HEUKING

GREENHOUSE GAS PERFORMANCE REPORT 2023

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In 2023, HEUKING's total greenhouse gas emissions amounted to 6,605.38 tons of carbon dioxide equivalents (tCO2e).

0.03224 tCO2e (32.24 kgCO2e) emissions per EUR 1,000 of revenue
5.861 tCO2e (5,861.03 kgCO2e) emissions per employee

Scope 1
GHG emissions:
698,07 tCO_2e

Scope 2
GHG emissions:
1.247,79 tCO_2e

Scope 3
GHG emissions:
4.659,51 tCO_2e

INTRODUCTION

This report provides a comprehensive overview of HEUKING's greenhouse gas (GHG) emissions for the period from January 1 to December 31, 2023. By analyzing this data, we assess our environmental performance, identify opportunities for improvement, and continually enhance our sustainability strategies. The report is based on precise data collection and evaluation, aligned with internationally recognized standards and methodologies for GHG accounting.

HEUKING's commitment to reducing its ecological footprint and carbon dioxide emissions reflects our holistic approach to sustainability. Our efforts align with the 17 UN Sustainable Development Goals, particularly SDG 13, focusing on climate action. This includes integrating climate protection measures into our strategic planning (SDG 13.2), conducting annual surveys of total emissions (SDG 13.2.2), and fostering climate awareness through educational initiatives and targeted actions within the organization. By doing so, we promote a deeper understanding of the importance of climate protection and take meaningful steps toward sustainability.

[1] UN Sustainable Development Goals – SDGs

Business data

With over 400 professionals in legal, tax, and notary services across 8 locations, HEUKING is one of Germany's largest business law firms with an international focus. HEUKING is among the top 15 law firms in Germany by revenue, as recognized by industry publisher JUVE. Additionally, maintain 7 international desks and are a member of World Services Group, a global network of law firms.

Methodology

The greenhouse gas (GHG) emissions were computed by an external service provider, forming the basis for this internal report. The methodology for recording and reporting GHG emissions adheres to the requirements outlined in „The GHG Protocol: A Corporate Accounting and Reporting Standard, Revised Edition“ and its supplementary „Corporate Value Chain (Scope 3) Accounting and Reporting Standard.“ These internationally recognized standards, developed by the World Resources Institute and the World Business Council for Sustainable Development, offer robust tools for measuring and managing greenhouse gas emissions. The accounting process aligns with the GHG Protocol's principles, which are elaborated further in this report.

Relevance:
Ensures the GHG inventory appropriately reflects the firm's GHG emissions.

Completeness:
Accounts for all emission sources within the chosen inventory boundary.

Consistency:
Consistent methodologies to allow for meaningful comparisons of emissions over time while transparently documenting any changes to the data.

Transparency:
Address all relevant issues in a factual and coherent manner, based on a clear audit trail.

Accuracy:
Ensure that the quantification of GHG emissions is systematically neither over nor under actual emissions and that uncertainties are reduced as far as practicable.

System boundaries

Accurate CO_2e reporting requires a clear definition of system boundaries, encompassing both organizational and operational aspects. These boundaries were established using the control approach, which includes all units under HEUKING's operational control. Key figures included in the GHG reporting are outlined in Table 1 below.

a) Organizational system boundaries

The organizational system boundaries define the framework for our carbon footprint, incorporating aspects such as the number of employees and the reporting period. The reporting is based on the total number of employees in 2023, including those on parental leave. Additionally, the key figures for the firm's locations in 2023 are presented in Table 1 below.

Table 1

Location	Number of 0ffices	Number of employees
Berlin	1	69
Chemnitz	1	25
Düsseldorf	1	358
Frankfurt	1	88
Hamburg	1	164
Cologne	1	197
Munich	1	171
Stuttgart	1	55
Total	**8**	**1.127**

Reporting date 12/31/2023

b) Operational system boundaries

The operational system boundaries define the emission sources included in the CO_2e footprint. In alignment with the requirements of the GHG Protocol, emissions are categorized into direct and indirect emissions:

- Direct emissions occur from sources that are owned or directly operated by HEUKING.
- Indirect emissions are a consequence of HEUKING's activities but occur from sources owned or controlled by another organization.

These direct and indirect emissions are further classified into three categories (scopes), which are detailed below.

Scope 1:
Scope 1 encompasses all direct GHG emissions under HEUKING's direct control. These include emissions from the combustion of fossil fuels in both mobile and stationary sources, such as fuel consumption by the firm's vehicle fleet.

Scope 2:
Scope 2 accounts for indirect GHG emissions resulting from the generation of purchased energy, such as electricity, sourced from external energy suppliers.

Scope 3:
Scope 3 includes other indirect emissions that, while not directly generated by HEUKING, still have an environmental impact. These emissions occur from activities such as the extraction and production of purchased materials and services, business travel, use of vehicles not owned by HEUKING, outsourced activities, waste disposal, and energy-related activities such as district heating and cooling.

In line with the GHG Protocol requirements, companies must account for and report emissions from Scope 1 and Scope 2 separately. While reporting Scope 3 emissions is optional, its inclusion is strongly recommended. HEUKING has chosen to report Scope 3 emissions to provide a more comprehensive view of its overall environmental impact.

RESULTS

The total GHG emissions across all scopes for 2023 amounted to 6,605.38 tCO_2e. A detailed breakdown by scope is provided on the following pages. HEUKING's emissions equate to 5.861 tCO_2e per employee and 0.03224 tCO_2e per EUR 1,000 of revenue. Table 2 below illustrates all sources of GHG emissions for 2023, with emissions presented in tons of CO_2e.

Breakdown of emissions

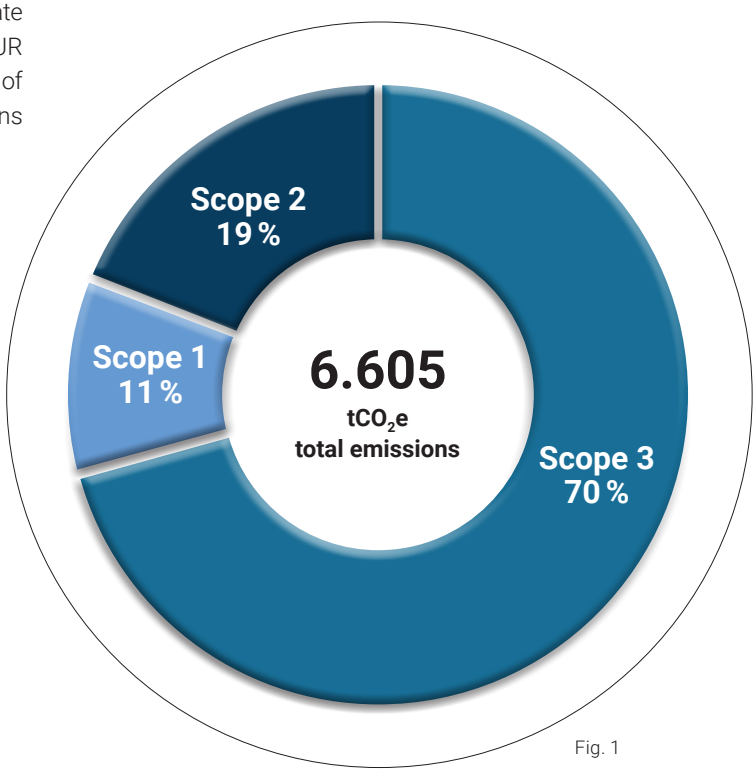

Fig. 1

Table 2

Scope 1 GHG category	Emissions (t CO_2e)	Share of emissions
Mobile combustion	698,07	10,57 %
Total Scope 1	**698,07**	**10,57 %**
Scope 2 GHG category	**Emissions (t CO_2e)**	**Share of emissions**
Heating	1.239,23	18,76 %
Electricity	8,56	0,13 %
Total Scope 2	**1.247,79**	**18,89 %**
Scope 3 GHG category	**Emissions (t CO_2e)**	**Share of emissions**
Purchased goods and services	3.658,49	55,39 %
Business trips	596,91	9,04 %
Shuttle service	244,47	3,70 %
Fuel and energy-related activities	155,84	2,36 %
Operational waste	3,8	0,05 %
Total Scope 3	**4.659,51**	**70,54 %**
Total	**6.605,37**	**100 %**

These emission sources can be broken down by location and event as follows (cf. Table 3 and Fig. 2):

Table 3

Location	Emissions (t CO_2e)	Share emissions
Berlin	186,72	2,83 %
Chemnitz	93,18	1,41 %
Düsseldorf	628,84	9,52 %
Frankfurt	340,23	5,15 %
Hamburg	457,32	6,92 %
Cologne	470,11	7,12 %
Munich	540,34	8,18 %
Stuttgart	212,28	3,21 %
Events	15,32	0,23 %
HEUKING[2]	3.661,03	55,43 %
Total	**6.605,37**	**100 %**

Emissions by Location

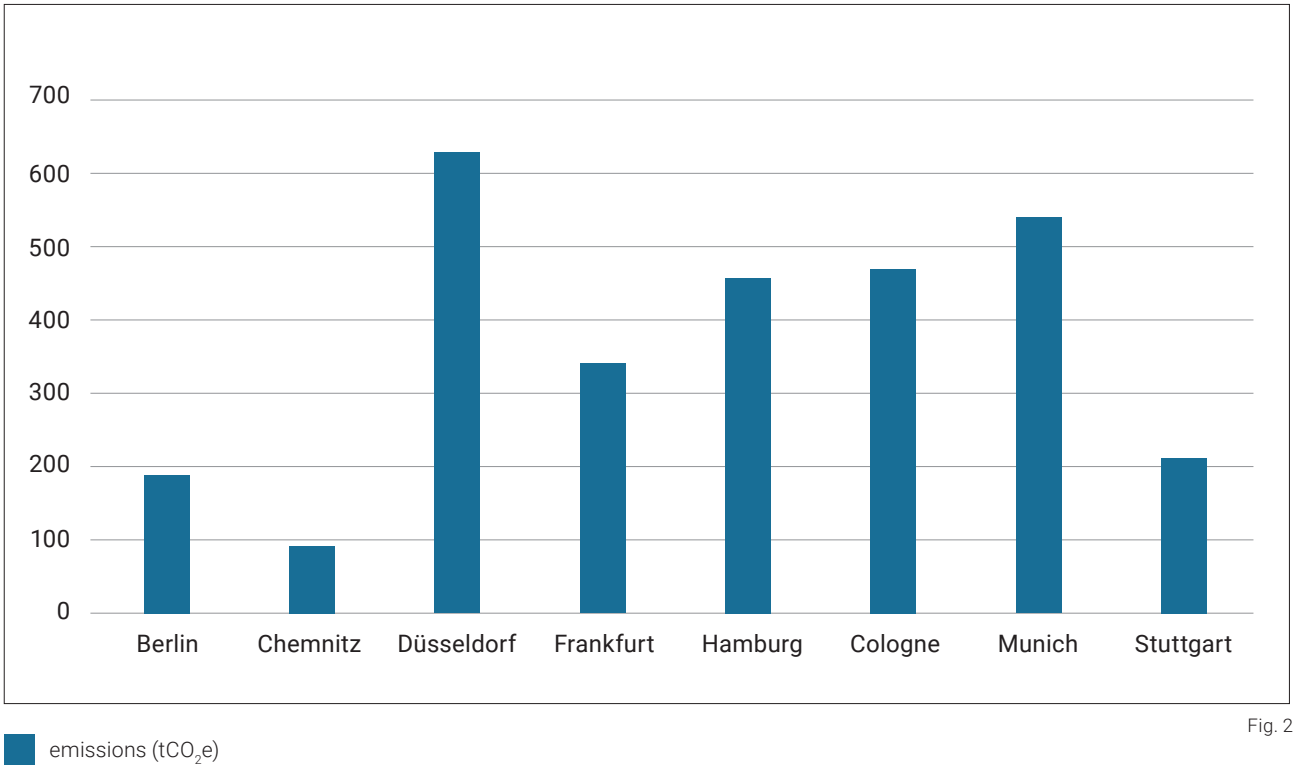

Fig. 2

[2] In this context, „HEUKING" refers to the firm's activities as a whole.

Scope 1 –

Direct emissions from owned and controlled sources

In Scope 1, mobile combustion, specifically the use of fuel for HEUKING's company vehicles, accounted for 10.57 % of total emissions, equivalent to 698.07 tCO_2e. The emissions per liter of fuel consumed amount to 2.51 $kgCO_2e$, with a total fuel consumption of 278,228.48 liters, translating to an average of 246.88 liters per employee.

Emissions by fuel type are broken down as follows: Gas accounts for 70.6 % of emissions (492.54 tCO_2e) and 70.8 % of fuel consumption (197,014.37 liters), while diesel contributes 29.4 % of emissions (205.54 tCO_2e) and 29.2 % of fuel consumption (81,214.11 liters).

Compared to the previous year, Scope 1 emissions increased by 1.52 %, primarily due to the expanded use of the company vehicle fleet. To enhance efficiency and reduce emissions in the coming years, HEUKING is targeting a transition to electrification and the adoption of optimized energy sources.

Scope 2 –

Indirect emissions from purchased energy

In 2023, 18.89 % of total emissions were attributed to Scope 2, amounting to 1,247.79 tCO_2e. Of this, 18.76 % resulted from the purchase of thermal energy (1,239.23 tCO_2e) and 0.13 % from the purchase of electricity (8.56 tCO_2e). The firm's total electricity consumption was 1,234,285.2 kWh, averaging 1,095.2 kWh per employee, while heat consumption totaled 433,865.04 kWh, equivalent to 384.97 kWh per employee.

Scope 2 emissions, arising from energy purchased to operate our sites, were reduced by 15.99 % compared to the previous year. This was achieved through a switch to 100 % green electricity and the optimization of heating and cooling systems. These efforts highlight the effectiveness of our strategies to minimize fossil fuel reliance and reduce the environmental footprint of our buildings. Looking ahead, we aim to further adopt energy-saving technologies and continue improving energy management across all locations.

Scope 3 –

Indirect emissions along the value chain

Scope 3 emissions, amounting to 4,659.51 tCO_2e and representing 70.54 % of total emissions, pose the greatest challenge in HEUKING's GHG performance. Their impact is particularly evident in the high proportion of emissions from purchased goods and services, which account for 55.39 % of Scope 3 emissions or 3,658.49 tCO_2e. This underscores the significant influence of procurement choices and the scope of external services on our ecological footprint.

Among these, accommodation and dining emissions are a notable contributor, generating 730.29 tCO_2e (20 % of Scope 3 emissions). Other key contributors include legal services (17.5 %) and insurance (12.8 %), reflecting the wide range of emissions-intensive external services.

Fig. 3 provides a detailed breakdown of HEUKING's primary emission factors:

Overview of PRIMARY emission factors

The following diagram provides a detailed breakdown of HEUKING's primary emission factors. The following diagram provides a detailed breakdown of HEUKING's primary emission factors.

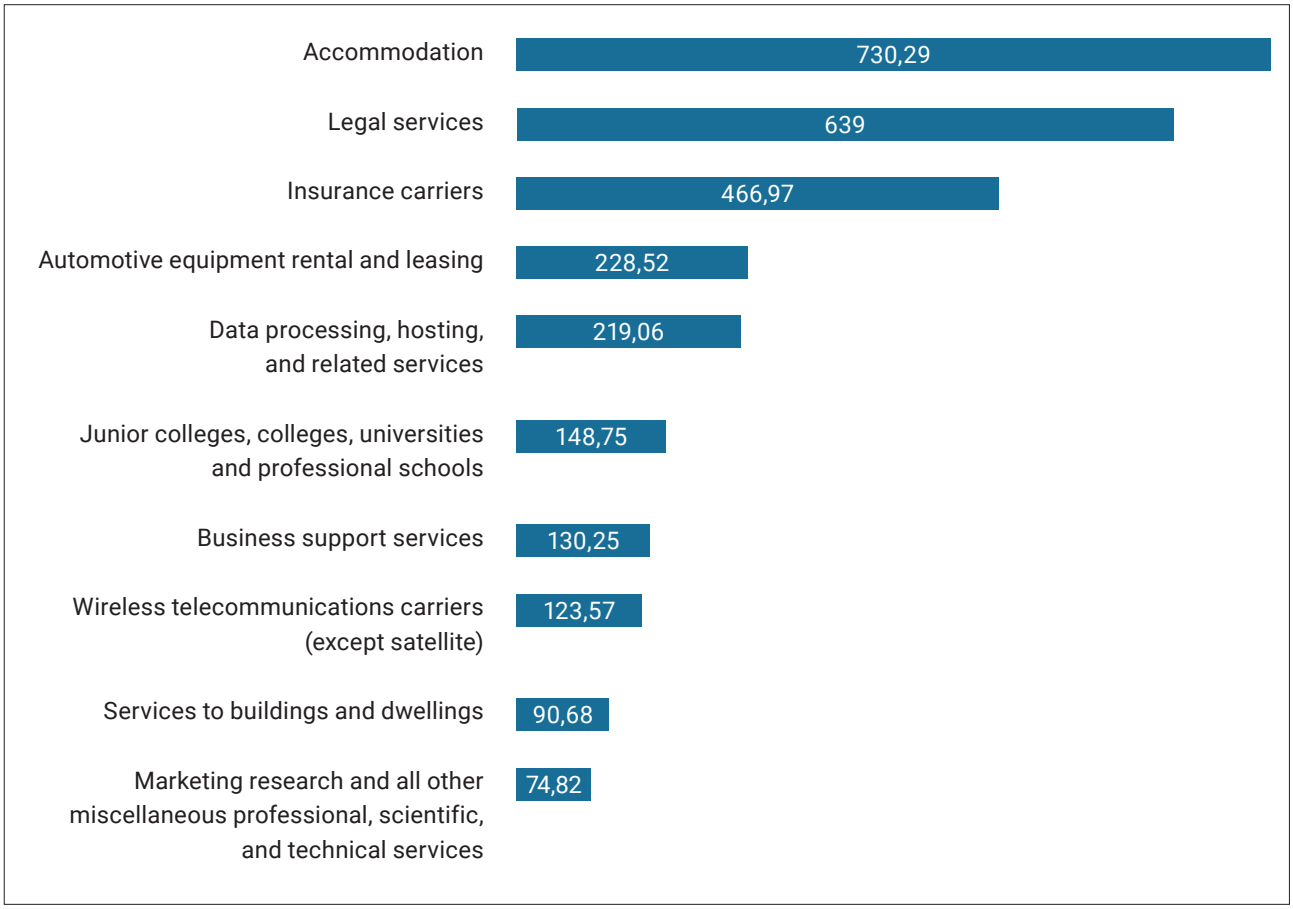

Fig. 3

This data highlights that processes along the value chain are major contributors to HEUKING's emissions. Beyond the direct use of services, upstream activities – such as production, transportation, and energy consumption by suppliers and service providers – significantly impact pollution levels. However, the analysis also reveals substantial potential for reduction through the optimization of supply chains.

To address this, we will increasingly prioritize low-emission alternatives and process improvements. Potential measures include booking sustainable hotels for business trips, favoring low-emission transportation options, and conducting detailed assessments of the carbon footprints of our service providers and suppliers. Additionally, we will review and adapt our existing contractual and purchasing strategies to systematically prioritize providers with proven records of resource conservation and climate-neutral operations.

Scope 3 emissions thus represent not only the greatest challenge but also the most significant opportunity for driving sustainable transformation. By making targeted investments and establishing clear procurement standards, we can reduce our firm's environmental footprint while actively contributing to the advancement of sustainable markets.

DEVELOPMENT 2022 - 2023

The analysis of HEUKING's GHG emissions from 2022 to 2023 indicates a slight overall increase of 1.28 % in total emissions (tCO_2e). This change is reflected across the various scopes. Consequently, CO_2e emissions per employee also rose from 5.60 tCO_2e in 2022 to 5.86 tCO_2e in 2023, representing an increase of 0.26 tCO_2e (4.64 %) (cf. Table 4).

Table 4

		Emissions 2022 (tCO_2e)	Emissions 2023 (tCO_2e)	Share of 2023 emissions	Change
Scope 1	Mobile combustion	687,64	698,07	10,57 %	+ 1,52 %
	Total	**687,64**	**698,07**	**10,57 %**	**+ 1,52 %**
Scope 2	Heating	1.475,89	1.239,23	18,76 %	- 16,03 %
	Electricity	9,48	8,56	0,13 %	- 9,70 %
	Total	**1.485,37**	**1.247,79**	**18,89 %**	**- 15,99 %**
Scope 3	Purchased goods & services	3.240,74	3.658,49	55,39 %	+ 12,89 %
	Business travel	617,09	596,91	9,04 %	- 3,27 %
	Commuter traffic	317,86	244,47	3,70 %	- 23,09 %
	Fuel and energy-related activities	155,32	155,84	2,36 %	+ 0,33 %
	Operational waste	18,06	3,8	0,05 %	- 78,96 %
	Total	**4.349,07**	**4.659,51**	**70,54 %**	**+ 7,14 %**
Total emissions (Scope 1, 2 and 3)		**6.522,08**	**6.605,37**	**100 %**	**+ 1,28 %**

Direct GHG emissions in Scope 1 experienced a minimal upturn, rising from 687.64 tCO_2e in 2022 to 698.07 tCO_2e in 2023, representing a 1.52 % increase.

A significant improvement was achieved in Scope 2, where emissions decreased by 16.01 %, from 1,485.37 tCO_2e in 2022 to 1,247.49 tCO_2e in 2023. This reflects efforts to optimize energy consumption and adopt more sustainable energy sources.

In contrast, Scope 3 emissions saw an increase, rising from 4,439.07 tCO_2e in 2022 to 4,659.51 tCO_2e in 2023, marking a 7.14 % increase. This was primarily due to a larger number of suppliers compared to the previous year. HEUKING is already planning adjustments and optimizations in supplier management to achieve further emissions reductions. Despite the overall increase in Scope 3 emissions, there were notable reductions in specific areas: Business travel emissions showed notable improvement, with a reduction of 3.27 % compared to the year prior, attributed to increased use of virtual meetings, a strategic reduction in travel activities, and our promotion of public transport access. Commuting emissions dropped significantly by 23.09 %, partly due to the firm's expanded range of climate-friendly mobility options.

Emissions 2022 - 2023

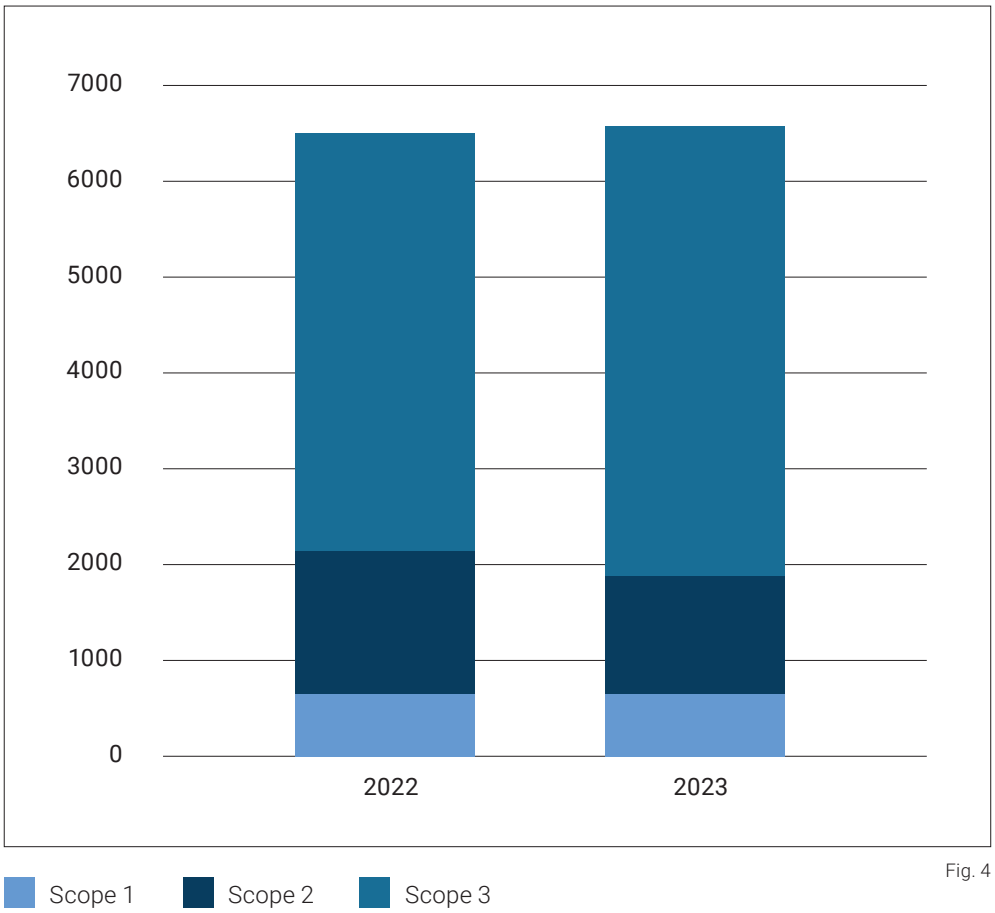

Fig. 4

CONCLUSION

The 2023 GHG performance highlights both HEUKING's achievements and ongoing challenges within its sustainability strategy. Total emissions reached 6,605.38 tCO_2e, reflecting a slight increase compared to the previous year. This growth can be attributed to heightened operational demands and improved data collection processes. A particularly positive development was the 16 % reduction in Scope 2 emissions, achieved through the transition to 100 % green electricity and enhanced energy efficiency measures. This demonstrates the firm's ability to implement impactful changes in energy management.

However, reducing Scope 3 emissions, which account for over 70 % of total emissions, remains a critical priority. HEUKING is planning targeted actions to achieve long-term reductions in this category, focusing on supply chain optimizations and sustainable practices.

This report reaffirms HEUKING's steadfast commitment to responsible and sustainable corporate governance. With clearly defined goals and strategies, the firm will continue its efforts to reduce its ecological footprint and contribute positively to the environment and society.

Legal Notice

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