

# DLA Piper TCFD Disclosure 2020/2021

## UNDERSTANDING OUR CLIMATE RISKS

DLA Piper recognises the significant impact climate change is already having and will still have on society, including impact on business. We want to be a sustainable business, and to enable our clients to transition successfully to a low-carbon economy. Therefore it's important for us to understand the risks and opportunities arising from the effects of climate change and to ensure these are fully integrated into our business systems.

This year we began an assessment to understand our climate risks and opportunities utilising the Financial Stability Board's TCFD (Task Force on Climate-related Financial Disclosures) framework. At the time of publishing of our [Sustainability Report 2020/2021](#) we are still in early stages of this assessment, and the below table summarises our progress to date. In 2022 we will share our results once available.

### Governance

Our management of climate-related risks is integrated into our wider governance systems. These systems are described in detail in the **6.0 Leadership and governance** and **5.0 Our environment** sections of our [Sustainability Report 2020/2021](#).

### Strategy

We are in early stages of our assessment and climate related scenario analysis, and early indications show that marketplace expectations will be prominent in both early and late scenarios. The results of the analysis will be reviewed by our S&ESG Steering Committee and the Risk Committee which report, respectively, directly to Executive and the board.

Knowing that risk associated with expectations and leadership in the marketplace, including reputation, is likely to be modelled as a significant risk, this is likely to influence our sustainability strategy. This includes delivering against our science-based carbon reduction target and developing a credible net zero strategy, including our approach to credible offsetting.

Other parts of our business where strategy is likely to be affected by the assessment include our products and services, our approach to supply chain management, investment in R&D, and our approach to operational efficiency.

You can read more about our scenario analysis and how it will affect our business strategy in our latest response to the CDP Climate Change questionnaire, once it becomes available in early 2022.

### Risk Management

Our approach to managing climate-related risks is increasingly embedded within our ERM framework and processes. As such, climate-related risks within DLA Piper are managed consistently with other business risks. This year we are reviewing our climate-related risks and opportunities:

- transition risks from the shift to a low-carbon economy including shifting client expectations, reputation and energy risks – these have been assessed as our most material climate-related risks given the nature of our business, our commitment to meet our science-based target, our position within the market and our ambition to facilitate the transition.
- acute physical risk from an extreme weather event (eg earthquake, flood) – potentially resulting in impact on our people and their livelihood or our ability to support clients.

- opportunities around market leadership, service innovation and facilitating the transition to a low-carbon economy are also material for our business. Capturing the opportunities which will open as part of the transition will increase DLA Piper's opportunity to position ourselves as leaders on climate ambition and increase our market demand and capture new services which will emerge as requirements of the transition.
- resource efficiency, carbon footprint reduction, and moving to 100% renewables are the opportunities directly linked to climate related risks – these have been assessed by the firm as material, however, while the progress is ultimately reported to the Board, control measures are set at the tactical and operational levels and form part of the overall energy and climate change roadmap of activities: staff engagement, office efficiency, sustainable procurement, and a net zero strategy that includes decarbonisation and offsetting.

### Metrics & Targets

In August 2021 we updated our carbon reduction target to reducing our Scopes 1, 2 and 3 emissions by 50% by 2030, in line with the UN Paris Agreement and what is required to keep temperature changes to 1.5 degrees Celsius. Our new target has now been validated by the Science-based Targets initiative.

Further details about our carbon footprint baseline, based on FY 2019/20, and our carbon footprint for FY 2020/21 can be found in sections **5.0 Our environment** and **7.0 Reporting on sustainability** in our [Sustainability Report 2020/2021](#). We will continue to report on our progress towards meeting our science-based target every year. In 2022 we also plan to develop a net-zero strategy, and will provide more details on this once available.

Upon completion of the climate risks and opportunities materiality assessment, we will also be looking to understand how we can better manage and mitigate our climate-related risks and capture opportunities. We will look to develop metrics to monitor our climate-related risks and opportunities over the coming year.

