



# «ESG Accreditation» : Supply Chain



## 1. Sustainability and ESG criteria

Today, **reputation** is of fundamental importance in corporate culture. It certainly derives from the success of the financial performance of companies but also, increasingly, from sensitivity to the "**non-financial**" issues of their business. In particular, the positive behaviours of the company with respect to **ESG** issues (**Environmental, Social, Governance**) come into play.

Including concrete ESG actions in the company's strategic plan is a key opportunity to create **structural and long-term value**. The issue concerns not only listed companies and major operators but also public administration and SMEs.

## 2. Sustainable governance and Supply Chain, including professionals

The concept of "**Governance**", the cornerstone of the ESG triad, includes the company's organisation and governance policies, including those relating to the **supply chain**. The supply chain includes all the company's suppliers, both goods and services, including **external consultants**.

Good governance in the management of relations with suppliers certainly starts from the **accreditation** and **selection** phases.

In this regard, it is interesting to recall the **UNI ISO 37001:2016** standard, which defines the "business partner" as the "*external party with whom the organisation has or plans to establish any business relationship*". Among the business partners there are also the "*consultants*" and therefore the professionals outside the organisation.

The selection of business partners is subject to "*non-financial controls*", which provide to: (i) carry out a "*due diligence*" procedure aimed at verifying "*whether the business partner has the necessary qualifications, experience and resources*", (ii) assess whether any payment to be made to the business partner is reasonable and proportionate with respect to these services (in order to avoid the creation of a "*supply that can be used for corruption conduct*"), (iii) *award contracts (in UNI ISO terminology this also includes assignments to professionals), "where this is possible and reasonable, only after a fair and transparent tender process has been carried out between at least three bidders"*; (iv) provide the specific tools and support schemes to staff (e.g. create a "*computerised workflow*").

4cLegal and its platform called "**4cLegal Enterprise**" have been a reference point for years in the implementation of the **best practices** indicated above in the field of due diligence, accreditation and selection of external professionals (lawyers, accountants, labour consultants, notaries, auditors, IP consultants, etc.).

**However, today, a new point of attention is born: mapping and attesting the sustainability of external professionals with whom an organisation intends to collaborate.**

### 3. From "Legal procurement" to "Legal & Sustainable Procurement"

Sustainability is a "circular" concept: operators who want to pursue sustainability must have suppliers who do so in turn. This obviously also affects professionals, whose **active behaviours** in the ESG field need to be mapped.

The "**ESG Accreditation**" service, promoted by 4cLegal on the occasion of its Convention on the Sustainability of the Legal Market, answers this recent need.

This service allows to evolve the best practice already established by 4cLegal in the purchase of professional services. We enter the era of **Legal & Sustainable Procurement**.

### 4. The "ESG Accreditation" 4cLegal

The new 4cLegal "ESG Accreditation" service is the natural development of the already known and appreciated "4cLegal Enterprise": if the latter collects and objectively represents the characteristics, experiences and skills of the professional that allow the company to make the most rational and economically advantageous choice with respect to a specific *scope of work*, the objective of "ESG Accreditation" is instead to research and verify with professionals those ESG parameters for which the company requires a compliance in order to qualify among its service providers or to obtain preferences with respect to other suppliers.

#### 4.1. The mechanics of service. How it works

4cLegal and the Customer share the ESG parameters (item) that the Customer's professional offices are invited to enhance and that will be subject to verification and certification by 4cLegal.

The Firms indicated by the Customer are invited to access a 4cLegal platform configured ad hoc and to select the ESG items they believe to satisfy, describing the policies actually applied and being able to attach documentation to prove the statements.

4cLegal then carries out verification and control activities on the self-declarations of each Firm. In particular:

- **Formal control**  
*(verification of the consistency between the requested ESG policy and that of the Firm/professional),*
- **Adequacy check**  
*(check that the policies are described in sufficient detail and report adequate evidence with respect to the ESG parameter to be proven)*
- **Validation procedure**  
*(activation of a confirmation mechanism by stakeholders relevant to the ESG parameter indicated)*
- **Sample checks**  
*(verification of 4cLegal with stakeholders who have confirmed the self-declaration)*

4cLegal confirms or rejects the request for accreditation of the Firm with respect to the selected items. In case of confirmation, the accreditation is attested in the special **report** delivered to the Customer after the control and validation activities carried out.

## 4. 2. The creation of value

The 4cLegal "ESG Accreditation" service offers the Legal Department the opportunity to create an important value for the organisation it is a part of and for the entire ecosystem.

With this service, the Legal Department inserts **ESG issues** at the base of its relationship with professional firms: the ESG certification of a professional firm may be a necessary element to obtain accreditation or a preferential element in the reception of assignments. This places the Legal Department in the perspective of an **absolute best practice for the procurement and the relationship with third parties**.

From a reputational point of view, with this service the Legal Department contributes proactively to the improvement of **the company's reputation**, with the possibility of enhancing its ESG-oriented approach in specific internal and external communications. This also helps affirm the leadership of the Legal Department within the company by helping define the **new role of the corporate lawyer**.

Lastly, **the example of the Legal Department favours an evolution of the entire legal market** in the direction of sustainability: this applies both to professional firms, which are driven to invest in their internal sustainability, and to other companies that can benefit from a best case reference. From this point **of view, there are numerous communication initiatives** that 4cLegal carries out to promote the visibility and circulation of best practices inside but also outside the legal market.

4cLegal ESG Accreditation – «Pay per Use»				
Type of activity				Price (Excluding VAT)
Set-up and configuration				€ 500 one-off
Formal control				€ 250/year (for each Firm)
Adequacy check				
Mapping and attestation				
Sample checks				
4cLegal ESG Accreditation – «Subscription»				
Typology	No. of Professional Studies	No. of items included	Price (excluding VAT)	Extra price (excluding VAT) for a single firm not included in the package
Set-up and configuration	/	/	/	€ 500 one-off
Small Package	Up to 5	Unlimited	€ 1,000/year	€ 250/year
Medium Pack	Up to 20	Unlimited	€ 3,000/year	€ 250/year
Large Package	Up to 50	Unlimited	€ 6,500/year	€ 250/year
Custom Package	TBD	TBD	TBD	TBD

The pricing also includes the issuance of a statement relating to the sustainability of the customer's professional offices, promoted on the main 4cLegal channels.

## 6. What costs are covered by the service fee?

- **Research and development:** drawing up the list of the 26 ESG elements and taking care of future updates involves research and development work that represents, per se, a contribution to the ecosystem of companies and professions, and commits the hours of the 4cLegal Team members who dedicate themselves to it.
- **Launch and maintenance of the platform:** the platform that hosts the "ESG Accreditation" service process has had a development and set-up phase by the members of the 4cLegal Team who have dedicated themselves to it, and needs maintenance.
- **Activities and coordination initiatives of participating companies and firms:** companies that use the "ESG Accreditation" service and firms involved in validated sustainability self-declarations will be offered networking activities and initiatives that require efforts and organisational time.
- **4cLegal benefit activities:** 20% of the subscription price to the service is allocated to the 4cLegal's charitable activities (that is a Benefit Company). These activities will be reported in full in a dedicated space on the platform. The first project will involve the association 'Lega del Filo d 'Oro'.

## 7. Timing

The activities of the ESG Accreditation service will be started by 4cLegal within 72 hours from signing the agreement.

## 8. Reporting Report

At the end of the procedure described in par. 4.1, 4cLegal will deliver a special report to the Customer with the outcome of the activities carried out. Each accreditation in favour of a professional firm will be effective for a period of 12 months from the date of issue indicated in the report.



ESG area	#	Element	Stakeholder that can confirm it
E	1	Adoption and concrete implementation of a separate collection system	1 Partner with power of representation of the Firm 1 Collaborator of the Firm 1 Staff Member
E	2	Adoption and concrete implementation of a policy for the disposal of electronic waste	1 Partner with power of representation of the Firm 1 Staff Member
E	3	Adoption and concrete implementation of a policy for the minimal use of paper/print	1 Partner with power of representation of the Firm 1 Staff Member
E	4	Adoption and concrete implementation of a policy for the use of certified recycled paper	1 Partner with power of representation of the Firm 1 Staff Member
E	5	Adoption and concrete implementation of a plastic-free policy	1 Partner with power of representation of the Firm 1 Staff Member
E	6	Adoption and concrete implementation of energy saving programs and preferably for renewable energy sources at various levels (policies for consumption containment, LEED certification for the Firm office/offices, purchases of "green" goods and services, etc.)	1 Partner with power of representation of the Firm 1 Staff Member
E	7	Adoption and concrete implementation of a policy that promotes the sustainable mobility of people working in the Firm, with a consequent reduction of CO2 emissions	1 Partner with power of representation of the Firm 1 Collaborator of the Firm 1 Staff Member

ESG area	#	Element	Stakeholder able to confirm
S	1	Adoption and concrete implementation of a policy that pursues gender equality and inclusion. It is necessary to indicate an evidence of the results achieved (e.g. significant percentage of female partners out of the total, presence of workers with disabilities)	1 Partner with power of representation of the Firm 1 Female partner
S	2	Implementation of training and refresher programmes on sustainability issues	1 Partner with power of representation of the Firm 1 Collaborator of the Firm 1 Staff member
S	3	Adoption and concrete implementation of a policy that provides for the enhancement of young talents and transparent regulation of career paths	1 Partner with power of representation of the Firm 1 Collaborator of the Firm
S	4	Adoption and concrete implementation of a policy that provides for a periodic climate investigations and the possibility of submitting internal complaints	1 Partner with power of representation of the Firm 1 Collaborator of the Firm 1 Staff member
S	5	Adoption and concrete implementation of a parenting support policy	1 Partner with power of representation of the Firm 1 Collaborator of the Firm
S	6	Participation of the Firm in pro bono initiatives/ support to non-profit organisations /annual donations and similar	1 Partner with power of representation of the Firm 1 The beneficiary of the initiatives
S	7	Adoption and concrete implementation of policies that promote a "work life balance"	1 Partner with power of representation of the Firm 1 Collaborator of the Firm

ESG area	#	Element	Stakeholder able to confirm
G	1	Existence and publication of a Charter of Values - or similar document - suitable to present the Firm's mission and its distinctive positioning in the market	1 Partner with power of representation of the Firm Necessary exhibition of the Charter of Values
G	2	Use of digital applications to share information on the practices with customers	1 Partner with power of representation of the Firm 1 Firm Client
G	3	Adoption and concrete implementation of a policy that provides - as an annex to the professional notices - an analytical detail of the professional services carried out in favour of the client	1 Partner with power of representation of the Firm 1 Firm Client
G	4	Adoption and implementation of a suitable policy to protect the security and confidentiality of data and information, including those of clients, in compliance with applicable regulations and best practices	2 Partners, of which one with power of representation of the Firm
G	5	Adoption and concrete implementation of a policy suitable for the prevention of conflicts of interest	2 Partners, of which one with power of representation of the Firm
G	6	Adoption and concrete implementation of a policy for the management of the feedback and complaints of clients	1 Partner with power of representation of the Firm 1 Firm Client
G	7	Adoption and concrete implementation of a procurement policy that provides for qualification procedures and selection of traceable suppliers	1 Partner with power of representation of the Firm 1 Staff Member 1 Firm Supplier
G	8	Adoption and concrete implementation of a management control policy	2 Partners, of which one with power of representation of the Firm
G	9	Adoption and concrete implementation of an anti-money laundering policy	2 Partners, of which one with power of representation of the Firm
G	10	Adoption and concrete implementation of a policy that governs the conduct of processes for the selection of structured employees and collaborators based on transparency and meritocracy	2 Partners, of which one with power of representation of the Firm 1 Collaborator of the Firm
G	11	Implementation of activities aimed at the Firm's clients to proactively promote an awareness of sustainability issues and/or the adoption of sustainable practices and behaviours	1 Partner with power of representation of the Firm 1 Firm Client
G	12	Existence and publication of a sustainability report of the Firm	1 Partner with power of representation of the Firm Necessary exhibition of the sustainability balance sheet
G	13	Existence of an organizational chart that defines each role, position, and interdependence relationship between people	1 Partner with power of representation of the Firm 1 Associate Necessary attachment of the organizational chart