

LEGAL SECTOR

ALLIANCE

ACTING ON CLIMATE CHANGE

END
OF
YEAR
REPORT

2008



CLARENCE HOUSE

The United Kingdom is the first country anywhere in the world to enshrine in law ambitious and binding climate change targets. It is to the great credit of the legal sector in this country that it has decided to enshrine in a set of principles the role it can play in responding to the challenge of global warming by changing the way its firms do business. Through these principles, signatories have committed to work in partnership with clients, suppliers, employees and policy-makers to reduce the sector's carbon emissions and I can only congratulate each and every firm which has signed.

I am particularly delighted that this initiative evolved out of my May Day Business Summit on Climate Change, which I established in 2007 to encourage the business community to realize the contribution it could make to tackling global warming. Great credit is owed to Nigel Knowles and his colleagues at DLA Piper who saw the point immediately and who, in partnership with Business in the Community, of which I am President, and the Law Society of England and Wales, created the Legal Sector Alliance. Following the insurance sector's "ClimateWise" initiative, through these principles the legal profession has recognized how much more can be achieved through working together than could ever be achieved individually. I only hope that other sectors will follow the example you have set, and to all those who have worked so tirelessly over the last year to develop the principles, I can only extend my heartfelt thanks.

I know, of course, that many businesses are facing uncertain times at the moment in the increasingly challenging global economic climate. However, I can only urge you not to let this divert attention from the urgent need to combat global warming by taking action to reduce your carbon footprint and make your businesses more sustainable. In the simplest terms, the long-term health and stability of the global economy is dependent on the health and stability of the global environment, and not the other way round. It may be difficult to recognize at the moment, but ultimately it is 'natural capital' that enables Mankind's continued existence on this planet. And, unlike the financial crisis, the option to restore balance to the climate and ecosystems through the equivalent of an injection of cash simply will not exist. Once we have spent our natural capital, it cannot be replenished.

Time is a luxury we do not have and I would earnestly encourage all parts of the legal profession – firms, chambers and in-house legal teams – to sign up to the Legal Sector Alliance principles. If you don't do it for the sake of your business, then please do it for the sake of your children and grandchildren...

LSA FOUNDING MEMBERS

ALLEN & OVERY

irwinmitchell™

Bond Pearce

Linklaters

 BURGESS
SALMON

Lovells

 cobbetts

 martineau

 DICKINSON DEES

 MORGANS
SOLICITORS & ADVOCATES

 DLA PIPER

nicholas moore | SPECIALIST
EMPLOYMENT
LAWYERS

 Environmental
Law Foundation

SLAUGHTER AND MAY

 EVERSHEDES

 sjberwin

 TaylorWessing

 FRESHFIELDS BRUCKHAUS DERINGER

Herbert Smith

 The Law Society

Business 

Community

The LSA Secretariat is provided by Business in the Community and the initiative is supported by The Prince's May Day Network.

INTRODUCTION

Climate change is the single largest long-term threat facing both the planet and the global economy. As the Stern Report makes abundantly clear, climatic change will have a profound impact on the way we occupy the planet and the way businesses operate, and the economic consequences of delay in responding are extremely significant.

Indeed, climate change is already having an effect on the way the profession does business. Potential employees are asking about environmental policies, clients are looking to demonstrate their own environmental commitments in the appointment of their advisers, and new markets are developing in the fields of emissions trading, carbon capture and storage, green real estate and low carbon products. New legal practice is emerging.

It is clear that we can achieve so much more by working together across the profession than firms, chambers or counsel could achieve by working alone. We can benefit from the opportunity to share knowledge, best practice and an understanding of industry trends. We can add our voice to a global call on governments to create incentives and reward innovation. We can demonstrate our own leadership and inspire those in other sectors. Working together we can deliver real change on a huge scale.

Operating in an environmentally sustainable way generates financial efficiencies and other business benefits – it will be the way that successful firms do business and the way that businesses become successful. The Legal Sector Alliance provides a framework to enable the profession to be part of that success.



NIGEL KNOWLES, Chair, Legal Sector Alliance and Co-Chief Executive, DLA Piper



DES HUDSON, Chief Executive, Law Society of England and Wales



STEPHEN HOWARD, Chief Executive, Business in the Community

THE NEED FOR ACTION

The Legal Sector Alliance is an inclusive movement drawing membership from across the legal profession. The Alliance recognises the global imperative for action on climate change and seeks to build a collaborative framework for reducing the carbon footprint of the legal sector as a whole, while facilitating the adoption of environmentally sustainable practices.

Climate change is the key environmental issue for business in the 21st century. The earth's net surface temperature has already increased by a global average of 0.75°C since the industrial revolution and is predicted to rise by a further 1.4 - 5.8°C over the next 100 years.

With glaciers in retreat, polar ice declining year-on-year and sea levels rising, climate change has already had implications for much of the natural world. It now threatens social cohesion, resource availability and the sustainability of economic progress.

Scientific understanding is also steadily increasing with new evidence suggesting that the implications of ever-increasing manmade greenhouse gas emissions may be worse than originally feared and the scientific consensus strengthening with each report from the Intergovernmental Panel on Climate Change (IPCC).

Climate change is the single largest long-term threat facing both the planet and the global economy.

Businesses are as vulnerable to the increased systemic uncertainty associated with climate change as individuals are. It affects companies' licence to operate and is already leading to increased regulatory control.

It is also fundamentally changing the way operational risk is managed across all industries.

By taking action now we can take a lead together in building a sustainable future.

Acting on climate change is in our collective interest – individually, as businesses and as a profession – and will enable us to:

- Reduce costs
- Win new business
- Recruit and retain talent
- Anticipate regulation
- Limit damage to physical assets

COLLABORATIVE FOUNDATIONS

On 1 May 2007, His Royal Highness The Prince of Wales convened a summit of UK business leaders calling for an urgent response to the problem of climate change. Recognising the need for large scale action, DLA Piper and Business in the Community saw an opportunity for the legal sector to work together to contribute to the solution. Joining forces with the Law Society of England and Wales they conceived an initiative which would uniquely focus on reducing the environmental impacts of the legal profession by drawing on its skills and experience.

Inspired by the work of the insurance sector's Climatewise initiative and the CBI Taskforce, the Legal Sector Alliance was created in October 2007.

The LSA aims to:

- Raise awareness of climate change and the urgent need for action within the legal sector
- Identify opportunities for the sector to collectively respond to climate change
- Enable firms, counsel and chambers to adopt low carbon and environmentally sustainable practices

To do this, the LSA's 20 founding members have consulted widely to develop a set of principles, which provide a framework for individual and collective action. Resources are being developed to support members in applying them.

OUR 6 PRINCIPLES

These principles have been developed in consultation with the profession and leading environmental NGOs. They are intended to provide both a framework to support individual action by each member and an outline of the LSA's commitment to collaborative action.

They cover members' own operations as well as their wider influence on clients, suppliers, employees and policy makers. The initial focus of the principles is on UK activities, recognising that firms with operations elsewhere are likely to subsequently apply these or similar principles to those operations.

We recognise that because of the different sizes and starting points of those within the sector, each member will need to apply the principles and take action in different ways.

The case studies that follow are just a few examples of how firms are already taking action on climate change.

- 1. MEASURE, MANAGE AND REDUCE THE IMPACT OF OUR OPERATIONS**
- 2. WORK WITH EXTERNAL STAKEHOLDERS TO REDUCE OUR INDIRECT IMPACT**
- 3. INTEGRATE AWARENESS OF CLIMATE CHANGE ACROSS OUR BUSINESS**
- 4. CONSIDER THE IMPLICATIONS OF CLIMATE CHANGE IN THE ADVICE WE GIVE**
- 5. WORK COLLABORATIVELY TO ENGAGE IN THE PUBLIC DEBATE ON CLIMATE CHANGE AND TO DEVELOP, APPLY AND PROMOTE BEST PRACTICE ACROSS THE SECTOR**
- 6. REPORT AND BE ACCOUNTABLE**

MEASURE, MANAGE AND REDUCE THE IMPACT OF OUR OPERATIONS

What might that mean?

- Measure your carbon footprint
- Reduce resource use, improve reuse and recycling waste
- Undertake a review of printing and working practices
- Develop and implement a sustainable transport policy for business travel

CASE

STUDY

BURGES SALMON

National law firm Burges Salmon has incorporated sustainable planning into the development of its new premises. The firm will move to new offices in the Temple Quay area in 2010 and is considering a wide range of initiatives that will create and maintain an environmentally friendly and sustainable building.

Plans include using harbour water as a heat exchanger for the building's highly energy-efficient bespoke heating and cooling system, rainwater recycling, advanced recycling facilities and using environmentally friendly building materials.

Initial planning for the new site started in 2003, with a formal design brief circulated in 2005. Early planning has been considered a real advantage, allowing time to develop a design brief that would best realise the firm's requirements. The new site offers significant potential for energy savings and hopefully halving the current annual electricity consumption.

Starting early also means that Burges Salmon has had time to consider the impact of the move upon staff, so that it can continue to encourage and facilitate environmentally friendly commuting. Two hundred cycle racks and more showers, changing and locker facilities have been included in design plans to encourage those who currently drive to work to consider green alternatives. Discussions are underway with a local ferry company to provide a regular ferry service from the city centre, while well-timed contact with local rail and bus services has influenced the routing of public transport services to the new location.

CASE

STUDY

EVERSHEDS

Having committed to reducing its energy usage, Eversheds needed to measure its carbon footprint before it could set targets to improve its environmental performance.

Measuring this output posed a number of challenges, not least because the firm shares multi-tenanted buildings in many of its 10 UK offices, making it difficult to obtain accurate energy consumption figures.

Eversheds appointed the Carbon Neutral Company to help determine its carbon footprint, working with facilities managers in each of the 10 offices and surveying staff to collect commuting data.

The Edinburgh Centre for Carbon Management then analysed the data to determine Eversheds' carbon footprint and to identify areas where the firm could make the most energy savings. The results provide a benchmark against which to measure targets and monitor improvements in recycling, transport and reducing energy use. Eversheds stresses the importance of regular measuring and recording of energy consumption and ensuring that data is regularly updated.

The firm has also measured its footprint using the LSA Protocol, in order to enable it to compare its annual performance with similarly sized firms and share ideas on how to make reductions. "As all firms will be using comparable data, the Protocol will be useful for us to see how much carbon we emit compared to other law firms," Claire Goody, Environment, Health and Safety Manager, explains. "I believe other firms will find it an extremely effective tool, as it is easy to use and the calculations and summary features will be of great use when reporting to senior management."

WORK WITH EXTERNAL STAKEHOLDERS TO REDUCE OUR INDIRECT IMPACT

What might that mean?

- Engage with our clients about working in a way that reduces our carbon footprint
- Include environmental considerations in procurement decisions
- Engage with our local community on climate change issues

CASE

STUDY

LINKLATERS AND SLAUGHTER AND MAY

Islington-based international law firms Linklaters and Slaughter and May are supporting community-based climate change initiatives by joining the Islington Climate Change Partnership (ICCP).

The ICCP offers an opportunity for locally based organisations to come together to meet Islington's commitment to reduce its carbon emissions across the borough. It consists of a range of public, private and voluntary sector organisations including businesses, schools, hospitals and churches. Through the partnership over 100 Islington organisations have pledged to reduce their CO₂ emissions by 15% by 2010.

As one of the largest employers in Islington, Slaughter and May was particularly keen to support this local initiative. Linklaters, which has a support office in Islington, is also committed to contributing to change on a local level and the ICCP complements both firms commitments to tackling climate change at national and international levels.

Both firms help manage the direction of the ICCP, providing ideas and advice and sharing their own experiences. Members' carbon footprint is measured annually and this is used to calculate the reduction of carbon within the borough. Savings of 7,000 tonnes have been achieved since the original baseline study in 2006, which means the partnership is over a third of the way towards its target.

Slaughter and May emphasises the importance of contributing to local efforts. "We cannot sit back and think it is a problem for government or for someone else," explains Tony Upson at Slaughter and May. "It is important that we are involved with our local community and that we are helping to drive change on a local basis."

The ICCP offers a unique opportunity to network with other businesses and organisations to see how they are tackling similar issues. "I think by working collectively we can demonstrate that business and local communities can work together to make a difference," says Philip Rulton at Linklaters.

CASE

STUDY

NICHOLAS MOORE

Specialist employment lawyers Nicholas Moore has discovered that working remotely has not only reduced the firm's carbon footprint, but offers greater accessibility and a more cost-effective service to clients.

The practice has invested in a range of new technology, enabling it to avoid the unnecessary carbon emissions of travelling to work every day, without having any detrimental impact upon its client service.

Lawyers have been equipped with a range of technology that allows them to work remotely, exactly as they would from the office. For them, working remotely means that lawyers are more - not less - accessible to clients. PDA phones enable them to deal with e-mail remotely and clients can reach them using the same phone number and e-mail address wherever they are.

Lawyers may work from home up to four days each week. This saves well over 50,000 miles of travel each year. They can easily respond to client queries during the time when they would normally be commuting to work. They can

work with clients in other time zones and have the means to respond to urgent requests with minimum disruption to family and private life. Home-working enables the Nicholas Moore team to avoid the internal meetings and other activities which might take lawyers in more traditional firms away from their desks - it is almost unheard of for a client not to be able to reach a lawyer by phone immediately.

Clients have welcomed this approach and are pleased with the quality of service provided: "Nicholas Moore's innovative approach to its employees and clients benefits us without compromising the traditional values that are so often called for with employment law," says John H Bodenham, Group Chairman of client J Floris Ltd.

Despite being the smallest of the LSA's Founding Members, Nicholas Moore is keen to emphasise that smaller firms should not be discouraged from taking steps to be more environmentally friendly. Their experience illustrates that law firms can make a contribution to reducing their environmental impact, whatever their size.

INTEGRATE AWARENESS OF CLIMATE CHANGE ACROSS OUR BUSINESS

What might that mean?

- Develop and implement a climate change policy
- Ensure accountability/responsibility for environmental issues at the most senior level
- Begin to communicate our commitment to the principles across any international offices
- Raise awareness among employees and empower them to take action

CASE

STUDY

MARTINEAU

As part of its commitment to promoting environmental sustainability, Martineau has developed a climate change portal, which sits alongside its main website. The portal has been designed to raise awareness of the vast and increasing range of climate change law and policy, and serves both internal and external audiences.

The portal demonstrates to internal teams that climate change has relevance to all practice areas, whatever their area of expertise. The site also provides clients and external audiences with specialist information about meeting the immense challenges presented by climate change. It offers a one-stop shop where firm-wide publications, news items and information on the firm's activities relating to climate change can be accessed.

Martineau took advantage of its considerable in-house expertise to collate material about the main developments in law and policy affecting climate change, with links to international research, publications and news relating to global environmental issues.

As well as providing information on its own environmental policy and objectives, Martineau was keen for its portal to provide a local historical context. The firm has its roots in Birmingham in the early 19th century and the site includes information on pioneers Matthew Boulton, James Watt and William Murdock, whose efforts enabled the West Midlands to lay claim to being the birthplace of global industrialisation and the former manufacturing centre of the world. As the portal explains, this heritage lies behind the determination of many public and private sector organisations in the region to play a leading role at the forefront of efforts to combat climate change.

CASE

STUDY

FRESHFIELDS BRUCKHAUS DERINGER LLP

International law firm Freshfields Bruckhaus Deringer has taken a firm-wide approach to minimising its impact on the environment. It has set challenging goals which are resulting in significant changes to working practices throughout Freshfields' 28 offices.

Securing partners' agreement for an environmental and sustainability policy was the first step in establishing governance for the promotion of environmental awareness across the organisation. Responsibility for the implementation of this policy rests with an environmental working group, but the challenge remains to engage with all staff in order to integrate change throughout the network.

To do this they have tried to drive change both top-down and bottom-up. Having an environmental 'champion' at partner level has helped secure senior-level endorsement and CSR partners in each overseas office have taken the lead in ensuring the policy becomes practice.

To involve all staff, Freshfields has set up a network of green teams in all its offices. These are volunteers from every level of the organisation, enabling all staff to contribute their ideas and give feedback on pilot projects and corporate initiatives.

To maximise engagement, staff were recently invited to vote on how the company should offset its greenhouse gas emissions, while a green blog on the firm's intranet offers further opportunities for everyone to discuss green topics and to sustain momentum and interest in climate change issues.

CONSIDER THE IMPLICATIONS OF CLIMATE CHANGE IN THE ADVICE WE GIVE

What might that mean?

- Reflect our knowledge of the science and impacts of climate change in the advice we give
- Raise awareness of the possibilities of new and emerging markets developing across many sectors
- Anticipate and plan for compliance and regulation and help clients to do so
- Communicate our approach to climate change to our clients

CASE

STUDY

LINKLATERS

Linklaters has organised a series of seminars to update senior business people on the key aspects and implications of climate change. Commended by the Financial Times in its 2008 Innovative Lawyers report, the seminars are specifically aimed at clients in senior positions who are not specialists in the field of climate change, providing a forum for them to keep abreast of the latest thinking and developments.

“We identified that there weren’t any bite-sized events that explain the different components of climate change,” says Vanessa Havard-Williams, Global Head of Environment at Linklaters. “We felt it was essential to ensure that our clients were fully conversant with the issues and to give them the opportunity of addressing their concerns in a mutually supportive forum.”

The seminars bring together key players from the commercial and policy arenas and are chaired and addressed by leading thinkers on climate change. Keynote speakers and panellists are carefully selected for their particular expertise and have included Lord Stern, Lord Browne of Maddingley, The Rt Hon Hilary Benn MP and Ben Verwaayen, CEO of BT.

Feedback on the value of the lectures has been consistently positive. More than 350 senior representatives from major corporate and financial institutions have attended the seminars. Many attended the full series of events, welcoming this unique opportunity to participate in full and frank discussion and to improve their understanding and awareness of the critical challenges posed by climate change.

WORK COLLABORATIVELY TO ENGAGE IN THE PUBLIC DEBATE ON CLIMATE CHANGE AND TO DEVELOP, APPLY AND PROMOTE BEST PRACTICE ACROSS THE SECTOR

What might that mean ?

- Share best practice through case studies and peer networking
- Contribute to research and policy formulation in the field of climate change
- Highlight opportunities for more sustainable ways of practising law
- Provide pro bono advice to environmental organisations working to combat climate change
- Actively engage in public debate on climate change and the regulatory response

CASE

STUDY

DLA PIPER

DLA Piper's clients come from a wide variety of sectors and geographies. Through these clients the practice has been able to harness expertise from across the business spectrum, using it to encourage others to take action for the benefit of community and environmental concerns. "We are firm believers in the power of collaborative action," says Peter Wayte, Senior Partner at DLA Piper, "and this is evident across our entire CSR and sustainability programme. We have encouraged our clients to contribute their wealth of experience and expertise for the benefit of others. This, in turn, has enabled us to forge much stronger relationships with our key stakeholders."

Engagement in the debate around climate change has included hosting the Cooling the Planet conference in Sheffield in 2007 as part of an effort to drive climate change up the agenda across the legal sector and beyond.

The conference included keynote speeches from former US Vice President Al Gore and DLA Piper Chairman, Senator George Mitchell. DLA Piper also sponsors the Princes' May Day Network, the UK's largest group of businesses and organisations committed to collectively tackling climate change and played a key role in establishing the LSA.

While DLA Piper is proud of its own achievements in the field of environmental management, it believes that working collaboratively with other businesses through the Prince's May Day Network and the LSA will offer extended opportunities to learn from other businesses and to share some of its own lessons.

CASE

STUDY

HERBERT SMITH

As part of its pro bono contribution to the London Accord, Herbert Smith LLP has released a paper examining the major legal issues involved in investing in key low-carbon technologies. Herbert Smith joined with financial institutions in a co-operative initiative established to put London at the leading edge of investment research into the technologies and approaches needed to tackle climate change.

The paper provides commentary on the regulatory incentives and risks surrounding investment in low-carbon technologies: clean coal, renewables, new nuclear, biofuels and energy efficiency. It considers the regulatory risks associated with carbon capture and storage and its potential to significantly reduce carbon dioxide emissions, as well as broader sustainability issues such as concerns over energy conservation, security of supply and local environmental issues.

The project was equivalent to 650 hours of fee-earner time, involving a cross-practice group of partners, associates and trainees with senior associate Lewis McDonald orchestrating much of the efforts. The editorial team drew on the firm's experience of acting for major corporate and government clients in relation to each of the key technology areas.

The practice anticipates that interest in the legal framework driving investments in low-carbon technology will grow as the regulatory environment becomes more complex and diverse. “Environmental policy and regulation are fast-tracking investments that previously would have been impossible across a wide range of sectors. It is not just a matter for our environmental practice or energy practices, but touches a significant element of the broader legal advice we give our clients. It is great to see a firm-wide team pulling together so well on this type of pro bono initiative” says Louise Moore, environment partner.

REPORT AND BE ACCOUNTABLE

What might that mean?

- Report annually to the LSA on progress against the principles
- Disclose your greenhouse gas emissions using the LSA Protocol or a globally recognised standard
- Use your annual report, website or intranet to report on progress

CASE

STUDY

ALLEN & OVERY

Keen to demonstrate its commitment to the environment, Allen & Overy has integrated its environmental reporting within its main annual report.

In its Annual Report 2007 the firm included for the first time a corporate responsibility (CR) report, as part of a drive to show its commitments in this area. Within this, Allen & Overy reported on plans to tackle its environmental impact, in particular conducting its first firm-wide environmental audit.

“The purpose of reporting on our activities was to be transparent and accountable, and to make a commitment to staff, clients and other stakeholders about our plans to reduce our impact on the environment,” explains Jane Sandilands, Corporate Communications Manager. “This was a big step in demonstrating that environmental issues are important to us.”

This year, in its Annual Report 2008, Allen & Overy published the findings of its first environmental audit, including its global carbon footprint, and set targets for improvements in future performance. In an attempt to be honest and transparent about progress, the report reveals its performance in even the most challenging areas, such as paper consumption, and shows that the firm is committed to making changes.

By including environmental reporting in its main annual report, Allen & Overy hopes to show that environmental considerations are not just an ‘add on’ but are fully integrated into the way it does business. Feedback on the report has been positive and the firm is committed to publishing its progress each year.

“We want our major stakeholders to understand that we’re taking our environmental impact seriously. An important part of that is being transparent and reporting on our progress,” says Jane Sandilands.

CASE

STUDY

THE LAW SOCIETY

When it began the implementation of its Environmental Management Scheme, the Law Society recognised that using its website to report on its objectives and progress on meeting them was key to enabling communication and accountability to the widest possible group of stakeholders, including its staff, Council, members, partners and suppliers.

“Reporting is not simply a means of demonstrating our commitment to environmental improvements, it is a process which helps us to drive our activity, assess our progress and focus our efforts where they are most needed,” says the Society’s Corporate Responsibility Coordinator, Kate Walmsley.

The online report, which is updated quarterly and uses simple symbols to ensure that it is clear and easy to read, not only charts the environmental improvements which have been achieved, it also indicates where the organisation is heading with targets up to 2011.

In addition to providing clear accountability and safeguarding against greenwash, the Society believes reporting has offered a range of benefits such as the opportunity to engage and focus the efforts of its staff Go Greener Group, and helping to secure external accreditation of its environmental activities.

One of the most obvious benefits is also highlighted by Kate Walmsley who says “Of course reporting also enables us to celebrate our successes such as the 18% reduction in energy use against our baseline, which equates to a saving of 410 tonnes of CO₂ per year and shows us that we’re well on our way to achieving our target of an overall 25% reduction by 2011.”