward these objectives. We look forward to putting our strategies into action and to transparently communicating our progress in reaching these goals."

- Beatrix Bernauer, Chief Risk and Compliance Officer

Joining net zero alliances

It's been said that reaching net zero emissions will require the largest economic transformation since the Industrial Revolution, a goal that cannot be reached without a strong commitment from leading industry groups, including financial service providers. In October 2021, Grant Thornton International Ltd joined a global group of financial service providers in launching the Net Zero Financial Service Providers Alliance (NZFSPA) to meet net zero targets by 2050 or sooner.

Alliance members are committed to aligning all their relevant services and products to achieve the net zero goal, setting science-based targets for emissions and publishing disclosures that reflect recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

Offering transparent data, independent research and clear ratings helps investors understand sustainability and how the material opportunities for the long term are central to empowering investors' success and impact. The alliance will help accelerate the decarbonization of investment and loan portfolios while fueling the innovation needed to create a more sustainable energy mix.

Reducing greenhouse gas emissions

Supporting U.N. SDGs

As a professional services firm, business travel is the firm's largest contributor of greenhouse gas emissions. We learned many lessons from the pandemic on how to effectively go beyond expectations for our clients, manage our operations and communicate in a virtual (less office-centric) environment for meetings.

As a result, we are revising our travel policies and reconsidering old travel habits in order to reduce unnecessary business travel as we emerge from the pandemic. And when travel is required, we will encourage choosing low-emissions intensity travel options (e.g., rail instead of air travel for trips under a certain mileage).

We are also continuing to look for ways to optimize our office square footage and identify locations that are more sustainable, such as LEED-certified buildings or those using alternative energy sources.

Reducing waste and enhancing recycling

Supporting U.N. SDGs

Additionally, we are committed to reducing waste every day by instituting practices that minimize the production of waste in the first place – while also recycling materials like paper, aluminum and plastic in all of our offices.

In 2020, we implemented DocuSign eSignature and secure print technologies to reduce our paper waste. Further, throughout fiscal year 2021, we securely shredded and recycled 89 tons (177,965 lbs.) of paper in our offices resulting in the following environmental benefits[1, 2, 3].

We also have a detailed policy on the disposal of electronic waste (e-waste) such as end-of-life servers, network switches, cords, printers, copiers, monitors, personal computers and other PC peripherals, which are destined for refurbishment, reuse, resale and/or salvage recycling via material recovery or disposal. In fiscal year 2021, more than 1,100 pieces of e-waste were recycled through our e-waste recycling program.

Fiscal year 2021

Recycled

89 tons of paper

Saved

2,439,086 gallons of water

201,099 kWh of electricity

1,493 trees

445 cubic yards of landfill space

Avoided

128,846 pounds of CO2 emissions

[1] Note: These are general estimates of the effects of paper recycling.

[2] Note: Grant Thornton offices closed March 22, 2020 due to the COVID-19 pandemic and work-from-home policies remained in effect through fiscal year 2021, and beyond.

[3] Note: Compiled from August 2020 through July 2021, Environmental Benefits Report provided by Iron Mountain® Secure Shredding.

Global Reporting Initiative (GRI) content index

General standard disclosures		
Organizational profile		
GRI 102-1	Name of the organization	About Grant Thornton, page 4
GRI 102-2	Activities, brands, products and services	About Grant Thornton, page 4
GRI 102-3	Location of headquarters	About Grant Thornton, page 4
GRI 102-4	Location of operations	About Grant Thornton, page 4
GRI 102-5	Ownership and legal form	About Grant Thornton, page 4
GRI 102-6	Markets served	About Grant Thornton, page 4
GRI 102-7	Scale of the organization	About Grant Thornton, page 4
GRI 102-8	Information on employees and other workers	Grant Thornton colleagues by the numbers, page 21
GRI 102-9	Supply chain	Maintaining supply chain standards, page 33
GRI 102-10	Significant changes to the organization and its supply chain	Grant Thornton did not experience any significant organizational changes from fiscal year 2020 with the exception of (i) shifting to a permanent flex work model and (ii) the election of a new CEO, Seth Siegel, with a term beginning on August 1, 2022 upon the retirement of our current CEO, Brad Preber. We did not experience any significant changes to our supply chain outside of the ordinary course of vendor management.
GRI 102-11	Precautionary principle or approach	Responsible business practices, page 29

GRI 102-12	External initiatives	Grant Thornton participates in many external initiatives that align with our material ESG focus areas, including, but not limited to: • CDP • CEO Action for Diversity & Inclusion • Hiring our Heroes Fellowship Program • ISO 27001 and 27701 • Science Based Targets initiative (SBTi) • Thurgood Marshall College Fund (TMCF) • U.S. Chamber of Commerce Foundation's "Prioritize Mental Health and Emotional Well-being in the Workplace" pledge
GRI 102-13	Membership in associations	Grant Thornton is an active member of many organizations and associations aligned with our industry and service offerings. Our strategic memberships include: • American Institute of Certified Public Accountants (AICPA) • American Society for Quality (ASQ) • Center for Audit Quality (CAQ) • Council of Institutional Investors (CII) • International Corporate Governance Network (ICGN) • International Federation of Accountants (IFAC) • National Association of Corporate Directors (NACD) • U.S. Chamber of Commerce In addition to our corporate memberships, our colleagues are members of numerous local organizations and associations.

Strategy		
GRI 102-14	Statement from senior decision maker	A message from CEO Brad Preber, page 3
GRI 102-15	Key impacts, risks, and opportunities	A message from CEO Brad Preber, page 3

Ethics and integrity		
GRI 102-16	Values, principles, standards, and norms of behavior	Our culture, page 5
GRI 102-17	Mechanisms for advice and concerns about ethics	Maintaining the highest standard of conduct, page 30

Governance		
GRI 102-18	Governance structure	Grant Thornton's Partnership Board is the firm's governance body consisting of elected members and the Chief Executive Officer, who is appointed by the Partnership Board and ratified by the firm's partners and principals. The Partnership Board approves Grant Thornton's direction, formulates governance guidance policies and reviews and oversees the firm's actions, business plans and budgets.

Stakeholder engagement		
GRI 102-40	List of stakeholder groups	Our stakeholders, page 8 Our approach to materiality, page 8–9
GRI 102-41	Percentage of total employees covered by collective bargaining agreements.	No collective bargaining agreements are in place.
GRI 102-42	Identifying and selecting stakeholders	Our stakeholders, page 8 Our approach to materiality, page 8–9
GRI 102-43	Approach to stakeholder engagement	Our stakeholders, page 8 Our approach to materiality, page 8–9
GRI 102-44	Key topics and concerns raised	Our approach to materiality, page 8–9

Reporting practice		
GRI 102-45	Entities included in the consolidated financial statements	This report applies to Grant Thornton LLP (the U.S. member firm of Grant Thornton International Ltd)and does not apply to any other entities. As a private limited liability partnership, Grant Thornton LLP does not publicly disclose its financial statements.
GRI 102-46	Defining report content and topic boundaries	Our approach to materiality, page 8–9
GRI 102-47	List of material topics	Our approach to materiality, page 9
GRI 102-48	Restatements of information	Grant Thornton has no restatements of information to report.
GRI 102-49	Changes in reporting	Our approach to materiality, page 8–9
GRI 102-50	Reporting period	Our approach to materiality, page 8–9
GRI 102-51	Date of most recent report	About this report, page 2
GRI 102-52	Reporting cycle	About this report, page 2
GRI 102-53	Contact point for questions regarding the report	sustainability@us.gt.com
GRI 102-54	Claims of reporting in accordance with the GRI Standards	About this report, page 2
GRI 102-55	GRI content index	GRI content index, page 40–47
GRI 102-56	External assurance	About this report, page 2

Topic specific standards - Economic

Economic performance		
GRI 103	Management approach	Advancing ESG at Grant Thornton, page 6 Our commitment to the environment, page 36
GRI 201-2	Financial implications and other risks and opportunities due to climate change	Our commitment to the environment, page 36

Topic specific standards - Environment

Energy		
GRI 103	Management approach	Our commitment to the environment, page 36 Reducing greenhouse gas emissions, page 38
GRI 302- 1	Energy consumption within the organization	In calendar year 2020, energy consumed at Grant Thornton's U.S.-based offices amounted to 12,625.26 MWh of combined electricity and natural gas.
GRI 302-4	Reduction of energy consumption	Committing to net zero, page 37 Reducing greenhouse gas emissions, page 38

Emissions		
GRI 103	Management approach	Our commitment to the environment, page 36 Reducing greenhouse gas emissions, page 38
GRI 305-1	Direct (Scope 1) emissions	In calendar year 2020, our Scope 1 location-based emissions amounted to 139.75 MTCO2e.
GRI 305-2	Energy indirect (Scope 2) GHG emissions	In calendar year 2020, our Scope 2 location-based emissions amounted to 5,872.48 MTCO2e.
GRI 305-3	Other indirect (Scope 3) GHG emissions	In calendar year 2020, our Scope 3 emissions generated from business travel amounted to 5,659 MTCO2e.

Topic specific standards - Social		
Employment		
GRI 103	Management approach	Our culture, page 5 Our people and our communities, page 12–28 Responsible business practices, page 29–35
GRI 401-1	New employee hires and employee turnover	Grant Thornton added approximately 1,700 personnel in fiscal year 2021, making up 24% of our colleagues. Of the newly hired individuals, • 42% were female; 58% were male • 69% were under 30 years of age; 31% were over 30 years of age Grant Thornton's turnover rate in fiscal year 2021 was 24%. Of the individuals who left Grant Thornton, • 44% were female; 56% were male • 55% were under 30 years of age; 45% were over 30 years of age Percentages have been rounded to the nearest whole number.
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part- time employees	Supporting our colleagues' health and well-being, page 12
GRI 401-3	Parental leave	Expanding parental leave, page 15

Occupational health and safety		
GRI 103	Management approach	Supporting our colleagues' health and well-being, page 12 Working safely, page 15 Upholding labor and human rights, page 32
GRI 403-1	Occupational health and safety management system	Supporting our colleagues' health and well-being, page 12 Working safely, page 15 Upholding labor and human rights, page 32
GRI 403-2	Hazard identification, risk assessment and incident investigation	Supporting our colleagues' health and well-being, page 12 Working safely, page 15 Upholding labor and human rights, page 32
GRI 403-3	Occupational health services	Supporting our colleagues' health and well-being, page 12 Working safely, page 15 Upholding labor and human rights, page 32
GRI 403-4	Worker participation, consultation, and communication on occupational health and safety	Supporting our colleagues' health and well-being, page 12 Working safely, page 15
GRI 403-5	Worker training on occupational health and safety	Supporting our colleagues' health and well-being, page 12 Working safely, page 15
GRI 403-6	Promotion of worker health	Supporting our colleagues' health and well-being, page 12
GRI 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Supporting our colleagues' health and well-being, page 12
GRI 403-8	Workers covered by an occupational health and safety management system	Supporting our colleagues' health and well-being, page 12 Working safely, page 15 Upholding labor and human rights, page 32

Training and education		
GRI 103	Management approach	Helping colleagues develop their talents, page 17
GRI 404-1	Average hours of training per year per employee	Helping colleagues develop their talents, page 17
GRI 404-2	Programs for upgrading employee skills and transition assistance programs	Helping colleagues develop their talents, page 17 Cultivating the next generation of leaders, page 18
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Helping colleagues develop their talents, page 17

Diversity and equal opportunity		
GRI 103	Management approach	Advancing diversity, equity and inclusion, page 20
GRI 405-1	Diversity of governance bodies and employees	Advancing diversity, equity and inclusion, page 20
GRI 405-2	Ratio of basic salary and remuneration of women to men	Pay equity, page 25

Non-discrimination		
GRI 103	Management approach	Advancing diversity, equity and inclusion, page 20 Maintaining the highest standard of conduct, page 30 Promoting a speak-up culture, page 30 Upholding labor and human rights, page 32
GRI 406-1	Incidents of discrimination and corrective actions taken	Except as a matter of public record, Grant Thornton does not disclose this information.

Customer privacy		
GRI 103	Management approach	Strengthening data privacy and cybersecurity, page 31
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Except as a matter of public record, Grant Thornton does not disclose this information; however, in fiscal year 2021, we did not experience any significant data breaches.

Sustainability Accounting Standards Board (SASB) index

Disclosure topics	Accounting metrics	Code	Responses
Data security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	Grant Thornton has a dedicated Chief Information Security Officer (CISO) who is responsible for the cybersecurity program. The CISO reports to the Chief Risk & Compliance Officer (CRCO) and works closely with key internal stakeholders including data privacy, enterprise transformation, enterprise risk management and the firm`s leadership. The firm's Partnership Board receives regular updates from the CISO on cybersecurity issues and risks. Strengthening data privacy and cybersecurity, page 31
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	The Privacy Office is responsible for administering and maturing the firm's privacy program and overseeing the proper handling and usage of personal information across the firm. The Privacy Office reports to the CRCO and includes members of the legal department and the Risk & Compliance Office. Strengthening data privacy and cybersecurity, page 31
	(1) Number of data breaches, (2) percentage involving customers' confidential business information (CBI) or personally identifiable information (PII), (3) number of customers affected	SV-PS-230a.3	Except as a matter of public record, Grant Thornton does not disclose this information; however, in fiscal year 2021, we did not experience any significant data breaches.

Workforce diversity & engagement	Percentage of gender and racial/ethnic group representation for (1) executive management and (2) all other employees	SV-PS-330a.1	Grant Thornton colleagues by the numbers, page 21

	PPMDs	All other colleagues
Female	27%	47%
Male	73%	53%

	PPMDs	All other colleagues
Asian	6%	15%
Black or African American	2%	7%
Hispanic or Latinx	3%	5%
Additional*	0.5%	2%
Not disclosed or not available	0.5%	1%
White	88%	70%

*Additional includes Native American or Alaska Native, Native Hawaiian or Pacific Islander, and "Two or More Races"

"PPMDs" includes partners, principals and managing directors. Visit gt.com for a listing of our current executive management team. "All other colleagues" excludes PPMDs. Data represents fiscal year 2021.

	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	In fiscal year 2021, our voluntary turnover rate was 20.5% and involuntary turnover rate was 3.6%.
	Employee engagement as a percentage	SV-PS-330a.3	Strengthening colleague engagement, page 16 Our 2021 GTShape Engagement survey found that: 88% of our colleagues are engaged; 51% are highly engaged, while 37% are moderately engaged 12% of our colleagues are not actively engaged; 10% of our colleagues are barely engaged, while 2% of our colleagues are disengaged We began conducting annual full engagement surveys in fiscal year 2020 (prior, we conducted our full engagement surveys every three years), with shorter surveys conducted semiannually. Our surveys are administered by a third party to maintain colleague confidentiality.

Professional integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	Ethics and compliance metrics, page 29 Commitment to quality, page 35 Maintaining the highest standard of conduct, page 30
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	Except as a matter of public record, Grant Thornton does not disclose this information.

Activity metrics	Description	Code	
1	Number of employees by: (1) full-time and part-time, (2) temporary, and (3) contract	SV-PS-000.A	All headcount numbers are as of July 31, 2021 and represent our U.S.-based personnel. Numbers are rounded to the nearest hundred. Full-time: 7,200 Part-time: 100 Temporary: 500 Temporary workers are individuals who are considered Grant Thornton employees and generally work for 6 months or less. This includes interns and other seasonal workers. Grant Thornton is an at-will employer and does not typically employ contract employees. For specific projects and needs, we do work with third-party agencies and contractors.
2	Employee hours worked, percentage billable	SV-PS-000.B	Grant Thornton does not disclose this information.

Task Force on Climate-related Financial Disclosures (TCFD) index

Governance	
Recommended disclosures	**Responses**
A) Describe the board's oversight of climate-related risks and opportunities.	Grant Thornton's Partnership Board is the firm's governance body consisting of elected members and the Chief Executive Officer, who is appointed by the Partnership Board and ratified by the firm's partners and principals. The Partnership Board approves Grant Thornton's direction, formulates governance guidance policies and reviews and oversees the firm's actions, business plans and budgets. The Partnership Board's Risk subcommittee has a governance oversight role over risk management, including climate-related risks and issues. Risk subcommittee meetings are scheduled on a nearly monthly basis with the CEO and Chief Risk & Compliance Officer (CRCO). Reports on climate-related issues and carbon reduction goals are meeting agenda items as developments arise, or at least twice a year. On at least an annual basis, the Partnership Board, CEO and CRCO meet to discuss Environmental, Social and Governance (ESG) and climate-related issues, including our greenhouse gas reduction goals. The Partnership Board oversees the firm's progress on climate-related goals and approves relevant strategies and plans.
B) Describe management's role in assessing and managing risks and opportunities.	Grant Thornton's management team is composed of the Senior Leadership Team (SLT) and the Executive Leadership Team (ELT). Members of both teams are appointed by the CEO, who is appointed by the Partnership Board and ratified by the firm's partners and principals. The firm's CRCO has management responsibility for the strategy and execution of the firm's ESG program, including managing and reporting on climate-related risks and developing mitigation plans, in addition to being the leader of the firm's Enterprise Risk Management function and ESG reporting initiatives. The CEO, SLT and CRCO set and guide our business strategy, plans, budgets and performance objectives, ensuring ESG issues are fully integrated. The CRCO engages with members of our leadership team to ensure ESG and climate-related risks and opportunities are addressed in operating plans. In 2020, the firm began establishing sustainability metrics with which the firm will measure performance and hold itself accountable.

Task Force on Climate-related Financial Disclosures (TCFD) index

Strategy	
Recommended disclosures	**Responses**
A) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Effective enterprise risk management is a key component of Grant Thornton's strategy. Grant Thornton's risk management processes identify and assess risks across our service lines, functions and related to key issues. Grant Thornton considers strategic risks to include internal or external impacts that would inhibit the firm from reaching its business goals. We define short-term risks to include matters that can be resolved in a fiscal or calendar year; medium-term risks to include matters that can be resolved between one and three years; while long-term risks would include matters that require more significant time and resources to resolve. As part of our regular risk management processes, the firm reviews climate-related risks to understand if they will have a material impact on our business either directly or indirectly. While there are currently no identified climate-related risks that would have a substantial financial impact on the firm, changing stakeholder expectations and increased stakeholder concerns around climate change have increased the firm's risk of insufficient action in response to climate change in the medium- and long-terms. In 2021, the firm commissioned a third party materiality assessment to identify our most material ESG risks and opportunities. Although environmental issues did not score as high as the social and governance issues in the materiality assessment generally, our employees rated environmental topics highly. Our leadership takes this feedback seriously and shares our colleagues' concerns about the risks of climate change and the necessity to take action to reduce the environmental impact of our business operations. Our identified climate-related opportunities over the short- and medium-terms include access to new markets and expanded opportunities due to client interest in ESG services, and flexible work models which will reduce our business travel.
B) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	Our identified climate-related risks and opportunities are addressed in our annual firm strategies and where required, investments are built into our financial plans. To mitigate the impacts of our identified risks, including inaction related to climate change, wehave expanded our Risk & Compliance team to monitor changing stakeholder expectations related to ESG, improved our processes related to climate and ESG disclosures, set absolute greenhouse gas emissions reduction and net zero targets, and addressed ESG-related topics on a regular basis among our leadership team and Partnership Board. To reduce emissions from business travel (our largest source of greenhouse gas emissions), we are revising our travel policies and budgets, and are putting processes in place to more closely monitor business travel. The impact of climate change also serves as an opportunity for Grant Thornton to support clients in their identification, management and mitigation of climate risks. Over the past year, we have expanded our ESG client solutions and resources to support companies in the demand for ESG services.

C) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	When formulating our strategies, we consider changes occurring across markets and industries to build resilient business plans. Related to climate, we leverage high-level qualitative scenarios based on the WRI Greenhouse Gas Protocol to help inform our policy and model varying scenarios, such as projecting future travel patterns and rentable square footage of office space to understand the overall impacts on our firm's greenhouse gas emissions footprint. These projections have influenced our firm's travel and real estate strategies. We plan to move from qualitative to quantitative analysis within the next two years and as part of that process, further leverage climate-related scenarios and models most appropriate for our firm. This will allow us to continue to build resilient strategies as we pursue our net zero goal.

Risk management

Recommended disclosures	Responses
A) Describe the organization's processes for identifying and assessing climate-related risks.	Grant Thornton reviews climate risks to understand if they will have a material impact on our business either directly or indirectly. Through our enterprise risk management program, we have incorporated climate-based risk assessments into our existing risk management processes and identified ESG and climate risks in our risk matrix, which also addresses current and future stakeholder requirements. Any material risks are reviewed by the Partnership Board's Risk subcommittee. We identify climate-related risks and opportunities in our firm's operations by assessing the business activities associated with our material greenhouse gas emissions (for example, business travel and office operations). Upstream, we work with our vendors to identify sustainable and energy efficient procurement options. Downstream, we work with clients to understand important climate considerations, such as the primary drivers of their sustainability program and how our environmental program can best complement and support their emission targets and reduction strategies.
B) Describe the organization's processes for managing climate-related risks.	Our firm's leadership and sustainability teams actively monitor potential risks such as disruptions to travel, relevant environmental changes and/or changing market demand to ensure the firm is prepared to mitigate risks appropriately and successfully execute our strategies. In addition, new roles were recently established on our internal sustainability team to ensure appropriate resources are available to manage environmental and climate-related risks and reporting. Colleagues in these roles communicate regularly with the CRCO, who elevates any necessary issues to the leadership team and the Partnership Board's Risk subcommittee for further discussion.
C) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	Our CRCO leads our enterprise risk management process and communicates with our Partnership Board's Risk subcommittee on all relevant risks, including climate-related risks. Climate-related risks are reviewed to understand if they will have a material impact on our business. We continuously work to integrate strategies and solutions in our operations in order to mitigate these risks.

Metrics and targets	
Recommended disclosures	**Responses**
A) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	Starting in 2020, the firm began establishing sustainability metrics (including greenhouse gas emission reduction targets) with which the firm will measure performance and hold itself accountable. The firm currently provides nonmonetary incentives for performance and management of risks, including climate-related risks. In October 2021, Grant Thornton signed onto the Science Based Targets initiative (SBTi) and we will submit our targets for validation by the end of calendar year 2023.
B) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	GRI sections 305-1, 305-2 and 305-3, page 44
C) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	Committing to net zero, page 37

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