

SOCIAL IMPACT 2023

Task Force on Climate-Related Financial Disclosure (TCFD) Summary (2022)

TCFD Theme	Thomson Reuters Response	Relevant Disclosure ¹
Governance	The Corporate Governance Committee of the Board oversees Thomson Reuters overall approach to ESG and ensures its alignment with our long-term business strategy. The committee receives periodic updates from management to inform the evaluation of our ESG strategy and progress against climate-related goals. The Corporate Governance Committee is further supported by the HR Committee as well as the Audit Committee and the Risk Committee of the Board, which has ultimate oversight over Thomson Reuters risk assessment and management processes. In the past year, Thomson Reuters conducted its first global ESG materiality assessment and developed our new company Purpose — to Inform the Way Forward — which now collectively anchor our ESG strategy.	a) Describe the board’s oversight of climate-related risks and opportunities.
	Thomson Reuters operational climate-related management is led by an operating committee of Thomson Reuters executives, representing the most senior body of executives responsible for setting and executing our company strategy. This committee is supported by additional management bodies, including the Enterprise Risk Committee, which assesses the status of identified risks, reviews the adequacy of applicable mitigation plans, and reports these findings to this committee. The Social Impact Institute, led by our Vice President, Government Affairs and ESG, leads the implementation of our climate strategy, embedding climate initiatives within our departments and business segments and engaging internal and external stakeholders.	b) Describe management’s role in assessing and managing climate-related risks and opportunities.
Strategy	Over the course of the last year, Thomson Reuters completed a comprehensive update of our ESG materiality assessment, with the results informing our strategy and guiding our reporting. In 2022, Thomson Reuters also conducted a comprehensive climate-related scenario analysis to identify and evaluate exposure to climate-related risks and opportunities. As part of this process, various climate pathways were applied to Thomson Reuters direct operations, strategy, and value chain, reflecting a range of future states of global emissions trajectories. The scenario analysis assessment covered physical and transition climate-related risks on our direct operations, strategy, and value chain. This exercise has enabled Thomson Reuters to identify relevant climate-related risks as well as several key areas of opportunity — primarily around the procurement of renewable energy and participation in carbon markets, the shift to more efficient buildings, and the development of new products and services through R&D and innovation.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.
	Short (0 – 1 years, up to 2023), medium (1 – 3 years, up to 2025), and long-term (3 – 30 years) time horizons were defined to facilitate the grouping of financial and operational impacts and better integrate the results into Thomson Reuters’ existing risk management and strategic planning.	
	The following risk areas were identified for Thomson Reuters, with all areas presenting low risk to Thomson Reuters across all time frames except where noted: increased pricing of greenhouse gas emissions; enhanced emissions-reporting obligations (medium risk in long-term); mandates on use of lower emissions technologies/energy supplies (medium risk in long-term); changing customer behavior; risk of supplier default or increased prices due to insufficient supplier action on climate; increased stakeholder concern; increased costs arising from sea level rise; increased costs and disruption from heatwaves; increased costs and disruption from flooding; business disruption and/or damage arising from hurricane events (medium risk in long-term); increased costs due to water stress; and business disruption and/or damage from wildfire events.	
	Exposure rankings to six climate-related hazards (heat stress, droughts sea level rise, cyclones, heatwaves, floodings, and wildfires) were individually evaluated across our global facility locations and fed into Thomson Reuters real-estate planning. These results are used to further refine site-level tracking on risk indicators and adaptation measures (e.g., tracking water recycling and low flow systems to mitigate against drought; and measuring HVAC system efficiency to ensure employee comfort during heatwaves). The exposure results of each climate-related hazard represent a key input into our business impact models used to determine the overall potential business impact of each climate-related risk.	b) Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning.

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Strategy (con’t)	Transition-related risks are largely mitigated via Thomson Reuters net-zero commitment and interim science-based targets. With Thomson Reuters’ focus on primarily digital products and services for its customers, the business strategy is inherently resilient to multiple climate-related scenarios as it is less exposed to physical risks like price increases in raw materials or energy, for example. Thomson Reuters sourcing of 100% renewable energy for its global operations further mitigates the potential impacts of rising energy prices associated with fossil fuel-based energy sources. Our use of cloud-based models for data services also ensures the resiliency of our digital services by limiting the exposure of our data to physical climate-related impacts. Thomson Reuters’ ongoing supplier engagement program supports the alignment of our suppliers’ actions on climate and risk mitigation with our own climate commitments. Thomson Reuters also pursues operational leases in premium office locations with efficient building systems, which helps mitigate the risks associated with mandates on lower use of emissions technologies/energy supplies. Overall, our risk framework and site-level facilities monitoring enables the identification of adaptation measures needed across our office locations and other facilities.	c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
Risk Management	Thomson Reuters uses an industry standard approach for assessing climate-related risks and their potential impacts and integrates identified ESG risks into the enterprise risk management (ERM) process. The Risk & Compliance team performs an annual enterprise risk assessment exercise with each Business Segment and Enabling Function and partners with the heads of each division to assess and describe their top respective risks. The risks identified by each business function are categorized within Thomson Reuters Enterprise Risk Taxonomy, which classifies risks into predefined categories, establishing a common risk language and a consistent means of risk aggregation across our business. Upon aggregation, risks are assigned a Low, Medium, High, or Critical level of severity based on the Enterprise Risk Management Framework.	a) Describe the organization’s processes for identifying and assessing climate-related risks. c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization’s overall risk management.
	As material climate risks are identified and assessed through our Enterprise Risk Management process, the Risk & Compliance team reports these to the Enterprise Risk Committee, comprised of senior executives, as well as the Risk Committee of the Board. Many of Thomson Reuters relevant climate risks are managed through our Business Continuity and Disaster Recovery Program (BCP), led by the Resiliency Team, and designed to address disruptions of varying scope — ranging from business unit-level incidents to large-scale multiple-location events. The Resiliency Team provides governance and counsel to our business units worldwide to ensure that continuity and disaster recovery planning is performed consistently across our entire company. Business continuity plans are developed to support each business unit’s strategic and operational goals, as well as meet local regulatory requirements and customer expectations. Business units are responsible for handling all application, product, and technology issues relevant to a climate-related incident or disaster, as well as customer communications. In addition, climate-related risks located within our value chain are managed by our Procurement Team, which is responsible for engaging suppliers on climate and requiring them to mitigate their climate risk. This occurs through the quarterly business reviews conducted with key suppliers, and through the development of ESG-related clauses in our vendor contracts and the Supply Chain Ethical Code to which suppliers are held.	b) Describe the organization’s processes for managing climate-related risks.
Metrics and Targets	Relevant metrics used by Thomson Reuters to assess climate-related risks and opportunities in line with our strategy and risk management process are captured on pages 8-9 and in the “Environment” table in the Appendix of our Social Impact Report.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

¹ As discussed with Thomson Reuters, the corresponding recommendations will not be published, but we have provided here to facilitate review.