

LEGAL SECTOR

ALLIANCE

ACTING ON CLIMATE CHANGE

Annual Report  
2009

Supported by



The Law Society

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Community

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Sir Nigel Knowles

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## The Legal Sector Alliance

The Legal Sector Alliance (LSA) is an inclusive movement of 138 law firms and organisations committed to working collaboratively to take action on climate change by reducing their carbon footprint and adopting environmentally sustainable practices. Launched in December 2008 by His Royal Highness The Prince of Wales and supported by the Law Society and Business in the Community, the Alliance represents more than a quarter of solicitors in private practice in England and Wales.

The Executive members contribute financial resources to support a full-time LSA project manager and designate a specific representative to engage with ongoing LSA work-streams and events. The Executive members of the LSA are:

ADDLESHAW GODDARD



BURGES  
SALMON

D  
DICKINSON DEES

DLA PIPER

ALLEN & OVERY



EVERSHEDS

FRESHFIELDS BRUCKHAUS DERINGER



Herbert Smith

irwinmitchell  
solicitors

Linklaters

martineau

M  
MORGANS  
SOLICITORS & ADVOCATES

sjberwin

SLAUGHTER AND MAY

TW TaylorWessing

The LSA believes that acting on climate change is in our collective interest and that a greater impact can be achieved through collaborative action and the sharing of knowledge and experience than could otherwise be achieved by the efforts of individual firms.

To act as a framework for individual and collective action, we have developed a set of principles (see 'Performance against the principles' section below), which cover members' own operations, as well as their wider influence on employees, suppliers, clients and policy makers. The LSA principles were developed in consultation with the profession and leading environmental NGOs.

The LSA recognises that the principles will apply to different members within the sector in different ways and that members will be at different stages of integrating climate change across their business. Therefore, it is natural that this would be reflected in members' ability to implement the principles. The 'Principles into practice' page on the LSA website provides examples of action members might take in support of each principle (<http://www.legalsectoralliance.com/exampleactions>).

“Climate change is the greatest challenge facing mankind today and we only have a very small window of opportunity to act. The continued growth of the Legal Sector Alliance demonstrates that law firms recognise the urgency of the situation and are committed to taking a leadership position in this area. By collaborating to share best-practices in sustainable business, the legal sector can make a positive contribution to combating climate change.”

- HRH The Prince of Wales

## Foreword

As chairman of the Legal Sector Alliance, I am delighted to welcome you to the first review of members' performance against the LSA principles. Following our launch last year the LSA has continued to go from strength to strength and the Alliance is an outstanding example of what can be achieved by adopting a collaborative approach to combating climate change.

As businesses and individuals we all recognise that climate change is a global problem requiring a collective solution. Our clients and employees recognise that immediate action to reduce our adverse impact on the planet's resources is necessary and imperative. Being a member of the LSA is an opportunity to demonstrate commitment and enables firms to share best practice and understanding of current industry trends.

This initiative is about collaboration within the legal profession to tackle the climate change issues that specifically relate to us as a sector. By sharing our knowledge and experience we can also play an important role as influencers, working with our clients and suppliers to create a more sustainable supply chain going forward. Climate change is now a key issue for all businesses so joining the LSA is a no-brainer.

This report details the results of the first ever survey of the LSA members' climate change performance and preparedness, and is a significant sustainability milestone for the legal sector. It provides a baseline for understanding our members' strengths and will ensure that we continue to provide the best possible support and resources to assist organisations in capturing improvement opportunities.

### Measure, manage and reduce

Calculating your firm's carbon footprint is an essential first step towards gaining an understanding of your impacts and enables you to prioritise management of the most important issues for your organisation.

The results of this year's survey show that 57% of LSA members had calculated their organisation's carbon footprint and an additional 33% were planning to do so in 2010. I am delighted that of the members that calculated their carbon footprint, two-thirds had used the LSA Carbon Protocol to do so.

LSA members vary significantly in size, from global organisations to small and regional law firms. This diverse knowledge-sharing environment enables us to ensure that we are providing guidance on key issues that is suitable to every type of law firm. Although some energy-saving investments can involve significant pay back times, many of the actions members can take to cut carbon simply involve spending less. Reducing costs makes business sense in any economic climate and is even more crucial during a recession.

LSA strategy is driven by senior representatives from our eighteen Executive members and senior level engagement on climate change is a key factor to ensure prompt and robust action and 75% of LSA members designate senior level responsibility for climate change issues. Engaging employees is also vital and is one of the biggest challenges for our members. The LSA has produced a number of excellent tools and resources for members during 2009 and the LSA is developing an employee engagement toolkit that will provide added value by including advice about what works best at a law firm.

### Our members

I would like to thank all of the LSA members for your continued support which enables us to focus on the issues of most relevance to the legal profession. The Alliance provides us with a platform to continue to drive change, overcome barriers and showcase the legal profession's leading approach to combating climate change.

Sir Nigel Knowles  
Legal Sector Alliance Chairman



## Methodology and purpose

LSA members were asked to evaluate their performance against each of the six LSA principles. A description of suggested best practice was provided for each Principle and members were asked to indicate which of these they have already achieved, or were planning to achieve in 2010.

Members were also asked to detail any additional actions that they had taken that might constitute best practice and also to identify any barriers to action they had encountered.

The key reasons for carrying out the self-assessment were to enable the LSA to:

- understand how the LSA principles are being acted on
- develop collective understanding of best practice
- assess the impact of the LSA
- identify areas of shared difficulty and opportunities for the development of further tools and resources
- provide a reporting structure for individual LSA members to use in their own communications
- forecast member activity for 2010.

Seventy eight LSA members completed the self-assessment questionnaire, from a total of 125 members on survey launch. The majority of those members that did not complete the 2009 self-assessment had recently joined the LSA and had not yet developed appropriate reporting capacity.

This assessment is a voluntary exercise, and the members who have responded are furthest along the road to meeting the principles. The remaining members, many of whom are very recent members, are encouraged to undertake the 2010 self-assessment to provide them with a benchmark for a robust carbon management strategy going forward.

The LSA will track members' performance against the principles on an annual basis to monitor the ongoing development of climate change management in the legal sector. Tracking performance and stated aspirations year on year will enable the LSA to ensure a focus on key issues to drive continued improvement throughout the profession.

# Performance against the principles

## Principle 1

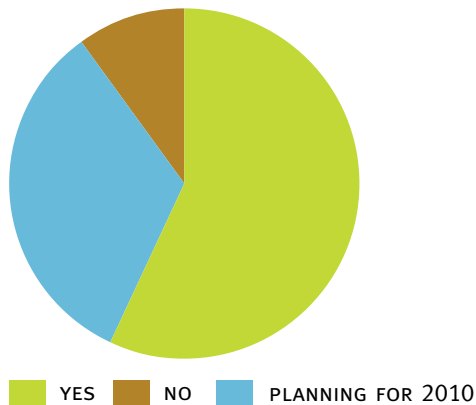
### Measure, manage and reduce the impact of our operations

#### Carbon measurement

Principle 1 is perhaps the most important of the six LSA principles.

Fifty seven percent of respondents had calculated their organisation's carbon footprint and an additional 33% were planning to do so in 2010.

CALCULATED CARBON FOOTPRINT %



The amount of reported CO<sub>2</sub> per employee varied significantly - between 0.68 tonnes and 9.2 tonnes, reflecting the diversity in the size of law firms represented in the LSA.

Of the members calculating their carbon footprint, two-thirds had used the LSA Carbon Protocol, a sector specific carbon footprint measurement tool developed by the LSA in consultation with the Carbon Trust.

Other measurement tools used included the Greenhouse Gas (GHG) Protocol developed by the World Resources Institute and the World Business Council for Sustainable Development, the Carbon Trust carbon footprint calculator and tools prepared by the Edinburgh Centre for Carbon Management (ECCM).

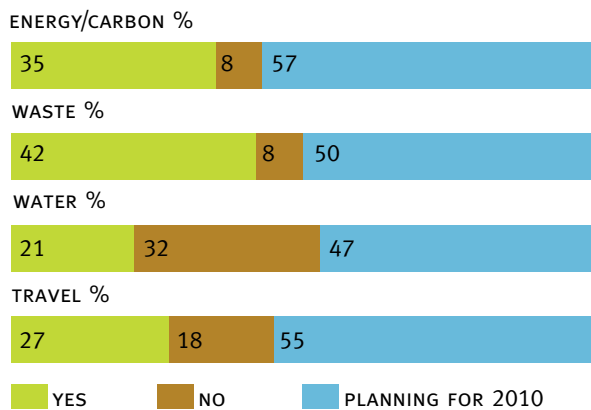
#### Setting targets

Members were asked whether targets had been set to reduce their use of energy, waste, water and travel.

Organisations were more likely to have set targets for waste (42%) and/or energy (35%) than for travel (27%) or water (21%).

Around half of the members indicated plans for target setting in 2010 for each element.

Table 1: Target Setting



Twelve percent of members had targets for each of the four elements. Around half of respondents (51%) had no targets and just under one-third of organisations indicated they planned to set targets for energy, carbon, waste, water and travel in 2010.

#### Carbon reduction

Just over one-third of respondents indicated that they had achieved carbon reductions in the last reporting year (35%), while over half (55%) anticipate carbon reductions in 2010. The 18 LSA Executive members publicly disclose their carbon footprint on an annual basis to enable comparison year on year.

#### Additional leading practices

LSA members reported numerous initiatives to reduce their organisations' carbon and environmental footprint. The initiatives most widely reported are identified overleaf. The LSA website includes case studies detailing some of the leading approaches to key climate change issues taken by LSA members.

## Energy

- Computer switch-off policies – all PCs switched off outside office hours
- installed computer software to automatically turn computers off at night
- in-room thermostats introduced to encourage heating to be turned down
- use of infrared lighting controls
- use of a green energy supplier
- metering and monitoring energy consumption to ensure prompt identification of faults.

## Equipment and technology

- Replacing old equipment with energy-saving alternatives (particularly boilers)
- introducing energy-efficient lighting and air conditioning
- installing video conferencing equipment and training employees to encourage use
- installing more efficient printers and using double-sided printing as standard to minimise paper use
- introducing computer software for electronic filing to minimise paper use
- replacing water coolers with plumbed-in cooling and filtration systems using tap water – this also negates the need for bottled water, which is energy intensive to produce and distribute.

## Transport

- Keeping travel diaries and calculating individual employee carbon footprints
- encouraging the use of public transport
- encouraging video conferencing rather than face-to-face meetings where possible
- flight carbon off-set schemes for all employees
- CO<sub>2</sub> emissions limit on company cars.

## Waste and recycling

- Recycling of cardboard, paper, batteries, plastic and glass
- selecting a waste management supplier that provides proactive recycling options
- working with landlords and co-tenants on an anti-landfill strategy
- recycling of IT equipment or donation to charity for re-use.

## Barriers to action and suggested remedies

### Data gathering

Many LSA members had only recently begun reporting on environmental/climate change issues. Inconsistent data collection processes and an absence of recorded historical data were felt to have a negative impact on members' ability to measure performance over time and their concomitant ability to set appropriate performance targets. The LSA will continue to track members' performance against the principles and update the Carbon Protocol to include up-to-date emissions factors on an annual basis.

### Economic downturn

The adverse business impacts of the current economic environment contributed to many organisations reporting that the payback period for investment in energy-efficient and sustainable products and services can be too long. One global organisation highlighted that the recession had contributed to increased business travel as employees were increasingly working with clients in other jurisdictions. The member case studies on the LSA website include numerous examples of how law firms can cut costs and carbon by focusing on business efficiency improvements.

### Employee engagement

A lack of employee engagement was reported to be a key barrier to action for many members, who described staff apathy and lack of genuine buy-in from senior management in some instances. Employee engagement is a key challenge for all LSA members but can drive real organisational change. The LSA Employee Engagement Toolkit will provide practical advice for law firms of every size - from developing strategy to running small campaigns.

### Tenanted premises

Many LSA members occupying rented accommodation reported that limited control over facilities reduced their ability to benefit from energy and cost savings. Many LSA members also reported collaborative schemes with co-tenants to cut costs and carbon. The CRC Energy Efficiency Scheme, which comes into effect in April 2010, is likely to lead to more dialogue between landlords and tenants on energy consumption and increase focus on this issue going forward.

## Principle 2

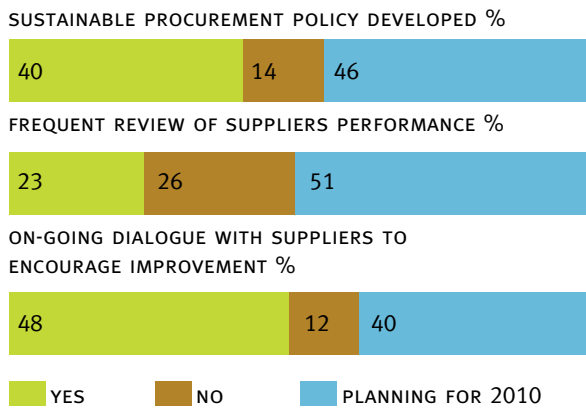
### Work with external stakeholders to reduce our indirect impact

#### Sustainable procurement

Forty percent of respondents had developed a sustainable procurement policy and 50% planned to do so in 2010.

Forty eight percent of respondents indicated they engaged in on-going dialogue with suppliers to encourage improvement of sustainability and carbon performance. Almost a quarter of members frequently reviewed suppliers' environmental performance and around half planned to do so from 2010.

Table 2: Sustainable procurement



#### and stakeholder engagement

#### Additional leading practices

##### Smart selection

Proactive strategies reported by LSA members in this area included the establishment of a specific procurement project group to review suppliers and contractors, and engage with them on sustainability issues. Some members stated that by reducing the number of suppliers used and buying in bulk they reduced deliveries and accompanying travel emissions.

##### Proactive suppliers

One organisation stated that they requested regular updates from suppliers on emerging 'green' product innovations to capture the most advanced low-carbon technologies.

#### Barriers to action and suggested remedies

##### Supplier appraisal

A small number of members reported that the time/administrative cost associated with a robust appraisal of suppliers' environmental credentials had prevented them from taking action on this issue. The LSA Sustainable Procurement Guide, produced by procurement experts, provides advice on key purchasing decisions for law firms. The guide is particularly useful for firms without professional procurement departments and is available on the LSA website. Focusing on sustainable procurement requires a time commitment from law firms but can generate significant cost and efficiency savings.

##### Product quality

Other members felt that the perceived quality of products and availability of reliable suppliers often impacted their ability to make proactive choices. High quality sustainable product alternatives are now available from credible suppliers in the UK. The LSA welcomes queries from members on specific purchasing issues.

40% of respondents had developed a sustainable procurement policy and 50% planned to do so in 2010

## Principle 3

### Integrate awareness of climate change across our business

#### Strategic management

Three-quarters of respondents reported senior level responsibility for environmental issues.

Organisations typically designated responsibility to Senior Partner or Partner level, or to a senior figure in the operations team, such as the Finance Director or Facilities Director. A number of larger members had appointed a specifically designated corporate responsibility manager to oversee management of climate change and other key sustainability issues.

Few members factored climate change risk into business continuity planning and strategic decision making, with just one-fifth currently doing so and one-third having no plans to do so in the forthcoming year.

**Table 3: Environmental management**

RESPONSIBILITY FOR ENVIRONMENTAL IMPACT RESTS WITH A SENIOR REPRESENTATIVE %



ENVIRONMENTAL POLICY PUBLISHED WITH DEMONSTRABLY HIGH LEVELS OF AWARENESS AND EMPLOYEE ENGAGEMENT



REGULAR COMMUNICATION WITH ALL EMPLOYEES ON PROGRESS %



CLIMATE CHANGE RISK FACTORED INTO BUSINESS CONTINUITY PLAN AND STRATEGIC DECISION MAKING %



■ YES    
 ■ NO    
 ■ PLANNING FOR 2010

#### Measuring employee engagement

Members were asked how they measured employee engagement on climate change. The majority of responses focused on methods of communication rather than how they measured changes in attitudes and behaviour.

#### Communicating progress

Two-thirds of respondents reported regularly communicating with all employees on progress. Only 5% of respondents indicated they did not communicate regularly and had no plans to start doing so in 2010.

A large number of members designated environmental communications to a 'green' or 'environmental' team of employees. Employee engagement activities included regular communication on environmental issues through awareness days, emails, intranet pages, weekly newsletters and posters highlighting 'green' best practice. Members also included environmental issues in annual and bi-annual staff surveys. A small number of LSA members had incorporated sustainability training into their employee induction process, as well as ongoing training on environmental issues.

#### Additional leading practices

##### Environmental committee

A small number of members had established an environmental committee to review environmental performance and make improvement recommendations to the business. One organisation reported that key risks associated with climate change, including the likelihood and potential impact of natural disasters, had been addressed at board level, forming part of the organisation's risk management profile.

##### LSA champions and pro bono

Other leading practices included: the appointment of LSA champions at each office; publishing an environmental communications plan; involvement in local environmental pro bono projects; engagement of third party specialists such as the Energy Saving Trust.

## Barriers to action and suggested remedies

### Educating employees

A significant number of respondents reported difficulties in overcoming a lack of awareness/interest in climate change amongst employees, with feedback suggesting that employees underestimated the potential positive impacts of their own actions.

### Strategic engagement

Members also highlighted challenges in implementing employee engagement strategies and assessing their impact. A number of respondents felt that they would benefit from specific guidance on key steps to managing an employee engagement campaign at a law firm. The LSA is developing the LSA Employee Engagement Toolkit to provide members with expert advice in this area.

### Business continuity

A small number of respondents felt that their organisations would benefit from advice on how to integrate climate change risk into the business continuity / risk management process. The LSA website provides guidance on key climate change business adaptation issues for law firms.



## Principle 4

# Advise clients on the opportunities and obligations arising from and under climate change law

### Advising clients

Around two-fifths of respondents (43%) advised clients on opportunities and obligations arising from and under climate change law and/or provided proactive client communication on environmental and climate change issues (39%). A smaller proportion of members (29%) offered training in this area. Around one-quarter of respondents felt that Principle 4 was not applicable to their organisation due to the nature of their practice.

Table 4: Advising clients

Methods of communicating with clients included: client briefings, newsletters and e-bulletins, issues-specific publications and articles, presentations, seminars and workshops.

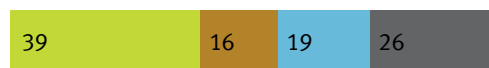
ADVISED CLIENTS ON OPPORTUNITIES AND OBLIGATIONS %



TRAINING PROVIDED %



PROACTIVE CLIENT COMMUNICATIONS ON ENVIRONMENTAL AND CLIMATE CHANGE ISSUES %



■ YES ■ NO ■ PLANNING FOR 2010 ■ N/A

### Additional leading practices

#### Knowledge-sharing

Client seminar topics addressed by LSA members included the Carbon Reduction Commitment and emissions trading. One organisation also held regular internal seminars and briefings to ensure that lawyers from a variety of disciplines understood key climate change issues affecting their client and practice areas.

#### Demonstrating leadership

A robust knowledge of climate change business impacts was also felt to be advantageous in winning new business. Client newsletters produced by LSA members highlighted specific environmental cases and key forthcoming and regulatory changes.

### Barriers to action and suggested remedies

#### Practice focus

LSA members reported that the main barrier to action on Principle 4 was the fact that climate change issues were often not relevant to their practice areas. Some small and medium-sized members had also prioritised a focus on their organisations' carbon and environmental impacts over communicating to clients on these issues. All LSA members are encouraged to share the business benefits of climate change best practice with clients where appropriate to facilitate cross-sector knowledge-sharing and influence behaviour change.

43% advised clients on opportunities and obligations arising from and under climate change law

## Principle 5

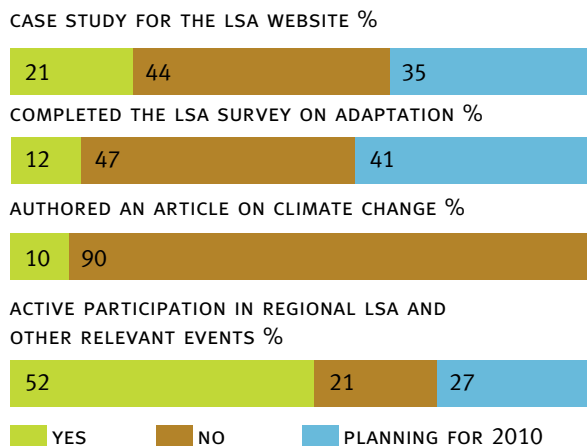
# Work collaboratively to engage in the public debate on climate change and to develop, apply and promote best practice across the sector

### Public engagement on climate change

Respondents were asked whether their organisations worked collaboratively to engage in the public debate on climate change.

The main avenue for engagement/collaboration for around half of the members was through active participation in regional LSA events and other relevant climate change events. Ten percent of respondents stated that they had authored or contributed to relevant articles for the media.

Table 5: Actively contributing to knowledge-sharing



### Additional leading practices

#### Embracing technology

Many of the larger LSA members had either hosted or participated in webinars to discuss pertinent climate change issues, and a number of these organisations also took part in online networking groups with a focus on climate change. Other examples where technological mediums were used to promote climate change issues included members publishing podcasts and blogs on their websites.

#### May Day Network

A large number of LSA members participated in The Prince's May Day Network - the UK's largest group of businesses committed to taking action on climate change. The Prince's May Day Network is convened by Business in the Community, and helps businesses realise benefits from taking action on climate change.

### Barriers to action and suggested remedies

#### Limited engagement opportunities

A number of LSA members, particularly smaller organisations, felt that beyond involvement in the LSA there were limited opportunities for law firms to participate in the climate change debate. Members recognised that the LSA had a key role in promoting best practice across the sector and the need to promote awareness of the LSA beyond the legal sector, to drive cross-sector knowledge-sharing. The LSA Policy Committee leads public and cross-sector engagement on behalf of the Alliance and produced the LSA Communiqué in September, calling on G20 nations to implement more effective legislation to support the commitments they make to tackling climate change. The LSA also holds regular regional forums across England and Wales to discuss key climate change issues for law firms.

## Principle 6

### Report on our progress and be accountable

#### Carbon reporting

80% of members either currently published their carbon footprint or planned to do so in 2010

Table 6: Reporting

PUBLISHED CARBON FOOTPRINT USING THE LSA PROTOCOL OR GLOBALLY RECOGNISED STANDARD %



ANNUAL OR MORE FREQUENT PUBLICATION OF ENVIRONMENTAL PERFORMANCE REPORTS %



INDEPENDENT VERIFICATION OF PUBLICLY REPORTED DATA



YES NO PLANNING FOR 2010

22% published environmental performance reports on an annual or more regular basis

Progress was reported through a number of mediums including intranet, websites, stand-alone annual environmental or CR reports and through completion of the Business in the Community CR Index.

Over half of members (53%) indicated that they had no plans to seek independent verification of publicly reported data.

#### Additional leading practices

##### ISO 14001

In addition to the public reporting practices detailed above, a number of larger LSA members had benefited from implementing internal reporting processes as part of accreditation to the internationally recognised environmental management system standard ISO 14001.

#### Carbon Trust Standard

Larger organisations that had achieved the Carbon Trust Standard also implemented robust reporting mechanisms as part of this process. A small number of LSA members reported that auditing by the Carbon Trust had improved reporting and disclosure at their organisations, while some members also tracked progress through internal audits.

#### Barriers to action and suggested remedies

##### Insufficient data

As many LSA members had only recently begun reporting on environmental/climate change issues, inconsistent data collection processes were felt to have had a negative impact on organisations' ability to report like-for-like performance over time. Members felt that the LSA Protocol would provide a benefit in this area, ensuring comparable data and reporting scope for carbon emissions. Proactive members demonstrate a transparent approach to their organisations' climate change impacts through regular public reporting. Publicly reporting an organisation's performance in this area enables target setting and drives improvement. To download the 2009 LSA Protocol please visit the LSA website.

##### Lack of resources

A lack of financial and time resources was generally considered to be the most significant barrier to regular and robust reporting. Members recognised the benefit of the LSA's ability to facilitate knowledge-sharing across the legal sector.

Time and financial constraints should not prevent law firms from publicly reporting their carbon performance. The LSA Carbon Protocol simplifies reporting on key climate change impacts, enabling members of any size to report on their progress in a robust manner. The LSA provides guidance to members on all aspects of the LSA principles and the 18 Executive members publicly disclose their carbon footprints on an annual basis.

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