



Sustainability, Energy & Carbon Management

Greenhouse Gas Assessment

for **Clayton Utz**

Financial Year 2024



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This assessment report has been prepared for Clayton Utz.

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Our organisation recognizes the First Peoples of this nation and their ongoing connection to culture and country. We acknowledge First Nations Peoples as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

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Executive Summary

Pangolin Associates Pty Ltd (Pangolin Associates) were commissioned to conduct a comprehensive assessment of the greenhouse gas (GHG) emissions accountable to the Australian operations of Clayton Utz ('Clayton Utz') for the Financial Year (FY) 2024.

Measuring its emissions for the 9th year, this assessment has been completed to inform Clayton Utz on how it is progressing with its emission reduction objectives and whether emission reduction strategies need to be revised for future reductions. Furthermore, this assessment is intended to help manage risks, save money, improve staff culture, meet supplier demands, enhance brand value and inform operational decisions.

The gross emissions total has been calculated using Operational control approach and the market-based method. The organisational boundary for this assessment can be found in Section 2 of this report.

Emissions in FY2024 showed an increase of 4,610.1 tCO₂-e, or 47.2% over the prior year. This increase is primarily due to an expansion of the organisational boundary.

Based on the best available data, Clayton Utz produced an estimated gross total of 14,368.9 tonnes of carbon dioxide equivalents (tCO₂-e). This total includes indirect contributions along the supply chain (scope 3 emissions).

The gross emissions total includes 304.4 tCO₂-e of GHG trades, and when removed from the gross emissions total, Clayton Utz has produced a net emissions total of 14,064.5 tCO₂-e.

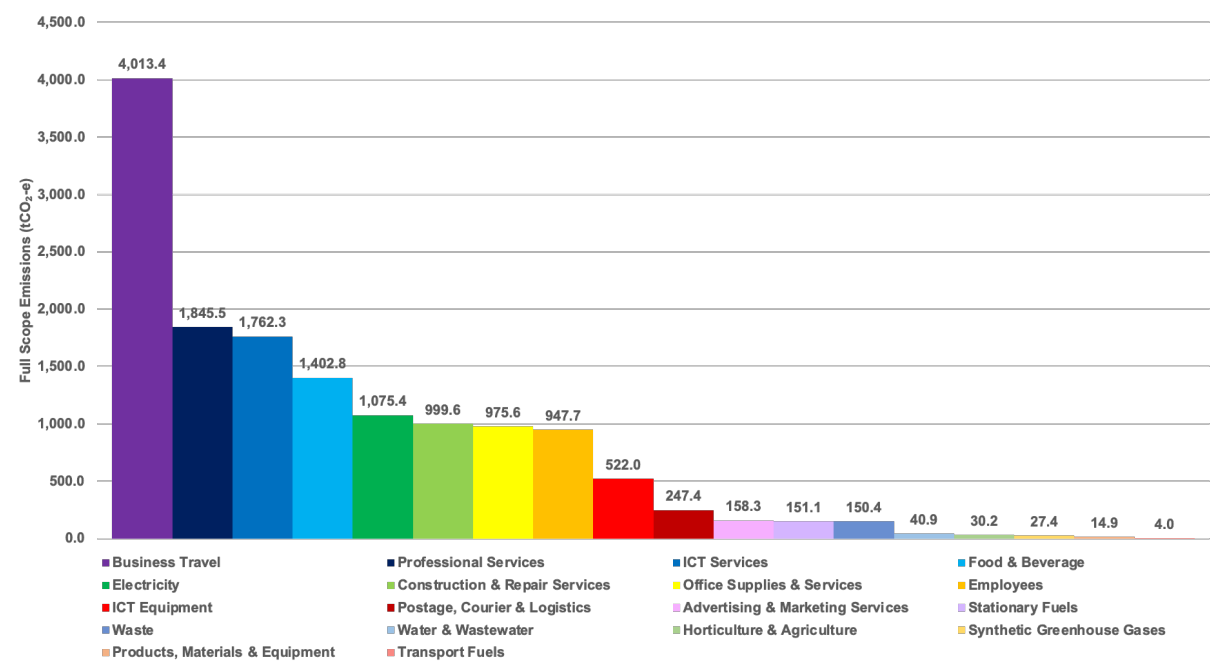


Figure I: GHG emissions for Clayton Utz by gross emissions category.

A comparison of the individual sector contributions to GHG emissions revealed that Business Travel was the largest gross contributor, at 4,013.4 tCO₂-e (27.9% of total GHG Protocol emissions). When compared to the previous year, the emissions for Business Travel showed the largest change year-on-year in gross emissions at 1,213.0 (a 43.3% increase). This is due to the amount of passenger kilometres flown increasing by almost a third, and a higher proportion of business flights to economy class in comparison to last year.

Changes to full scope GHG emissions profile for Clayton Utz over time is presented below.

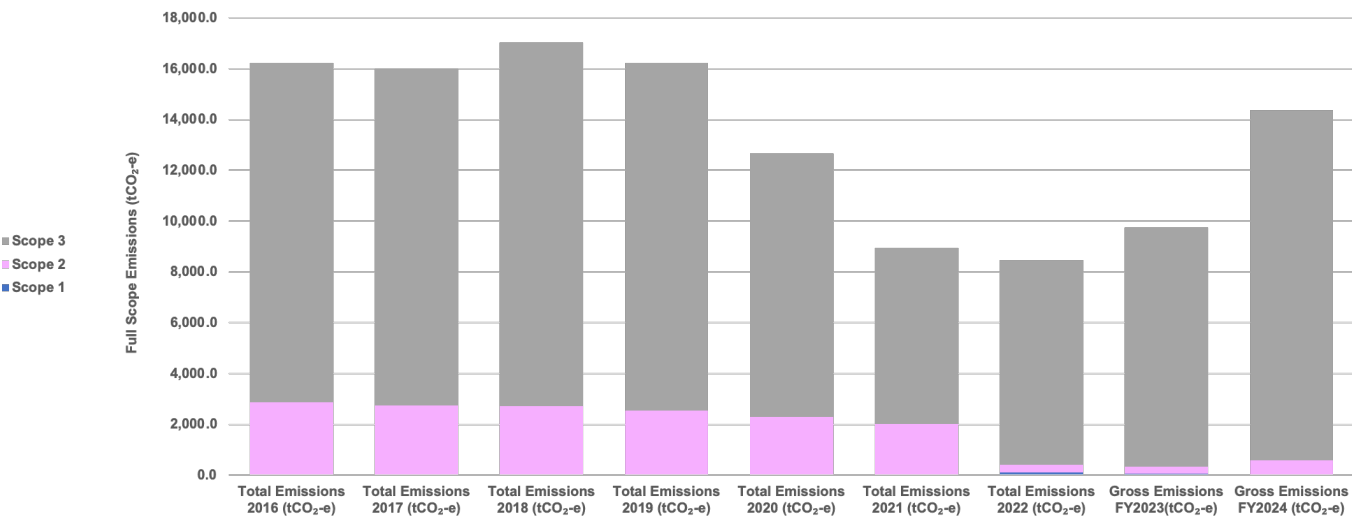


Figure II: A summary of GHG protocol gross emissions for Clayton Utz over time.

Further comparisons of Clayton Utz's GHG performance to prior assessments are summarised below. Overall year on year (YoY) net emissions changed by 4,610.1 tCO₂-e, an increase of 47.2% over the prior year. This increase is primarily due to an expansion of the organisational boundary. As such, Clayton Ute may consider adopting FY2024 as the new base year for setting meaningful and consistent emissions reduction targets going forward. Note that the emissions for previous years may not be directly comparable due to differences in the operational boundary over successive reporting periods.

Table I: Primary statement of GHG emissions (tCO₂-e) for Clayton Utz^{1,2}

Scope	Examples of Inclusions	Total Emission 2016 (tCO ₂ -e)	Total Emission 2017 (tCO ₂ -e)	Total Emission 2018 (tCO ₂ -e)	Total Emission 2019 (tCO ₂ -e)	Total Emission 2020 (tCO ₂ -e)	Total Emission 2021 (tCO ₂ -e)	Total Emission 2022 (tCO ₂ -e)	Gross Emission FY2023 (tCO ₂ -e)	Gross Emission FY2024 (tCO ₂ -e)	Contribution to Total	Change on Previous Year	% Change on Previous Year	Change on Base Year	% Change on Base Year
Scope 1	Direct emissions such as those resulting from fuel use or refrigerant leakage.	6.8	11.7	32.5	23.1	21.5	34.6	101.4	48.4	33.6	0.2%	-14.8	-30.6%	26.8	393.9%
Scope 2	Indirect energy import such as purchased electricity.	2,863.3	2,723.3	2,685.2	2,527.2	2,272.1	1,974.0	301.5	292.7	552.5	3.8%	259.8	88.8%	-2,310.8	-80.7%
Scope 3	All other indirect upstream and downstream emissions resulting from activities along the value chain.	13,365.8	13,266.7	14,322.4	13,681.9	10,376.2	6,935.4	8,064.2	9,417.7	13,782.8	95.9%	4,365.1	46.3%	112.5	0.8%
Total		16,235.9	16,001.7	17,040.1	16,232.2	12,669.8	8,944.0	8,467.0	9,758.8	14,368.9	100%	4,610.1	47.2%	-2,171.5	13.4%
GHG Trades	All purchases or sales of allowances, offsets, and credits.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	940.4	304.4					
Total Net Emissions		16,235.9	16,001.7	17,040.1	16,232.2	12,669.8	8,944.0	8,467.0	8,818.4	14,064.5					

¹ Includes numerical rounding to one decimal point. Table columns and figure percentages may not sum due to rounding.

² Scope 1 & 2 emissions are tabulated according to best practice for the relevant reporting period.

³ GHG Trades are defined as "purchases or sales of GHG emission allowances, offsets, and credits". These credits may be embedded in your supply-chain, i.e., when you purchase from an already offset 'carbon-neutral' product or service. In this instance, the GHG Trades Clayton Utz benefits from are the result of purchasing from Climate Active carbon-neutral certified products and services.

Based on FY2024 gross emissions, Clayton Utz should consider reducing Business Travel emissions (27.9% of total gross emissions) by:

- Developing a travel policy that encourages employees to consider the environmental impact of their travel decisions. This policy should prioritise remote meetings, direct flights and flying economy class.
- Utilising video conferencing, webinars, and other remote communication tools to replace in-person meetings whenever possible. Virtual meetings can significantly reduce the need for travel, especially for routine discussions, updates, and internal communications.
- Planning travel itineraries more efficiently to minimise the number of trips and distance travelled. Combine multiple meetings or appointments in the same location to reduce the need for multiple trips.

Moreover, Clayton Utz should consider reducing emissions in the following categories:

- Professional Services (12.8% of total gross emissions).
- ICT Services (12.3% of total gross emissions).
- Food & Beverage (9.8% of total gross emissions).
- Electricity (7.5% of total gross emissions).

Clayton Utz should also consider setting a meaningful emission reduction target. For example, in October 2021, the Science-Based Targets Initiative launched a new standard for net-zero reporting.

A full list of recommendations can be found in the Recommendations and Opportunities section of this report.



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