

# Our Commitment

All NZLA Members commit to reducing operational emissions, contributing pro bono time to projects to achieve climate objectives, building capacity among all their lawyers, and providing net zero aligned advice.

## The NZLA commitment 2024

**Parties:** NZLA Members

We recognise, in accordance with the best available science, that there is an urgent need to accelerate the transition towards global net zero emissions and for commercial law firms and lawyers to play our part to help achieve the goals of the 2015 Paris Agreement and ensure a just transition.

The Net Zero Lawyers Alliance (NZLA) commits to support the goal of Net Zero greenhouse gas (GHG) emissions by 2050 or sooner, in line with global efforts to limit warming to 1.5°C (Net Zero). It also commits to amplify Race to Zero law firm membership including law firms in developing states and to support aligning commercial clients' legal contracts and terms, and their enforcement, with Net Zero.

Therefore, we specifically commit to:

a) Develop (and encourage and support law firms in developing states to develop) **verifiable Net Zero 1.5 aligned emissions targets** for review at least every five years, with a view to prioritising reductions (i.e., towards achieving zero emissions) and using only high integrity removal units to offset any residual GHG emissions (i.e. those that are not feasible to abate).

b) **Work with clients to offer legal services**, where possible, that align with and facilitate client decarbonisation goals consistent with Net Zero, which will be achieved through:

- enhanced capacity building and training of commercial lawyers, and
- industry-wide collaboration to facilitate systemic change in law and legal practice to support transition to Net Zero through projects and initiatives.

c) Set an interim target for **implementing commercial lawyer capacity building and training** within the firm in accordance with NZLA training modules, or equivalent, and monitor its impact on our firm's legal services.

d) Set an interim target for **participation in collaborative initiatives** (such as the NZLA Multilateral Development Bank 'Follow the Deal' Project for Contract Carbon Systems Mapping, UNCITRAL Net Zero Legislative Project and/or NZLA Energy Charter Treaty (ECT) Modernisation project) aimed at facilitating systemic change in law and legal practice to facilitate transition to Net Zero and monitor the impact of these on our firm's legal services.

e) Continue through the NZLA to **look for innovative ways to work together** cooperatively to advance commercial law instruments and services, including in close collaboration with the UNFCCC Race to Zero and its official Partnerships.

## In order to fulfil these commitments:

For law firm operations to align with the attainment of net zero emissions by 2050 or sooner (under commitment a)

1. Set interim targets for 2030, consistent with a fair share of the 50% global reduction in CO<sub>2</sub> consistent with the findings of the IPCC special report on global warming of 1.5°C
2. Take account of Scope 1 & 2 emissions and, where material, Scope 3 emissions (e.g., employee commuting or business travel)
3. If using offsets, they should have high integrity and entail investment in long-term carbon removal, where there are no technologically and/or financially viable alternatives to eliminate emissions
4. For law firm legal services offered across our commercial client base (under commitment b)
5. Where possible, offer clients information on how to embed their own decarbonisation goals through commercial law including in individual and project-wide legal contracts, corporate structuring, deal structuring, procurement and public-private partnerships, and/or government permitting and licensing.
6. As referred to at paragraph b above, provide legal services to clients that take into account climate legal risk, including existing and anticipated regulatory and litigation risk, where relevant, (e.g., mandatory and non-mandatory reporting and disclosure obligations based on TCFD and associated corporate governance risk), working to assist our clients to foresee net zero related regulatory changes on the horizon so they can anticipate and prepare for such changes in a way that is optimal to their success.
7. Collaborate within the legal industry and across industries and sectors in systemic change initiatives in law and practice to facilitate transition to Net Zero.
8. In order for all commercial lawyers within the firm to be able to offer legal services that align with and facilitate client decarbonisation goals consistent with Net Zero, upskill those lawyers and support professionals within our firm on client decarbonisation goals, climate change law, policy and science.
9. Engage with actors and initiatives key to the legal system including regulatory bodies, legal and other relevant industry associations to ensure that standard industry practises for lawyers and legal services develop in a manner that is consistent with the aim of achieving global Net Zero by 2050 or sooner
10. Continue actively to engage in and provide pro bono resources where possible for cooperative legal initiatives to embed decarbonisation goals into private law instruments, with a goal to formulating modern, fair, harmonized rules on commercial transactions, including conventions, model laws and rules.
11. Commit to continue to stay apprised of minimum Race to Zero criteria as they evolve and to work collaboratively to define what it means for law firms to be fully aligned with Net Zero emissions, inclusive of legal services provided.
12. Accountability
13. Publish an operational climate action plan annually, which is forward looking and, after one year, tracks progress, and submit that plan for review to ensure the approach applied is based on a robust methodology, consistent with the UN Race to Zero criteria (e.g., through Business Alliance for 1.5C, SME Hub, or B Corp), and action is being taken in line with the commitments made here

## We recognise the need for collaborative initiatives to develop methodologies and support clients to take action towards Net Zero.

We will collaborate with each other and clients via such initiatives so that clients have access to best practice, robust science based approaches, standardised methodologies and improved data, through which to deliver these commitments through legal services.

We also acknowledge that the scope for law firms and lawyers to provide legal services that align with and facilitate client decarbonisation goals and to meet the commitments set forth above depends on the mandates agreed with clients and clients' and law firms' regulatory environments. These commitments are made in the expectation that governments will follow through on their own commitments to ensure the objectives of the Paris Agreement are met, including increasing the ambition of their Nationally Determined Contributions, and in the context of our legal duties to clients and unless otherwise prohibited by applicable law. In some sectors for which we provide legal services, agreed Net Zero methodologies do not yet exist. Where our ability to align our legal services offered with Net Zero by 2050 is, today, constrained, we commit to embark with determination and ambition on a journey, and to challenge and seek to overcome the constraints we face.