

The  **Chancery Lane**
Project

IMPACT REPORT

October 2023

**Change the precedent,
change the world.**



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Executive summary

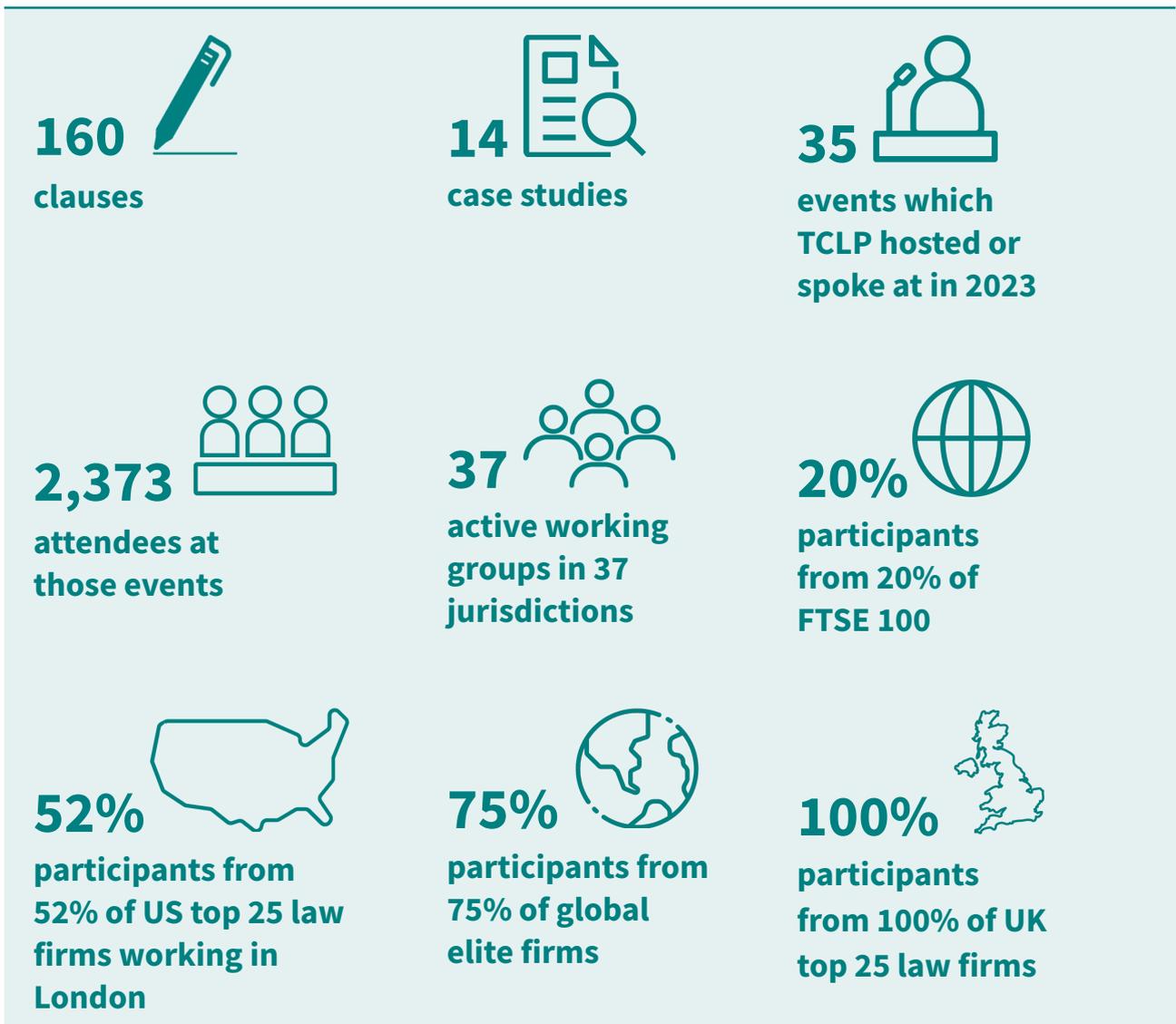
Who we are

The Chancery Lane Project (**TCLP**) is the largest global network of lawyers and business leaders using the power of climate contracting to deliver fast and fair decarbonisation.

Our resources include 160 free, open access climate clauses for immediate use in agreements and contract precedents. These clauses offer contract solutions to common climate obligations.

Our 2023 impact report features case studies about organisations, firms and companies that have successfully used our clauses internally or with their clients. It also includes quotes from our 2023 impact survey to share our participants' motivations and experiences. Each case study and quote is a call to action for the reader from their peers.

TCLP in numbers:



What we do

We enable lawyers and business leaders to use contracts to tackle the climate crisis. We work with professionals from around the world to help them put climate contracting principles into their agreements. Transitioning to a decarbonised economy needs powerful levers. Contracts are such a lever: fast, bespoke, transnational and legally binding.

Our year in summary

- **Adoption.** Shifting from clause creation to clause use was our biggest development this year. We host 160 contract ready climate clauses. We have reduced our focus on creating new content, in favour of spending more time supporting companies to use clauses in their contracts.
- **Advocacy.** Use of the clauses triggers a snowball effect, encouraging other organisations to take action. We have a rapidly expanding community of champions using our content, improving it and supporting others to do the same.
- **Market development.** Our work is beginning to set new market norms in the field of contracting. Market development will continue to be a focus of our efforts going forward.

Acknowledgements

Thank you to the 3,600+ pioneering legal and business professionals who contribute their time, energy and expertise to TCLP.

We extend a huge thank you to our funders who have provided the resources, often with accompanying technical expertise, that assure the continuing success of TCLP. Our current funders are DRK Foundation, Generation Foundation, Laudes Foundation and Quadrature Climate Foundation.

Particular thanks goes to the trustees and staff of the [Centre for Innovation in Voluntary Action \(CIVA\)](#) who have been our fiscal sponsor and project home throughout the last three years. They have been critical in enabling TCLP to register as an independent charity in 2023, allowing us to transition out of CIVA in early 2024.

Message from the chair of trustees, The Chancery Lane Project

Determined decarbonisation

Entering TCLP's fifth year, I am both heartened and reflective. The adoption of climate contracts has continued to surge, bearing testimony to our team's dedication. Yet the momentum towards achieving a decarbonised and equitable economy has encountered hesitations, spotlighting the intricate facets of what this means in a global economy. Our journey makes it clear that the essence of innovation isn't just rooted in ideation and creation but also in how adeptly we embrace and refine these ideas.

Our case studies offer wonderful insights on how clauses are deployed. These narratives highlight the significance of not only framing innovative clauses but also of sharing experiences and evidencing the tangible impacts of climate clauses. Collaboration and communication are essential. By bridging gaps, enhancing engagement, and communicating more effectively, we remove barriers to adoption and are in a better position to scale our impact. Looking forward, 2024 is a pivotal year, our primary focus remains on decarbonisation, but recognising the profound and rising importance of 'nature positive' contracts.

I'm also thrilled to note that in 2023, TCLP took a significant leap by transitioning into an independent charity, bolstered by generous funding to amplify our impact in the years ahead.

Let's remain curious and persistent. Even when it feels like we are treading a lonely path, we must persevere in our decarbonisation efforts through contracting. By doing so, we forge a brighter and more sustainable future for everyone.

A heartfelt thank you to our devoted team, the authors who have generously shared their case studies, international collaborators adapting our drafts, our valued funders, and each one of you who has been part of this journey.

By being determined to decarbonise, I believe we can determine a better future.

Matthew Gingell

Founder and chair of the TCLP trustees

Message from the chair of the advisory group

2023 is the year that The Chancery Lane Project has come of age

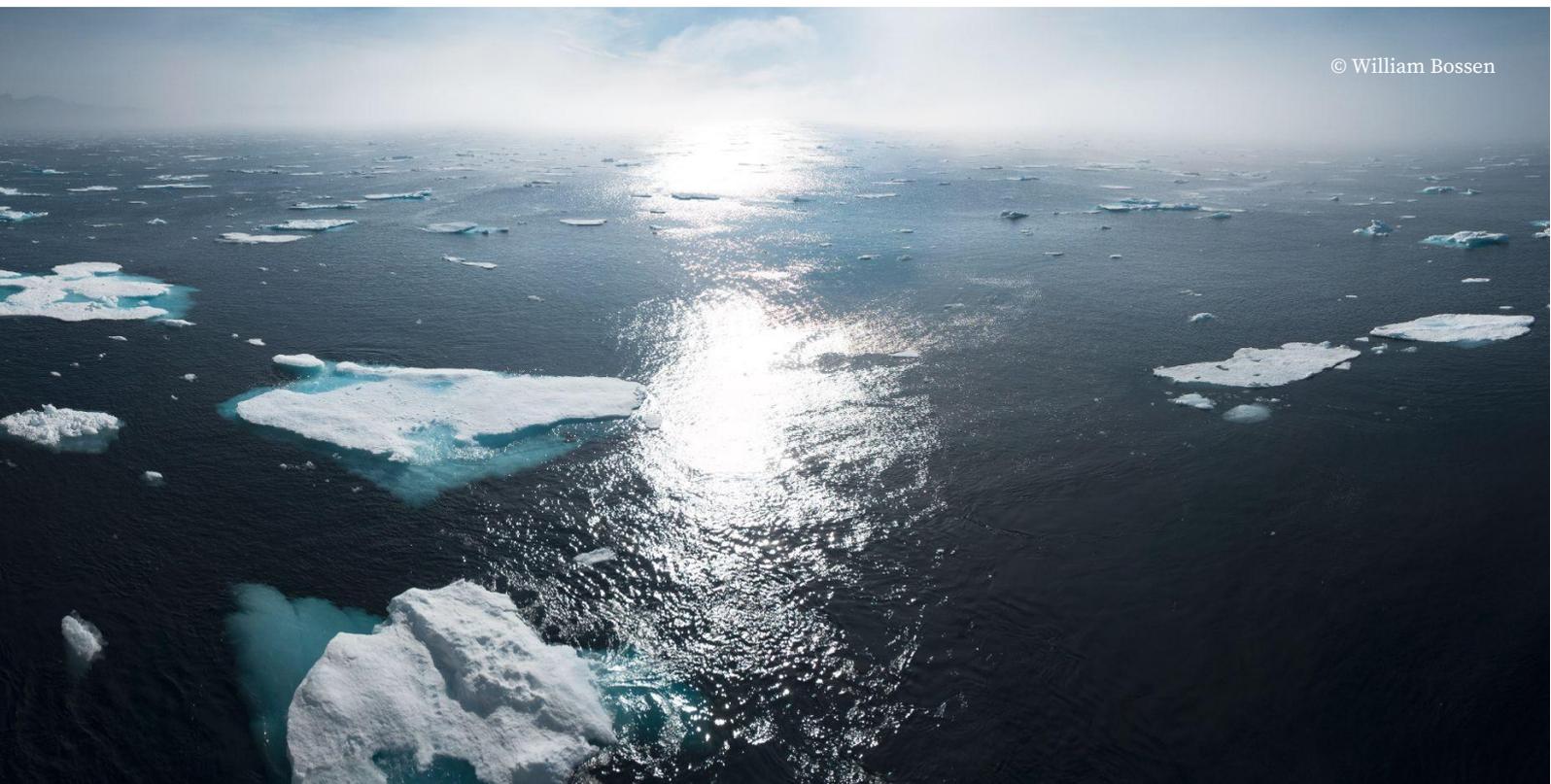
Back in 2019, when TCLP came looking for a home, the trustees of CIVA welcomed TCLP with open arms. We didn't expect the project to become one of the largest projects we've incubated, with global reach and global impact.

Projects like TCLP are the reason CIVA exists. We have been incubating innovations across the voluntary sector since 1995. And as we move towards our 30th anniversary it is clear, from working with TCLP, that our role is as relevant today as it was when we started.

I am incredibly proud to have been part of the support the trustees of CIVA, and the community that surrounds us, have provided to TCLP. I will continue to champion TCLP, as it fledges and stretches its wings to fly higher and stronger than ever, delivering the impact that drives all of us at CIVA.

Jonathan Saverimuttu

CIVA trustee and chair of the TCLP advisory group



2023 impact report

Showcasing the real-world impact of our content on contracts and the wider commercial world

Our fourth impact report provides a snapshot of the growth, progress and impact TCLP has made in this past year, drawing on the results of our 2023 impact survey and other community feedback. The 2023 impact survey builds and expands on our previous three annual surveys, measuring our success based on the use of climate provisions rather than levels of pro bono engagement.

Impact factor 1: adoption

‘TCLP has provided us with comprehensive, well engineered, precisely drafted, ready to use clauses that we now regularly use in our templates and are increasingly accepted without much discussion.’

Id Est Avocats

160 accessible climate clauses

We have a bank of 160 clauses that can be incorporated into contracts. These provide many avenues to decarbonise for most sectors and industries. To meet the deadline set by the [Intergovernmental Panel on Climate Change \(IPCC\)](#) (achieving a 43% cut in global greenhouse gas emissions by 2030), we need to direct energy into using these 160 clauses. Getting clauses into use is more complicated than drafting clauses. It involves managing relationships, accepting increased costs and changing the way business is done in live contracting situations. The process of doing this is a valuable learning process that we capture and disseminate through case studies, making it far easier to use climate contracting.

Clauses contain key principles, which, when extracted, contain the essence of the intended climate action. These principles form an additional pathway to climate contracting, which is fast and effective. This led us to develop guides, which extract the relevant concepts from the clauses and sit above them in a way that is useful to lawyers and business professionals alike. These are currently being tested by small working groups and will be available to the public in due course.

Real-world use

Where new clauses are published, we ensure these have a real-world use case. In summer 2023 we published [\[Tessa’s clause\]](#), [\[Daniel’s clause\]](#) and [\[Jess & Rory’s clause\]](#). These clauses were all used in live contracts for significant public infrastructure projects in the UK prior to publication. We anonymised the clauses for wider use, and published them as TCLP content that can be used in any comparable contract.

Evidence of clause use

Last year, our evidence of clause use was in the case studies that we had published. [Case studies](#) give examples of how organisations have adapted TCLP content for use in live contracts.

From 2021 to 2022, we published 11 case studies. In 2023 we published a further three case studies, with a pipeline of 12 more to come.

In addition, we have wider evidence of climate contracting implementation from our 2023 impact survey:

- **58% of respondents have used some form of climate provision** in their contracts and/or legal documentation.
- Users of climate provisions were asked to score the extent to which TCLP influenced their drafting. **70% scored us a four or five out of five**, showing high levels of influence.
- When asked how TCLP has influenced the organisation, the most common theme across the responses was facilitating climate contracting.
 - Of those who gave this as the key influence, nearly 80% were already using clauses in their contracts.
 - Those who have not yet used clauses all indicated that they have clauses earmarked for use in the near future.

‘We are doing our level best to ensure climate provisions are included in our future contract suite with our supply chain.’

Architecture, Engineering, Construction, Operations, and Management (AECOM)



Adapting industry guidance to include climate clauses

TCLP content has been highlighted in numerous pieces of industry guidance:

- [Impact of climate change on solicitors](#) - In April 2023, [The Law Society of England & Wales](#) (**the Law Society**) published this guidance note citing TCLP as a useful resource for solicitors seeking to align their work with ESG goals.
- [Guidance on green leases in commercial properties](#) - The Law Society also published this guidance, referring to TCLP climate clauses that assist lawyers with drafting green leases.
- [Scope 3 guidance for telecommunication operators](#) - In this guidance, published by a group of global telecommunications networks, [Sarah's clause](#) was recommended as a resource to help companies clarify their emissions management obligations.
- In March, Addleshaw Goddard and the global hotels and lodging trade association, [Energy & Environment Alliance](#), collaboratively wrote a [guide on sustainability in the hotel industry](#). The guide provides numerous climate clauses, all of which are adaptations of TCLP climate clauses.
- These highlights add to our inclusion in the [government construction playbook](#) published in September 2022. This outlines green initiatives for the construction industry minimising greenhouse gas emissions of projects. TCLP clauses and case studies are cited as references for further information on how to improve project sustainability.

Our clauses are ready to be used by any organisation seeking to enhance their sustainability.



Using clauses to mitigate business risk

Our case studies evidence organisations identifying particular climate needs for their business, and using TCLP clauses to overcome this.

[Cambridge University Press \(CUP\)](#) set the ambitious climate target of a 72% reduction of greenhouse gases by 2030. CUP adapted [\[Owen's clause\]](#) as a general long-form supplier clause, using it in approximately 20 contracts to date, including with some of its highest value suppliers. This makes their climate targets achievable.

Critically, the new contract requires suppliers to have a net zero policy and a transition plan in place. This helps CUP to manage its scope 3 emissions. Similarly to Id Est Avocats, CUP noted that almost all suppliers accepted the clause in full without modification. Business stakeholders are more enthusiastic about climate clauses than you may expect, and are increasingly happy to accept these obligations.

‘Every agreement using these clauses represents an opportunity to promote large-scale change towards net zero.’

Pereira Leal Martins Júdice (PLMJ)

We are currently drafting a case study with [Buro Happold Ltd](#), a global engineering and design company. This case study explores how climate clauses contribute to the decarbonisation of the built environment. Buro Happold set an operational decarbonisation goal to achieve net zero by 2045.

They note that an increasing number of stakeholders in this space are implementing climate contracting principles as standard. Buro Happold Ltd introduced provisions from [\[Nico's clause\]](#) into its UK standard terms and conditions for private sector clients. The key motivation behind this was twofold: meeting a developing market demand and aligning the company's work with its decarbonisation goals.

Impact factor 2: advocacy

‘TCLP has been instrumental in engaging our lawyers and sparking their interest in climate change topics through the ‘magic of contracts.’

Kennedys

As an organisation, TCLP has the equivalent of 12 full-time staff. This can be contrasted with our global community, where thousands of lawyers have engaged with us since our inception, and where we currently have 37 active working groups around the world. This section explores how we have managed to achieve such a dramatic impact despite our small scale.

Use of our clauses by one organisation can affect a cascade across that organisation's supply chain and wider network. Users of our clauses serve as champions who spread climate contracting. As a result, our impact and community vastly outsize our organisation.

Using climate clauses to start conversations with clients

TCLP helps organisations start conversations about climate contracting, and then turn these conversations into action. Respondents from various law firms said that TCLP helped them to educate their staff and clients on the value of climate contracting. Our educational value was the second most influential impact of TCLP's work according to impact survey respondents. We have seen powerful examples of how this education has led to adoption of clauses.

Portuguese law firm [PLMJ](#) encouraged their clients to make use of [Noah's clause](#) across commercial paper programmes (CPPs) covering over €150 million of lending. By encouraging clients to incorporate climate provisions into this document, PLMJ were able to align the CPPs with the net zero targets of their clients and the other parties to the finance agreements.

‘TCLP has enabled us to start the conversation with clients on several occasions. The existence of TCLP lends those conversations much more formality and seriousness.’

Fractal Legal

UK law firm [Foot Anstey](#) LLP regularly advises clients on how to use TCLP clauses to achieve commercial and net zero goals. Foot Anstey LLP's close working relationship with TCLP has been invaluable in raising the firm's profile in relation to net zero; creating a new platform for Foot Anstey LLP to offer contract solutions.

Both firms offered their clients comprehensive advice that takes into account the often overlooked commercial issue of climate. These firms used TCLP content to identify opportunities for their clients and deliver on them.

Globalising our network

To ensure TCLP's content can be used throughout the world's highest emitting sectors and countries, we are adapting TCLP content for different jurisdictions through our network of 37 active transpositions working groups. The project enables us to engage with a wide range of organisations across the world.

We have seen the creation of self-sufficient networks across many different jurisdictions. Members of these networks have championed TCLP's mission:

- **USA** - We published 10 US versions of our clauses during New York Climate Week 2023. We anticipate this will enable adoption of clauses and increased interest in TCLP's content across the US legal market.
- **Germany** - Four members of our German transposition team presented their experience with TCLP at a pro bono conference in Frankfurt in May 2023.
- **Hong Kong** - Hosted monthly climate contracting roundtables with corporate counsel and law firms around green loans, investment funds and bonds.
- **New Zealand** - [New Zealand Green Investment Finance \(NZGIF\)](#) published a [bank of climate clauses](#) inspired by TCLP content.
- **Middle East** - A Middle Eastern network is translating our content into Arabic and transposing a number of clauses for use across the region.
- **Other parts of the world** - TCLP communities in India, Singapore, Mexico, Chile and across Africa have taken the initiative to set up teams in their respective regions. This provides a platform for stakeholders around the globe to be involved in climate contracting. Our impact survey also reveals use of clauses in Angola, Costa Rica, Pakistan and Trinidad and Tobago.

We anticipate the publication of more clauses in these jurisdictions over the next year, and then to see their application in international contracts.



Working with supply chains and partners to introduce climate contracting

Adoption of climate contracting led to incredible climate advocacy in the procurement context. Several years ago, when [Salesforce](#) introduced climate obligations into its supply chain contracts, it created a ripple effect. Suppliers showed interest in adopting the drafting and cascading it through their own supply chains.

This year TCLP worked with the [Sustainable Procurement Pledge](#), [The Scope 3 Peer Group](#) and the [Indirect Spend Alliance](#), powering up their members to rapidly effect change. Collectively, these organisations cover procurement professionals, key brands and retailers, sustainability professionals and other organisations who have huge capability to create positive climate impact. This provides an invaluable platform for TCLP, as these groups act as a nexus to connect us with professionals across a wide range of sectors.

A great example of supply chain impact is the [North Eastern Universities Purchasing Consortium](#). They incorporated TCLP resources into their procurement questionnaires, giving significant weighting to climate considerations, almost equal to price. A case study will shortly be published giving more details.

A single use of a climate clause in the procurement context can have a viral effect. It mandates that suppliers within the industry think about their own sustainability, and act accordingly. A single tenderer using our clauses can influence dozens of potential suppliers. This starts a conversation, and leads to industry change.

Impact factor 3: market development

‘Climate clauses shift the dial by influencing the thousands of contracts entered into every day to be performed more sustainably.’

New Zealand Green Investment Finance (NZGIF)

The market is changing towards climate contracting, and increasingly understanding and adopting the nuanced approach that needs to be taken to make this successful.

We are working with industry groups and keystone actors to implement widespread change. Keystone actors are organisations with a disproportionately large influence on a sector. Targeting keystone actors enables us to leverage their influence, using them as a route to disseminate our ideas and learnings into the wider industry.

Nuanced approaches to climate contracting

In the adoption section we demonstrated that more of our clauses are being used. Alongside this, other developments are occurring. Previously climate clauses might have required some form of net zero target set by the parties for their business. Nowadays, we are seeing clauses that supplement this with reporting obligations, incentive regimes and breach mechanisms. Having these in place not only increases the likelihood of compliance, but also encourages the parties to work collaboratively to achieve decarbonisation.

In the impact survey, of the respondents who are using clauses:

- **48% are actively monitoring compliance.**
- **70% have some form of breach mechanism in place.**
 - Of those with a breach mechanism, **75% adopted a positive breach mechanism.** This reflects a commitment to encouraging each of the parties to improve their sustainability, rather than using climate clauses as an excuse to issue termination.
- **31% are both monitoring compliance and have some form of breach mechanism in place.**

Historically, enforcement of clauses was considered off-market and unacceptable. This welcome shift shows how quickly some organisations are increasing their sophistication around climate ambition.

Scaling the ladder of ambition

In the CUP [case study](#), the successful adoption of contracts containing climate clauses was cited as a motivating factor for scaling up ambition in the future. Beyond merely testing the waters, this reveals a bigger point about the self-motivating nature of clauses.

Climate clauses set a benchmark. Once clause use is sufficiently wide, this benchmark becomes the norm. The next clause needs to raise the ambition until the industry is aligned with the Paris Agreement's goal of limiting global heating to 1.5°C above pre-industrial levels.

An example of this is in the property industry. Our community updated [\[Marni's clause\]](#) to reflect the increased availability of climate risk searches for properties. Such searches were not available when the clause was first published. The original Marni's clause enabled these to become an industry norm. As a result [\[Tomas' disclosure checklist\]](#) was produced, as the market is now capable of taking on more ambitious climate change disclosures. In time we hope that the ambition will be raised further.

Industry shifts

This trend has been seen on a wider scale via industry guidance. For example, when [The Better Buildings Partnership \(BBP\)](#) updated their green lease toolkit they integrated TCLP content. The toolkit was originally published in 2013, and included some model clauses. However, what was considered 'ambitious' 10 years ago is now market standard.

TCLP content was used as a starting point for more ambitious drafting in the revised toolkit. The toolkit is a platform that introduces TCLP-style clauses to BBP's 49 members (who collectively have approximately £270bn of real estate assets under management) and the wider industry of property owners, tenants, managers and developers.

'We all know the huge role that the construction sector has to play in reducing carbon emissions and that won't happen without industry-wide education and collaboration.'

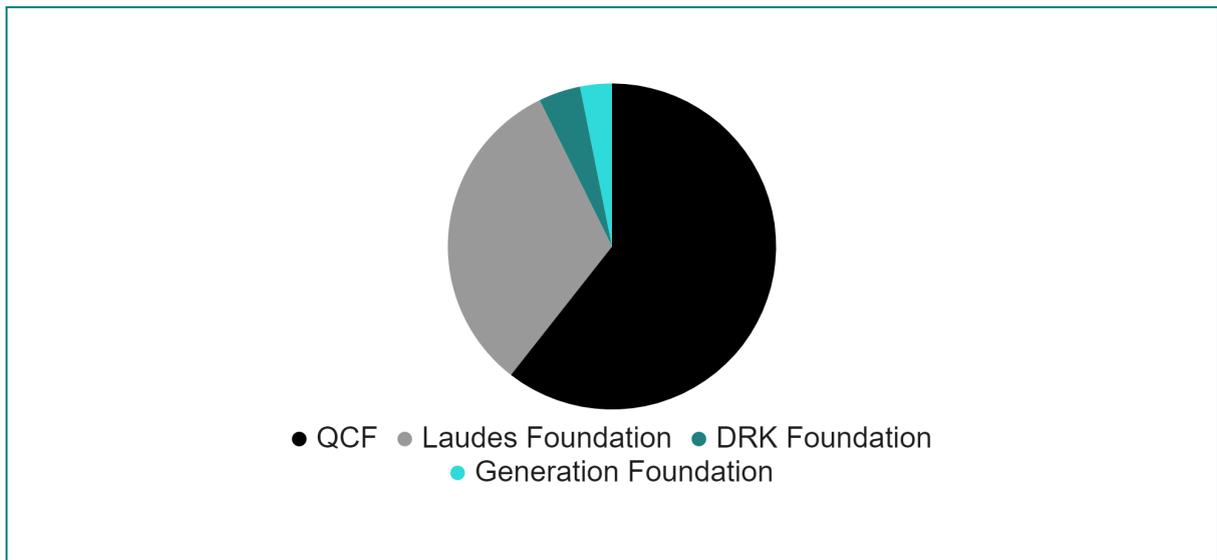
Buro Happold Ltd

In a recent TCLP workshop series, attendees acknowledged that sustainability requirements in project documents are now deemed a necessity, rather than an advantage. This, again, suggests a shifting baseline, where climate provisions are expected. This expectation is due to the wider adoption of climate clauses.

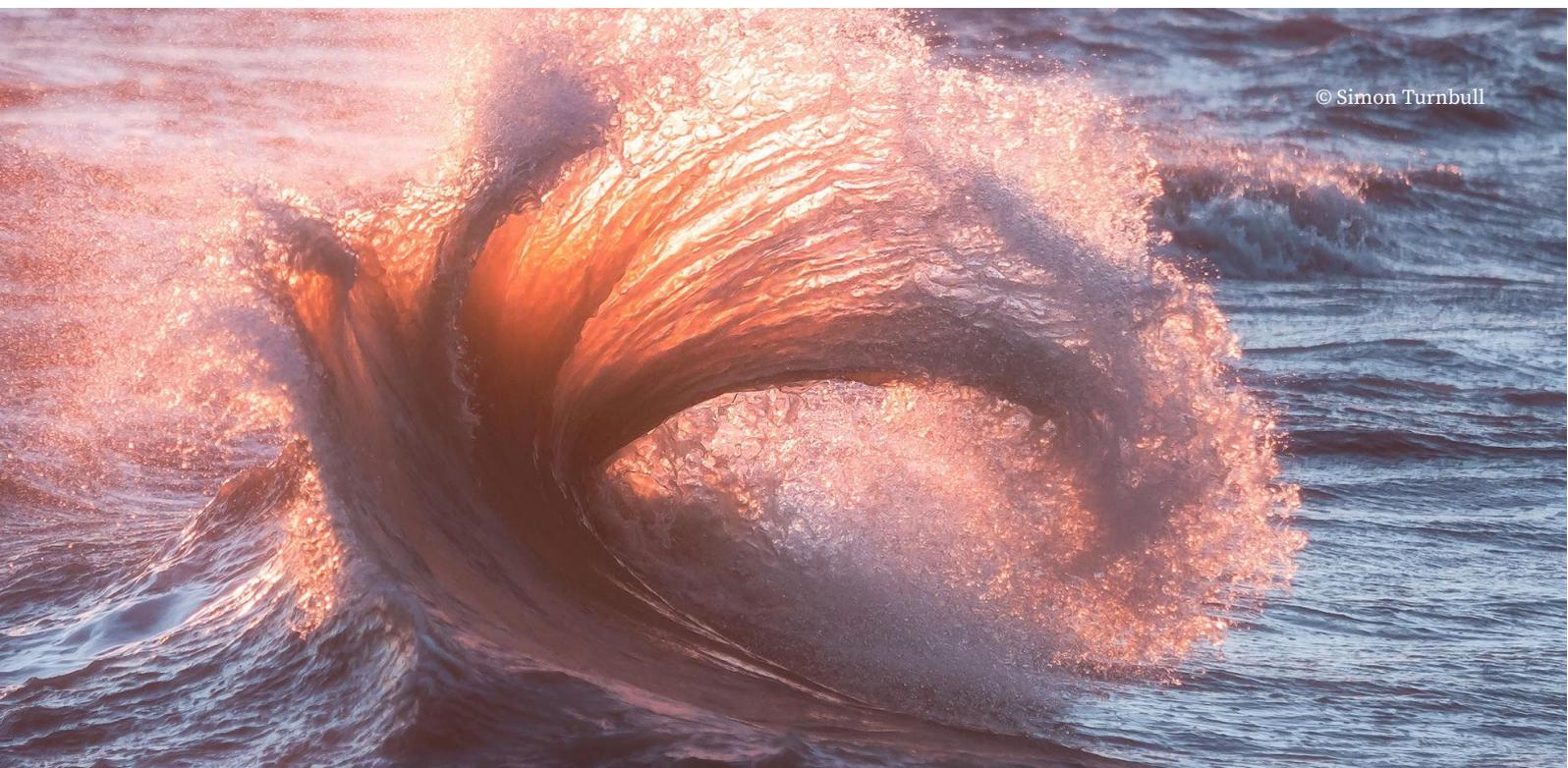
Finance and operations

Funding

We are funded by grant-making institutions, receiving grant income from the Draper Richards Kaplan Foundation (**DRK Foundation**), Generation Foundation, Laudes Foundation and Quadrature Climate Foundation (**QCF**) in 2022. Total income in 2022 was £990,759, a slight reduction on 2021 (£1,015,750).



We continue to seek opportunities for long-term partnerships with grant-making institutions and trusts so we can expand our programmes and scale our impact.



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Expenditure

As a remote organisation working with the legal and commercial sector, our costs are predominantly related to staff costs (82%), at the end of the year there were 11.2 FTEs staff members. Costs in 2022 were £844,049, a substantial increase on 2021 (£619,144).

As well as paid staff, including a rolling secondment from Minter Ellison LLP, we utilise significant pro bono support providing us with a significantly outsized output. We are particularly grateful for the support of those working around the world on transpositions and Clyde & Co LLP and Foot Anstey LLP for providing us with secondees.

Charity registration

We successfully registered as a charity with the Charity Commission on 11 September this year, allowing us to operate as an organisation independently of our current fiscal sponsor. Our new charity registration number is [1204664](#). We are [actively looking](#) for trustees to provide oversight to TCLP as we transition to being an independent charity.

In our impact survey, we asked respondents how likely they are to recommend TCLP to other organisations. On a scale of five, one being very unlikely and five being very likely, 73% scored us a five and 26% a four.

Become part of our community.

Help us to change the world one contract at a time.



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