

# **RSGI SUSTAINABLE LAWYERS THE GREEN PRINT REPORT**

## **Part 1 | Global law firms: Commitment to the Sustainability Agenda**

**March 2022**



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# introduction



## About the RSGI Sustainable Lawyers Programme

RSGI is a think tank for the legal industry. One of our goals is to help the legal industry build a sustainable future for itself and its clients.

RSGI's Sustainable Lawyers programme consists of research, reports and events. Our strategy is threefold:

1. **Clarify** – via the Green Print Reports, which reveal the legal industry's commitment to sustainability and highlights role model firms and approaches
2. **Connect** – bring the legal industry together in different events to learn and work out the best approaches to ESG
3. **Collaborate** – facilitate collaborations in the industry to help it have an impact on the ESG agenda

## The Green Print Reports

### Part 1 | Global Law Firms: Commitment to the Sustainability Agenda

This report seeks to:

- Define what 'good' means in terms of major law firm commitment (both stated and actual) to the sustainability agenda
- Make recommendations for the approach law firms should take to achieve best practice in terms of sustainability commitment
- Highlight the law firms who can serve as role models for the global legal industry

### Part 2 | The Power of Legal Influence

This report seeks to:

- Highlight, promote and empower the lawyers and other professionals working in the global legal industry who are making a difference
- Publish a global list of 100 individuals in the legal industry who are using their influence to create meaningful impact on the ESG and sustainability agenda, which readers will be able to filter by practice area, experience, clients, impact, approach and expertise

# methodology

To understand what commitment to sustainability looks like in the legal industry, RSGI researchers compared published information on 250 global law firms. The aim was to identify best practice in terms of strategy, policy and reporting.

## Sample Group

RSGI looked at the top 200 global law firms by revenue (according to the the American Lawyer Global 200, 2021). Researchers identified and examined a further 50 law firms who met one of the following criteria: one of the top five largest firms in a major jurisdiction; company signatory of the UN Global Compact; strong media presence relating to ESG or sustainability matters.

## Time frame

Research was conducted in December 2021 and January 2022.

## Resources

RSGI researchers used publicly available material including law firm websites and public lists such as: UN Global Compact Participants list; UK Living Wage list; Net Zero Lawyers Alliance; Legal Sustainability Alliance; B Corp; NCSC Cyber Essentials database; Diversity Lab Mansfield Report press release.

## Research approach

The data in this report was gathered through desk research and from third-party sources, along with selected interviews with experts.

KEY FINDINGS:

# Big Law's Commitment to ESG



Out of the highest-earning 100 law firms by revenue\*

## Reporting and stated targets

17%

17% of the top 100 law firms publish an ESG report

26%

26% of the top 100 law firms have made a significant investment in pro bono efforts to tackle the climate crisis.

17%

17% of the top 100 law firms are signatories of the UN Global Compact.

19%

Just under a fifth of the 100 law firms have set carbon emissions reduction targets.

7%

A smaller proportion have publicly specified a commitment to reach net zero carbon emissions by a stated date.

One firm by 2022, one by 2025, four by 2030 and one by 2050. At least five of the law firms have a carbon neutrality certification (through carbon offsetting).

## CONTROL GROUP:

Outside the highest-earning 100 law firms, there are 22 commercial law firms in different jurisdictions whose commitment to the sustainability agenda is notable.

These firms publish detailed sustainability strategies and ESG reports, and many field client-facing ESG practices.

## Client-facing activity

49%

Nearly half of the 100 law firms field a formal ESG practice.

70%

This number rises to 70% if cross-practice groups, teams, committees and task forces are included.

\*Taken from the 2021 AmLaw 100, published by the American Lawyer magazine.

KEY FINDINGS:

# Commitment Indicators



RSGI selected these 13 indicators to assess firms' commitment to sustainability. How firms perform against these indicators could be seen as a sign of how advanced they are in their ESG thinking.

It should be noted that law firms are private businesses and therefore not held to the same obligations as corporations. For example, they are not expected to have an independent board. But increasingly law firms are hiring independent directors and consultants who perform NED roles (8%) so there is an understanding of the value of external and adjacent experience.



Diversity performance report



Climate-focused pro bono commitment



Sustainable procurement policy described in ESG strategy



International body indicators (UNSDGS, WEF stakeholder capitalism metrics) used in ESG strategy



Diversity pay gap report



Reporting annual data for scope 1 / 2 / 3 carbon emissions



Chief Sustainability Officer



Non-Executive Director(s)



Stakeholder engagement process included in ESG strategy



Carbon emissions reporting has independent verification



Numerical targets published for scope 1 / 2 / 3 carbon emissions reduction



"Responsible" client selection policy



Independent board

KEY FINDINGS:

# Global Context

As well as the American Lawyer Global 200 list of the highest-grossing law firms, RSGI looked at a further 50 major law firms globally.

These findings show the appetite for discussion and commitment to ESG amongst the 250 firms analysed.



## Global 100 (2021)

17%

UNGC Signatories

7%

Commitment to reach Net Zero carbon emissions by a specific date

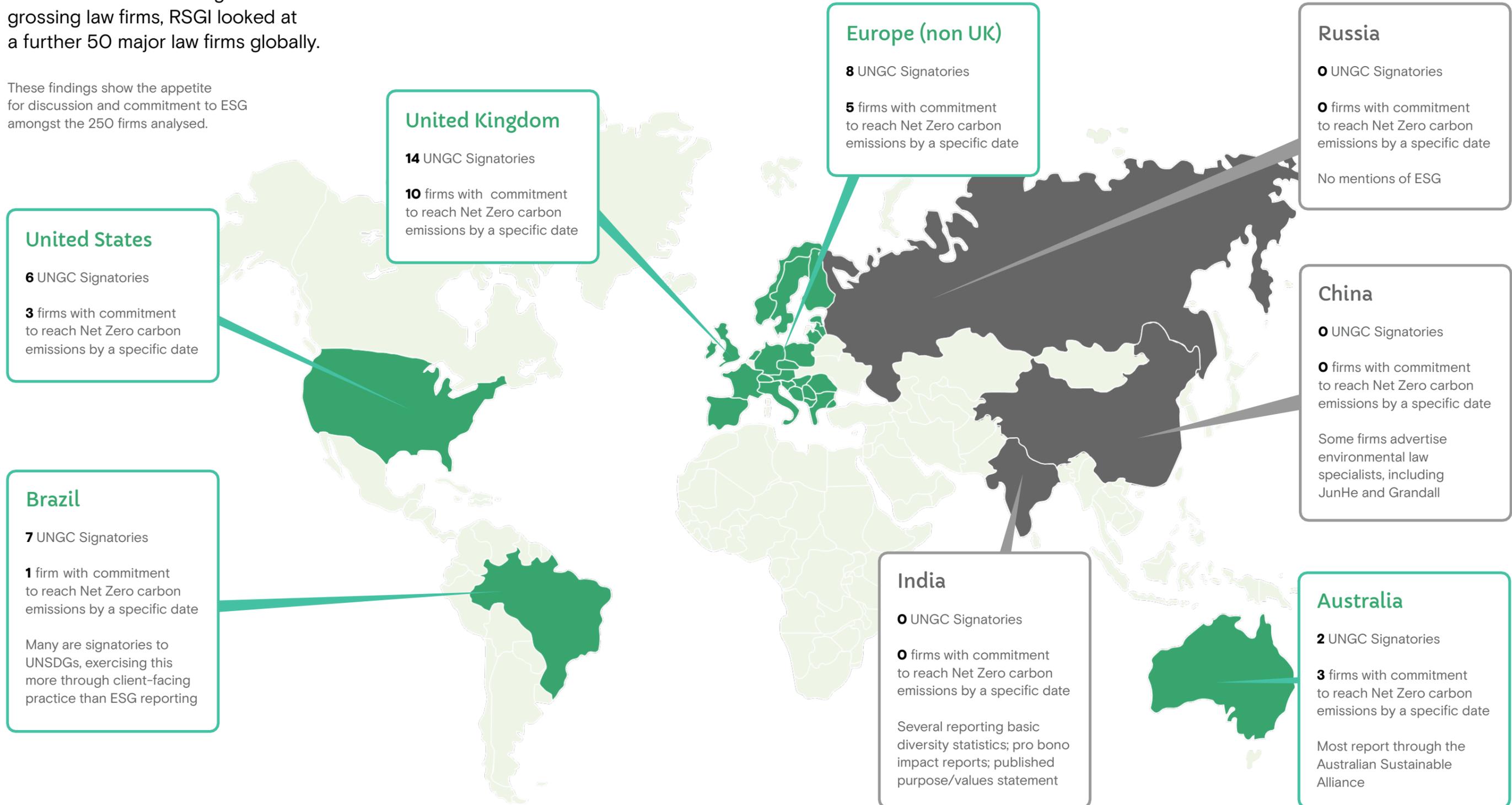
## Global 200 (2021)

12%

UNGC Signatories

10%

Commitment to reach Net Zero carbon emissions by a specific date

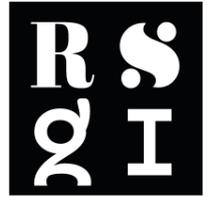


KEY FINDINGS:

# Role Models

Commitment to sustainability is defined in two parts: what are the firms' policies and targets; and what is the firm publicly reporting.

These law firms are industry role models, performing well in RSGI's assessment of public policies, targets, and reporting on ESG and sustainability.



## Policies and targets

## Reporting

Level 5

Clifford Chance  
DLA Piper  
Linklaters

Clifford Chance  
DLA Piper  
DWF

Linklaters  
Uría Menéndez

Level 4

Baker McKenzie  
Burgess Salmon  
Clayton Utz  
Cuatrecasas, Gonçalves Pereira  
DWF  
Freshfields Bruckhaus Deringer  
Gilbert + Tobin  
Herbert Smith Freehills

Hogan Lovells  
Mishcon de Reya  
Slaughter and May  
Uría Menéndez  
Vieira de Almeida  
White & Case

Burgess Salmon  
Charles Russell Speechlys  
Cuatrecasas, Gonçalves Pereira  
Garrigues  
Latham & Watkins

Mishcon de Reya  
Slaughter and May  
White & Case

Level 3

Allen & Overy  
Ashurst  
Chapman and Cutler  
CMS  
Fieldfisher  
Garrigues  
Gowling WLG  
Kennedys

King & Wood Mallesons  
Latham & Watkins  
Macfarlanes  
NautaDutilh  
Pinsent Masons  
PLMJ  
Simmons & Simmons  
Taylor Wessing

Ashurst  
Chapman and Cutler  
Clayton Utz  
Clyde & Co  
Eversheds Sutherland  
Fieldfisher  
Freshfields Bruckhaus Deringer  
Gilbert + Tobin

Gowling WLG  
Herbert Smith Freehills  
Hogan Lovells  
MinterEllison  
Simmons & Simmons  
Vieira de Almeida  
Taylor Wessing

# about the role models

RS&I ranked the firms in levels from 0 to 5. Firms in each level are listed alphabetically by firm name. Firms ranked level 3 or higher stood out for their commitment to the sustainability agenda.

The best performing firms have published strategies and reports, which provide good examples as to how an ESG strategy can be developed using either UN or WEF frameworks. All the firms in Levels 3-5 have published substantial policies and/or reports. The firms in Level 5 demonstrate deep understanding of the stakeholder engagement process and identify the ways in which a law firm, with its unique characteristics as a limited liability partnership, can meaningfully contribute to the UN Sustainable Development goals.

ESG Reports from high level firms include:

- management buy-in to ESG as a long-term strategic priority;
- governance of ESG strategy through a nominated ESG board or the firm's management board;
- long term investment in projects that will improve the firm's environmental and social impact year on year;
- comprehensive reporting showing yearly progress on E, S and G;
- investment in ESG training, networks and awareness-raising to embed it firm-wide;
- an intellectual curiosity to explore how ESG intersects with the running of the firm and in client facing work.

# scoring the role models

Policy Score	Description
<b>Level 0</b>	<input type="checkbox"/> No policy (or a policy with no substance)
<b>Level 1</b>	<input type="checkbox"/> Website statements or 1-2 page policy referring to the key areas of ESG (environment, diversity and labour, human rights, anti-corruption)
<b>Level 2</b>	<input type="checkbox"/> A more structured and detailed policy with reference to external standards or involvement with other international organisations / alliances committed to sustainability
<b>Level 3</b>	<input type="checkbox"/> Published, firmwide environmental policy with details such as procurement policy and energy use reduction <input type="checkbox"/> Firmwide initiatives to improve diversity and wellbeing
<b>Level 4</b>	<input type="checkbox"/> Use of UN Sustainable Development goals in strategy <input type="checkbox"/> Comprehensive diversity strategy <input type="checkbox"/> Involved in industry collaborations around sustainability <input type="checkbox"/> Intention to publish environmental targets / progress report
<b>Level 5</b>	<input type="checkbox"/> Commitment to net zero or specified emissions reduction targets <input type="checkbox"/> Use of stakeholder engagement and materiality assessment in ESG strategy <input type="checkbox"/> Diversity targets <input type="checkbox"/> Governance of ESG (through head of ESG, ESG committee or management committee oversight) <input type="checkbox"/> Sustainable procurement policy

Reporting Score	Description
<b>Level 0</b>	<input type="checkbox"/> No reporting on ESG (or a report with no substance)
<b>Level 1</b>	<input type="checkbox"/> Basic reporting (statutory minimum, basic industry standards e.g. gender pay gap reporting)
<b>Level 2</b>	<input type="checkbox"/> Progress report on ESG strategy, including diversity and environmental performance and some CSR initiatives.
<b>Level 3</b>	<input type="checkbox"/> Published ESG report <input type="checkbox"/> Reporting some data on environmental changes (waste reduction, emissions reduction) <input type="checkbox"/> Report on diversity including data
<b>Level 4</b>	<input type="checkbox"/> Reporting carbon emissions, energy use, waste <input type="checkbox"/> Reporting diversity progress report across multiple areas <input type="checkbox"/> Report signed off by senior leadership <input type="checkbox"/> Progress report on actions taken
<b>Level 5</b>	<input type="checkbox"/> Reporting on Scope 1, 2 and 3 emissions <input type="checkbox"/> Detailed diversity report including pay gap report <input type="checkbox"/> Independent verification of data <input type="checkbox"/> Pro bono impact report

# commitment to pro bono projects tackling the climate crisis

Some firms have demonstrated a significant investment in tackling climate change via pro bono efforts and accountability policies which measure the impact of commitments made. To feature on this list, a law firm must meet three or more of these indicators:

**Significant investment:** hours or money committed; environment as core part of pro bono strategy;

**Governance:** dedicated individuals responsible for pro bono strategy;

**Transparency:** reporting impact in terms of numbers (hours spent, projects worked on, people helped, resources saved, etc.); reporting impact through case studies describing the firm's contributions to specific organisations and projects, including dates of when the work took place and what the outcome of the project was; inclusion of pro bono reporting in firm's ESG or Responsible Business annual report;

**Public commitment:** commitment to a collaborative venture such as the 'Lawyers for a Sustainable Economy' project run by Stanford Law School\*; public statements about the firm's commitment to pro bono projects tackling climate change.

While pro bono work is a distinct area of activity, it also provides an important training ground for lawyers in ESG matters.

\*For more information on the Lawyers for a Sustainable Economy project see Appendix B, slide 16.

## Law firms with significant commitment to tackling climate change through pro bono work

Allens	Kennedys
Arnold & Porter	Kirkland & Ellis
Beveridge & Diamond	Latham & Watkins
Clifford Chance	Linklaters
Cooley	Michelman & Robinson
Covington & Burling	Mishcon de Reya
Debevoise & Plimpton	Morrison & Foerster
Dentons	Nixon Peabody
Fenwick & West	Orrick
Fieldfisher	Ropes & Gray
Freshfields Bruckhaus Deringer	Seyfarth Shaw
Hengeler Mueller	Slaughter and May
Herbert Smith Freehills	Stephenson Harwood
Hogan Lovells	White & Case
Holland & Knight	Wilmer Cutler Pickering Hale and Dorr
K&L Gates	Wilson Sonsini



# RS&I recommendations

## **Demonstrate management commitment**

- Publish a strategy not just a policy
- Produce a strategy that is led from the top and includes the entire firm
- Look at how ESG can be embedded at the firm through training and other mechanisms
- Set global targets and detailed plans for achieving them
- Empower junior lawyers and other professionals to take the initiative in seeking out projects or gaining new skills

## **Establish governance**

- Establish a governance structure to ensure accountability for targets and plans
- Report the firm's sustainability timeline with past and future performance
- Ensure committee oversight, either from an ESG committee or the firm's management committee
- Report on progress using independently verified data
- Assign dedicated leadership to oversee the work

## **Show vision**

- Articulate the firm's purpose, values, code of conduct: why is the firm here?
- Publish an overarching strategy and vision built from firm's purpose statement: how is the firm achieving its purpose?
- Go beyond the basic requirements to lead and influence the industry and clients on sustainability
- Use global standards in the firm's strategy, looking beyond industry norms

## **Make an investment**

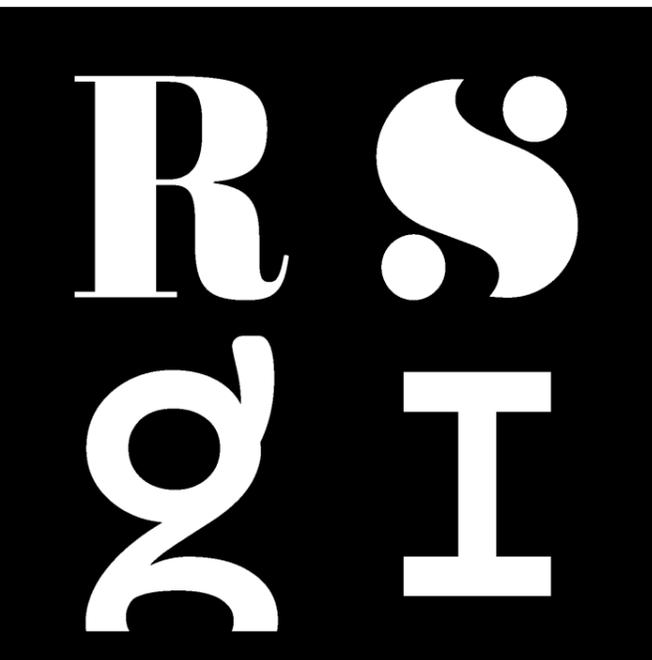
- Plan for the long-term – it takes time to embed cultural and operational change
- Make detailed plans with numerical targets, bringing in outside advisers
- Publish a strategy for pro bono efforts and evaluate the firm's impact
- Invest in training and awareness raising
- Engage formally with stakeholders and use that to build a strategy bespoke to the firm

# Contact us

RSGI Limited is a global think-tank for the legal industry that focuses on relevance, sustainability, growth and innovation for law firms, in-house legal teams and law companies. With unique insights and frameworks built up over thirty years, the four founders (Reena SenGupta, Yasmin Lambert, Tom Saunders and Mary Ormerod) enable the industry to think more clearly about the future, charting and analysing evolutions in the business and practice of law.

Contact: [info@rsgi.co](mailto:info@rsgi.co)

Mary Ormerod, Content Director, RSGI  
Reena SenGupta, Executive Director, RSGI



[rsgi.co](http://rsgi.co)

# Appendices

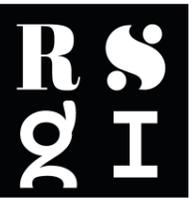
A: Glossary of Commitment Indicators

B: Lawyers for a Sustainable Economy

C: UN Global Compact Signatories

D: Firms with a commitment to reach Net Zero

# Appendix A: Commitment Indicators Glossary



Key Indicator	Definition
Use of international body indicators (UNSGDS, WEF)	UNSDGs integrated into ESG strategy. This is mostly true of firms who are participants in the UN Global Compact, but there are some other firms who are also using the UNSDGs as guidelines. Chosen as an indicator because it demonstrates a commitment to global business frameworks rather than legal industry frameworks.
Sustainable procurement policy	Strategy includes reference to policies around developing a sustainable supply chain and helping vendors to be more sustainable. Demonstrates recognition of ecosystem that firm has influence over.
Numerical targets for scope 1 / 2 / 3 carbon emission reduction	Firm has published numerical targets for reducing its carbon emissions, broken down by scope. Demonstrates firm's commitment to accountable actions.
reporting scope 1 / 2 / 3 carbon emissions	Firm has published its carbon emissions, broken down by scope. Demonstrates investment to lower emissions rather than simply offsetting.
Carbon emissions reporting with independent verification	ESG report makes reference to an independent body that has certified the accuracy of the carbon emissions statistics reported. Demonstrates governance and accountability practices in place.
Climate-focused pro bono commitment	Firm shows significant investment made in pro bono and volunteering projects focused on environmental issues, plus governance/accountability structure for commitments, and can demonstrate impact through recent case studies.
Diversity performance report	Firm has published a report that breaks down the personnel make-up of the firm by gender and other factors where data is available. Demonstrates vision to see past statutory minimums to use all data available to hold itself accountable to improve its diversity and inclusion performance.
Diversity pay gap report	Firm has published its pay gap data for gender and at least one other demographic factor (e.g. ethnicity). Demonstrates understanding of diversity issue and accountability.
Independent board	Firm has an independent board with at least two non-executive directors, a senior independent director and an independent chair. Demonstrates vision in how the firm should make decisions, hold itself accountable and be aware of broader societal impact.
Non-Executive Directors	Firm has at least one named non-executive director who is not an employee or partner at the firm. Demonstrates governance structure in place and understanding of firm's wider impact.
Chief Sustainability Officer	Firm has a named Chief Sustainability Officer. Demonstrates investment in and governance of ESG strategy.
"Responsible client selection" policy	Firm has publicly stated that it has a client selection policy which takes into account ESG factors (such as the potential climate impacts of a piece of work). Demonstrates leadership and vision.
Stakeholder engagement process in ESG strategy	Strategy details how the firm's stakeholders were engaged in the process of identifying the material issues from the UNSDGs and deciding how these should be approached in the firm's ESG policy. Demonstrates understanding of sustainable development approaches and impact on stakeholders.
Comprehensive ESG report	Firm has published an ESG report (also called a Responsible Business report, Sustainability report or Impact report) with some level of granularity on how it is performing against its ESG strategy (further explained in RSGI's Law Firm Sustainability Commitment Ranking – slide 10). Demonstrates investment and awareness of firm's impact.
Formal ESG practice	Firm has an Environmental, Social and Governance (ESG) practice listed amongst its practices on its website. Demonstrates commitment to and understanding of ESG subject matter.
ESG team	Firm has a group that offers ESG services but is not designated as a formal practice group. Examples include: ESG task force, ESG committee, ESG multi-disciplinary or cross-practice group, ESG team. This is a deliberate policy in some cases where firms have chosen to make ESG an integrated service rather than a demarcated practice group. Demonstrates understanding of how ESG intersects with other disciplines
Signatory of UN Global Compact	Firm is listed as a signatory of the UN Global Compact. This does not necessarily mean they are a participant. Integrated use of the UNSDGs in a firm's ESG report indicates proactive participation.
Commitment to net zero carbon emissions	This means the firm has published a general commitment to achieve net zero carbon emissions, sometimes referred to as carbon neutral. Our research further breaks this down between firms who have used carbon offsetting versus those who are reducing carbon emissions through reduced consumption. Reporting of carbon emissions broken down by scope is a good indicator that a firm is being transparent about how it is achieving net zero.
Control group	This is a list of 30 law firms outside the American Lawyer 200 list (measured by gross revenue) that RSGI has selected for their strong performance in our Commitment Key Indicators to acknowledge the firms that are showing leadership in the industry more widely.

# Appendix B: Lawyers for a Sustainable Economy

## Original list of Law firms that joined the initiative

Arnold & Porter (\$2 million)\*  
 Cooley (\$2 million)  
 Dentons (\$2 million)  
 Hogan Lovells (\$500,000)  
 Holland & Knight (\$2 million)  
 Latham & Watkins (\$2 million)  
 Morrison & Foerster (\$2 million)  
 WilmerHale (\$500,000)  
 Wilson Sonsini Goodrich & Rosati (\$4 million)

## Law firms that joined the initiative in 2019/2020:

Beveridge & Diamond (\$1 million)  
 Nixon Peabody (\$2 million)  
 Orrick (\$2 million)  
 Seyfarth Shaw (\$500,000)  
 Michelman & Robinson (\$500,000)

## Law firms that joined the initiative in 2021:

Debevoise & Plimpton (\$1 million)  
 Fenwick (\$250,000)  
 Morgan Lewis (\$250,000)  
 Ropes & Gray (\$1 million)

“Companies participating in the Lawyers for a Sustainable Economy are making a commitment to assist the initiative in a number of ways, including by: (1) enabling company in-house lawyers to provide pro bono assistance to clients directly, or in coordination with outside LSE-member law firms, on company time; (2) encouraging outside law firms and other companies to participate in the LSE initiative; and (3) using their community outreach activities to identify potential clients who may qualify for, and benefit from, pro bono services provided through the LSE network.”\*\*

*\*Dollar amounts represent financial commitment made by each law firm according to project website.*

*\*\*Source: <https://law.stanford.edu/environmental-and-natural-resources-law-policy-program-enrlp/lawyers-for-a-sustainable-economy/>*

# Appendix C: UN Global Compact signatories

UNGC signatories in the top 100 law firms*
DLA Piper
Dentons
Baker McKenzie
White & Case
Clifford Chance
Hogan Lovells
Linklaters
Freshfields Bruckhaus Deringer
CMS
Herbert Smith Freehills
Eversheds Sutherland
Squire Patton Boggs
Clyde & Co
Slaughter and May
Pinsent Masons
Gowling WLG
Simmons and Simmons

“What’s the commitment?”

The UN Global Compact encourages you to create a culture of integrity across your business or organization, from strategy to operations. More than 9,500 participating companies and 3,000 non-business participants have already embraced the commitments of the UN Global Compact. To join them as part of the world’s largest global corporate sustainability initiative, you must voluntarily pledge to:

- Operate responsibly, in alignment with universal sustainability principles;
- Take actions that support the society around you;
- Commit to the effort from your organization’s highest level, pushing sustainability deep into your DNA;
- Report annually on your ongoing efforts;
- Engage locally where you have a presence.”\*\*

\*Source: <https://www.unglobalcompact.org/what-is-gc/participants>

\*\*Source: <https://www.unglobalcompact.org/participation/join/commitment>

# Appendix D: Commitment to Net Zero

A number of firms have set targets for reaching Net Zero carbon emissions. Some firms have already been certified as carbon neutral, largely through carbon offsetting investments. Other firms have made targets to reduce their carbon emissions by specific amounts.

Firms committed to Net Zero	Firms which have reached Carbon Neutral	Firms which have set overall carbon emissions reduction targets
Allen & Overy	Allens	Allen & Overy
Clifford Chance	Ashurst	Ashurst
CMS	Chapman and Cutler	Baker McKenzie
DLA Piper	Clayton Utz	Clifford Chance
Eversheds Sutherland	DLA Piper	Clyde & Co
Gilbert + Tobin	Freshfields Bruckhaus Deringer	CMS
Gowling WLG	Gilbert + Tobin	DLA Piper
Herbert Smith Freehills	Linklaters	Eversheds Sutherland
Hogan Lovells	PLMJ	Freshfields Bruckhaus Deringer
King & Wood Mallesons	Simmons & Simmons	Gowling WLG
		Herbert Smith Freehills
		Hogan Lovells
		King & Wood Mallesons
		Linklaters
		Pinsent Masons
		Simmons & Simmons
		Skadden
		Slaughter and May
		White & Case