

# SCOPE 3 EMISSIONS: THE GUIDE FOR LAW FIRMS

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## Contents

1. What are Scope 3 emissions? .....	5
2. Why is Scope 3 important? .....	8
3. How should law firms be reporting on Scope 3? .....	10
4. Calculating Scope 3 emissions .....	16
5. Case studies .....	18
6. Overcoming Scope 3 challenges .....	22
7. How to get started .....	24



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## Welcome

Welcome to this Scope 3 Guide produced in collaboration with Carbon Intelligence for the benefit of members of the Legal Sustainability Alliance. There is an urgent need for a positive and proactive response to tackle the climate emergency. As well as measuring and reducing the carbon emissions from the energy we use as businesses (our Scope 1 & 2 emissions), collectively we need to understand and cut those emissions which result from activities up and down our organisations' supply chains – i.e. our indirect or Scope 3 carbon emissions.

Leading firms are responding to this climate challenge by measuring their Scope 1, 2 & 3 carbon emissions and setting robust targets. Those demonstrating ambition are setting science-based reduction targets in line with limiting global temperature rise to 1.5 degrees and are including emissions across the entire value chain. An increasing number of LSA members, as well as their clients, are committing to becoming a net zero carbon organisation within the next 10-15 years and offset the remaining emissions via a credible and lasting method.

It's clear the transition to net zero is well underway, yet, for many LSA members, identifying, measuring and reducing their Scope 3 emissions remains a major challenge. It is, however, an important one which we can meet by working together with our colleagues, suppliers and clients.

**We hope this guide will help.**



# Introduction

Climate change has been identified by the World Economic Forum as the single most catastrophic risk we face. It presents a potentially irreversible threat to habitats, societies and economies around the globe.

In 2015, world leaders signed the Paris Climate Agreement committing to limit global average temperature rise to well-below 2° and pursue efforts to limit it to 1.5°. In 2019, the UK became the first major economy to commit to achieving “net zero” emissions by 2050.

Since then, we have seen a wave of countries and businesses committing to become net zero and embracing the low-carbon transition.

The scientific community has clearly stated that to limit warming to 1.5°, and reduce the most destructive impacts of climate change, the world needs to halve emissions by around 2030 and reach net zero emissions no later than 2050.

Net zero in this context refers to a point at which anthropogenic emissions of greenhouse gases to the atmosphere are balanced by anthropogenic removals.

This concept of net zero is being translated into a best practice corporate net zero approach by the Science-based Target Initiative. Central to a credible corporate net zero target is a science-based emission reduction target covering company wide (Scope 1 & 2) and value chain (Scope 3) emissions.

We have published this guide detailing everything law firms need to know to measure and act on their value chain (Scope 3) emissions. A robust Scope 3 footprint is the foundation of an ambitious net zero strategy that will be credible with the media, employees and clients.



# 1. What are Scope 3 emissions?

Scope 3 emissions refer to all the indirect greenhouse gas (GHG) emissions which occur in an organisation's value chain. Scope 3 emissions typically occur in both upstream and downstream of your organisation's operations.

The Greenhouse Gas Protocol, the global standard for GHG accounting, defines three scopes of emissions:



**Scope 1:** Emissions from your direct operations. E.g. emissions from combustion of fuel in owned or controlled boilers, machinery or vehicles.



**Scope 2:** Emissions from the generation of purchased electricity, steam, heating or cooling consumed by an organisation.



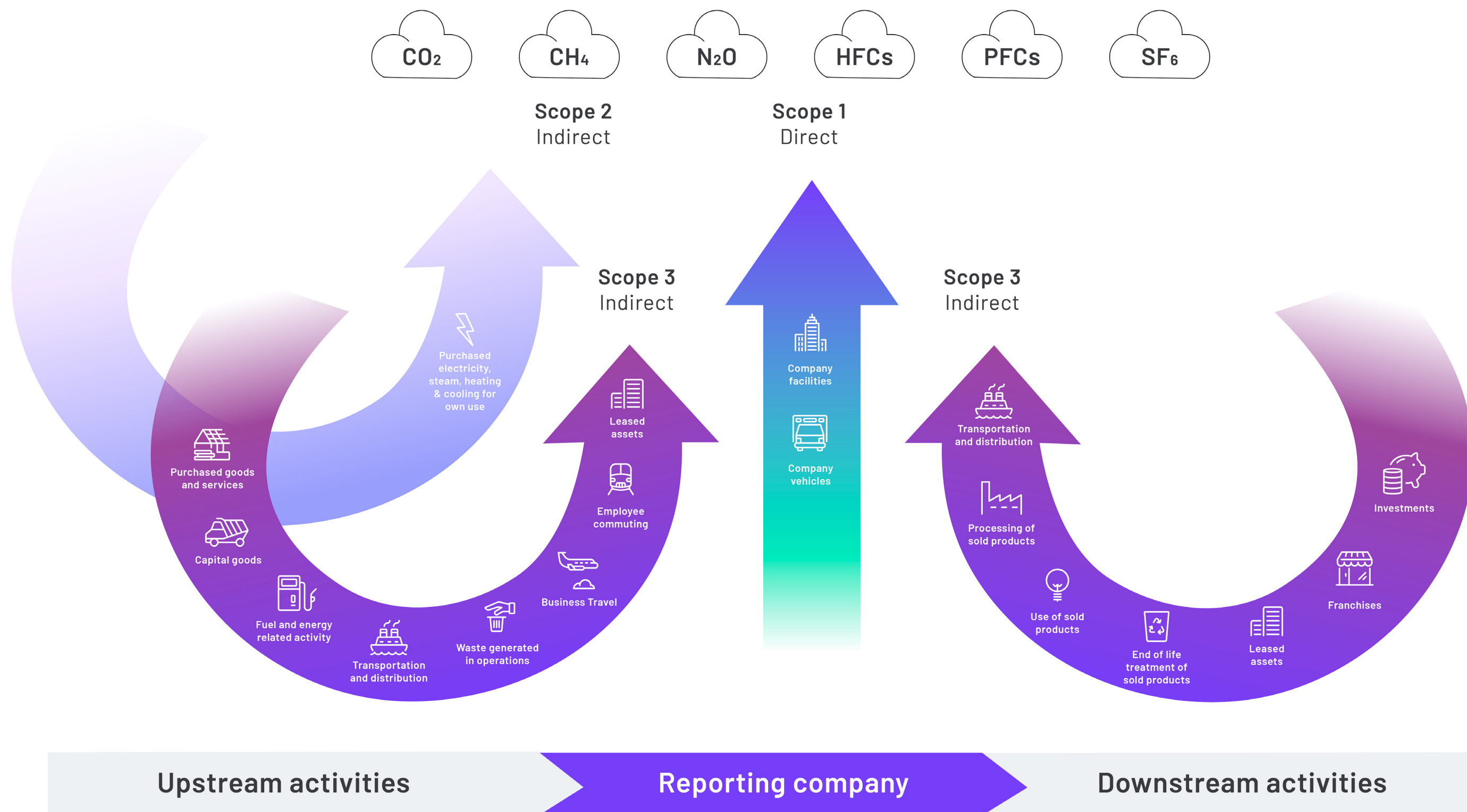
**Scope 3:** All indirect emissions that occur in the value chain of an organisation, both upstream and downstream. E.g. emissions from the production of purchased products or services, employees travelling for business purposes.



The Greenhouse Gas Protocol splits Scope 3 into 15 categories or emission sources, as shown in the diagram below.

## Overview of GHG Protocol emission scopes and sources across the value chain

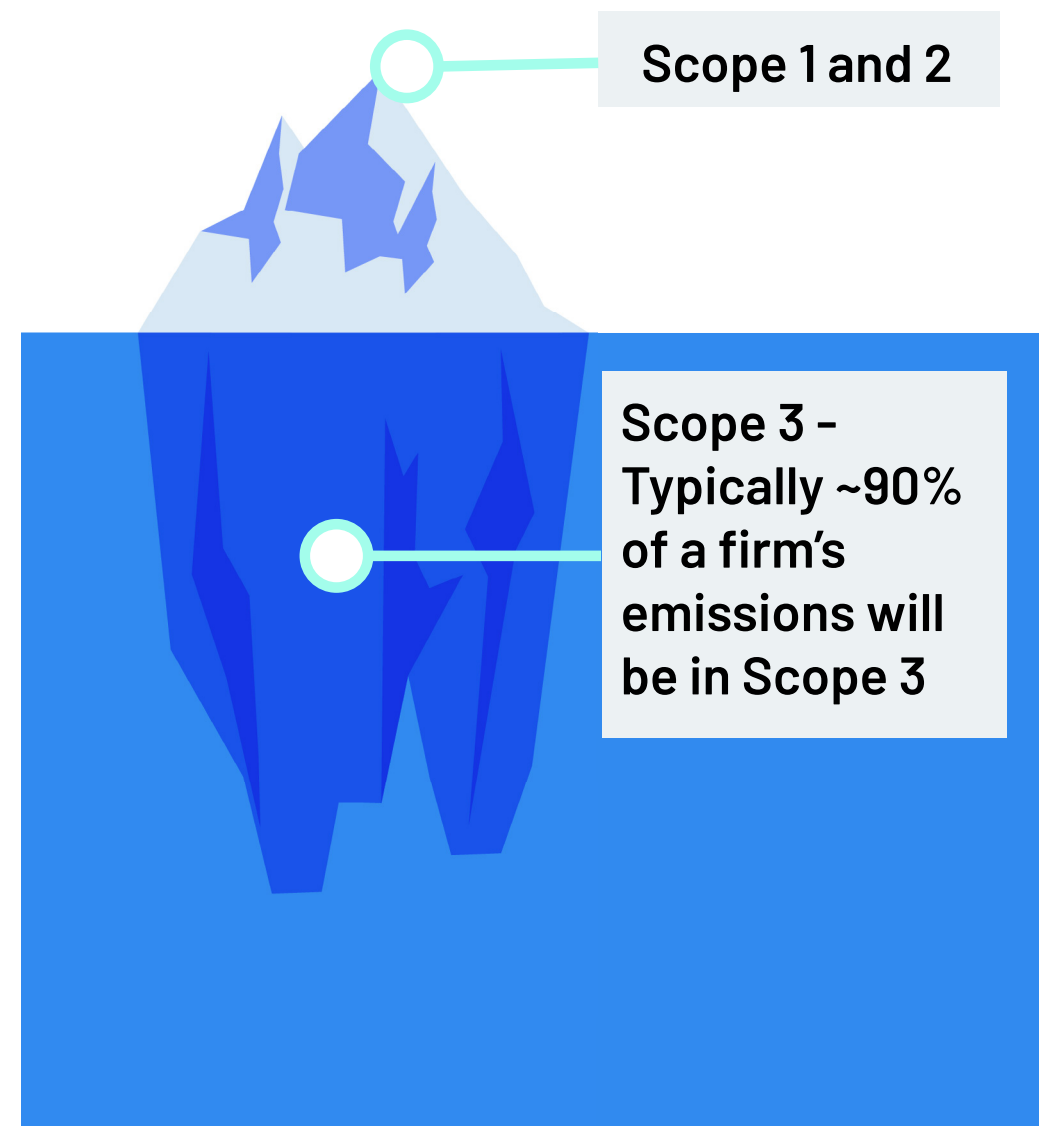
Scope 3 emissions will vary significantly for different types of organisations. The purpose of this guide is to explore what Scope 3 means for the legal sector and share best practice tips on how to calculate Scope 3 emissions.



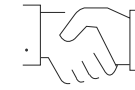
## 2. Why is Scope 3 important?

Scope 3 emissions typically represent the largest source of emissions for a firm. On average, over 90% of a law firm's total emissions sit within Scope 3.

This presents an environmental risk, but also an opportunity for a firm to influence significant emission reductions by promoting climate action across its value chain.



### Why should law firms address Scope 3 emissions?



#### Boost reputation with clients and employees:

Increasingly, firms are coming under pressure from clients and employees to make credible climate commitments. It is no longer reasonable for firms to ignore Scope 3 emissions within their climate strategies. Tackling Scope 3 is an opportunity to boost reputation and increase client loyalty.



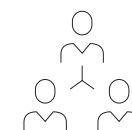
#### Stay ahead of rapidly evolving regulation:

Regulation, such as the UK Streamlined Energy Carbon Reporting Regulations, is requiring law firms to report on emissions publicly for the first time. As governments bring in new policies and to meet net zero commitments we expect increased scrutiny on Scope 3 emissions. Understanding and improving Scope 3 data accuracy and reporting now will help law firms to prepare for potential future carbon regulation and taxation.



#### Meet Science-based Target requirements:

The Science-based Targets initiative (SBTi) encourages companies to set targets in line with the required emissions reductions necessary to stay below 1.5C. Law firms wishing to set science-based targets must complete a Scope 3 screening exercise, and if Scope 3 emissions exceed 40% of the total footprint, set a target to reduce these emissions.



#### De-risk supply chains and reduce costs:

Understanding and reducing your Scope 3 emissions will enable firms to identify and manage climate risks across their supply chain. This knowledge can be used to inform investment and procurement decisions. A decarbonised supply chain helps to reduce costs through improved supply chain efficiency and exposure to regulation.



#### Take responsibility for your total footprint and scale your impact:

The majority of an organisation's emissions sits in Scope 3. Addressing Scope 3 enables firms to support decarbonisation across their supply chain. By collaborating with suppliers, firms can have a positive climate impact at a far greater scale than working in isolation.

# 3. How should law firms be reporting on Scope 3?

The first step in calculating a firm’s Scope 3 emissions is to conduct a screening exercise to establish which of the 15 categories are relevant and where the emission ‘hotspots’ are likely to be. The categories identified as most material are the ones upon which firms need to focus efforts to improve data accuracy and reduce emissions.

The screening process can be split into two steps:



**Relevance assessment:** Assess the relevance of each of the 15 Scope 3 emission categories, typically based on five criteria: size of emissions, level of influence, risk, stakeholder interest and relevant sector guidance. It is likely that not all 15 categories will be relevant. Further information on this process can be found in the [GHG Protocol here](#).



**High level estimation:** Estimate the size of relevant Scope 3 categories using best available data to identify potential emission ‘hotspots’. This helps to focus data collection and emission reduction efforts on the most material emission sources.

Firms should make their best efforts to cover 100% of relevant Scope 3 emissions where confidence in emissions data is sufficient. Any exclusions should be reported and justified. It is accepted that the scope of the emissions boundary and the quality of the Scope 3 data can be expanded over time.



The table below provides a guide for law firms undertaking a Scope 3 screening exercise:

Scope 3 Category	Relevance for Law Firms	Activities Reported (minimum boundary)	Initial data collection approach	Typical Emission Factor Source
UPSTREAM ACTIVITIES				
1. Purchased goods and services – Emissions from the extraction, production, and transportation (i.e. cradle-to-gate emissions) of goods and services acquired by a company in the reporting year, not otherwise included in another upstream category	High	All upstream (cradle-to-gate) emissions relating to purchased goods & services.  For law firms, this includes (pass through) spend on behalf of clients. Top categories for law firms typically include: professional services, IT, events and catering.	Start by requesting a breakdown of spend by category and supplier for the reporting year from the Procurement Team.  Be sure to subtract spend from areas that have already been reported on to avoid double counting e.g. energy costs.  In future reporting years, look to engage with key suppliers to collect supplier-level emissions data to reduce reliance on spend based estimates.	- Spend-based emission factors from the Quantis  - Scope 3 Evaluator Software solutions for embodied carbon e.g. Ecoinvent
2. Capital goods – Extraction, production, and transportation of capital goods purchased or acquired by the company in the reporting year. Capital goods are goods, e.g. plant, property, and equipment that the company uses to provide its service and would include buildings.	Medium	All upstream (cradle-to-gate) emissions relating to purchased capital goods.  For law firms, this typically includes IT and office equipment.  Categorisation of capital goods should align to your financial reporting.	Using the spend data, engage with the Finance Team to identify capital expenditure.	- Spend-based emission factors from the Quantis  - Scope 3 Evaluator Software solutions for embodied carbon e.g. Ecoinvent
3. Fuel and energy related activities – Extraction, production, and transportation of fuels and energy purchased or acquired by the company in the reporting year, not already accounted for in scope 1 or 2.	Low	Upstream well-to-tank and transmission and distribution losses emissions from fuels and electricity purchased.	Fuel and electricity figures as reported in the reporting company’s scope 1 and 2 footprint.	- Government emission conversion factors
4. Upstream transportation and distribution – Transportation and distribution of products purchased by a company in the reporting year between suppliers and its own operations (in vehicles and facilities not owned or controlled.)	Low	Emissions relating to purchased logistics or courier services. (i.e. Scope 1 & 2 emissions of transportation & distribution suppliers during use of vehicles and facilities)	Use spend data to find out if any logistics were procured in the reporting year.  If material expenditure, request mileage data from the logistics supplier as data is often readily available.	- Government emission conversion factors
5. Waste generated in operations – Disposal and treatment of waste generated in the company’s operations in the reporting year (in facilities not owned or controlled).	Low	Emissions relating to waste from own operations. (i.e. Scope 1 and 2 emissions of waste manage suppliers that occur during disposal or treatment of waste)	Capture the quantity of waste produced at offices broken down by disposal route. This can often be easily obtained from waste collection providers and landlords.	- Government emission conversion factors

6. Business travel – Transportation of employees for business-related activities during the reporting year (in vehicles not owned or operated by the company)	High	Emissions from flights, taxis, rail and personal vehicles used by employees for business purposes.	Business travel is often procured through a central expenses system, and travel providers often readily provide data to enable companies to calculate emissions. The data required would include, where applicable: <ul style="list-style-type: none"><li>• Mode of transport;</li><li>• Origin and destination, including country;</li><li>• Distance of journey;</li><li>• Class of journey</li></ul>	- Government emission conversion factors
7. Employee commuting – Transportation of employees between their homes and their worksites during the reporting year (in vehicles not owned or operated by the company).	Medium	Emissions from employees commuting from home to work by car or public transport.  Law firms may optionally include emissions from employees working at home in this category.  See the section below on home working emission calculations for more information.	Information on employee commutes or working from home patterns is sometimes collected by HR.  Consider conducting a travel or home working survey if you feel there is an opportunity to reduce employee commuting emissions.  In the absence of this information, government bodies often publish information on commuting patterns or home energy use which can be used to estimate emissions.	- Government emission conversion factors
8. Upstream leased assets – Operation of assets leased by the company (lessee) in the reporting year and not included in scope 1 and scope 2 – reported by lessee.	May be applicable	Emissions from office space leased from other companies not already included in scope 1 or 2.  Typically, law firms would report on these emissions within Scope 1 & 2 when using an operational control approach.	Electricity and fuel use data can be requested from the landlord or energy supplier. Floor area can be used as a benchmark if this information is not available.	- Government emission conversion factors
DOWNSTREAM ACTIVITIES				
9. Downstream transportation and distribution – Transportation and distribution of products sold by the company in the reporting year between the company's operations and the end consumer (if not paid for by the company), including retail and storage (in vehicles and facilities not owned or controlled by the company).	Unlikely to be applicable			
10. Processing of sold products – Processing of intermediate products sold in the reporting year by downstream companies (e.g. manufacturers).	Unlikely to be applicable			
11. Use of sold products – End use of goods and services sold by the company in the reporting year	Unlikely to be applicable			

12. End-of-life treatment of sold products – Waste disposal and treatment of products sold by the company (in the reporting year) at the end of their life.	Unlikely to be applicable			
13. Downstream leased assets – Operation of assets owned by the company (lessor) and leased to other entities in the reporting year, not included in scope 1 and scope 2 – reported by lessor.	May be applicable	Emissions from assets owned by an organisation that is leased to other entities.  Typically for a law firm this would include sub-leased/tenanted space in owned buildings.	If available, collect data on tenant energy use. Where tenant use data is not readily available, estimate using floor area and energy consumption benchmarks.	- Government emission conversion factors
14. Franchises – Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor.	Unlikely to be applicable			
15. Investments – Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2.	May be applicable	Emissions relating to an organisations investment activities (e.g. equity and debt investments and project finance). A reporting organisation's Scope 3 emissions from investments are the Scope 1 & 2 emissions of the investees.  It is optional to include emissions from pension funds.	Work with the Finance Team to gather information on investments for the reporting year.  If possible, gather Scope 1 & 2 data from investee companies and allocate emissions to the reporting organisation using share of investment.  Otherwise, estimate using investee sector and industry emission benchmarks.	- Government emission conversion factors





How to calculate working from home emissions

The impacts of coronavirus (Covid-19) have resulted in an abrupt shift to working from home for many people, particularly those working in the professional services sector.

Although the shift to remote working may result in reductions in Scope 1 & 2 emissions from office energy consumption, many law firms feel it is important to understand the materiality of the emissions caused by employees working from home and include these figures in their Scope 3 reporting. The GHG Protocol provides an option for businesses to include homeworking emissions in Scope 3 Category 7 – Employee Commuting.

The calculation approach for home working emissions is largely based on estimations due to limited data availability. However, should an organisation complete an initial assessment and find that their home working emissions are likely to be material then it is recommended they use surveys across the majority of their employees to get more accurate data.

For more information about a Working From Home carbon calculator based on actual energy use information provided by employees and which also estimates carbon saved by not commuting, as well as providing a domestic carbon footprint for any employee using it, please contact [info@legalsustainabilityalliance.com](mailto:info@legalsustainabilityalliance.com)



The table below shows the four main emissions sources from home working and the approach used to estimate them:

	Office Equipment	Lighting	Heating	Cooling
Assumed emissions source	Electricity consumption from laptop/PC, monitor, phone and printer	Electricity consumption from lighting	Natural gas consumption from heating	Electricity consumption from cooling
Methodology	Power load per employee x total hours at work by FTE employees	Power load per employee x total hours at work by FTE employees	Total gas consumption per person per year x share of gas for heating ÷ hours of active heating in year x share of homes not already heated x total hours at work by FTE employees x share of hours requiring heating	Incremental power load per employee x by total hours at work by FTE employees x share of FTE using on demand air con x share of hours requiring cooling
Assumptions	Power load per employee = 140W <sup>[1]</sup>	Power load per employee = 10W	Total gas consumption per year = 12 MWh <sup>[2]</sup> Share of gas for heating = 77% Hours of active heating in year = 1,820 hours (6 months of year for 10 hours) Share of homes not already heated = 66.7% <sup>[3]</sup> Share of hours requiring heating = 50%	Incremental power load (central systems) = 3.5 kWh Incremental power load (individual system) = 1.4 kWh Share of hours requiring cooling = variable by region

[1] CIBSE GUIDE F (2012)  
[2] OFGEM “TYPICAL – MEDIUM”  
[3] NATWEST GROUP (2020)



# 4. Calculating Scope 3 emissions



Scope 3 data collection and improving data quality is an iterative process and can take some time. Firms can expect that in the first year of Scope 3 reporting, a significant proportion of the emissions will be estimated using spend data, particularly for upstream supply chain emissions from purchased goods and services.

However, data limitations should not deter law firms from taking steps towards setting Scope 3 baselines and targets, as even estimated data can help identify emission hotspots, inform climate strategies and focus efforts. As data quality improves, baseline adjustments can be made and target updated.

Firms should prioritise data collection efforts on the most material Scope 3 categories. Over time, law firms should aim to improve data accuracy by collecting product and supplier specific emissions data for their most material emission hotspots. This enables firms to effectively identify emission reduction opportunities with suppliers and track performance against targets.

## Jargon buster: Environmentally-extended input output (EEIO) models

For organisations at the start of their Scope 3 journey, EEIO models are useful tools to estimate upstream emissions from purchased goods & services within your supply chain. EEIO models are derived by allocating national GHG emissions to groups of finished products based on economic flows between industry sectors. EEIO data are often comprehensive, but the level of granularity is relatively low compared to other sources of data.

The table below outlines the data journey firms should go on to improve understanding of upstream supply chain emissions.

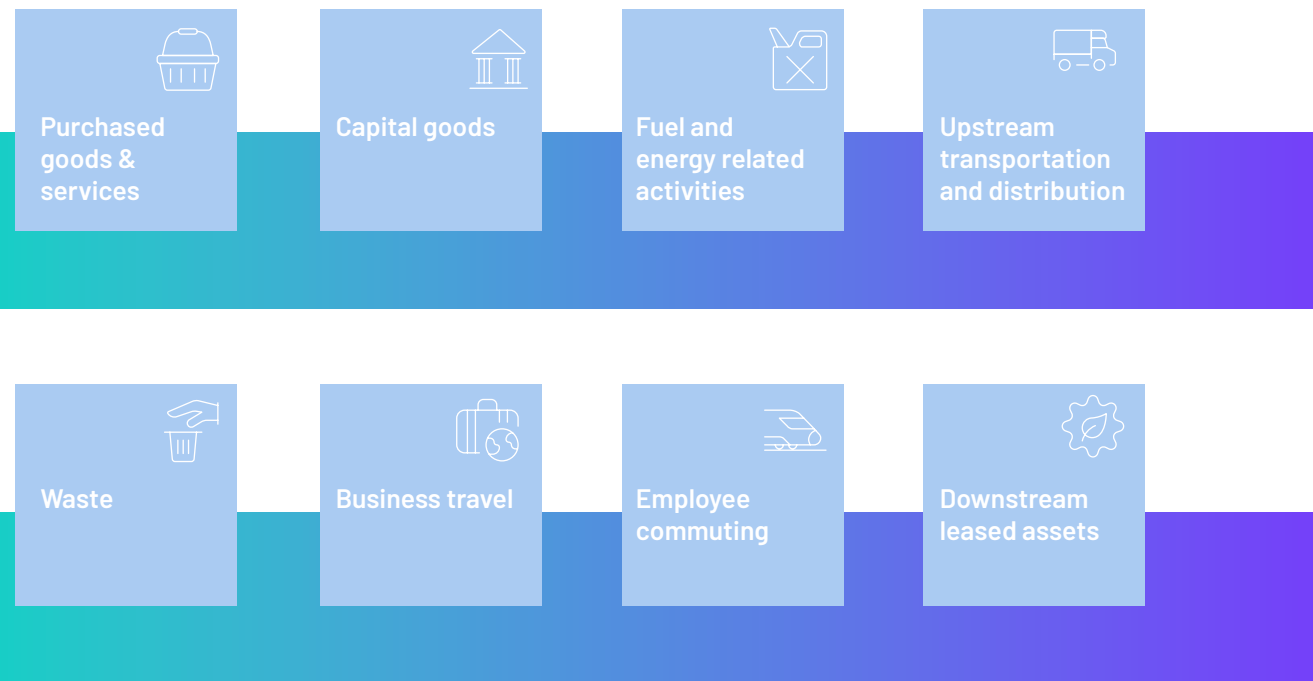
Table 3: Methods for accounting for supply chain emissions

Accuracy	Calculation Method	Detail
HIGH 	<b>Supplier specific method:</b> Use of product-level cradle-to-gate GHG inventory data from goods or services suppliers.	Engage with key suppliers across each product to obtain product-specific life cycle assessment information.
	<b>Hybrid method:</b> Specific emissions data from key suppliers and, where there are gaps, using this data to extrapolate across the procurement category by volume or spend.	If unable to obtain specific LCA information from key suppliers, the company should seek LCA information from one supplier for each product category and extrapolate out using volume data unless any reason is known that would make this an inappropriate assumption.
	<b>Average data method:</b> Utilisation of volume and quantity data associated with products and product emission factors from LCI databases, e.g. ecoinvent.	Procurement should provide the volumes and quantities purchased per product category and with some additional detail It may be possible to match the products purchased with appropriate industry average emission factors.
	<b>Spend based method:</b> Utilisation of spend emission factors (as done in this screening exercise).	If more specific emissions factors are not available, the company can estimate emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary (e.g. industry average) emission factors (e.g., average emissions per monetary value of goods).
LOW	<b>Extrapolation of emissions</b> based on similar or other appropriate category spend and emissions data.	Where there are gaps, we can use the emissions calculated via all methods above and extrapolate out to cover the remaining spend of purchased goods and services.

## 5. Case studies

### EVERSHEDS SUTHERLAND

Eversheds Sutherland (ES) is currently exploring what setting science-based targets would look like for the firm. As part of this process, they have undertaken a Scope 3 assessment and identified 8 relevant Scope 3 emission categories:



Of these categories, the largest percentage of Scope 3 emissions for the firm comes from purchased goods & services and capital goods (both upstream activities).



For purchased goods & services, they used spend data as provided by their Finance team to calculate emissions.



Business travel, which includes data on flights, train and Eurostar journeys, is extracted from a third party travel management booking portal (which is used by ES LLP colleagues); this is augmented with taxi and personal car mileage data which comes from a combination of invoices received and expenses claimed.



Different data approaches were applied to quantify the Scope 3 footprint depending on data availability.



In some cases, for example hire cars and company cars, estimates of distance travelled is made based on spend.



Data on staff commuting is gathered via an International Annual Travel survey which all colleagues are encouraged to complete. By understanding how colleagues travel and what their needs are, it is easier to encourage sustainable travel methods such as public transport.





During the 2020 Covid-19 pandemic, the majority of colleagues began working from home in line with government advice. As such ES designed an app to capture data for colleagues working from home, which tracks the number of bookings made for people wanting to work in ES UK offices. The app produces daily reports for each office and, working backwards from pre-Covid office utilisation figures, the firm is able to estimate how many people are working from home. EcoAct produced a whitepaper on home working emissions and this methodology was used by ES to calculate estimated office equipment and lighting emissions.

The biggest challenge for ES is the need to collect data for 26 offices which cover the UK, Europe, Middle East and Asia. Accurate and recorded data is not always available for all targeted Scope 3 categories so the firm uses models and estimates in some cases.

Where estimates or assumptions are used, reference is made in any reports for transparency. In 2019, the UK became the first major economy to commit to achieving "net zero" emissions by 2050. It has reinforced this with an intention to set in law the world's most ambitious climate change target to cut emissions by 78% by 2035 compared with 1990 levels - the result of which will bring the UK more than three-quarters of the way to net zero by 2050."

ES recognises that getting carbon emissions information from their suppliers, specific to the services being provided/ purchased, will be necessary in order to improve reporting and produce effective carbon reduction strategies.

The firm has already made progress by engaging with its Tier 1 suppliers and is looking to include requests for detailed sustainability related information in renewed contracts.

## The app produces daily reports for each office



# C/M/S'

Law . Tax

"CMS has made significant progress in addressing greenhouse gas emissions, including its supply chain (scope 3 emissions), over the last three years moving its UK CDP score from D in 2018 to A in 2020. CMS recognizes that an organization's average upstream emissions are around 11.4 times greater than their direct operations - which shows how vital supplier engagement is to achieve ambitious climate goals, such as science-based targets.

CMS was included in the 2020 CDP Supplier Engagement Leaderboard, placing the firm amongst the top 7% assessed for supplier engagement on climate change, based on the firm's 2020 CDP disclosure. CDP's Supplier Engagement Rating (SER) provides a rating for how effectively companies are engaging their suppliers on climate change.

CMS recognises that an organisation's average upstream emissions are around

# 11.4

times greater than their direct operations



CDP assesses performance on supplier engagement using a company's response to selected questions on governance, targets, scope 3 emissions, and value chain engagement in the CDP climate change questionnaire. The [SER Introduction](#) and [SER methodology 2020](#) is available on CDP's guidance page for more information.

CMS' approach to assessing the Scope 3 emissions associated with its supply chain is part of the firm's Science Based Target to a 30% reduction of its absolute scope 1, 2 and 3 GHG emissions by FY2025 from a FY2019 base year."

[https://www.linkedin.com/posts/cms-cameron-mckenna\\_cdp-supplier-engagement-leader-activity-6764889654450761728-Qtu5/](https://www.linkedin.com/posts/cms-cameron-mckenna_cdp-supplier-engagement-leader-activity-6764889654450761728-Qtu5/)



# 6. Overcoming Scope 3 challenges

Tackling Scope 3 emissions can be a challenge. The table below outlines some of the typical questions law firms will come up against when undertaking Scope 3 analysis.

Challenge	Solution
SCOPE 3 BOUNDARY	
Is it an issue that there is double counting in Scope 3?	<ul style="list-style-type: none"><li>• Double counting is an inherent part of Scope 3 accounting. In the same way a producer accounts for a sale of a product and the customer accounts for the purchase, Scope 3 emissions are also captured by multiple entities.</li><li>• Each company in the value chain has some degree of influence over emissions and reductions. Scope 3 accounting allows the simultaneous action of multiple entities to work collaboratively to reduce emissions throughout value chains.</li><li>• Further down the line, conversations can evolve on how companies will work together to reduce emissions and where costs will sit.</li></ul>
What should we exclude from our procurement spend?	<ul style="list-style-type: none"><li>• Typically law firms exclude spend from categories that either are accounted for elsewhere, or do not have a direct supplier / fit the categorisation of purchased goods or service. E.g.<ul style="list-style-type: none"><li>• Energy costs, rent</li><li>• Employee salaries</li><li>• Tax, rates</li></ul></li><li>• Spend on external services that is passed through to clients (e.g. spend with external barristers) is still accounted for within the purchased goods &amp; services boundary as reporting organisations have influence and the ability to support emission reductions in this category.</li></ul>
How do we account for organisational structure change or significantly improved data in our Scope 3 footprint?	<ul style="list-style-type: none"><li>• Scope 3 emission calculations should be carried out annually as a minimum.</li><li>• Scope 3 baselines should be updated, as needed, to reflect significant changes that could compromise the consistency when tracking emission reductions over time.</li><li>• Examples of significant changes include: changes in company structure (e.g. acquisition or merger) or changes to data sets due to discovery of improved data sets or cumulative errors</li><li>• For example, if a law firm receives data from a supplier that is significantly lower than the original spend based estimate then the Scope 3 baseline should be reviewed and if necessary updated to ensure like-for-like comparison. Law firms should distinguish clearly between reductions that are the result of better data from suppliers vs reductions as a result of collaborative projects to reduce absolute emissions.</li><li>• Significant thresholds are usually set at 5%. Typically you would assess the cumulative impact of any changes identified within a reporting year to determine if they exceed the threshold.</li></ul>
IMPROVING SCOPE 3 DATA	
All our Scope 3 data is estimated, is this a problem? Can we set targets on estimated data?	<ul style="list-style-type: none"><li>• No this is very common for organisation's starting on their Scope 3 journey. It is expected that Scope 3 data quality will improve over time. The initial estimations can be used to identify emission hotspots and where to focus future data collection and emission reduction efforts.</li><li>• The majority of law firms committing to science-based targets are using some form of estimation within their Scope 3 emission footprints. Setting targets encourages greater engagement with your supply chains which over time will improve data accuracy.</li></ul>

## ENGAGEMENT

How do we build buy-in with internal teams to gather data required for Scope 3 calculations?	<ul style="list-style-type: none"><li>• Identify key stakeholders at the start of the process (e.g. Procurement, Finance, Supply Chain).</li><li>• Hold a kick-off workshop to build internal understanding on why Scope 3 is important and the data collection requirements. Share the Scope 3 data hierarchy (page 17) and explain the Scope 3 data journey, highlighting where you are now as a firm and where you need to get to.</li><li>• Ensure NDA's are in place with external consultancies to allow for data sharing and avoid project delays.</li></ul>
How do we manage our suppliers if our supplier base is significant and changing year on year? What can we do to fill the knowledge gap on emissions with our suppliers?	<ul style="list-style-type: none"><li>• After mapping supply chain emissions, organisations should develop a supplier engagement programme to engage key suppliers and encourage them to take climate action.</li><li>• As part of this programme, organisations can promote data sharing and provide guidance and tools to suppliers on how they can reduce their own emissions footprints.</li><li>• ISO 20400 - a widely recognised sustainable procurement standard - can be used to help with this.</li></ul>

## REPORTING AGAINST SCOPE 3 TARGETS

How can a law firm calculate supply chain emissions for our clients, as their suppliers?	<ul style="list-style-type: none"><li>• Law firms that are requested to provide emissions data to clients so that clients can calculate their Scope 3 emissions should provide an emissions intensity figure based on spend (tCO2e / £). The boundary of this footprint should be total Scope 1&amp;2 emissions, plus all upstream Scope 3 categories (categories 1 to 8). The emissions intensity should be calculated by dividing this total footprint figure by total revenue.</li></ul>
How do we account for offsets within our supply chain? For example, we offset all our business travel emissions and have done so for a number of years.	<ul style="list-style-type: none"><li>• Offsets should always be reported separately from an organisation's emissions inventory and adhere to best practice verification standards (e.g. PAS 2060, Gold Standard or the Voluntary Carbon Standard)</li><li>• Offsets purchased by suppliers or reporting organisations can be used to neutralise Scope 3 emissions however, they should always be reported separately</li><li>• Offsets <b>cannot be used</b> to achieve science-based targets.</li><li>• You should still continue to account for <b>absolute emissions</b> from your supply chain and track reductions in absolute emissions over time.</li><li>• If suppliers are purchasing offsets for their operations, products or services, we recommend organisations request further details to ensure that they are credible and verified to a best practice standard.</li></ul>
	<p><b>Why?</b></p> <ul style="list-style-type: none"><li>• Relying on offsets alone will not achieve the goals of the Paris Agreement to limit warming to 1.5 degrees.</li><li>• We must prioritise absolute emission reductions and ensure that offsets are transparent and carefully accounted for to avoid double counting.</li><li>• A focus on absolute reductions will reduce your risk exposure to future carbon taxation and your reliance on expensive carbon offsets as businesses race towards net-zero.</li></ul>
How do we track and monitor Scope 3 emissions data over time?	<ul style="list-style-type: none"><li>• Most companies start their Scope 3 journey using excel. However, as data quality improves and engagement with your suppliers increases, managing large quantities of Scope 3 emissions data in excel can become challenging.</li><li>• A software solution will address these issues, enabling your suppliers to more easily share emissions data, increasing engagement levels and giving you the ability to track progress against Scope 3 targets.</li></ul>
How do we claim emission reductions in Scope 3?	<ul style="list-style-type: none"><li>• Companies should be transparent when making claims around Scope 3 emission reductions. For example, clearly stating where the organisation is working jointly with suppliers to reduce emissions rather than taking exclusive credit for Scope 3 reductions.</li></ul>
How will Covid-19 impact emissions reporting?	<ul style="list-style-type: none"><li>• Covid-19 has had a significant impact on the Scope 3 emissions profile of professional services organisations</li><li>• Firms have seen significant reductions in business travel emissions, and an increase in emissions relating to employees working from home (which sits in Scope 3 Category 7 Employee Commuting)</li><li>• Organisations should use this as an opportunity to develop policies and incentives to avoid a return to pre-Covid-19 levels of business travel.</li></ul>

# 7. How to get started

Three steps for getting started in managing Scope 3 emissions:

- 1. **Build the business case internally** - educate the business on why Scope 3 is important, obtain Senior-Level sponsorship to tackle Scope 3 emissions, engage key teams (Procurement, Finance) to get them involved from the start
- 2. **Define your Scope 3 objectives** - what's driving this, is it the ability to set Science-based Targets, or greater supply chain insight. Define the end goals
- 3. **Start with a Scope 3 screening** - quick process to identify material Scope 3 categories and emission hotspots. Use it strategically to build a plan, focus efforts

A typical timeline for law firms to address Scope 3:

Year 1	Year 2	Year 3
<ul style="list-style-type: none"><li>• Build the business case internally</li><li>• Define your Scope 3 objectives</li><li>• Undertake a Scope 3 screening exercise to determine relevant Scope 3 categories, identify emissions hotspots and uncover data gaps</li><li>• Set a science-based target on Scope 3 emissions to drive action and focus efforts</li><li>• Build a roadmap to target Scope 3 emission reductions</li><li>• Identify short-term opportunities (e.g. policies to avoid business travel returning to pre-Covid levels)</li></ul>	<ul style="list-style-type: none"><li>• Engage key suppliers and onboard them onto your Scope 3 journey with the help of procurement processes</li><li>• Encourage them to measure their carbon impact, share their data and commit to setting targets</li><li>• Explore options and implement software solution to improve emissions data management</li><li>• Capture supplier-level data where possible and undertake Scope 3 modelling</li><li>• Review and update Scope 3 baseline if necessary</li><li>• Track progress against Scope 3 targets</li></ul>	<ul style="list-style-type: none"><li>• Continue to engage with suppliers on emissions and build carbon into your procurement strategy</li><li>• Identify opportunities to collaboratively tackle emission hotspots (e.g. reducing catering emissions footprint)</li><li>• Continue to improve data quality and undertaken Scope 3 modelling</li><li>• Report on progress against Scope 3 targets</li><li>• Review Scope 3 roadmap. Identify successes and further opportunities to target emission reductions</li></ul>



The focus of this guide is to enable law firms to undertake Scope 3 emissions reporting which can be used to inform emission reduction strategies. In the future, further guidance on building successful emission reduction strategies to target Scope 3 emissions can be developed if useful for LSA members.





## About Carbon Intelligence

At Carbon Intelligence we see business as the solution to a zero carbon world. For the last 10 years we have supported some of the biggest companies in the world and have a proven track record of delivering results.

We helped the first law firm to get their science-based target approved by the SBTi and the first firm to announce a net zero strategy.

We can help you establish your firm as a leader through setting and achieving ambitious carbon reduction targets, helping you move towards a net-zero carbon future in a way that will improve your brand reputation. We can show you what a low-carbon future looks like for your firm – and give you the strategic roadmap to get there.

Our services are designed to help you set ambitious yet achievable targets, and put the programme in place to ensure you get there. We can develop the right strategy to reduce your firm's climate impact and collect the data throughout your value-chain to track progress. We will help you to define your vision and work collaboratively with your team to build a clear strategy and set credible targets. We will help you align on key priorities and establish C-suite and cross-functional accountability. Unlock your firm's potential to realise your net zero ambition. We are here to help you.



## About the LSA

The Legal Sustainability Alliance has been leading the way in sustainability for UK based law firms since its inception in 2007.

During that time firms have moved from measuring and managing their carbon emissions to committing to Net Zero by putting sustainability at the heart of their businesses. It is now a strategic imperative for all law firms to be working on their transition to a low carbon business model and the LSA is here to help.

For more information visit [www.legalsustainabilityalliance.com](http://www.legalsustainabilityalliance.com)





### About us

Carbon Intelligence helps some of the largest companies in the world set and achieve ambitious sustainability targets to tackle the climate crisis. We bring together a world-class team of strategists, engineers, technologists, data scientists and educators; sustainability people who bring fresh thinking to your corporate sustainability.

We connect corporate strategy with deliberate evidence-based programmes, from net zero pathways to supplier engagement. With a decade's worth of experience and insights from thousands of data points we are the most impactful long term partner.

**What is your level of ambition?  
Talk to us today about how we can help.**

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