

Bates Wells: our climate commitments

ANNUAL REPORT 2020



Certified



Corporation

Contents

- 3 Introduction
Bates Wells: Our climate commitments and climate programme
- 4 #1. Decrease our carbon emissions and reach net zero carbon in 2019
- 5 #2. Take the crisis into account in developing our firm strategy
- 6 #3. Use the law as a means to address the crisis
- 7 #4. Engage all our people in decisions relating to our impact on the climate and biodiversity and encouraging all our people to live in more environmentally friendly ways
- 8 #5. Collaborate with others to amplify our impact
- 9 Conclusion



“We have worked hard to honour the commitments that we made.”

Bates Wells: our climate commitments

Annual Report 2020

Bates Wells formally recognised the Climate Emergency and Biodiversity Crisis in September 2019. In doing so the firm made a number of commitments as follows:

- #1** decrease our carbon emissions, achieve net zero carbon in 2019 and work to reduce our Scope 3 emissions;
- #2** take the crisis into account in developing our business strategy;
- #3** use the law as a means to address the crisis;
- #4** engage all our people in decisions relating to our impact on the climate and biodiversity and encouraging all our people to live in more environmentally friendly ways;
- #5** collaborate with others to amplify our impact;
- #6** assess and report on our progress regularly.

We've developed this document as part of commitment #6, to set out our progress in the twelve months since we first made the commitments.

Climate programme

In October 2019 we established our Climate Programme to deliver on our declared commitments. The programme is led by a board of seven including our managing partner and COO. The board usually meets every two months to hear progress reports, give direction and take decisions to Management Board for ratification.

A number of working groups were set up from volunteers in October 2019, each of which is led by a partner in the firm. These focus on People and Practice, Collaboration, Law as a Force for Good, and Strategy. We have worked hard across all groups to honour the commitments that we made. This report covers our progress to date and aspirations for 2021.

While our most recent carbon reporting relates to our 2019 emissions (as they are the most recent we have complete records for), this report will cover actions we've taken in 2020 – both to reduce our emissions further and to meet our wider climate commitments.



#1 Decrease our carbon emissions and reach net zero carbon in 2019

The firm has been actively measuring and reducing our carbon footprint for many years. As a law firm we have no Scope 1¹ emissions. Up to 2018, we were already measuring and reporting on all of our Scope 2 (electricity) and some Scope 3 emissions (paper, business travel, waste and water). Since moving to our new building in 2015 we have made more than a 50% reduction in our carbon emissions through various measures, including encouraging our landlord to move to a renewable energy tariff; adopting a zero waste to landfill policy; reducing printing and using 100% recycled paper; encouraging sustainable travel and using bicycle couriers where practical. In 2018 our carbon footprint was 168 tonnes of CO₂e compared to 437 tonnes CO₂e in 2015.

For 2019² we extended the programme to include our people's commute to work, printed folders and binders and emissions from air conditioning, to help us to accurately reach our goal of net zero. As a result of this, we saw an increase in our emissions. Our 2019 emissions were verified by fellow B Corp **Green Element** as 265.4 tonnes. The main areas were electricity use (46%), our people's commute (34%), and air travel³ (10%).

In order to support further reductions in our emissions we have made all catering vegetarian by default. We expect this to result in a 25% reduction in emissions from food.

The Climate Programme has also fed into a review of our business travel and expenses policy to ensure it promotes modes of travel consistent with our climate commitments. This ranges from increased video conferencing to taking the train instead of flying. We estimate that around 100 tonnes of carbon will have been saved in 2020 from the halting of business travel and commuting during the pandemic.

We have put sustainability at the heart of our operational procurement. For example, we have made changes in our cleaning and hygiene products to avoid single-use plastics and we have improved our waste labelling to improve recycling. We're addressing our stationery procurement next.

Looking ahead, we are working on a strategy for measuring our emissions for 2020 to make sure that this includes the emissions from most people working from home between March and December. We have shared information with colleagues to support them to switch to green energy suppliers, promoted green working from home tips, and worked with circular economy partners such as **Reconome** to source some of our working from home equipment.

We have partnered with fellow B Corp **Ecosphere+** to balance our emissions for 2019 (sometimes referred to as 'offsetting'). We will be investing in their Sumatra Merang Peatland project by purchasing 266 carbon credits and we are looking at what our long-term carbon balancing might look like going forward.⁴



100 tonnes of carbon will have been saved this year from the halting of business travel and commuting.

1. Scope 1. is direct emissions from company vehicles and facilities; Scope 2. is indirect emissions from purchased electricity, heat etc; Scope 3 is indirect emissions including through our supply chains and purchasing.
 2. Our carbon reporting is based on calendar years.
 3. This amounts to 19 return flights: 16 short haul and 3 long haul
 4. The cost of this project amounted to £1,862 for carbon credits and £2160 to verify our carbon footprint.

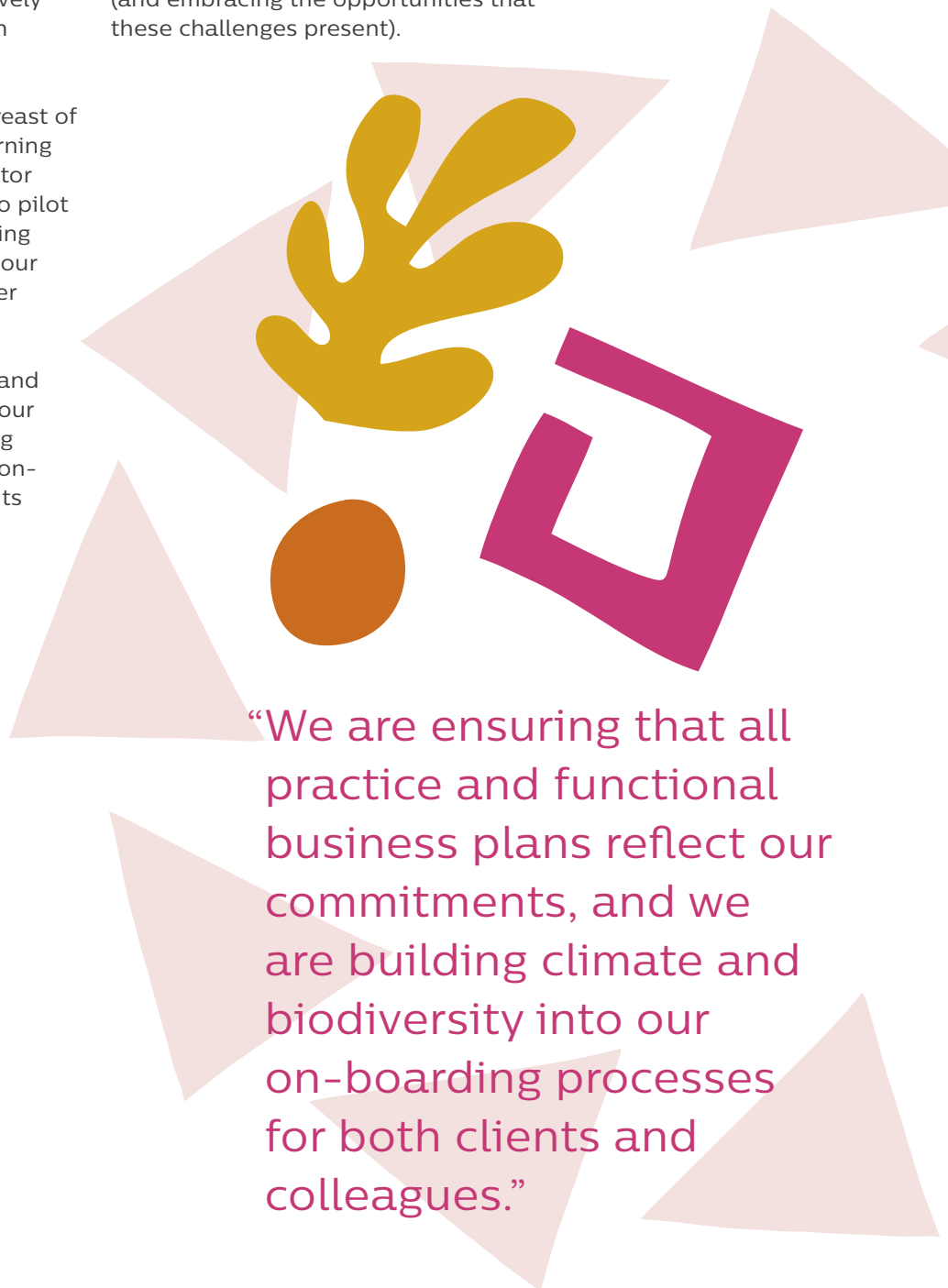
#2 Take the crisis into account in developing our firm strategy

We launched a new firm-wide strategy in March 2020. This put our sustainability goals at the heart of our planned activities over the next five years, including continuing to support impactful businesses and working to make climate and biodiversity issues ones which organisations proactively take into account in their decision making.

We are committed to keeping abreast of climate policies and practice, learning from fellow B Corps, the legal sector and our people and being open to pilot innovative ideas (including ensuring that our procurement aligns with our values and commitments wherever possible).

We are ensuring that all practice and functional business plans reflect our commitments, and we are building climate and biodiversity into our on-boarding processes for both clients and colleagues.

We are encouraging our people to have conversations with their clients about what we are doing and how we can help them to address the climate emergency and biodiversity crisis, not just from a legal perspective but as one business to another wrestling with the challenges (and embracing the opportunities that these challenges present).



“We are ensuring that all practice and functional business plans reflect our commitments, and we are building climate and biodiversity into our on-boarding processes for both clients and colleagues.”

#3 Use the law as a means to address the crisis

We are working on several long-term projects aimed at achieving changes which we hope will have positive impacts on climate and biodiversity, including:

Better Business Bill: in partnership with **B Lab** and others we have published a draft bill to reform company law so that a commitment to positive impact is embedded in the governing documents of all companies (over a certain size) and directors' duties are clarified. The bill is based on the premise that the 'triple bottom line' approach to business is the only solid foundation for a sustainable economy. This means businesses would be required to operate for the benefits of wider society and the environment as well as their members, including taking their impact on climate heating and biodiversity into account.

Trustees' investment duties: Bates Wells are advising a group of leading charities seeking a landmark ruling on whether and how charities should align their investments with their objects and their duty to provide public benefit. The intent is to bring the law up to date to reflect current circumstances and to provide certainty to trustees around their legal duty in respect of investments. This is particularly in terms of having regard to the wider public benefit which may be enhanced, or impaired, by the effects of a charity's investment policy, rather than restricting themselves to considering only the short term financial return. Again, this would lead to trustees having to take climate heating and biodiversity into account in their decision making.

Real Estate initiatives: Our Real Estate Team have developed a series of tools to support people to reduce the emissions that come from the buildings that they work in. The team focused its Spring 2020 Update on climate change and its impacts, in particular how to manage the process of reducing a property's emissions. Businesses and other organisations were encouraged to be change makers, not change takers. Highlights in the update included: looking at ways to reduce workplace emissions and manage the process between landlord, tenant and supplier; points to consider to reduce a building's carbon footprint; and the importance of impact financing e.g. green loans and sustainable financing to deliver a positive environmental and social contribution.

A legal strategy for the biodiversity crisis: Bates Wells has initiated and led a project to explore what a strategy utilising law to address the biodiversity crisis might look like. We have commissioned research and engaged with funders, NGOs, lawyers, practitioners and academics to map needs and existing resources and to identify how best to enhance what is available in this area. The intended impact is to make law a more widely available and deeply effective tool with which to protect and enhance the environment.

Chancery Lane Project: we worked closely with [this project](#) to promote it in its early stages and to encourage our own staff to participate. It is a collaboration between barristers, solicitors and academics aiming to create new templates for climate friendly contract drafting, making it customary and easy to reflect these issues in contractual arrangements, rather than ignoring them.



We are working on several long-term projects aimed at achieving changes which we hope will have positive impacts on climate and biodiversity.

#4 Engage all our people in decisions relating to our impact on the climate and biodiversity and encouraging all our people to live in more environmentally friendly ways

Our most significant achievement in this area has been to introduce a sustainable pension offering to our people through our Aviva workplace pension scheme. This makes it easier to choose an option which both offers future financial security, but also limits the adverse impacts (and amplifies the positive ones) created by that investment. We have offered seminars to staff to explain the options and make it easy to take an informed decision.

In September we asked our people if they would support switching to a default sustainable pension. 40% of respondents said they would be supportive, 9% said they would not, 51% said they would need more information. We are actively working on ways to provide more relevant information to help our people feel confident to make the switch to the sustainable option. We will consult on making the sustainable pension our default option in 2021.

We were excited to become pilot members of the [Climate Perks scheme](#) in January 2020 – a scheme set up by the charity [Possible](#) that encourages firms to offer ‘journey days’ to staff who take extra time to travel in more sustainable ways than flying for their holidays. We had encouraging levels of take up⁵ before the pandemic led to lockdowns across the globe. We have partnered with fellow B Corp [Goodwings](#) to offer carbon neutral hotel stays to our people for both business and pleasure. We have developed a range of communication tools including fact

sheets, top tips, and links to further resources for colleagues who wish to learn more about the crisis and to explore further how to embrace environmentally friendly lifestyles. In 2020 we held a series of (virtual) climate conversations looking at sustainable finance, reducing waste, and how we can respond to the climate crisis in light of the pandemic, as a firm and as individuals. We ran events focusing on the environment coinciding with Earth Day and London Climate Action Week and publish regular blogs on related themes. We are starting to plan for further events and communications for the coming year. We are expecting to have more information available once we launch our new intranet in 2021.

Our discretionary rewards to staff are consistently sustainable, being reusable, plastic-free, organic, vegan and locally sourced from social enterprises and B Corps (not all at once!).

We are looking to launch an incentive to recognise contributions towards tackling the climate emergency and biodiversity crisis at our annual staff awards.

Our most significant achievement in this area has been to introduce a sustainable pension offering to our people through our Aviva workplace pension scheme.



—
5. Three trips were approved and we were made aware of others that were planned before the pandemic stopped most travel.

#5 Collaborate with others to amplify our impact

We recognise that we are one relatively small business and that we can increase our impact by sharing the lessons we are learning on this journey (good and bad) and supporting others making similar efforts. We don't want to guard closely what we learn to try to remain distinctive. We want as many as possible to take the climate emergency and biodiversity crisis as seriously as we do, to accelerate and amplify the change we need.

Among those we have been delighted to collaborate with this year are:

B Lab UK: we helped them with legal content for the Climate Emergency Playbook published in 2019. We are also members of B Lab UK's Climate Collective – a group of UK B Corps who have already committed to Net Zero. The group is working together to help work out what Net Zero means for B Corps and to support other B Corps to make the commitment.

Business Declares: we were an early member of this network of businesses committing to put the climate emergency and biodiversity crisis at the heart of their strategic planning and business practice and have contributed content to events and publications during the year.

Bates Wells lawyers have provided pro bono support to help many projects, including:

Lawyers for the Future: a Community Interest Company that we supported in bids for grant funding. This new initiative is aimed at creating spaces and opportunities for lawyers to align their values and their work.

Rubbish Ideas Ltd: a new venture seeking to repurpose items at the end of their intended lives for future use and to design new products specifically to enable their serial reuse

UK21: the UK arm of a global initiative bringing together people, organisations and movements from a wide range of backgrounds to help accelerate the transition to a new economic system with a central focus on climate and nature friendly practices and regulation.

Climate and Ecological Emergency Bill Alliance: we are one of the corporate supporters of a Private Members' Bill. This requires the government to commit to and deliver on both absolute emissions reductions and measures of robust ecological restoration within prescribed time limits, utilising democratic processes like citizens' assemblies to build support and adhering to the concept of a just transition to underpin the necessary changes.

Neighbours: we collaborate with other occupiers in our building and our landlord to try and minimise the impact that we have on the environment even further. We successfully lobbied our landlord to switch to a green energy tariff after moving into the building and we have collaborated with other occupiers to improve recycling across the building.

We can increase our impact by sharing the lessons we are learning on this journey (good and bad) and supporting others making similar efforts.



Conclusion

The commitments Bates Wells made in acknowledging the climate emergency and biodiversity crisis involved a significant investment. In many respects, it was an investment which was not expected to deliver tangible benefits until the medium term, as we were investing in helping to create the space – and to some extent the market for legal services – which we wish to be a part of. However, there have been some immediate benefits from our engagement with this agenda. It has contributed to Bates Wells’ culture of focusing resolutely on positive impact and looking beyond the narrow legal issues to do so. Colleagues have engaged positively with the initiatives and have expressed pleasure and pride that the firm is engaging with the issues so meaningfully.

Our position on these issues and active engagement with the challenges and opportunities they present has opened up new conversations with existing as well as new clients. We have been able to distinguish ourselves from other law firms by demonstrating an authenticity in how we approach the issues, building credibility and confidence in us.

There is of course much more to be done. The pandemic has disrupted some of our plans this year. Disruption and the ability to navigate it may itself be one more ongoing challenge for us all in future years. However, we are confident we have embarked on the right path and will continue to work with others to make progress in the future.



Bates Wells believes in making a positive impact, whether that's achieving legislative and regulatory change around sustainability, or working on a landmark case with wide-ranging implications. We're not afraid to challenge the status quo.

Our clients are diverse – from global household names, to public bodies, to start-ups. We're also the firm of choice for thousands of charities and social enterprises.

As a values-driven firm we show commitment to our clients, our people, the environment and society. We're the first UK law firm to achieve B Corp certification.

Get in touch:

+44(0)20 7551 7777

hello@bateswells.co.uk

