

# TOOLKIT

## THE PROFESSIONAL SERVICES SECTOR AND NET ZERO

The professional services sector as we're defining it here includes lawyers, accountants, marketing, PR, consultants and those who provide advisory services to help businesses grow or improve. Although not considered a major direct contributor to greenhouse gas emissions, the sector has a key impact through its scope 3 emissions, [with up to 97% of its impact estimated to come through the supply chain.](#)

### Professional services sector profile

In the UK, around 2.8m people or 8.8% are employed in professional, scientific and technical roles<sup>i</sup> – a wider definition than ours, but the best estimate available. In emissions terms, this sector is included in reporting under the business sector, which had estimated emissions of 65.1 Mt in 2021, accounting for around 19.1% of all UK emissions. [In Northern Ireland](#), the business sector accounted for 2,791 KtCO<sub>2</sub>e or 13.4% of emissions in 2020. Although Professional Services firms make up only a part of these figures, they still have an important part to play in achieving net zero by 2050.

### The big issues for the sector

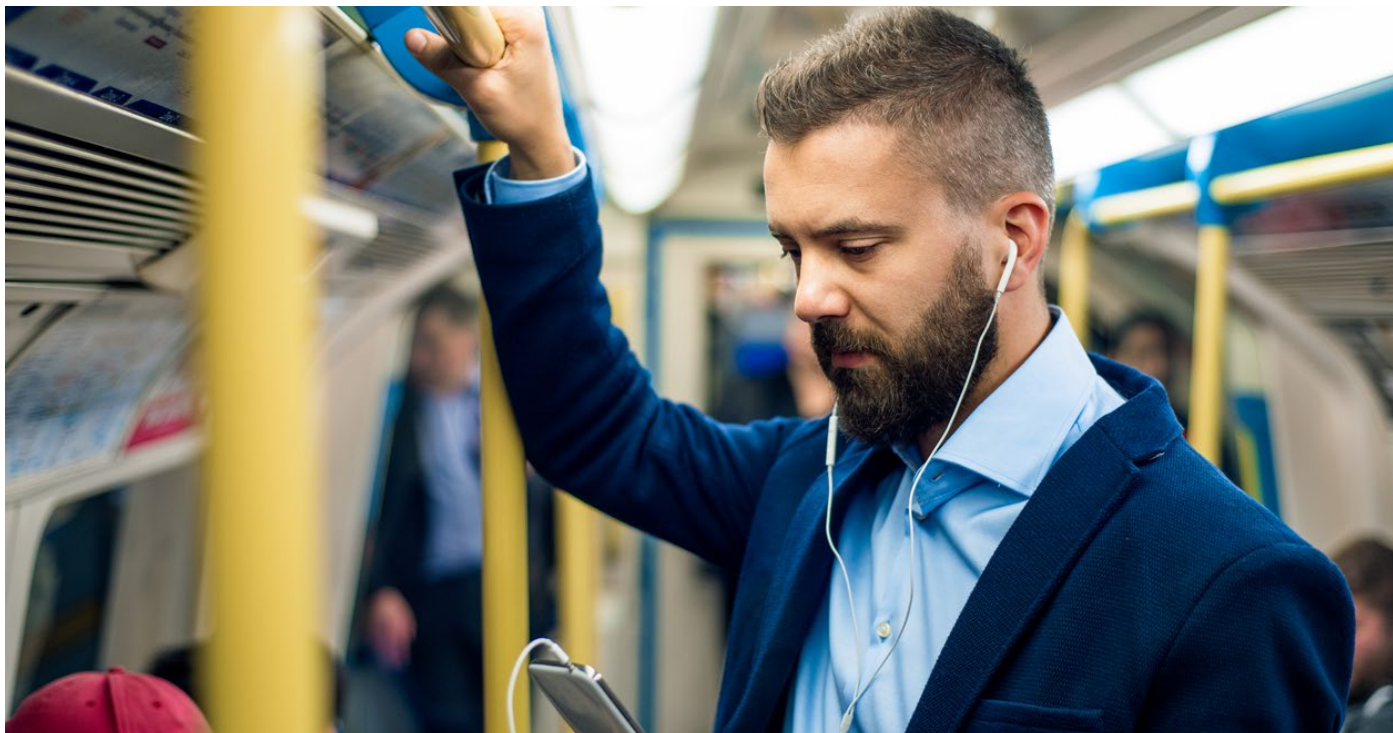
Client and investor demands are a big driver for this sector, as increasingly, companies seeking professional services support want to work with companies whose values are aligned with their own sustainability or ESG credentials. This brings an opportunity for professional services companies who can add value through their own expertise, knowledge and the support they can offer to clients. This is something EY grasped when the company launched EY Carbon earlier this year, pledging to recruit some 1,300 professionals to support companies to produce their net zero plans<sup>ii</sup>.

Ultimately, when it comes to reducing their own carbon footprint, there are two key areas for professional services companies to address – their offices and their travel. Ensuring that offices are as energy-efficient as possible and that fossil fuel heating sources are replaced with renewable or lower carbon alternatives is an obvious starting point. On travel, reducing travel emissions from both the employee commute and business travel can have a big impact, as this is a sector that tends to have higher than average emissions from business travel.

Some of the biggest challenges for professional services firms starting their net-zero journey are outlined in [this article from Carbon Intelligence](#). They include:

**Calculating your carbon footprint** – you need to understand the impact your activities have on carbon emissions before you can plan how to reduce it. You may need external support to do this and you should consider signing up to BITC's [Climate Action Pledge](#) to access measurement support and a public demonstration of your commitment to net zero.

**Energy efficient and low-carbon workplace** – switching to renewably-sourced energy is the



biggest change you can make as part of decarbonisation efforts. If you don't own your premises, this may mean engaging your landlord to explore the options available for lower carbon heat and electricity within your building.

**Sustainable business travel** – pre-Covid, business travel was one of the largest sources of emissions for professional services companies. Efforts need to be made to ensure that post-Covid, the changes made during the pandemic are not entirely lost. Sustain behaviour change by supporting employees to work from home where this has a lower carbon footprint than commuting to the office and consider [imposing a levy for business travel by air](#), with the charge being used for credible offsetting of the emissions from this option.

**Supply chain** – emissions from purchased goods and services regularly form the largest part of the carbon footprint in a professional services firm. Research shows that supply chain emissions can make up to 97% of the total emissions of firms in this sector, so engaging the supply chain and ensuring procurement considers emissions and other sustainability criteria in decision-making is important.

### Support within and for the sector

Carbon Intelligence has provided a useful [Net Zero Guide for the Professional Services Sector](#) that outlines how to approach measurement of a carbon footprint, what mitigation pathways to explore and how to align your approach with the [Science-Based Targets initiative](#) (SBTi).

The guide outlines six key dimensions for a successful net-zero roadmap:

1. **Direction** – developing a strategy with a strong business case for change that's aligned to the wider business strategy
2. **Governance** – establishing structures and accountability for the execution of your strategy
3. **Data** – collecting and analysing the data needed for evidence-based decision making and automating this wherever possible
4. **Engagement** – managing the process in tandem and in consultation with key stakeholders
5. **Performance** – integrating tangible carbon performance improvements into your programme
6. **Reporting** – embrace transparency on climate-related disclosures and your progress against net-zero goals

## THE PROFESSIONAL SERVICES SECTOR AND NET ZERO

A webinar on [Transitioning to Net Zero for the Professional Services Sector](#) by Shoosmiths, offers practical tips from companies in the sector along with links to a range of useful resources.

The legal profession has an important role to play in ensuring the advice lawyers give is aligned with a decarbonised economy and a safe and habitable planet. To support them in this, the Chancery Lane Project has produced a [Net Zero Toolkit](#). This includes a range of Net-Zero Implementation Tools and useful resources designed to help lawyers understand and support the transition to net zero when working with clients.

The [Legal Sustainability Alliance](#) offers a not-for-profit collaborative network run by law firms for law firms committed to action on sustainability. The site offers a [carbon calculator](#) and a range of guides, reports and [resources](#) to help law firms on their net zero journey. It also has the [Legal Renewables Initiative](#) – a campaign to get members to commit to switching to 100% renewable electricity by 2025.

For accountants, Chartered Accountants Ireland has produced a short [crash course on climate essentials](#) and provides a range of wider sustainability resources on its website to support its members.

For SMEs operating in this space, PwC has produced a [Navigating Net Zero guide](#), outlining 10 practical steps small companies can take. Whilst not directly focused on professional services firms, the content is useful and relevant for companies across all sectors.

### Legislative and sectoral drivers

Larger (listed) companies are subject to [Taskforce for Climate-Related Financial Disclosures \(TCFD\)](#) reporting requirements, introduced by the Financial Stability Board to encourage risk and opportunity measurement and disclosure across the private sector. From April 2022, around 1,300 UK organisations are mandated to disclose their climate risk management efforts using the TCFD framework and this number is likely to grow annually. The aim of the mandate is to increase climate-related engagement between investors and the companies they invest in<sup>9</sup>.

Going a step further than the TCFD framework, is the forthcoming [Sustainability Disclosure Requirements \(SDR\)](#), which will require companies to disclose information on all environmental impacts. A timeline for the introduction of SDR is currently uncertain, but it is thought to be imminent.



## Good practice examples

### ARDMORE ADVERTISING

Hollywood-based marketing and advertising company **Ardmore** set up an internal team called the [Ardmore Climate Target Collective](#) (The ACT Collective) to drive the business to net-zero as quickly as possible. Their approach has three strands:

1. Reducing the operational footprint to zero
2. Educating and inspiring staff to reduce and report personal emissions
3. Enabling and empowering clients and partners to make more sustainable choices

As well as being signatories to BITCNI's Climate Action Pledge, Ardmore also sought [certification to Planet Mark](#), which involved a full carbon footprint assessment, target setting and communication of goals.

A simple and effective tool is the use of an Energy Saving Mode button on the company's website which helps to communicate its commitments to reducing its footprint through all media.

### NET ZERO LAWYERS ALLIANCE (NZLA)

A group of legal companies has joined forces to create the [Net Zero Lawyers Alliance \(NZLA\)](#), which involves a commitment to four key principles:

1. Reducing operational emissions by at least 50% by 2030 from 2019 levels
2. Contributing pro bono time to projects to achieve climate objectives
3. Building capacity among all their lawyers
4. Providing net-zero aligned advice

Aligned with the UN [Race to Zero campaign](#), 22 global law firms signed up as founding members, including [Pinsent Masons](#) (who have a 2040 verified Science-Based Net Zero target) and [Baker McKenzie](#) (who have a COP 27 Steps to Net Zero hub).

## Further Reading

[PwC Net Zero Future50](#)

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- [find out more about our environmental sustainability work](#)
- [learn more about our programmes and initiatives](#)
- [join us for one of our upcoming events](#)



Talk to one of our expert team **today** to learn how membership of BITC can help you take your responsible business journey further, and drive lasting global change.

## REFERENCES

<sup>i</sup> [Broad Industry Group \(Standard Industrial Classification\) – Business Register and Employment Survey \(BRES\): Table 1 - Office for National Statistics \(ons.gov.uk\)](#)

<sup>ii</sup> [EY Carbon launched to support listed businesses preparing net zero plans ahead of looming 2023 deadline | EY UK](#)

<sup>iii</sup> [Net zero implementation tools | The Chancery Lane Project](#)

<sup>iv</sup> [Resources - ..rteredaccountants.ie \(charteredaccountants.ie\)](#)

<sup>v</sup> [TCFD mandate: Everything you need to know about the UK's new climate disclosure requirements - edie](#)