LANGAN

CLIMATE RISK REPORT

TECHNICAL EXCELLENCE | PRACTICAL EXPERIENCE | CLIENT RESPONSIVENESS

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Introduction

Langan recognizes the importance of identifying and addressing environmental and climate-related risks to ensure the sustainability and resilience of our operations. The identification and management of organizational risks, including climate and environmental exposures, is fundamental to our overall risk mitigation strategy and is a cornerstone of how we manage and oversee our operations. As part of our commitment to responsible business practices, we take a multi-tiered approach to ensure comprehensive oversight of these issues. Those tiers include oversight by the Board of Managers, Executive Committee, and Risk Management Committee, of the firm's development and execution of strategies, policies, and procedures to identify, manage, and mitigate risk.

Governance

The following summarizes Langan's governance structure:

1. **Langan Board of Managers:** The Langan Board of Managers (the "Board") has oversight of Langan's sustainability goals and progress of those goals. The Board is comprised of eleven members and is chaired by the company's President and CEO. The Board meets quarterly, with climate-related risks and opportunities discussed during these meetings on an as-needed basis. Members of the Board also receive periodic updates on the progress of Langan's sustainability goals, including efforts to address climate-related risks. Such updates are provided by the appropriate personnel, which include the Executive Committee, Risk Management Committee Chairs, Sustainability Committee, and independent consultants.

2. **Langan Executive Committee:** Langan's Executive Committee implements the Board's strategy, including strategies and programs that enable Langan to address climate-related risks and opportunities. Langan's President and CEO chairs the Executive Committee. The Executive Committee meets monthly and collaborates closely with Langan's senior management on pertinent initiatives, policies, guidelines, and procedures that address environmental and climate risk considerations.

3. **Langan Risk Management Committee:** Langan's Risk Management Committee is a subcommittee of the Executive Committee. The Risk Management Committee is comprised of sixteen members of Langan's senior leadership, including Managing Principals, Senior Principals, Principals, Associate Principals, the Chief Operations Officer, the Chief Information Officer, and General Counsel. The Risk Management Committee is co-chaired by a Langan Managing Principal and Langan's General Counsel. Importantly, the members of the Risk Management Committee include representatives from each of Langan's core disciplines, as well as critical overhead support. The committee assesses the company's compliance with its established risk appetite, while carefully reviewing and monitoring major known and emerging risk exposures that could impact Langan, including those related to climate risk, from both a design and operational standpoint.

Strategy

Identification of climate-related risks and opportunities

Langan identifies climate-related risks and opportunities by monitoring the regulatory landscape, client and other stakeholder expectations, and market trends, to pinpoint trends and regulations that could change client requirements or our own disclosure and decarbonization needs.

Operations, finance, legal, and technical leads evaluate the potential for operational disruptions, field delivery constraints, procurement challenges, and other relevant issues. We assess these impacts across the time horizons outlined below and consider financial implications across revenues, expenditures, assets, liabilities, capital, and financing.

Time horizons

- Short term (ST): 0 to 5 years
- Medium term (MT): 5 to 15 years
- Long term (LT): 15 to 25 years

For this initial report we use a qualitative scenario assessment consistent with CARB SB 261 guidance, and plan to deepen the analysis in future reports as needed. Following the Task Force on Climate-Related Financial Disclosures (TCFD) guidelines, we considered two potential transition scenarios informed by The Intergovernmental Panel on Climate Change's shared socioeconomic pathways (SSPs):

- Low-carbon scenario (informed by SSP1): A green, low-emissions pathway driven by rapid clean energy deployment, efficiency gains, and progress on social and technological development leading to temperature increases of 1.5–2°C by century end.
- High-carbon scenario (informed by SSP5): A high-emissions pathway characterized by rapid fossil fuel growth and energy-intensive consumption, yielding high warming on the order of ~4–5°C by century end.

For each scenario, we qualitatively assess policy direction, market pressures, technology adoption, and the expected frequency and severity of acute physical events. The findings inform planning and basic controls, including continuity procedures, health and safety protocols, office optimization, budgets, and capital priorities.

Identification of climate-related risks and opportunities

Risk type	Category	Topic	Material Time Horizons	Discussion
Physical	Acute	Increasing frequency and/or intensity of severe weather events	Long term	Risks: At Langan, our first priority is the safety and well-being of employees, followed by continuity of client service. We maintain secure remote-work capability so staff can shift to home or another safe location on short notice. Acute events are typically localized; if one office is disrupted, work can be transferred to team members or different teams in other offices to limit schedule impacts. We carry insurance to support repairs to affected facilities and review event data after each incident to update business continuity plans, communication cascades, and resourcing thresholds.
Physical	Chronic	Increasing temperatures and changing rainfall patterns	Medium to long term	Risks: Over the medium and long term, higher temperatures and altered rainfall patterns can narrow safe field-work windows, reduce field productivity, affect commuting conditions, and increase building energy loads. We mitigate through schedule and method adjustments for field work, strengthened heat-stress protocols and PPE standards, and improvements in office ventilation and energy efficiency.
Transition	Policy	Cost of compliance with climate-related regulations	Medium to long term	Risks: Multiple jurisdictions are introducing climate-related reporting and greenhouse gas inventory requirements. In the United States, California now requires disclosure of climate-related financial risks and Scope 1, 2, and 3 inventories, and several other states are advancing similar rules. Our compliance costs are modest and relate mainly to greenhouse gas calculations and limited external support, while the cost of non-compliance is materially higher. We monitor rulemaking timelines and keep our data, methods, and assurance processes ready to meet evolving obligations.
Transition	Market	Change in demand for climate adaptation and mitigation solutions	Short to long term	Risks: In a high-carbon scenario with limited regulation and weaker market pressure, demand for sustainable design, decarbonization, and resilience services may soften, which could reduce revenue in these lines. We manage exposure by maintaining diverse service lines and geographic coverage, and by redeploying capacity to markets where signals remain stronger.

Risk type	Category	Topic	Material Time Horizons	Discussion
Transition	Reputation	Increasing pressure from customers, lenders, and employees to demonstrate credible decarbonization	Short to long term	Risks: Rising stakeholder expectations require capital and operating spending to decarbonize our own operations. We are already progressing on fleet and energy measures; under a lower-carbon scenario we would need faster investment and tighter timelines to achieve rapid decarbonization. Opportunities: Clients face comparable pressures from customers, lenders, and employees. We are seeing increased demand for our sustainability advisory services related to calculating GHG emissions, GHG reduction target-setting, and decarbonization planning, and if regulation and market trends continue toward decarbonization, we can expand services that help clients meet their targets and demonstrate progress.
Opportunity	Resource efficiency	Fleet transition	Short to long term	Opportunities: As part of our Green Fleet Initiative, Langan has been transitioning the fleet since 2022 by replacing vehicles with hybrids and EVs, with the goal of a more sustainable fleet by 2030. This reduces fuel expense and lowers our carbon footprint. We phase replacements to align with vehicle age and duty cycles and plan charging access where feasible to support dependable operations.
Opportunity	Resource efficiency	Energy-efficient offices	Medium to long term	Opportunities: As we open new locations and renew leases, we prioritize LEED-certified or otherwise energy-efficient buildings. Embedding efficiency criteria in location selection and lease negotiations reduces energy use and Scope 2 emissions over time and supports comfortable, reliable workplaces.
Opportunity	Energy source	Use of renewable electricity	Medium to long term	Opportunities: We are exploring utility-provided renewable electricity plans to lower emissions from purchased power. We evaluate available options, contract terms, and metering implications, and we track delivery against internal decarbonization goals to ensure measurable reductions.

Resilience under different climate scenarios

This section broadly outlines how we anticipate addressing climate-related risks and opportunities across two potential future transition scenarios. Some mitigation actions are similar across each scenario, but their primary drivers differ. In a low-carbon scenario, actions are driven by client demand and competitive positioning. In a high-carbon scenario, actions are driven by risk mitigation, potential cost pressures, and broader stakeholder expectations.

Low-carbon scenario:

In a low-carbon scenario, we expect demand for engineering services related to climate mitigation and adaptation, environmental compliance services, and sustainability advisory services may increase across the short, medium, and long term horizons. This presents a potential opportunity for service expansion and revenue growth in these areas for Langan. In the short term, many clients will be working to meet ambitious reduction targets leading to a higher intake of compliance and advisory projects, and eventually early stage engineering design and permitting projects to meet those targets. Through the medium and long term, demand is expected to grow for engineering services as clients work toward net zero goals for 2040 or 2050.

Financial planning focuses on expanding our climate-related service offerings, which includes:

1) prioritizing hiring and training in these growing service areas,
2) advancing tools and digital solutions to assist clients with their climate needs, and
3) strengthening our market competitiveness to attract talent.

To support resilience, we expect these investments to be offset over time by revenue growth from expanded services, improved win rates, and productivity gains from digital tools.

Throughout this scenario, we may also need to intensify our own decarbonization efforts to meet client expectations. Operating and capital expenses may increase modestly to accelerate the transition of our vehicle fleet to hybrid or electric options, complete energy efficiency upgrades in existing offices to reduce usage, and select energy efficient buildings for new offices. Where utility options exist, we will evaluate renewable electricity plans and adopt them when practical for our office locations. We expect a portion of these expenses to be offset by lower fuel consumption and lower electricity use from efficiency, which supports resilience through cost savings and reduced exposure to energy price volatility.

Under this scenario, physical climate risks are expected to be less severe than in a high-carbon pathway, however, localized acute events may still require contingency planning to protect employee safety and minimize disruption.

High-carbon Scenario (SSP5)

In a high-carbon scenario, we still expect demand for climate-related engineering and advisory services across all three time horizons, but demand may be more volatile by geography and sector increasing revenue risk. We would maintain resilience by leveraging our diverse portfolio of engineering and environmental services and tailoring our approach to each market we operate in. In markets where demand for climate-related services remain strong, we would scale these services as needed to meet client demand and project opportunities. In markets where demand for climate-related services is weaker, we would prioritize our existing service lines that remain relevant irrespective of policy intensity, including core engineering, permitting, and environmental compliance that are not contingent on decarbonization policies, while also exploring new opportunities to serve our clients. Our objective, under any scenario, is to tailor our service offerings to market demand while preserving enterprise level capability and revenue stability.

We expect to continue decarbonizing our operations because many measures (e.g., improved energy efficiency, hybrid vehicles, etc.) provide long term reductions in operating expenses which may help offset expected increases in fuel expenses that are likely under this scenario. Even if regulatory pressure is lower, we anticipate sustained expectations to reduce our footprint from key stakeholders, including employees, clients and investors. This means staying on the current fleet transition trajectory, prioritizing energy-efficiency upgrades where they deliver meaningful savings, choosing more efficient buildings when leases renew, and adopting renewable electricity plans where available and cost-effective. Under this scenario, acute physical risks may become more frequent and potentially more severe, and chronic impacts widen, requiring us to plan more carefully to protect employee safety and minimize business disruption.

Risk Management

Risks, including those related to climate change, are managed at multiple levels throughout the organization. Langan recognizes management of climate change must be cross-functional, and given the nature of Langan's business, climate-related physical risks (e.g., extreme weather) and transition risks (e.g., reputation) may be material to the business. Langan considers the management of climate-related risks to be part of its overall risk management and mitigation strategy, with particular emphasis on identification and implementation.

Langan's Risk Management Committee is primarily responsible for identifying risks to Langan's operations, including reporting such risks to the firm's Executive Committee and Board of Managers, and recommending mitigation strategies. This includes developing and implementing relevant policies, together with senior management and discipline leaders, to address emerging risk exposures that could impact Langan. For example, Langan issued a "Risk Management Alert" detailing the importance for considering climate change when undertaking design efforts to ensure we are meeting the evolving standard of care.

Langan employs various tools and platforms, including but not limited to its enterprise resource planning system, to manage and monitor risk exposures, focusing on potential vulnerabilities, performance indicators, emerging threats, and control assessments to provide comprehensive oversight and proactive mitigation strategies. Climate-related risks are discussed quarterly at meetings of the Risk Management Committee to maintain an ongoing evaluation; however, ad hoc assessments are also undertaken as appropriate when unforeseen events or significant changes in the business environment occur. This approach allows for timely identification and response to emerging risks that could impact the organization's operations or objectives.

Metrics and Targets

Metrics used to assess climate-related risks and opportunities

Langan assesses climate-related risks and opportunities by measuring annual greenhouse gas (GHG) emissions across our operations. Langan's GHG inventory is prepared in alignment with the World Resources Institute Greenhouse Gas Protocol and is publicly disclosed on the Sustainability section of our website (https://www.langan.com/sustainability).

Our GHG inventory currently covers:

- Scope 1 emissions from combustion of fuels (e.g., natural gas, gasoline, and diesel) from company-controlled assets.
- Scope 2 emissions from purchased electricity.
- Scope 3 emissions from business travel and remote work.

GHG emissions are calculated using the operational control approach and are based on activity data collected from our operations, standardized emission factors, and methodologies outlined by the GHG Protocol. At this time, our Scope 3 reporting only covers business travel and remote work due to data availability. While we anticipate that business travel is among our more impactful Scope 3 categories, we are in the process of collecting data and conducting a screening to assess significance for the remaining Scope 3 categories. We plan to expand our Scope 3 reporting as more data becomes available.

In addition to expanding our Scope 3 reporting, we are also exploring additional KPIs to strengthen our assessment of climate-related risks and opportunities and Langan's resilience. Potential areas of focus include metrics that reflect project disruptions associated with climate-related risks and revenue from climate-related services. As data quality improves, these indicators, combined with GHG inventory results, will help us track our progress and guide decisions about our resilience measures.

Scope 1, 2, and 3 GHG emissions

Langan's absolute GHG emissions for Scope 1, Scope 2, and Scope 3 Category 6 (business travel) for our base year 2019 and reporting year 2022 are outlined below, reflecting a slight increase in absolute emissions from 2019 to 2022. Emissions for 2023 and 2024 are being calculated as of the publish date of this report and will be disclosed on the Sustainability section of our website once available (https://www.langan.com/sustainability). Emissions may be recalculated and republished due to changes in our business structure, calculation methodologies, or other relevant reasons.

	Emissions (tCO2e)	
Category	**2019 (Base Year)**	**2022**
Scope 1	539	663
Scope 2	1036	1002
Scope 3 Category 6: Business Travel	1709	1717

To monitor our progress in reducing our carbon footprint, Langan also evaluates emissions on a carbon intensity basis. We calculated our carbon intensity by dividing our Scope 1, Scope 2, and Scope 3 (business-travel) GHG emissions by our annual fee billings. This approach allows us to track the impact of reduction efforts while accounting for business growth. Langan's carbon intensity decreased from 13.4 tons CO_2e per million dollars of revenue in 2019 to 7.4 tons CO_2e per million dollars of revenue in 2022 — *a 45% decrease.*

Targets used to manage climate-related risks and opportunities and performance against targets

Langan has not set formal GHG reduction targets, but has achieved the 45% relative reduction noted above. We are evaluating opportunities to further reduce GHG emissions within our operations and are developing an emissions-reduction plan that will allow us to establish informed and actionable targets. While we assess potential targets, we will continue reporting on actual emissions performance and advance existing corporate sustainability initiatives that reduce emissions where possible, including our Green Fleet initiative and our practice of locating new offices in LEED-certified or energy-efficient buildings. Our efforts to date, along with external factors such as grid greening, have helped us reduce our relative carbon intensity by 45% between 2019 and 2022, as our fee billings increased by 88% over the same period.

As Langan works to reduce GHG emissions, we are also using verified carbon credits to offset Scope 1 and Scope 2 emissions from our direct operations. Langan views these offsets as an interim measure, and our priority remains identifying opportunities to address these emissions at their source. As part of building a credible decarbonization plan, we are also assessing independent third-party verification of our GHG inventory.

Appendix

About this report

Langan's inaugural TCFD report has been prepared in alignment with the TCFD recommendations. Unless otherwise stated, information in this report is for calendar year 2024. This report reflects Langan's current assessment of climate-related risks and opportunities associated with our overall operations, subsidiaries, and businesses. Please direct questions related to this report and its contents to sustainability@langan.com.

Publication date: January 1, 2026

TCFD Index

TCFD Pillar	Recommended Disclosure	Report Section
Governance	Board oversight of climate-related risks and opportunities	Governance
	Management's role in assessing and managing climate-related risks and opportunities	Governance
Strategy	Climate-related risks and opportunities identified over the short, medium, and long term	Strategy
	The impact of climate-related risks and opportunities on our businesses, strategy, and financial planning	Strategy
	The resilience of our strategy, taking into consideration different climate-related scenarios	Strategy
Risk Management	Processes for identifying and assessing climate-related risks	Risk Management
	Processes for managing climate-related risks	Risk Management
	Integration of processes for identifying, assessing, and managing climate-related risks into our overall risk management	Risk Management
Metrics and Targets	Metrics used to assess climate-related risks and opportunities in line with the strategy and risk management process	Metrics and Targets
	Scope 1, Scope 2, and Scope 3 GHG emissions and the related risks	Metrics and Targets Emissions for 2023 and 2024 are currently being calculated and will be published on the Sustainability section of our website once available (https://www.langan.com/sustainability).
	Targets used to manage climate-related risks and opportunities and performance against targets	Metrics and Targets

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Forward-looking Statements/Disclaimers

This report contains forward-looking statements, including descriptions of potential climate-related risks, impacts, and opportunities. Forward-looking statements are based on current information, assumptions, and judgments available as of the date of this report and on management's reasonable beliefs or expectations with respect to future events. These statements are subject to risks and uncertainties, many of which are beyond Langan's control and cannot be predicted. Actual outcomes may differ materially from those expressed in or suggested by the forward-looking statements due to a variety of factors, including changes in regulatory requirements, market conditions, technological developments, and the physical impacts of climate change. Langan undertakes no obligation to update or revise any forward-looking statements as a result of new information, future events, or otherwise.