

Mattos Filho GHG Emissions Inventory

2019, 2020 & 2021

MATTOS FILHO

Our Environmental Commitment

As part of our commitment to the environment, Mattos Filho has joined the UN's Our Only Future – Business Ambition for 1.5°C, with the aim of reducing our greenhouse gas emissions to zero by 2050

The firm has also joined the Net Zero Lawyers Alliance, an initiative created by leading international law firms in order to:

1. Reduce company emissions by at least 50% by 2030, based on 2019 levels
2. Work pro bono on projects with climate-related goals
3. Train all lawyers on legal and scientific aspects of climate
4. Provide legal advice in line with the transition toward net-zero emissions

GHG Survey: Objectives

Map out and quantify Mattos Filho's greenhouse gas (GHG) emissions during 2019, 2020 and 2021.

The results of the inventory and analysis of the sources of emissions are key to revising strategies that will allow Mattos Filho to reduce and eventually zero its carbon emissions by 2050.

Scope

Control: Operational

Countries: Brazil, United States & United Kingdom

Offices:

Unidade	Endereço
RJ	Praia do Flamengo, nº 200 - Flamengo
DF	SH/ SUL QDA 06- conjunto A – bloco C sala 1901 19º andar e 2º andar sala 202 á 209
JEL (São Paulo)	Al. Joaquim Eugenio de Lima, 447
ALS (São Paulo)	Alameda Santos, 1039
Faria Lima (São Paulo)	Av. Brigadeiro Faria Lima, nº 4100
Campinas	Av. Jose de Souza Campos, nº 507
Nova Iorque	34 E 51st St 12th floor, New York,
Londres	32 Cornhill, London EC3V 3SG

*Mattos Filho's professionals were responsible for filling out data on activities related to emissions via electronic forms

Methodologies

This inventory is based on concepts and guidelines established by the following methodologies:

- 'The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard – Revised Edition (GHG Protocol)', published by the World Resources Institute (WRI) and World Business Council for Sustainable Development (WBCSD), 2011
- 'Accounting for, Quantifying and Publishing Corporate Greenhouse Gas Emissions Inventories' (Second Edition) – FGV/WRI
- 'Brazilian GHG Protocol Program Verification Specifications' (2011 Edition) – FGV/WRI
- "ISO 14.064:2007 – Greenhouse Gas Management System (International Organization for Standardization), 2007
- 'IPCC Guidelines for National Greenhouse Gas Inventories' – IPCC, 2006
- GHG Protocol Brazil. GHG Protocol Tool (2022 Version)
- Greenhouse Gas Protocol and WRI – GHG Emissions Calculation Tool



Programa Brasileiro
GHG Protocol



Results: 2019 & 2020

Emission Sources



Fonte Fixa

Geradores (JL e ALS)



Fugitiva

Ar Condicionados

Extintores de Incêndio



Aquisição de Energia

Compra de Energia Elétrica

Gerador do Condomínio



Viagens à Negócios

Viagens aéreas

Deslocamento Taxi e transporte de app



Commuting

Transporte Público






Veículo Próprio

Escopo 1

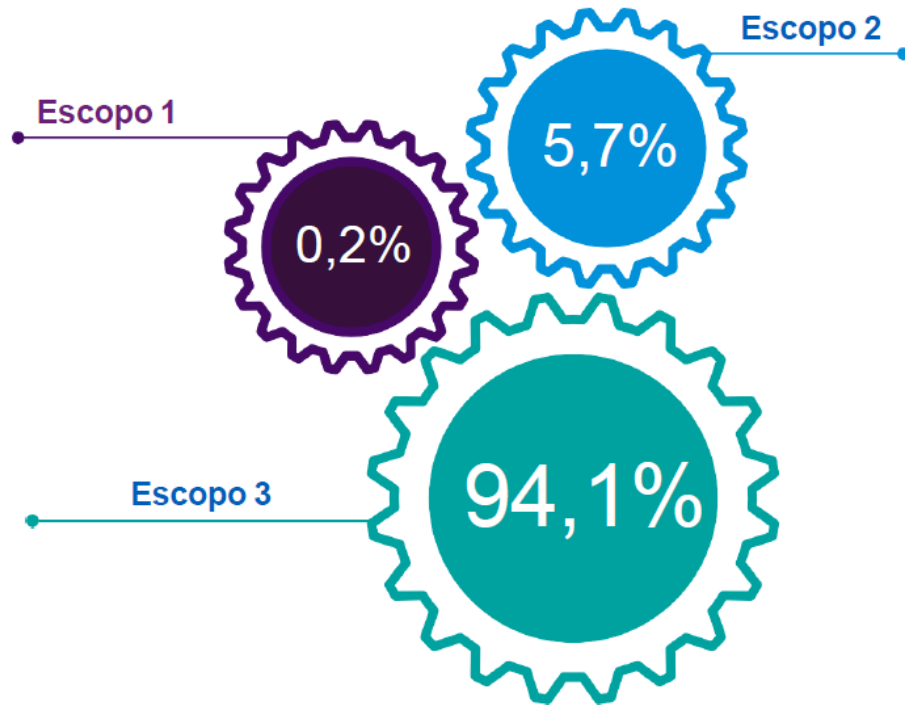
Escopo 2

Escopo 3

Results

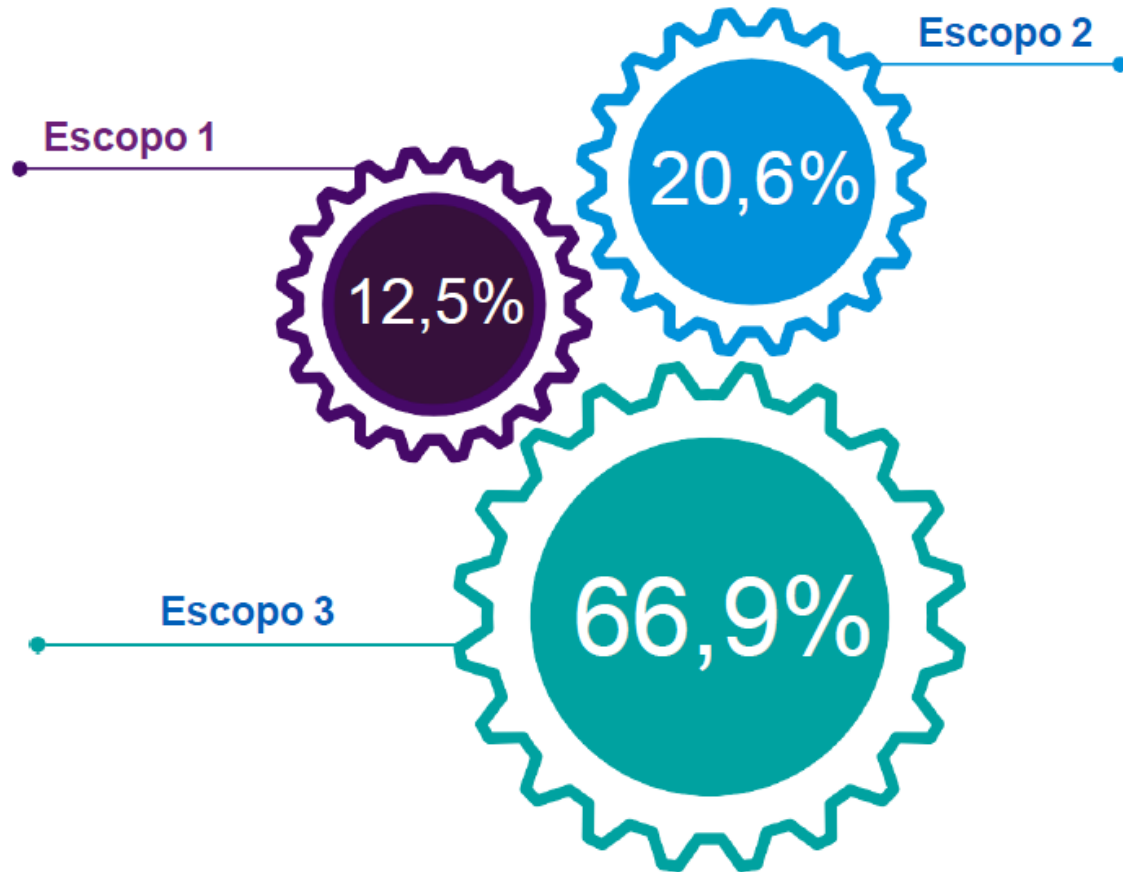
	2019 (Ton CO2eq)	2020 (Ton CO2eq)	Comparação
Escopo 1- Fonte Fixa 	0	0,3	100%
Escopo 1- Fonte Fugitiva 	8,67	83,61	865%
Escopo 2 – Aquisição de Energia 	277,64	138,10	-50%
Escopo 3 -Viagens à Negócios 	1.211,65	248,09	-84%
Escopo 3 - Commuting 	3.339,48	201,33	-90%

2019



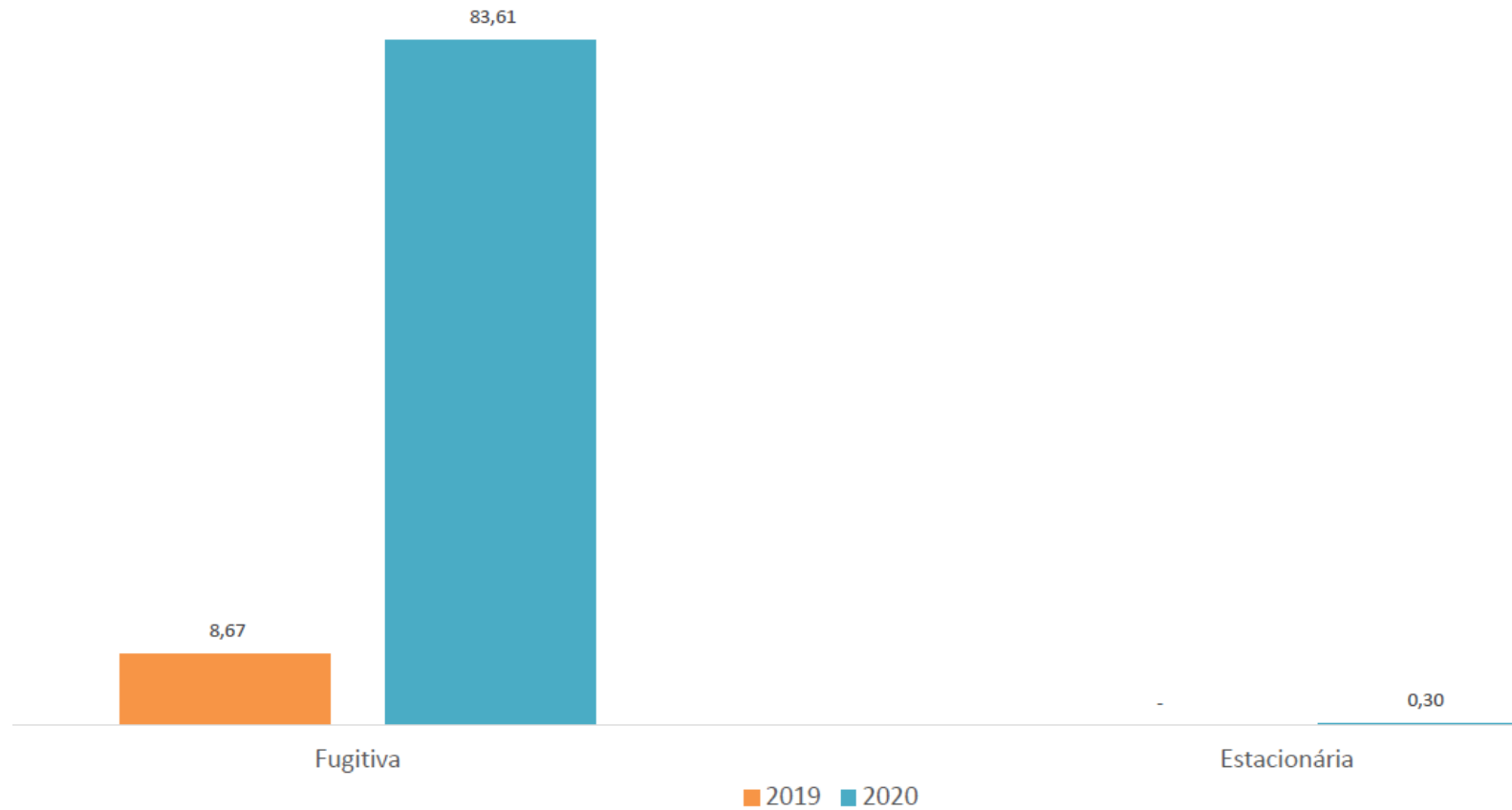
- In 2019, around 70% of total emissions were linked to commuting to and from work, followed by business trips;
- Scope 1 emissions refer to the changing of gas in the air conditioning system.

2020

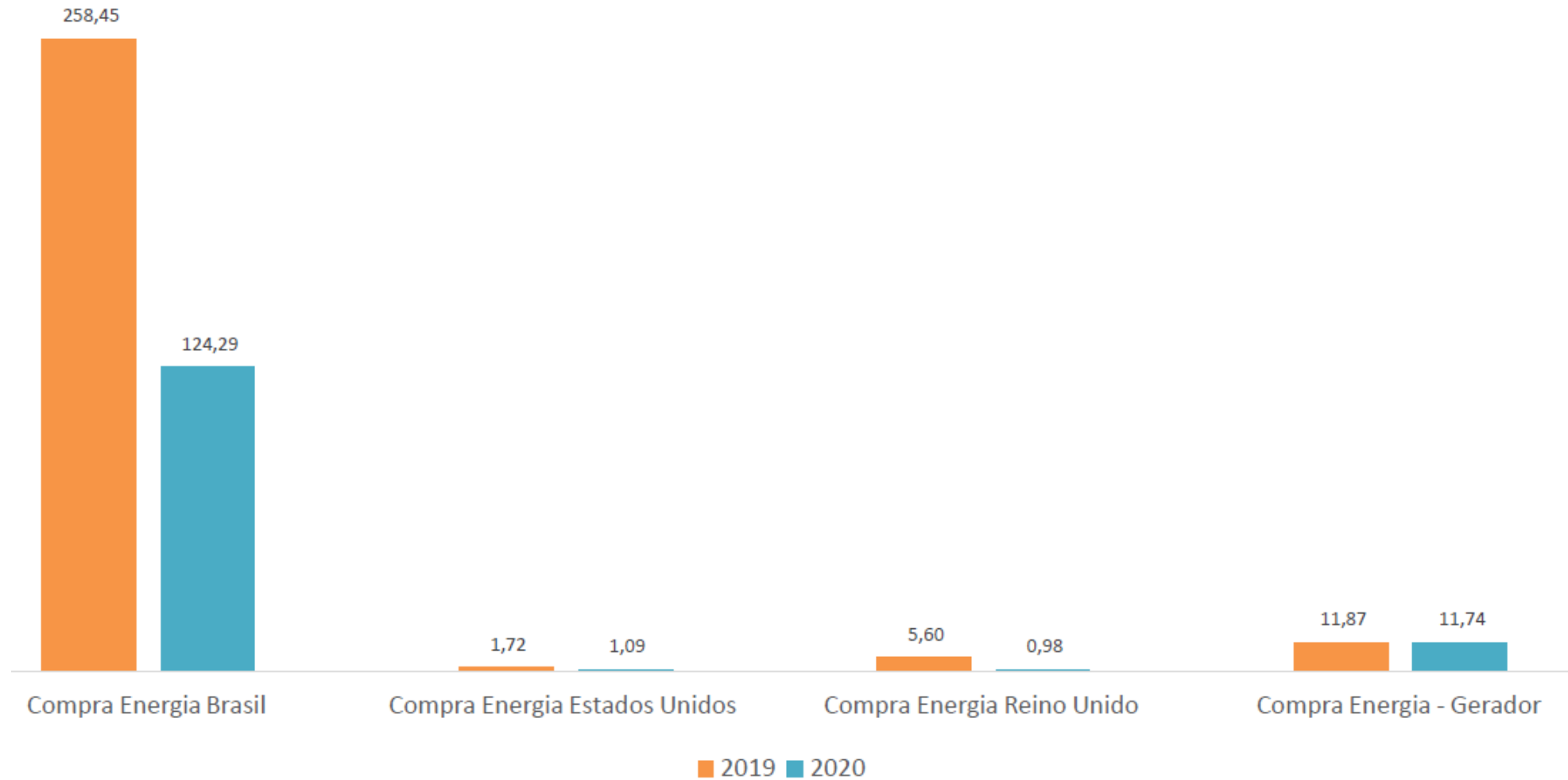


- Emissions in 2020 fell by 86% in comparison to 2019 – largely due to reduced commuting and business trips with the onset of the Covid-19 pandemic;
- Even with the firm opening a new office in the city of Campinas in June 2020, electricity consumption was lower than in 2019 – again, due to the pandemic and the shift to remote work;
- There was a rise in Scope 1 emissions as a consequence of replacing fire extinguishers and air conditioning units, as well as diesel consumption as a result of using generators.

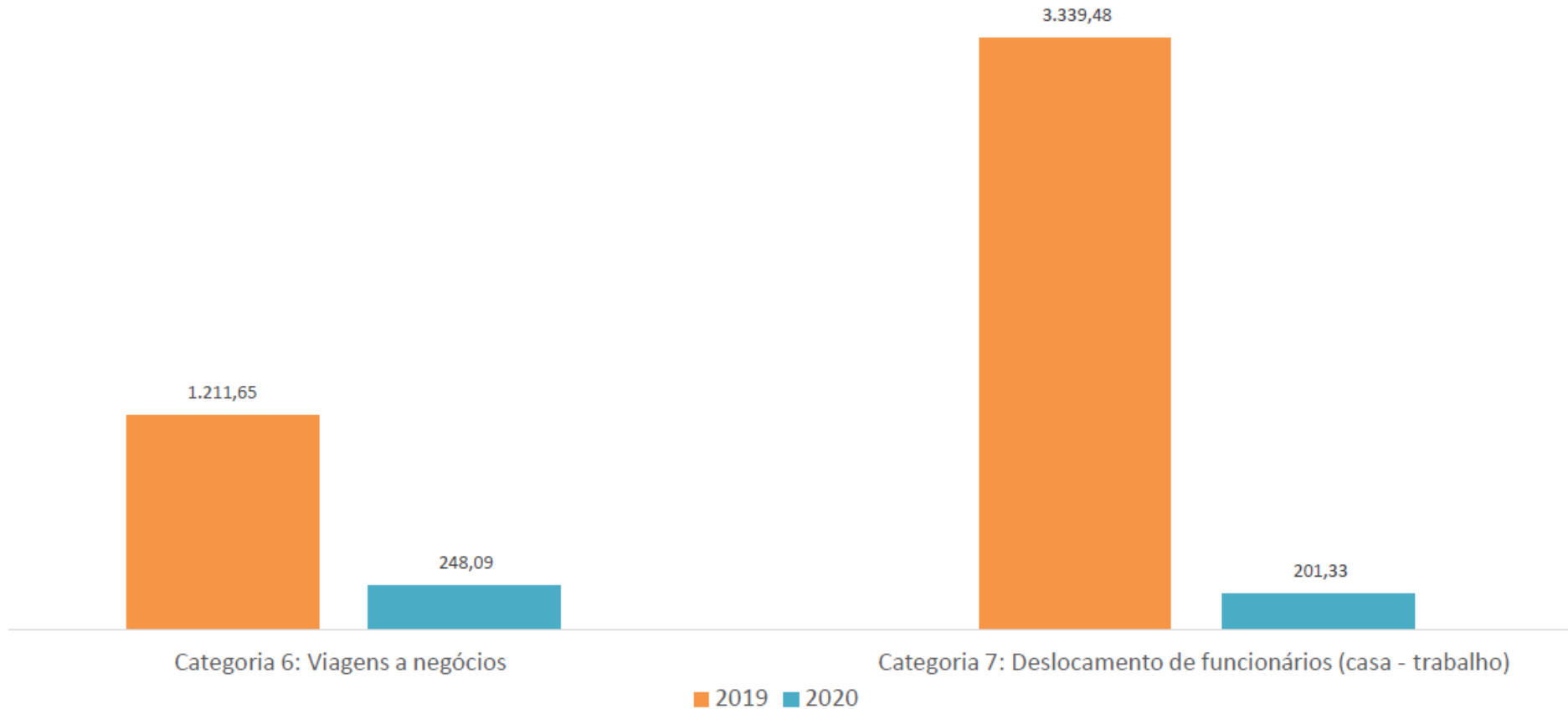
Scope 1 Emissions (tCO₂e)



Scope 2 Emissions (tCO₂e)



Scope 3 Emissions (tCO₂e)



Base Year Recalculation (2019)

Science-Based Targets initiative (SBTi) Targets

To validate short-term SBTi targets, Mattos Filho conducted base year recalculations (2019) to comply with the SBTi Criteria and the requirements of the GHG Protocol Standard:

SBTi Criteria: *C9 - Scope 3 Screening: Companies must complete a Scope 3 inventory that covers gross Scope 3 emissions for all its emission sources according to the minimum boundary of each Scope 3 category set out by the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard Table 5.4 Description and boundaries of Scope 3 categories.



Thus, the following emitting categories of Scope 3 were accounted for::

- 1 – Purchased goods and services
- 3 – Activities related to fuels and energy that fall outside of Scopes 1 and 2
- 5 – Waste generated from firm operations

Furthermore, the calculations for the following categories were updated to account for emissions associated with fuel extraction, refinement and transportation, as well as fuel combustion linked to employees' work commutes (Well-to-Wheel basis):

- 6 – Business travel
- 7 – Commuting to and from work

Base Year Comparison (2019)

Scope 3 Categories	Emissions (tCO ₂ e) – prior to target validation stage	Emissions (tCO ₂ e) – after SBTi requested additions	Share of emission categories in Scope 3 – after SBTi requested additions	Considerations
1 – Purchased goods and services	0.00	203.99	3.2%	New emissions category included
3 – Activities related to fuels and energy falling outside of Scopes 1 and 2	0.00	24.52	0.4%	New emissions category included
5 – Waste generated from firm operations	0.00	414.41	6.4%	New emissions category included
6 – Business trips	1,211.65	1,303.22	20.2%	8% increase after factoring in emissions from fuel extraction, refinement and transportation
7 – Commuting to and from work	3,339.48	4,496.00	69.8%	35% increase after factoring in emissions from fuel extraction, refinement and transportation
Total	4,551.13	6,442.13	100%	42% increase after factoring in new emission categories and emission sources

2021 Results

GHG Emission Scopes

Scope 1

GHG emissions linked to sources belonging to the firm, including equipment, vehicles, fire extinguishers, ovens, burners and refrigeration equipment.

Scope 2

GHG emissions linked to acquiring and consuming energy generated by third parties, either via Brazil's National Interconnected Grid (SIN) or via direct purchases.

Scope 3

Other indirect GHG emissions arising from inventoried activities, derived from sources not belonging to or not controlled by the firm.

Total Emissions

In 2021, Mattos Filho's GHG emissions totaled 1,040.28 tCO₂e (tonnes of carbon dioxide equivalent):

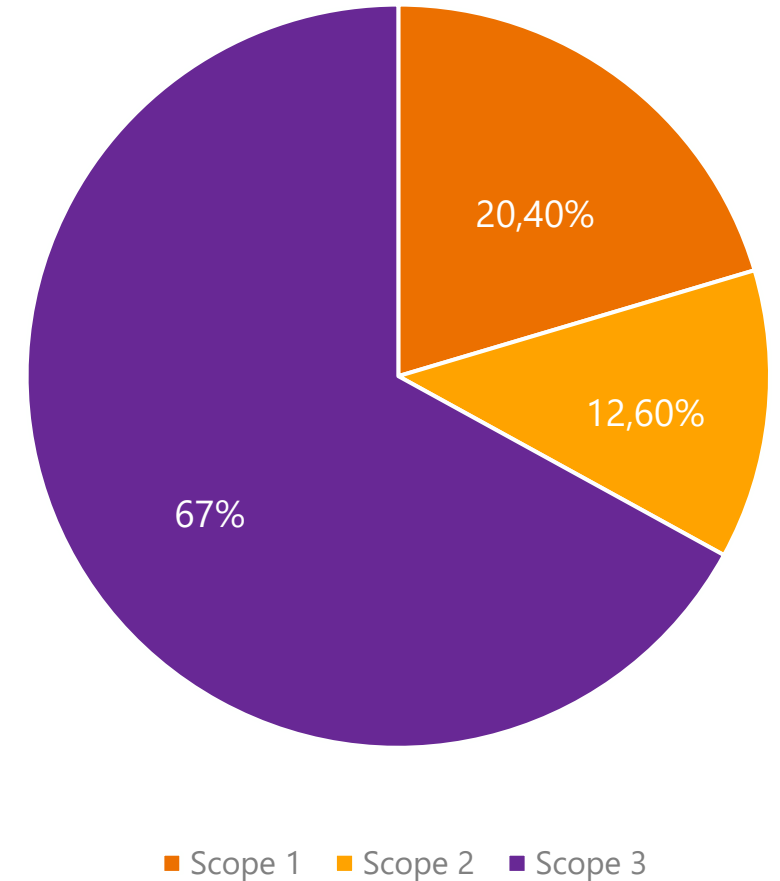
Scope 1 emissions accounted for 12.6% (131.43 tCO₂e);

Scope 2 emissions accounted for 20.4% (211.75 tCO₂e);

Scope 3 emissions accounted for 67% (697.10 tCO₂e);

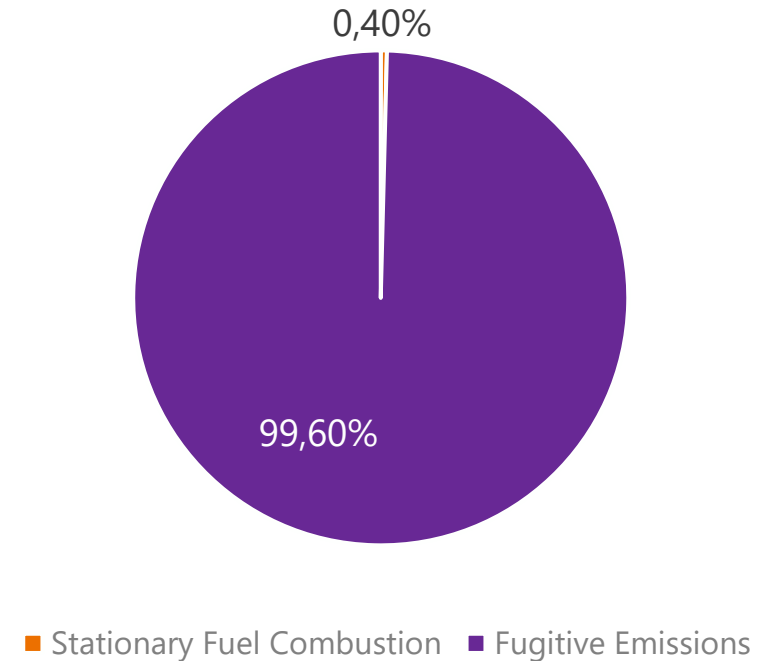
The higher percentage of Scope 3 GHG emissions is primarily linked to emissions stemming from road and air travel by Mattos Filho's professionals, as well as the treatment and disposal of waste.

As was the case with 2020, 2021 was an atypical year for the firm's operations due to the Covid-19 pandemic. In complying with public safety protocols and social distancing practices, commutes to the office and travels came to a partial or total halt in 2021. Furthermore, the firm's adoption of a hybrid work model had an impact on emissions from these activities.



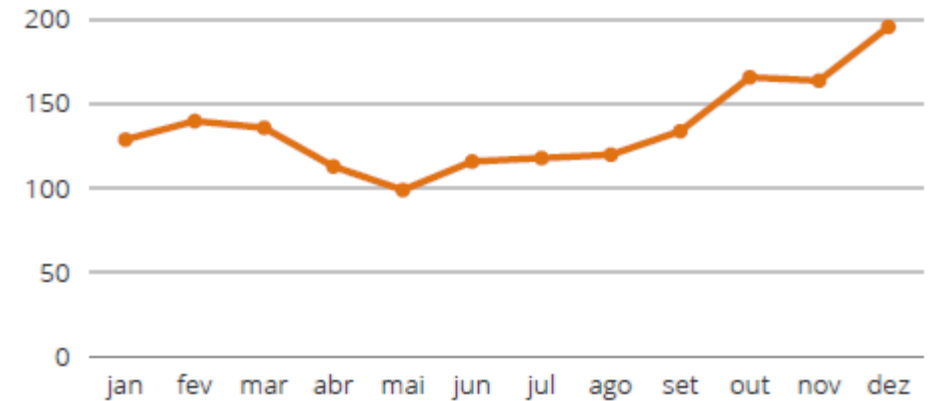
Scope 1 Emissions

- Within the firm's Scope 1 GHG emissions in 2021, there was a higher concentration of fugitive emissions – equivalent to 99.6% (130.86 tCO₂e) of all emissions within this scope. The main factor for this was the loss/replacement of refrigerant gases in air-conditioning equipment and the purchase/replacement of CO₂ in fire extinguishers;
- These emissions are calculated based on loss/replacement of these fluids throughout the year, or via the amount of R-410A refrigerant gas replaced in air conditioning equipment and CO₂ replaced in fire extinguishers;
- Fugitive emissions from refrigeration and air conditioning equipment that uses HCFC-22 (R-22) refrigerant gas were also quantified (308.04 tCO₂e). HCFC-22 (R-22) is not regulated by the Kyoto Protocol, therefore its emissions are not included in Scope 1.



Scope 2 Emissions

- Accounting for emissions using the location-based approach¹ leads to a total of 1,630.9 MWh in energy consumption for 2021. Mattos Filho's average consumption along the year was 136 MWh, with consumption reaching its lowest point in May, with 99 MWh;
- The increase in energy consumption from May 2021 onward reflects a return to normal work activities via a hybrid model, given the easing of social distancing measures in the wake of reduced Covid-19 contagion rates.



¹The location-based approach quantifies emissions by factoring in the average electricity generated in a given electricity grid/system (for example, the National Interconnected Grid – SIN), in relation to a limited geographic area and time period. This approach is a mandatory requirement for reporting emissions

Scope 3 Emissions

The following emission sources were mapped out and accounted for in this inventory:

- Category 3 – Activities related to fuels and energy that fall outside of Scopes 1 and 2
- Category 5 – Waste generated from firm operations
- Category 6 – Business trips
- Category 7 – Commuting to and from work

Categoria	Descrição	Emissões de GEE (tCO ₂ e)	Emissões de CO ₂ biogénico (t)	Representatividade das emissões (%)
5	Resíduos gerados nas operações	307,44	-	44,103
7	Deslocamento casa-trabalho	246,26	60,21	35,326
6	Viagens a negócios	143,38	38,31	20,568
3	Atividades relacionadas com combustivel e energia não inclusas nos Escopos 1 e 2	0,02	-	0,003
Total		697,10	98,52	100

Scope 3 Emissions | Comments

- Category 5 – ‘Waste generated from firm operations’ was responsible for 44.1% of all Scope 3 emissions (307.44 tCO₂e). It includes emissions arising from the treatment and/or disposal of waste generated via firm operations and carried out in third-party facilities. It accounts for future emissions stemming from the treatment and/or final disposal processes throughout the year.
- Category 3 – ‘Activities related to fuels and energy that fall outside of Scopes 1 and 2’; accounts for emissions linked to the production chain of directly sourced fuels. The emission factors linked to the production chain – which DEFRA defines as ‘Well to tank (WTT)’ – take into account an analysis of the fuel’s life cycle, from extraction, refining and transport to combustion.
- Category 7 emissions – ‘Commuting to and from work’ were accounted for using a sample survey, which consisted of identifying activities and their sources to statistically infer total emissions via sampling. The GHG Protocol methodology and appropriate statistical knowledge were applied to ensure independent sampling with no correlation between errors, and to ensure a significance level of no less than 95% and a margin of error no greater than 5%. In this way, a proper statistical projection for this category was guaranteed, with a significance level of 95% and a margin of error of 4%.
- For Category 6 – ‘Business trips’, the DEFRA 2020 and BEN 2021 methodology was applied to calculate GHG emissions stemming from the 29,140 routes traveled by Mattos Filho’s professionals in 2021 – 487 by air, 28,650 by road, and 3 by rail.

Diagnostic Comparison

Diagnostic Comparison

Ano	Emissões de GEE (tCO2e)			
	Escopo 1	Escopo 2	Escopo 3	Total
2019	8,67	277,64	4.551,13	4.837,44
2020	83,91	138,10	449,42	671,43
2021	131,4	211,80	697,10	1.040,30

Diagnostic Comparison

- There was an increase in Scope 1 emissions over the years inventoried. It is worth noting the same emission categories ('stationary combustion' and 'fugitive emissions') were quantified during this time.
- Scope 2 emissions depended both on consumption and on emission factors linked to the National Interconnected Grid (SIN). 2020 saw a reduction in these emissions as a result of the Covid-19 pandemic. However, they rose again in 2021 due to an increase in electricity consumption, even considering a 326.8 MWh-reduction in purchased energy (from 1,957.5 MWh in 2020 to 1,630.7 in 2021) due to a 105% variation in the electricity emission factor compared to 2020. This variation resulted from the activation of thermoelectric power plants, which occurred in light of the reduced generation capacity of hydroelectric power plants due to a water crisis.
- As for Scope 3 emissions, Categories 3 and 5 ('Activities related to fuels and energy that fall outside of Scopes 1 and 2' and 'Waste generated from firm operations', respectively) were only accounted for in 2021. In contrast, only Categories 6 and 7 ('Business trips' and 'Commuting to and from work') were accounted for in 2019 and 2020. The high variation in emissions between 2019 and 2020 is directly related to the change in the firm's work model from in-person to hybrid/remote work, including in regard to client meetings (when possible).

Science-Based Targets initiative (SBTi) Targets

In 2023, Mattos Filho submitted targets to the Science Based Target Initiative (SBTi), an emergency initiative to limit the rise in global temperatures to 1.5°C. The SBTi reinforces the importance of rapid, deep cuts to halve global emissions by 2030 and achieve carbon neutrality before 2050.

Accordingly, Mattos Filho has committed to a 63% reduction in absolute Scope 1 and 2 GHG emissions by 2030, based on 2019 emissions. Moreover, Mattos Filho is also committed to reducing absolute scope 3 GHG emissions by 46.2% within the same timeframe.

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Thank you!

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