



Brown and Caldwell Climate-Related Financial Disclosures Report

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1. Framework

This report aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) as required by California Senate Bill 261 (SB 261) as codified in CA Health and Safety Code section 38533. All four TCFD pillars—Governance, Strategy, Risk Management, and Metrics & Targets—are addressed. Where full disclosure is not yet available, this is noted with reasons and plans for future inclusion. Brown and Caldwell (BC) is committed to reviewing and updating this report as required in line with evolving SB 261 guidance from the California Air Resources Board (CARB).

This report is published on our website at [browncaldwell.com](https://www.browncaldwell.com) and submitted to CARB's public docket as required. As a purpose-driven engineering consulting firm creating and delivering water and environmental solutions throughout North America and the Pacific, our disclosures reflect our role in supporting clients while managing our own climate exposures.

A man and a child are standing on a rocky shore, holding hands. The man is pointing towards a large lake that reflects the surrounding mountains and sky. The scene is set in a natural, scenic environment with mountains in the background.

2. Introduction to Brown and Caldwell

Headquartered in Walnut Creek, California, Brown and Caldwell is a full-service environmental engineering and construction services firm with more than 50 offices and over 2,400 professionals across North America and the Pacific. For more than 75 years, our creative solutions have helped municipalities, private industry, and government agencies overcome their most challenging water and environmental obstacles. We're employee-owned and bound by a shared purpose to unlock the potential of water for our clients, our communities, and our environment.

Brown and Caldwell specializes in delivering solutions across the full water cycle, providing services in water and wastewater treatment, stormwater management, water resources, environmental remediation, infrastructure planning, and construction management. With a long history of innovation and collaboration, BC partners with municipalities, government agencies, and private industry to address complex environmental challenges through sustainable, practical, and community-focused approaches. BC is actively engaged in climate resilience, water stewardship, and climate-informed design work.



3. Governance

Brown and Caldwell's Board of Directors and executive leadership oversee the strategy and overall health of the company and view climate-related risks and opportunities as integral to our environmental consulting mission. They are also responsible for overseeing and monitoring implementation of procedures, policies and initiatives in relation to our corporate, social and environmental responsibilities. This structure helps confirm climate consideration influences strategic decisions.

In addition, BC's board and leadership integrate sustainability into strategic decision-making and other functions across the country. For example, our CEO, Rich D'Amato, serves on the board of Water For People, a nonprofit focused on global water access and sanitation, demonstrating executive commitment to climate-resilient water solutions.

Management, including Vice President, Climate Change and Resilience Strategy Leader (Adam Ross), Climate and Resilience Lead (Dr. Tess Sprague), and Managing Principal, Resilience and Climate Readiness (Karri Ving) lead climate resilience initiatives. The Climate Change and Resilience Team supports client and internal strategies, including vulnerability assessments and adaptation planning.



4. Strategy

Climate change presents both risks and opportunities for BC, influencing our business model of delivering environmental solutions.

BC's business model and services support our clients in several ways. We have observed increased demand for our designs and advice, including climate-resilient infrastructure design and support with adaptation governance and execution. The scale and diversity of our business mean that our impact can be substantial.



**Award
Rankings**

#41

Top 500
Design Firms

2025 Ranking by
Engineering News-Record



#9

Top 30 All
Environmental Firms

2024 Ranking by
Engineering News-Record



#18

Top 20 Design
Firms in Water

2025 Ranking by
Engineering News-Record





4. Strategy



Helping Clients See the LongView™

Over the last several years, we have made significant strides in shaping and advancing BC's climate resilience services. We see every project through a climate change mitigation, adaptation, and resilience lens. Our approach—**BC:LongView™**—embeds climate-informed thinking into all that we do to make our solutions impactful for our clients and the communities they serve.

We are technical leaders in **Strategic Climate Planning, Climate Change Mitigation, Climate Change Adaptation,** and **Strategic Water Management.** We offer climate-informed innovation, best practices, and solutions across the water cycle to meet our clients where they are, no matter the challenges they face.



Strategic Climate Planning

Chart a clear path forward with enhanced decision-making, resource allocation, organizational alignment, and financial performance.

Confident solutions for:

- Regulatory changes
- Insurance premiums
- Organizational change



Climate Change Mitigation

Take action and reduce the impacts of your operations for benefits within and beyond your community.

Confident solutions for:

- Greenhouse gas emissions
- Renewable energy



Climate Change Adaptation

Integrate systemwide and site-specific resilience measures and strategies to prepare for and protect against climate change impacts.

Confident solutions for:

- Floods
- Extreme heat
- Sea level rise
- Wildfires



Strategic Water Management

Optimize your resources throughout the water cycle for multifaceted, systemwide benefits across utility operations and your community.

Confident solutions for:

- Water scarcity



Climate-Related Risks Identified Over Short, Medium, and Long Term

We assessed impacts over **short (1-3 years)**, **medium (3-10 years)**, and **long (10+ years)** horizons, focusing on physical risks (e.g., extreme weather disrupting projects) and transition risks (e.g., regulatory shifts toward decarbonization).

- **Short-Term (1-3 Years):** Transition risks from evolving regulations (e.g., California's climate laws) could increase compliance costs but create opportunities for consulting services. Physical risks like severe weather may disrupt office operations or project sites.
- **Medium-Term (3-10 Years):** Opportunities to support our clients with climate-responsible projects, such as water stewardship and onsite renewable energy, align with growing demand for climate readiness services. Physical risks include water scarcity that could affect client business operations and warming that causes an increase in natural disasters, which could impact operations and cause potential damage to offices and project sites.
- **Long-Term (10+ Years):** Market opportunities in nature-based solutions, source water protection, water reuse, and renewable energy and climate-responsible planning hold immense promise. Physical risks from chronic and acute hazards such as sea level rise, riverine flooding, extreme heat and ecosystem degradation may impact communities, including those where BC offices are located. Extreme temperatures could increase Health & Safety (H&S) concerns, including heat-related stress.



Physical and Transition Risks

Category	Risk/Opportunity	Description	Time Horizon	Mitigation/Adaption Measures
Physical	Acute: Floods/storms damaging field sites and offices	Increased project delays/costs in vulnerable regions (e.g., California coast).	Short/ Medium	Climate-resilient design standards adoption. Relocation of office space to less-impacted locations.
Physical	Chronic: Water scarcity	Reduced availability for internal use; client demand for drought solutions rises.	Medium/ Long	Internal water audits; partnerships for recycled water use. Assist clients with water reuse solutions.
Transition	Policy/Legal: Stricter GHG regulations (e.g., SB 261)/increase in demand for BC's services.	Compliance costs; liability for advisory services.	Short	Enhanced GHG training; GHG emissions reductions; TCFD-aligned client guidance.

* full quantitative scenario analysis (e.g., 1.5°C vs. 4°C) is not included yet due to data gaps; planned for 2026 using additional research and tools.



Market Risks

Financial	Increase in natural disasters, climate-related H&S issues	Increase in Insurance cost; increase in LWRs	Medium/Long	Increase investment in H&S awareness relating to environmental conditions, tools and training. Relocation of offices to less impacted locations.
Market	Reputational: Client ESG demands	Compliance costs; loss of business with failure to meet demands.	Short/Long	Increase investment in internal ESG programs.

* Full quantitative scenario analysis (e.g., 1.5°C vs. 4°C) is not included yet due to data gaps; planned for 2026 using additional research and tools.



5. Risk Management

BC maintains a proactive and integrated approach to risk management that supports both current operations and long-term business resilience. The company embeds risk identification and mitigation into its project management processes from the earliest stages, focusing on early detection of issues. This structured approach helps keep projects on track while minimizing potential disruptions. In addition, BC's risk management practices reflect the same principles it offers to clients—such as risk assessment, regulatory compliance, and environmental resilience— helping with consistency between internal governance and external service delivery. BC has a dedicated team of climate specialists who service our clients and company by continually monitoring emerging operational, regulatory, and environmental risks, and sharing knowledge across the firm. This team's efforts help the organization prepare for future challenges while maintaining a strong foundation of safety, reliability, and accountability.



5. Risk Management

- **Identification:** BC's multi-disciplined horizon-scanning coupled with our ability to effectively leverage our networks to promote best industry practices provides regular review of emerging climate threats, transition trends and regulatory shifts across markets and geographies.
- **Assessment:** BC has a well-defined risk process, which includes internal review and risk evaluations that help teams understand risk factors and work through them with applicable internal stakeholders.
- **Integration:** Risks that are identified are embedded into operational strategy via mitigation paths and related risk analysis. This includes the utilization of risk matrices, escalation of major risks to appropriate committees, and other tools to help teams understand and navigate potential concerns. This process helps identify potential risks so they can inform decisions, from supply chain diversification to innovation.



6. Metrics and Targets

BC tracks climate performance using standardized metrics, focusing on internal operations and value chain influences.

BC conducts an annual greenhouse gas inventory of our Scope 1 and 2 emissions. An initial assessment of Scope 3 emissions is underway. These results will inform future targets and actions that align with BC's purpose and values.

7. Conclusion

Brown and Caldwell recognizes that climate-related financial risks are not abstract. They are material factors shaping our clients' futures and our own operations. By embedding climate resilience into governance, strategy, and risk management, and by tracking metrics, we aim to transform risk into opportunity.

Our commitment to transparency under SB 261 reflects our own belief that climate accountability is essential for sustainable growth. As we continue to refine our disclosures, we will ensure that Brown and Caldwell remains a trusted partner in building resilient communities and infrastructure for generations to come.

