Harbor Global

Net Zero Report 2024

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Foreword

In 2024, we partnered with Positive Planet to measure our carbon footprint and begin our decarbonisation journey. Since then, we have been working to collect data, measure our emissions, set reduction targets and produce this report.

We measured our scope 1, scope 2 and both upstream and downstream scope 3 emissions to create a base year against which reductions can be tracked. We have found that our procurement activities are the most significant contributor to emissions and that business travel and employee homeworking are also high-impact activities.

In addition to assessing the carbon impact of our activities, we have also committed to some Science Based Target Initiative (SBTi) aligned targets, including a commitment to reach Net Zero by 2050.

In this document, you can find our measurement results, methodology, near- and long-term reduction targets, and priorities for the year ahead.

Harbor are the preeminent provider of expert services to leading law firms, corporations, and their law departments.

Working across key areas – strategy, legal technology, operations, and intelligence – our globally integrated team of nearly 800 industry experts work collaboratively, navigating alongside our clients to provide essential resources and invaluable insights. We have an unwavering dedication to help shape the legal industry's future while fostering enduring partnerships within our community and ecosystem.

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Measured by Positive Planet

Why we're taking action

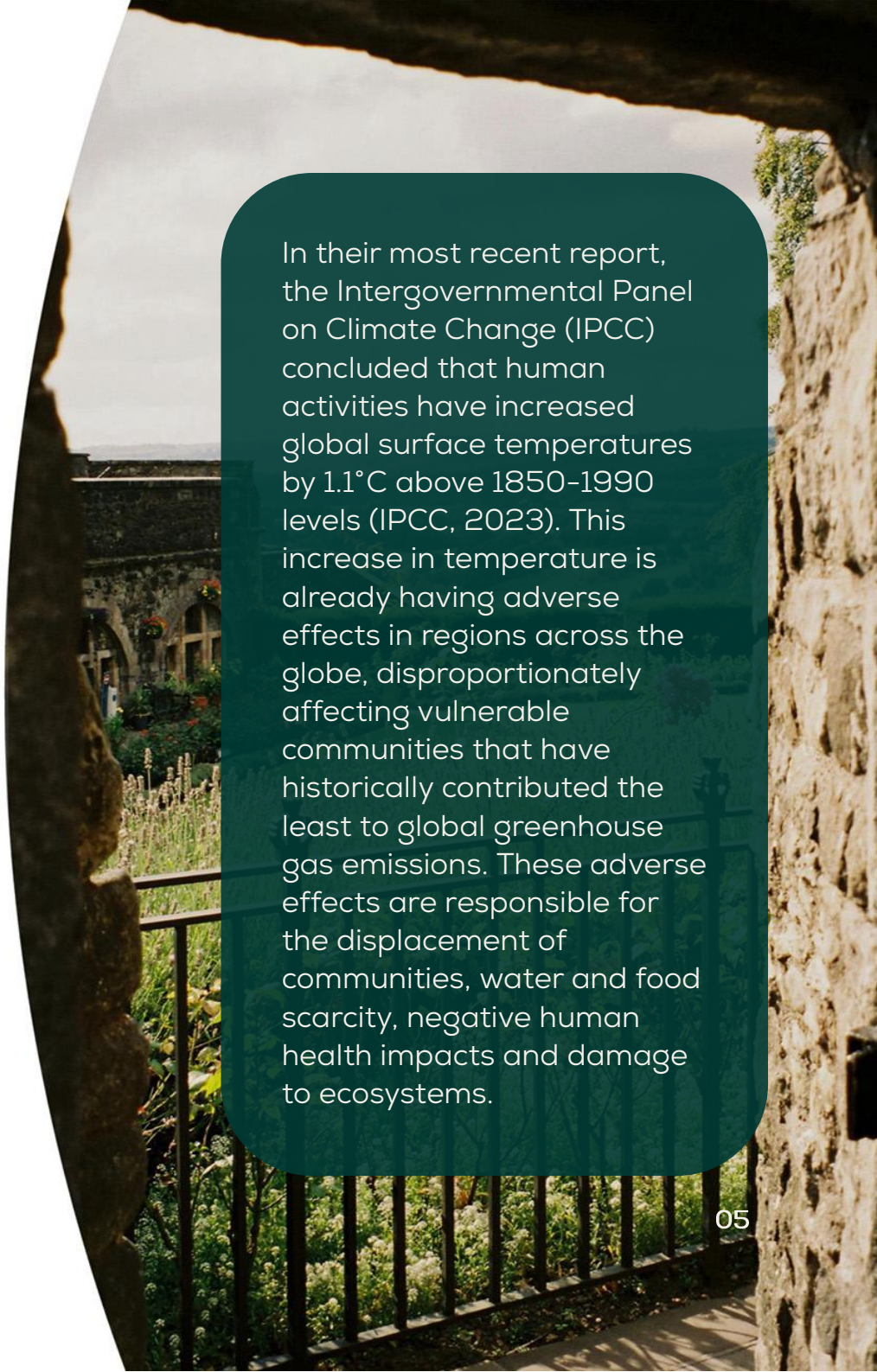
Why we're taking action

Environmental, social, and governance (ESG) initiatives are important drivers of change in business operations today.

At Harbor, we are committed to taking tangible, measurable action when it comes to sustainability. As we navigate alongside our clients to the future, we have made the commitment to reduce our emissions to Net Zero by 2050.

We understand the importance of vendor governance, particularly in the legal industry, where nearly 90% of a firm's carbon footprint stems from its supply chain. Working with organizations such as Positive Planet for certification ensures that both we and our clients are able to achieve our respective sustainability goals.

As Harbor grows, we will continue to monitor our impact on the environment and collaborate with our clients, colleagues, and partner community in building a more efficient and sustainable future.



In their most recent report, the Intergovernmental Panel on Climate Change (IPCC) concluded that human activities have increased global surface temperatures by 1.1°C above 1850-1990 levels (IPCC, 2023). This increase in temperature is already having adverse effects in regions across the globe, disproportionately affecting vulnerable communities that have historically contributed the least to global greenhouse gas emissions. These adverse effects are responsible for the displacement of communities, water and food scarcity, negative human health impacts and damage to ecosystems.

Risks and opportunities

Embracing sustainable practices is not just a response to warnings of the worsening state of our climate. Many actions that are required to reduce emissions are expected to have a positive impact on other areas of our business. It is also important for the success of our business that we consider the challenges that we may face to sustain stakeholder confidence.

Risks

- Supply chain disruption
- Human health impacts
- Rapidly changing regulations
- Changing customer demands
- Increased insurance costs
- Increased heating and cooling costs
- Reputational risks

Opportunities

- Attract and retain talent and customers
- Develop new offerings
- Attract investment
- Decrease insurance costs
- Increase efficiency, reduce costs
- Increase resilience to change
- Brand enhancement

Our carbon footprint

How we measure our footprint

In devising a carbon reduction plan with the goal of achieving Net Zero, it is critical that we first understand where our emissions come from. To support this, we have partnered with Positive Planet to measure our emissions.

How our carbon footprint is calculated:

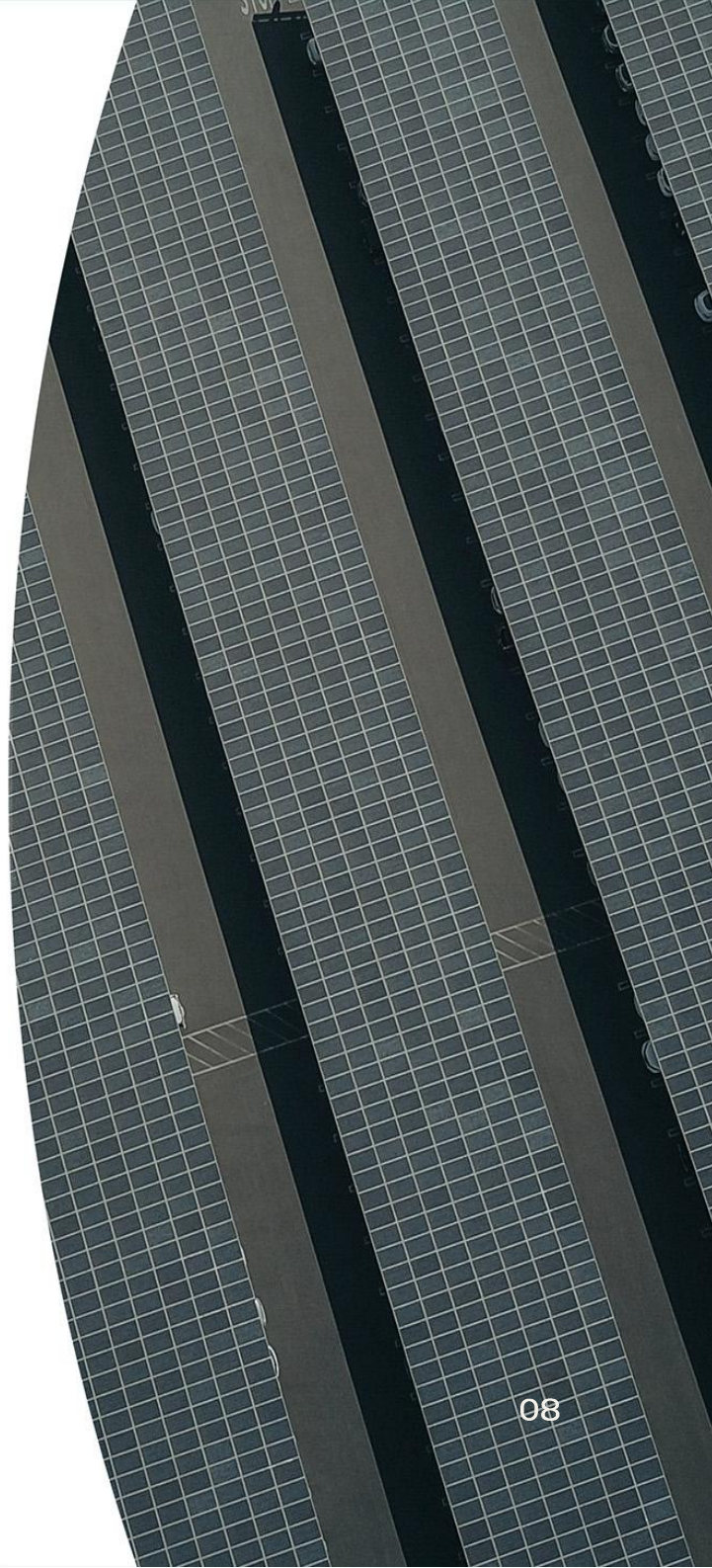
Our carbon footprint has been measured using principles from The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Six Greenhouse Gases are calculated as part of this emissions report, known as the six Kyoto Protocol GHGs. These gases occur the most often as a result of business activities, with the highest Global Warming Potential. For emissions reporting, these gases are simplified and measured in the unit tonnes of carbon dioxide equivalent (tCO_2e).

We sorted our business activities into the scopes and categories outlined by The GHG Protocol and reported all direct and upstream indirect emissions.

We measured all scope 1, scope 2 and upstream scope 3 emissions. Downstream scope 3 emissions* were included in our inventory but we had nothing to report.

**Downstream scope 3 emissions are those that occur from the use or disposal of a companies products or services.*



CO_2 CH_4 N_2O HFCs PFCs SF_6 NF_3

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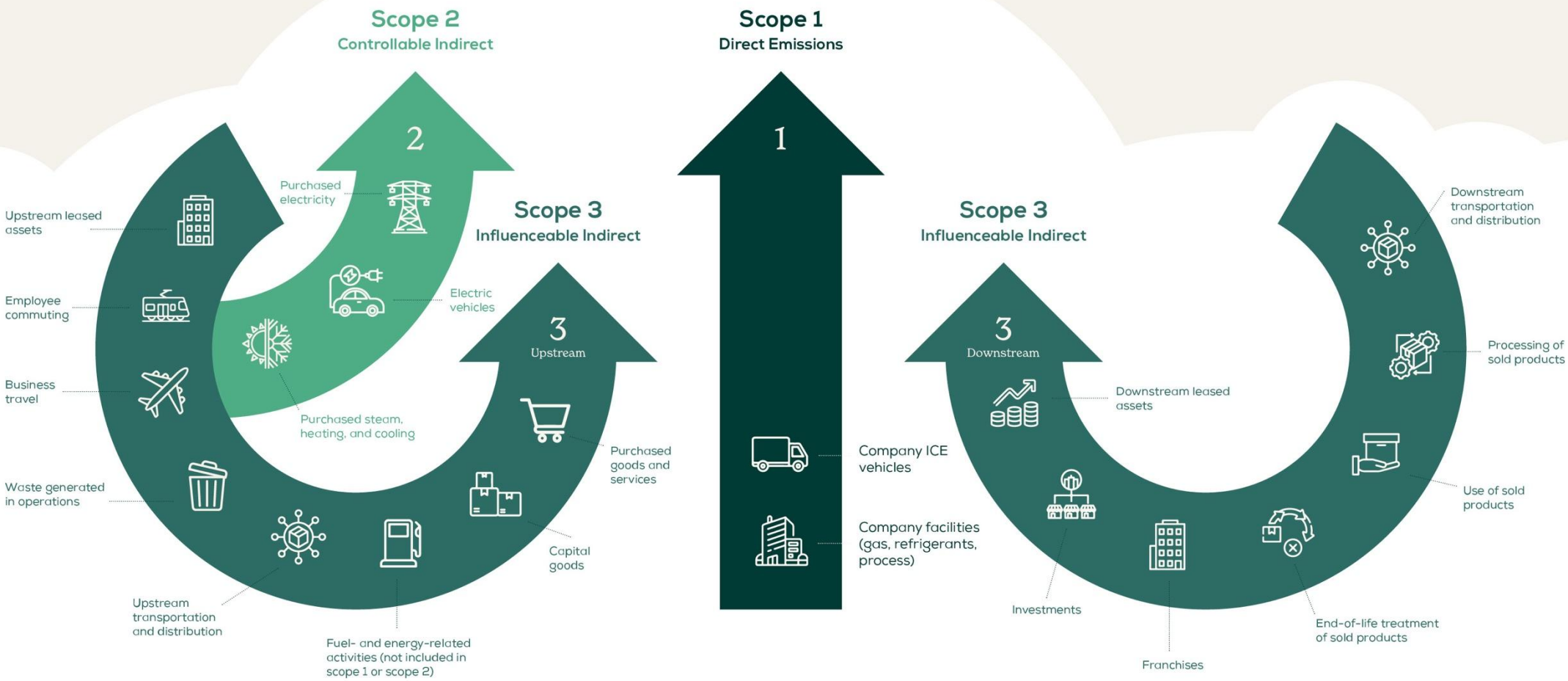
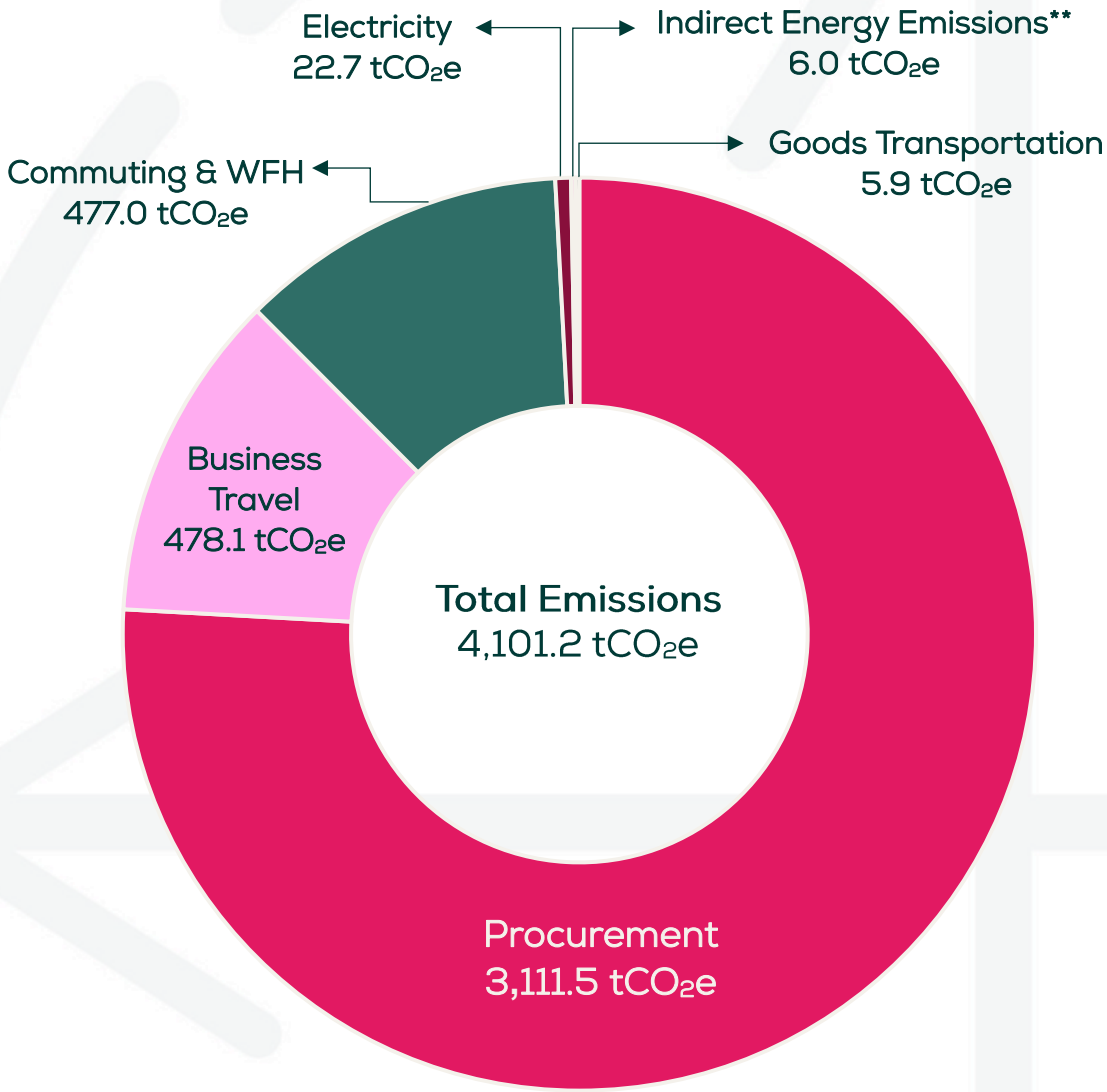


Upstream Activities | Reporting Company | Downstream Activities

Our carbon footprint



Reporting Period
January 1st – December 31st 2023

Carbon Intensity Per FTE
5.3 tCO_2e / Employee

Carbon Intensity Per $1 of Revenue
0.033 $kgCO_2e$ / $1 of revenue

Scope 1 – None
Scope 2 (Location-based) – 24.0
Scope 2 (Market-based)* – 22.7
Scope 3 – 4,078.5

High Impact Activities
- Procurement of goods and services
- Employee commuting & WFH
- Business Travel

**Used in final reporting. See page 15 for more information.*

***Indirect energy emissions are those that occur in addition to the combustion emissions and electricity generation emissions that are measured in the other energy use categories. See page 16 for more information.*

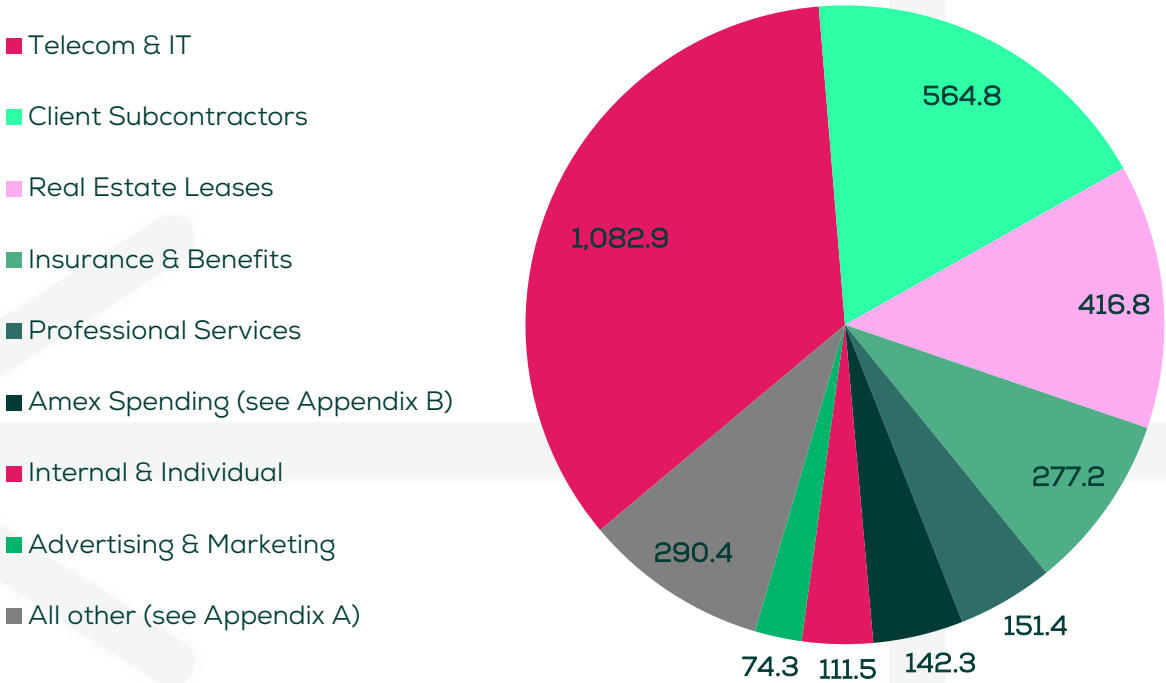
Emissions breakdown

Emissions breakdown

Procurement – 75.9%

Procurement emissions include those usually categorised under Purchased Goods & Services and Capital Goods. To estimate our procurement emissions, we multiplied our categorised spend by emission factors that represent average emissions per $1 spent by NAICS category. As this method utilises average data rather than specific supplier or product data, the data quality is regarded as low.

Procurement Emissions Breakdown (tCO2e)



To improve the accuracy of this calculation in future years, we will need to collect emissions data from our actual suppliers for use in the footprint. It will take some time for us to get the processes in place to collect this data and data may not be available from all of our suppliers for the first few years of collection.

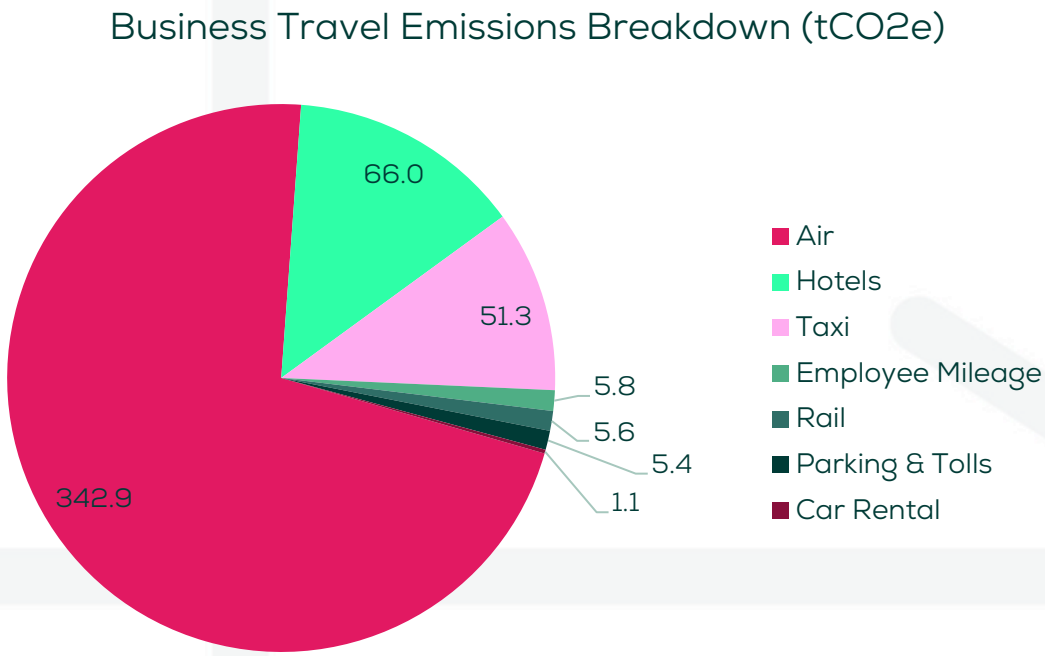
We will also improve this calculation by separating our capital goods costs from all other costs, this year all costs were grouped so capital goods emissions have not been reported separately.

Emissions breakdown

Business travel – 11.7%

Business travel emissions include those that occur as a result of travel paid for by us in vehicles that we do not own or control, it includes emissions from all forms of transportation, plus transportation support services (parking and tolls) and emissions associated with hotel stays.

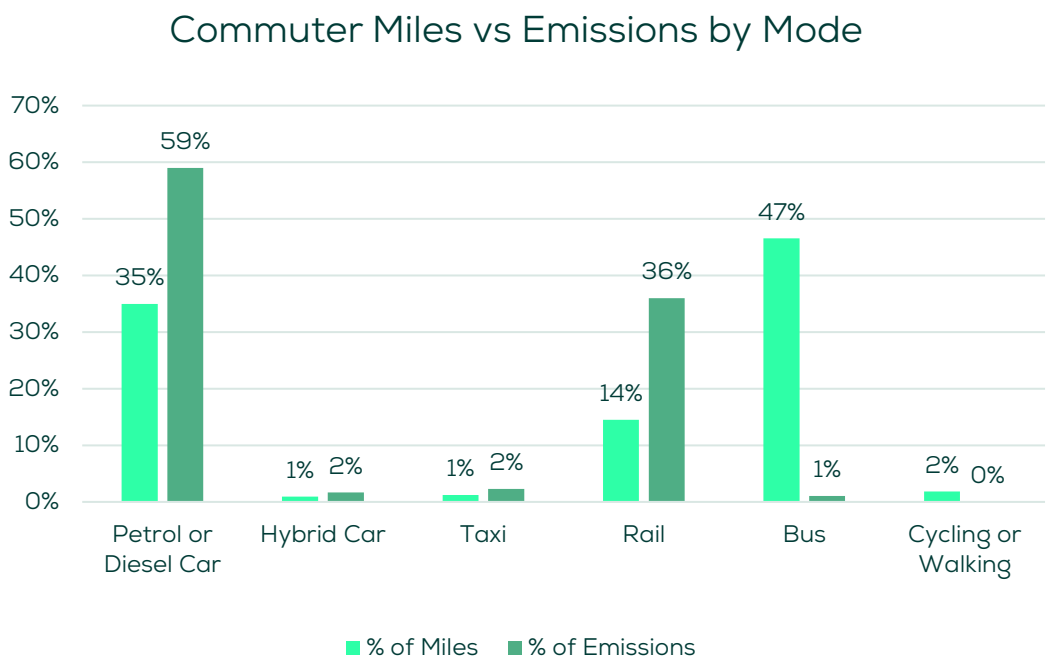
To estimate our business travel emissions, we multiplied our annual spend by relevant spend-based factors (low data quality). To improve the accuracy of this calculation in future years, we will need to collect distance data for transportation and counts of the number of nights and rooms stayed in hotels by country. We will need to review our current expenses system as well as additional software to find the best way of collecting this data throughout the year.



Emissions breakdown

Homeworking & Commuting – 11.6%

Homeworking emissions occur as a result of energy use whilst employees are working from home. As a business with a large remote team, homeworking emissions made up the majority in this category, totalling 430.3 tCO_2e. Commuting emissions are a result of employees commuting to and from our offices or client sites (unless reimbursed) and totalled 46.7 tCO_2e. Homeworking emissions were calculated using assumed working hours* (medium data quality), whilst commuting emissions were calculated using survey results, with a response rate of 67% amongst hybrid workers (medium data quality). To improve these calculations we will submit actual FTE figures for remote workers and aim to improve the commuting survey response rate.



We estimated that on average, each hybrid employee produced 1.0 tCO_2e through their commuting and work-from-home activities per year (which is less than the estimated average for a hybrid employee in the UK of 1.2 tCO_2e**). Our remote employees produced around 41% less emissions than hybrid employees, producing 0.6 tCO_2e each per year. See Appendix D for a breakdown of commuting and homeworking by location.

**Each remote employee was assumed to have worked 37.5 hours a week for the year with 25 days of annual leave/PTO and 8 days of national holiday.*

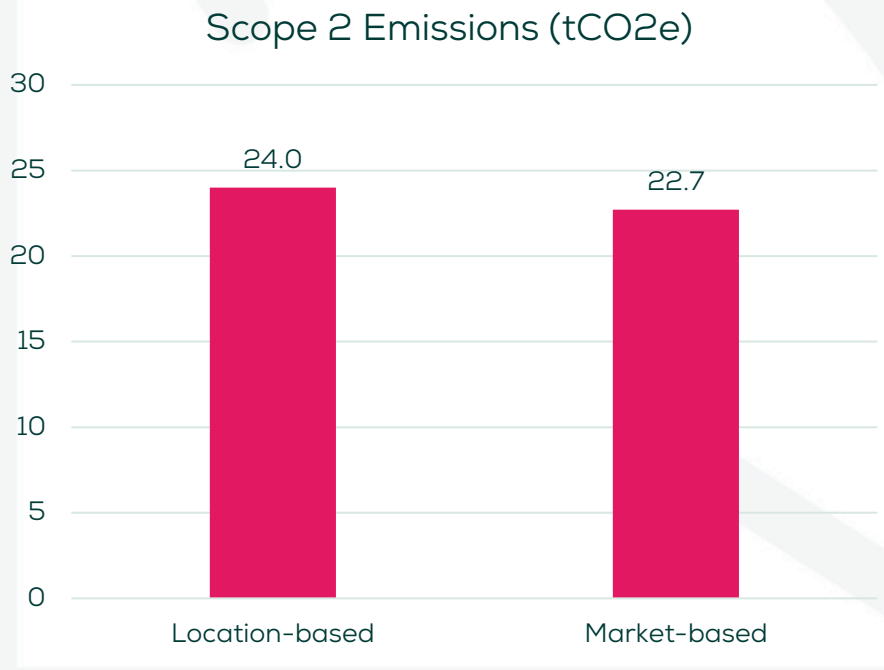
***Based on calculations by Circular Ecology (https://circularecology.com/news/the-carbon-emissions-of-homeworking-and-office-working)*

Emissions breakdown

Electricity – 0.6%

We only manage and pay directly for the electricity for one of our sites, the Chicago office. Here we have measured emissions using kWh and categorised them under scope 2. For the remaining offices, emissions are categorised under scope 3 and our measured using ou
r service charge costs and the spend-based factors.

Scope 2 electricity emissions are measured in two ways, as outlined in The GHG Protocol:



- **Location-based:** Location-based emissions are calculated solely using the average emissions intensity of the local grid from which the electricity was purchased. It does not factor in any green measures adopted by the reporting organisation but instead considers the amount of low-emission electricity generated and used by the entire grid. Low-emission generation (nuclear or renewable) made up 35.5% of generation for this reporting period for the RFCW eGrid Subregion.
- **Market-based:** Market-based emissions calculations consider the decisions made by an organisation concerning tariffs and suppliers. 39% of the electricity purchased through the current tariff is backed by Renewable Energy Guarantee of Origin (REGO) certificates. This is higher than the average for the grid, making market-based emissions lower than location-based emissions.

Emissions breakdown

Goods Transportation – 0.1%

Our goods transportation emissions were estimated using our total spend on postal and courier services (low data quality). Emissions were estimated to be 5.9 tCO_2e for the reporting year. We will improve the accuracy of our data in future years by collecting supplier-specific data where available.

Indirect Energy Emissions – 0.1%

Indirect energy emissions (GHG category; Fuel- and Energy-Related Activities) are those that occur upstream of energy use. In the other energy use categories e.g. gas use, electricity use, business travel, etc, we are accounting for the generation of electricity used or the actual combustion of fuels, but these calculations do not consider the other emissions that occur e.g. the generation emissions of electricity lost in the transmission and distribution system or the well-to-tank (extraction, processing and transportation) emissions of fuels. To ensure we are measuring our full impacts, we have included these emissions for our scope 2 (mandatory) and upstream scope 3 (optional)* energy use activities. Total emissions were estimated to be 6.0 tCO_2e - this currently only includes the upstream emissions associated with our Chicago office electricity use and our UK commuting as all other relevant emissions have been measured using spend or do not have separate indirect energy emission figures available.

**It is also mandatory to include these emissions for scope 1 energy use activities, but we currently have no scope 1 energy use activities to report.*

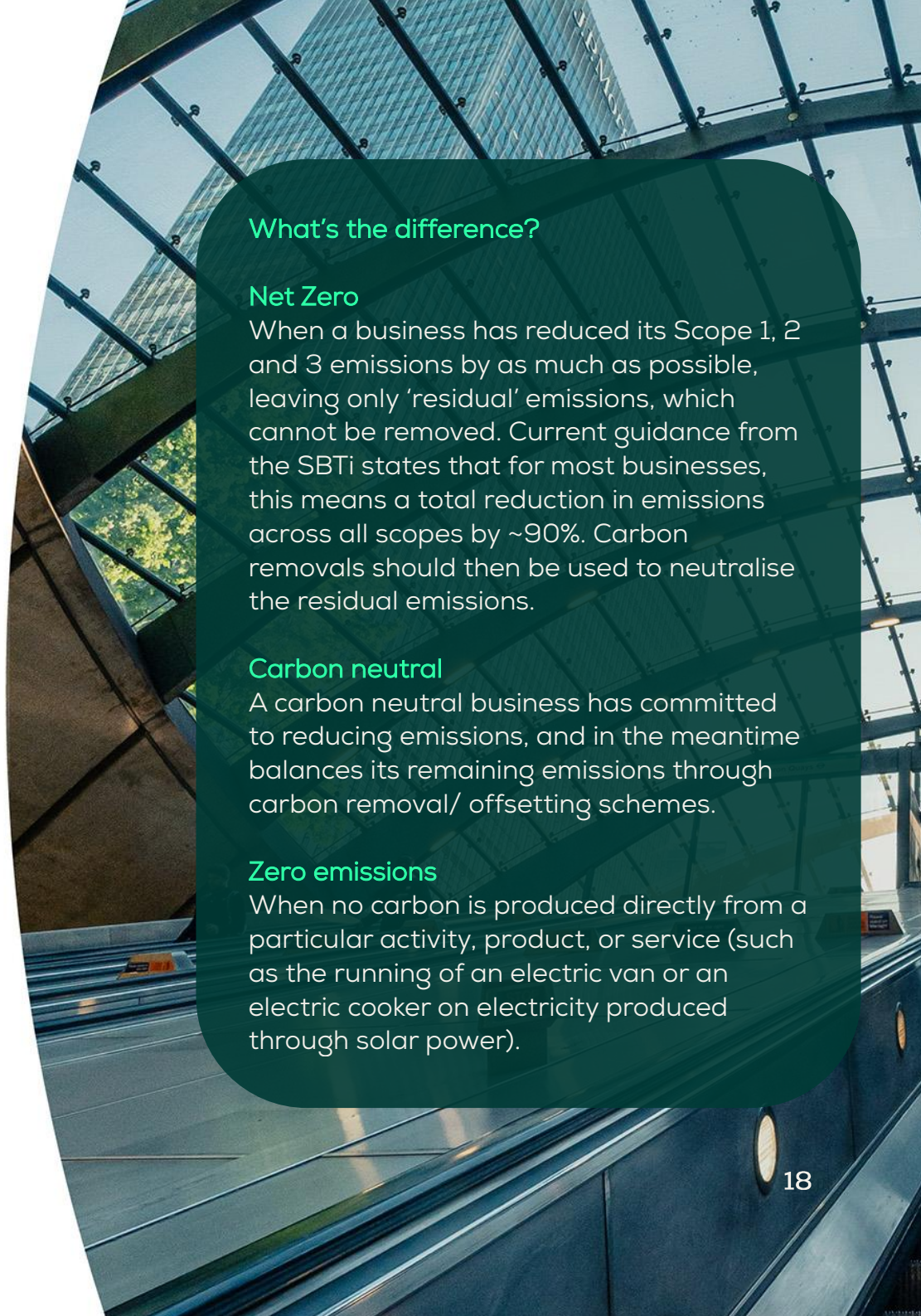
Our reduction targets

What does Net Zero mean?

To achieve Net Zero, we will be aiming to reduce emissions in line with guidance from the Science Based Target Initiative (SBTi).

SBTs are greenhouse gas reduction goals set by organisations. They are defined as "science-based" when they align with the scale of reductions required to keep global temperature increases well below 2°C, and ideally below the 1.5°C agreed in the Paris Agreement, compared to pre-industrial temperatures. SBTs provide organisations with pathways to sustainable transformational change to accelerate the transition to a low-carbon economy.

Current guidance from the Science Based Targets Initiative (SBTi) states that for most businesses, this means a total reduction in emissions across all scopes by 90% by 2050 at the latest. Carbon removals should then be used to neutralise the residual emissions.



What's the difference?

Net Zero
When a business has reduced its Scope 1, 2 and 3 emissions by as much as possible, leaving only 'residual' emissions, which cannot be removed. Current guidance from the SBTi states that for most businesses, this means a total reduction in emissions across all scopes by ~90%. Carbon removals should then be used to neutralise the residual emissions.

Carbon neutral
A carbon neutral business has committed to reducing emissions, and in the meantime balances its remaining emissions through carbon removal/ offsetting schemes.

Zero emissions
When no carbon is produced directly from a particular activity, product, or service (such as the running of an electric van or an electric cooker on electricity produced through solar power).

Our targets

Harbor Global is committed to reaching Net Zero by 2050. We are aiming for a reduction of at least 90% and will neutralise any remaining residual emissions. We have also set the following near-term targets:

1

Maintain zero scope 1 emissions through to 2030

2

Reduce market-based scope 2 emissions by 100% by 2030

3

Reduce location-based scope 2 emissions by 42% by 2030

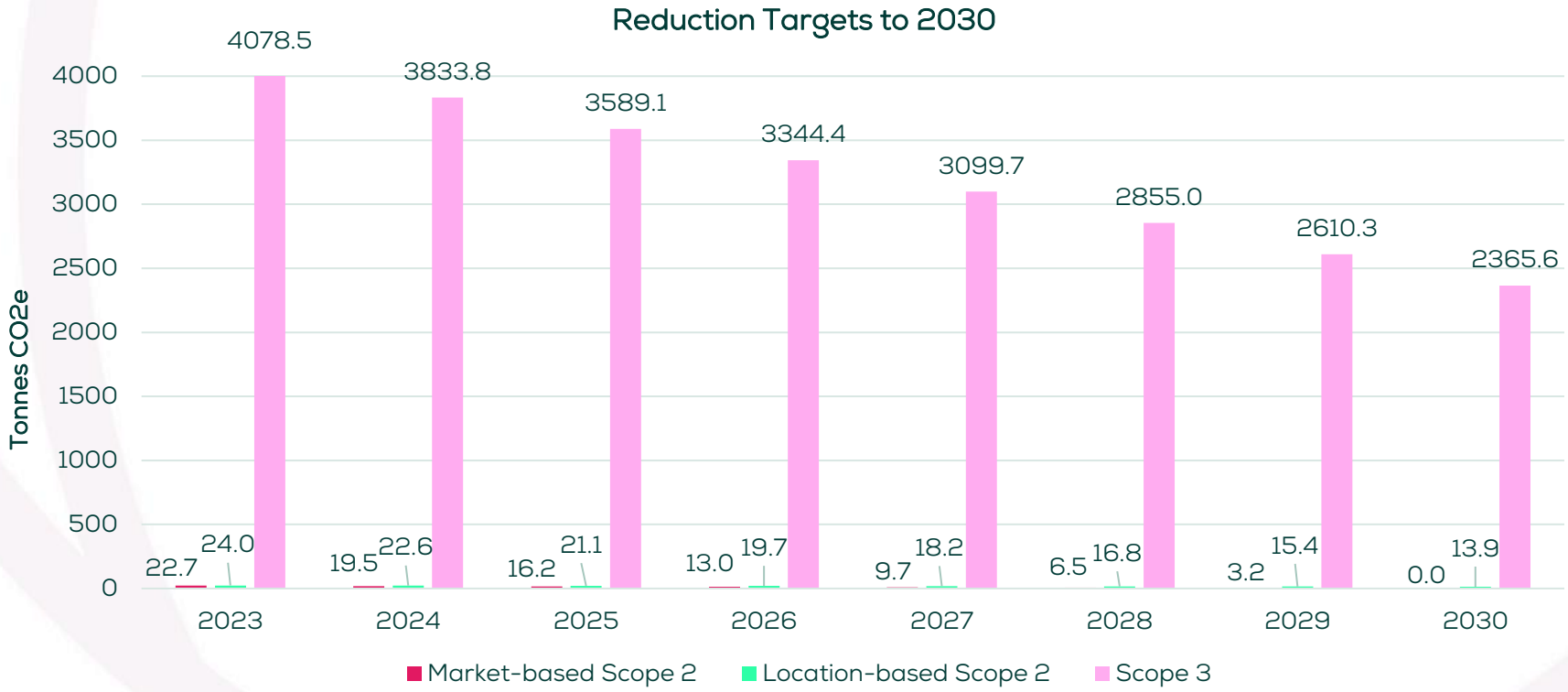
4

Reduce scope 3 emissions by 42% by 2030

NB. We will review our targets following any significant changes to our business, with the release of any new guidance from the SBTi and as standard every five years.

Targeted annual reduction

Our scope 1 target is to maintain zero emissions through to 2030, so whilst there is no annual reduction targeted, we will need to ensure no scope 1 emissions are added to our inventory if we are to meet this target. By 2030, we are aiming to have reduced our market-based scope 2 emissions by 100%, our location-based scope 2 emissions by 42% and our scope 3 emissions by 42%. A linear reduction would require a market-based scope 2 reduction of 3.3 tCO_2e each year, a location-based scope 2 reduction of 1.5 tCO_2e each year and a scope 3 reduction of 244.7 tCO_2e each year.



Reducing our emissions

Energy Use

Currently, our only scope 1 and scope 2 energy use activity is our purchase of electricity for the Chicago site, which makes up 1% of our total footprint. We do not have any company cars and do not manage any sites that are heated with gas.

Over the next few years, we will do several things to reduce our Chicago office electricity emissions, including switching to a renewable energy tariff, conducting and acting on the recommendations of an energy audit and conducting a renewable energy feasibility study.

Whilst not categorised under scope 1 or 2, we also have emissions in the footprint relating to managed office energy use. Currently, these emissions are estimated using our total service charge spend and are categorised under purchased goods and services. In the future, we hope to collect activity data from our office managers that will allow us to categorise these emissions under 'upstream leased assets'.

As well as the correct categorisation of these emissions, activity data will allow us to properly assess the energy emissions of our managed offices and provide us with an opportunity to engage office managers in a conversation surrounding sustainability. Our emissions will be tied to the emissions of our managed office spaces, and so we will encourage our office managers to complete similar actions to those we are completing at our Chicago office.

We are also committed to considering the compatibility of any new premises with our sustainability strategy.

Transport & Homeworking

Business Travel

Our business travel emissions made up 12% of our total footprint this reporting year. We are currently measuring these emissions using spend and so one of our priorities for the year ahead is to collect better data through our expenses system. This will improve the accuracy of future measurements and give us better insight into reduction opportunities. From our initial assessment, we can see that air travel is responsible for the majority of our business travel emissions.

Due to the nature of our business, travel will always be a part of what we do but we will try to limit our impact where possible whilst transportation industries work towards decarbonisation. We will do this by only allowing employees to fly economy, reducing domestic flights where possible, implementing a travel budget and creating a strict approval process.

Homeworking and Commuting

Our homeworking and commuting emissions are already relatively low on a per-employee basis, but due to the size of our workforce, they still represent 12% of our footprint. Most of these emissions result from homeworking as many of our employees work fully remotely. To reduce these emissions we will need to share information surrounding sustainable behaviours when homeworking, and collect more information from staff surrounding homeworking in our next employee commuting & WFH survey. To reduce our commuting emissions we will be looking to implement measures that will support and encourage staff to commute via low-emission modes (e.g. active transport, public transport, EVs) by introducing an EV salary sacrifice benefit, sharing information on EV charging sites, installation grants and tax rebates and subsidising public transport.

Suppliers and contracted services

The purchase of goods and services is our most carbon-intensive activity, making up 76% of our total measured emissions in our baseline year. As our purchased goods and services emissions are essentially our suppliers' and contractors' emissions, we will need to be working towards the same carbon reduction goals if we are to meet our targets.

The first step towards alignment across our supplier chain will be to implement an effective system for the collection of data from suppliers and contractors so that we are able to:

1. To assess and compare the sustainability credentials of new and current suppliers

2. To improve the accuracy of our footprint calculation

Information will need to be collected before procurement decisions are made and properly considered alongside other criteria (e.g. price, speed, quality), and then on an annual basis going forward for use in the footprint. We will first need to consider the different methods available to us for the collection of environmental data from our suppliers and contractors (e.g. Climate Disclosure Project, SupplyShift, EcoVadis, Responsibly vs the use of our own systems), and then work to implement a system that is capable of executing data collection for these two functions.

The second step will be to set targets for our suppliers and procurement teams based on several metrics (emissions reporting, target setting, carbon reduction) and build this into our Procurement Policy. We will ensure open communication with our suppliers and provide them with resources and support. We can also offer sustainable suppliers preferential terms and pricing or introduce terms surrounding emissions measurement and reduction into some of our contracts.

As an industry leader, we intend to use our purchasing power to drive carbon reduction across the value chain.

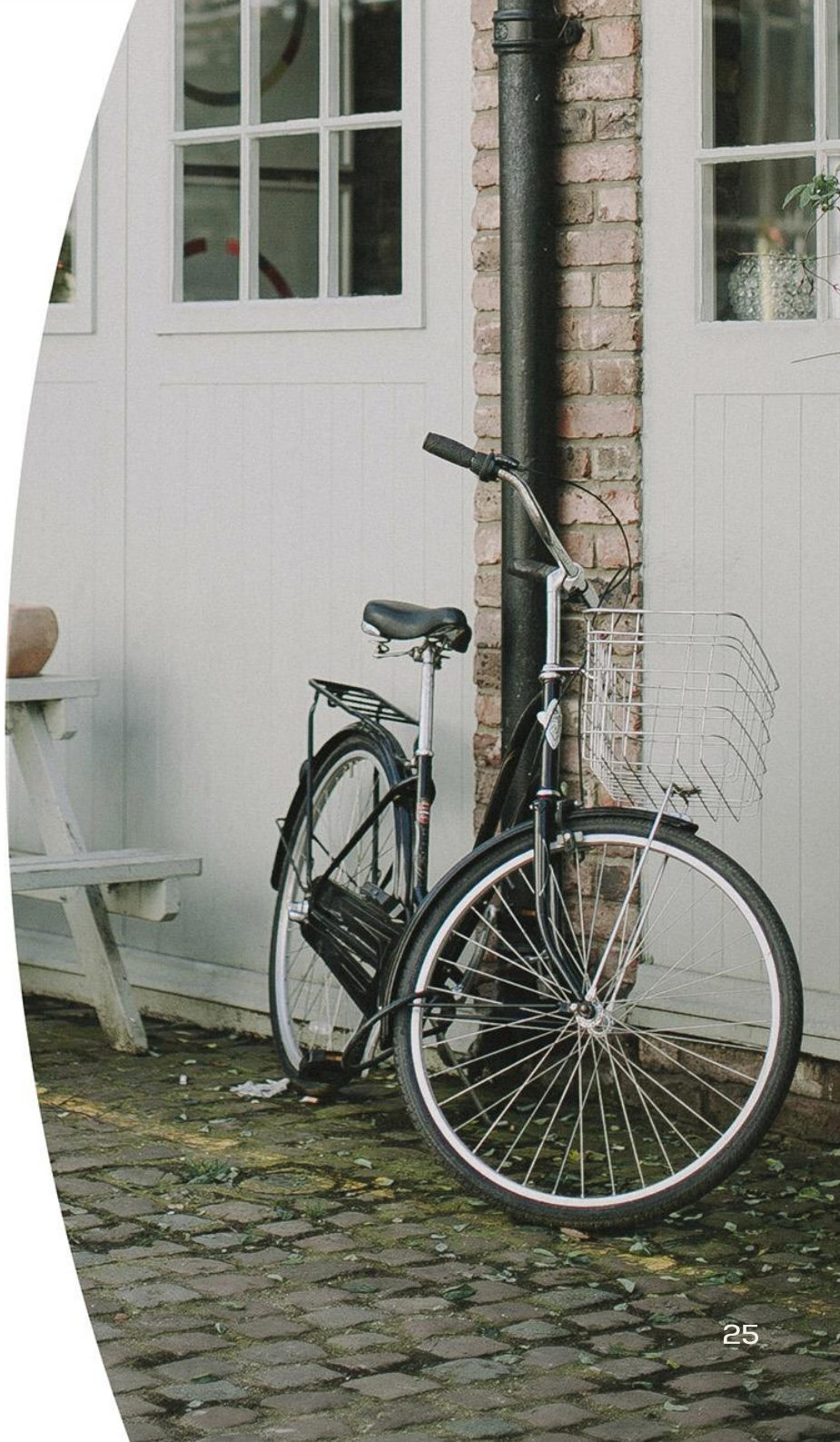
Company culture

Every company will have a culture made up of both surface elements (e.g. company policies, branding, office environment, organisational structure) and deeper, often undocumented, elements (e.g. leadership attitudes, perceived values and beliefs, employee satisfaction). Sustainability strategies will not be successful if they do not run through all elements of the company culture and if it is not recognised as a priority across the business.

To achieve a culture shift conducive to our proposed sustainability strategy, we will look to embed sustainability into all elements of our company culture through a number of actions such as:

- Aligning all of our company policies with our carbon reduction plans
- Providing training for staff to ensure they have the knowledge and skills to execute carbon reduction plans
- Including sustainability-related responsibilities in job descriptions
- Discussing sustainability and reviewing action plan progress during company and team meetings
- Addition of questions surrounding sustainability to 1-2-1 templates
- Creating a sustainability page on our website and running social media campaigns communicating our commitments

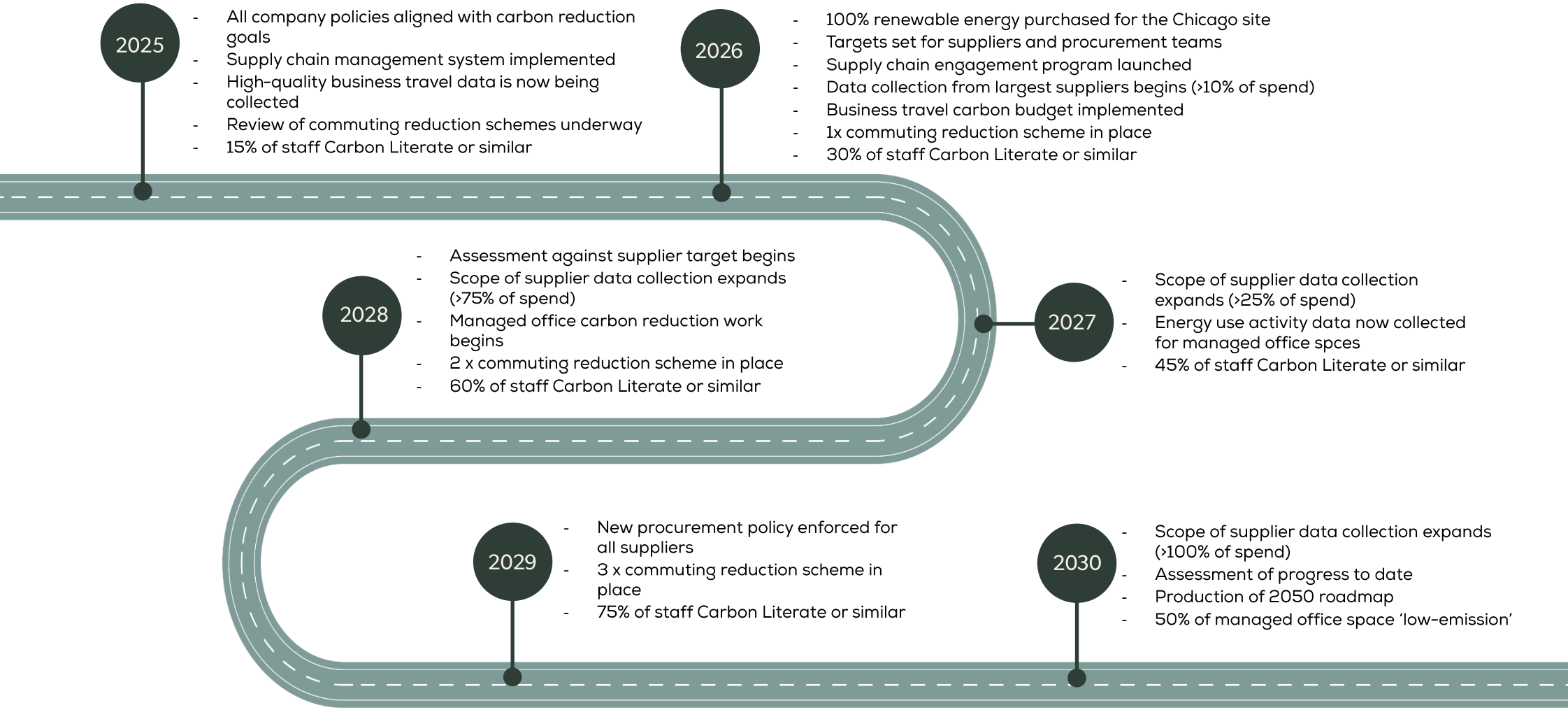
Every member of our organisation will need to be working towards Net Zero if we are to meet our targets, but as an organisation, we also have a responsibility to support staff in doing so.



Our 2030 roadmap

Our 2030 roadmap

The below roadmap sets out some key milestones we would like to achieve by each year's end.



2025

- All company policies aligned with carbon reduction goals
- Supply chain management system implemented
- High-quality business travel data is now being collected
- Review of commuting reduction schemes underway
- 15% of staff Carbon Literate or similar

2026

- 100% renewable energy purchased for the Chicago site
- Targets set for suppliers and procurement teams
- Supply chain engagement program launched
- Data collection from largest suppliers begins (>10% of spend)
- Business travel carbon budget implemented
- 1x commuting reduction scheme in place
- 30% of staff Carbon Literate or similar

2027

- Scope of supplier data collection expands (>25% of spend)
- Energy use activity data now collected for managed office spces
- 45% of staff Carbon Literate or similar

2028

- Assessment against supplier target begins
- Scope of supplier data collection expands (>75% of spend)
- Managed office carbon reduction work begins
- 2 x commuting reduction scheme in place
- 60% of staff Carbon Literate or similar

2029

- New procurement policy enforced for all suppliers
- 3 x commuting reduction scheme in place
- 75% of staff Carbon Literate or similar

2030

- Scope of supplier data collection expands (>100% of spend)
- Assessment of progress to date
- Production of 2050 roadmap
- 50% of managed office space 'low-emission'

Summary

As we embark on our journey to Net Zero, we look forward to collaborating with our teams, suppliers and customers to reduce our shared impact.

We are committed to measuring our emissions each year and continuously working to reduce them with the ultimate goal of reaching Net Zero by 2050.

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Appendices

Appendix A

Full list of procurement category emissions

Category	Total Emissions (tCO_2e)	Category	Total Emissions (tCO_2e)
Telecom & IT	1,082.9	Associations, Charities & Seminars	39.4
Client Subcontractors	564.8	Executive Search & Staffing Services	36.9
Real Estate Leases	416.8	Real Estate Occupancy	30.2
Insurance & Benefits	277.2	Research & Information	21.1
Professional Services	151.4	Travel, Food & Entertainment	20.9
Amex Spending (see Appendix B)	142.3	Law Firms	16.8
Internal & Individual	111.5	Other	16.1
Advertising & Marketing	74.3	Office Services	12.2
Research & Information Solutions	46.8	Real Estate & Occupancy	4.4
P-Card Spending (see Appendix C)	45.6	**Total**	**3,111.5**

Appendix B

Breakdown of Amex spending

Category	Total Emissions (tCO_2e)	Category	Total Emissions (tCO_2e)
Meals - Employee Group	29.7	Gifts	2.1
Business Entert. (Client attendees)	17.6	Training	1.9
Misc Meeting Exp	17.4	Meetings - BD Meals & Entertainment	1.4
Employee Entertainment	11.9	Fees/Dues	1.2
Meals - Alone	10.0	Computer Supplies	1.1
Mobile Phone	9.9	Subscriptions	0.8
Meals – Non-Employee Attendees	7.4	Booking Fees	0.7
Seminar Fees	5.6	Printing/Photocopying	0.6
Alcoholic Beverages	5.1	E-Mail Marketing	0.5
Wellness Initiative	4.1	Internet Fees	0.4
Computer Software	3.9	AMEX Corporate Fee	0.2
Employee Expense	3.4	Spot Award	0.1
Office Supplies	2.8	Job Posting/Agency Fees	0.1
Professional Services	2.4	**Total**	**142.3**

Appendix C

Breakdown of P-Card spending

Category	Total Emissions (tCO_2e)	Category	Total Emissions (tCO_2e)
Kitchen Supplies	11.4	Misc Meeting Exp	0.4
Computer Software	10.9	Prepaid - Other - Non-billable	0.4
Subscriptions	5.4	Gifts	0.3
COGS: Software & License Expense	3.8	COGS: WAN & Remote Control	0.3
Mobile Phone – P-Card	2.9	License Fees	0.3
Employee Entertainment	2.4	Telecommunications	0.2
Computer Hardware	2.2	Professional Services	0.2
COGS: Supplies Computer Related Client	2.0	Training	0.2
Meals - Employee Group	0.7	Office Supplies	0.1
Spot Award	0.6	Other (<0.1 tCO2e)	0.3
Office Expense	0.6	**Total**	**45.6**

Appendix D

Breakdown of homeworking and commuting emissions by location

Homeworking and Commuting Emissions Breakdown by Country (tCO_2e)				
Country	USA	UK	Canada	Other
No. hybrid employees	60	14	17	None
Petrol or diesel car emissions	12.7	0.6	14.3	None
Hybrid car emissions	0.8	None	None	None
Taxi emissions	1.1	None	None	None
Rail emissions	14.7	2.2	None	None
Bus emissions	0.1	0.4	None	None
Homeworking emissions	28.5	6.6	4.2	None
No. remote employees	454	126	77	31
Homeworking emissions	258.0	71.6	43.8	17.6
Total	**315.8**	**81.3**	**62.3**	**17.6**