

Bates Wells: our climate commitments

ANNUAL REPORT 2021



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Our climate commitments Annual report 2021

While sustainability has always been at the heart of Bates Wells, in 2019, we formally recognised the Climate Emergency and Biodiversity Crisis. In doing so we made a number of commitments as follows, to:

- #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 crises and encourage 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 since our last **Climate Report (2020)** published in January 2021.

About our Climate Programme

Our Climate Programme manages our activities and measures our progress in delivering 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 our Management Board for ratification. The board also oversees the work of our People & Practice working group and the wider firm's strategic and collaborative initiatives designed to address our commitments.

This report covers actions we've taken in the 2021 calendar year.



Lawrie Simanowitz Partner and Climate Programme Board Member



"While sustainability has always been at the heart of Bates Wells, in 2019 we formally recognised the Climate Emergency and Biodiversity Crisis... this report covers actions we've taken in the 2021 calendar year."

Lawrie Simanowitz, Partner and Climate Programme Board Member

#1 Decrease our carbon emissions, achieve net zero carbon in 2019 and work to reduce our Scope 3 emissions

We have been actively measuring and reducing our carbon footprint for over ten years. Our latest carbon reporting (for which we have complete records) relates to our emissions from the 2020 calendar year.

As a law firm we have no Scope 1¹ emissions and were already measuring and reporting on all of our Scope 2 (electricity) and some of our Scope 3 emissions (paper, business travel, waste and water).

As a result of the pandemic, most of our people worked from home in 2020. By working with fellow B Corp Green Element and conducting a staff survey, we were able to calculate the footprint for home working as well as for our office-based emissions. To measure home working emissions, we analysed a number of factors such as the number of hours our people worked, the number of video calls they made, the number of monitors and laptops/ PCs they used, and how they heated their homes. Based on the responses, we applied an average across the whole firm.

Our 2020 emissions were verified by Green Element as 118.1 tonnes, equal to 0.5 tonnes of CO2e per employee – a reduction on 2019's emissions which was 265 tonnes. Our main emissions related to electricity use in the office (64%), commuting (17%) and the gas and electricity our people used while working from home (3% each.) In 2020, we focused on biodiversity to balance those emissions which we had not eliminated. We partnered with fellow B Corp Ecosphere+ to purchase verified carbon credits supporting their **Tambopata Bahuaja Biodiversity Reserve** and Agroforestry project in Peru which helps maintain over 586,000 hectares of forest. As an additional measure, we also donated to the **Woodland Trust's Ancient Woodland Restoration Fund** to support biodiversity and carbon capture within the UK.

We are always looking for ways to further lower our emissions. Over the last year we undertook an initiative to reduce single-use plastic as much as possible. We achieved an 80% reduction overall on our catering, stationery and cleaning products as we switched to more sustainable options. We will continue to switch out our remaining single-use products for alternatives as they become available.



1. Scope 1 covers direct emissions such as from company vehicles; Scope 2 covers indirect emissions from purchased electricity including heating/cooling; Scope 3 covers indirect emissions we're indirectly responsible for i.e. through procurement.

Single-use plastic reduced by 80%

We achieved an 80% reduction overall on our catering, stationery and cleaning products as we switched to more sustainable options.

We've started measuring our home-working emissions

Our 2020 emissions were verified by Green Element as 118.1 tonnes, equal to 0.5 tonnes of CO2e per employee – a reduction on 2019's emissions.

This year we focused on biodiversity to balance those emissions which we had not eliminated. We supported fellow B Corp Ecosphere+ Tambopata Bahuaja Biodiversity Reserve and Agroforestry project.



We donated to the Woodland Trust's Ancient Woodland Restoration Fund to support biodiversity and carbon capture in the UK.

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

Our firm-wide strategy was launched in March 2020. This puts our sustainability goals at the heart of our planned activities, including continuing to support the large number of our clients who are impactful organisations and working to encourage organisations to proactively consider climate and biodiversity issues in their decision-making.

To deliver our strategy, we need each practice and functional team business plan to include objectives and activities that reflect our climate commitments. Some departments have already incorporated specific, climate related objectives into their business plans and we will be working to roll this out to the remaining departments in 2022. During 2021, we undertook a formal review of our procurement strategy and procedures which led to us enhancing our supplier onboarding process to include a focus on net zero ambitions. This includes an expectation that our suppliers will commit to reaching net zero emissions by no later than 2030 and to actively promote this commitment within their own supply chains.

We invite our suppliers to share their emissions reduction plans with us and we are inserting clauses from The Chancery Lane Project into relevant new supplier contracts putting an obligation on them to report on their emissions and their progress towards achieving net zero by 2030.

"To deliver our strategy, we need each practice and functional team business plan to include objectives and activities that reflect our climate commitments." Megan Watkins Our firm-wide strategy puts sustainability at the heart of our planned activities

We continue to support our existing clients who are already making a positive impact and encourage others to proactively consider climate and biodiversity issues in their decision-making. We encourage our suppliers to commit to Net Zero by 2030

In 2021 we enhanced our supplier onboarding process to include a focus on net zero ambitions including an expectations that our suppliers will commit to reaching net zero by 2030.

We are inserting clauses into relevant new supplier contracts to put an obligation on them to report on their emissions and progress towards achieving net zero by 2030.

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

We know that our efforts to lessen our environmental impact are important steps in tackling the climate emergency, but if we want to help accelerate meaningful action on climate, we need to use our influence and legal expertise to drive change in our social and economic system. To do this we need to engage with third parties, across our supply chains and in our relationships with clients, other law firms and other professionals.

We act for clients who are making a positive contribution to addressing the climate emergency; we seek to avoid acting on matters likely to cause material environmental or social harm; and we proactively identify ways to use the law and legal instruments for positive environmental effect. This has included refusing to act for new clients who don't meet our criteria.

Some of our clients doing inspirational work in this space include:

The Copper Mark – we advise this not-for-profit company, which meets the increasing demand for independently verified responsible production practices, and contributes positively to sustainable development in the copper industry **ClientEarth** – our work included advising on the donation and subsequent auction by Christie's of a series of works by major international artists, including Cecily Brown, Antony Gormley, Rashid Johnson, Beatriz Milhazes and Xie Nanxing to raise funds for ClientEarth's work. The initiative has been undertaken in partnership with Gallery Climate Coalition, which supports the commercial art world in recognising its contribution to the climate crisis, and art works are being auctioned by Christie's in London, Hong Kong and New York to reduce shipping, which is one of the art world's significant contributions to carbon emissions.

CDP – we provide legal resource to this charity which runs the global disclosure system for investors, companies, cities, states and regions to manage their environmental impact.

Adur District Council – we are assisting with preliminary advice relating to leasing a seabed from the Crown Estate in order to create a new kelp forest in a pioneering project to invest in climate change measures and restore marine habitat.

Woodland Trust – we are assisting the Trust in developing its approach to the Woodland Carbon Code.



"We act for clients who are making a positive contribution to addressing the climate emergency; we seek to avoid acting on matters likely to cause material environmental or social harm; and we proactively identify ways to use the law and legal instruments for positive environmental effect." **Arup** – we are providing advice on a proposed project to acquire an interest in just over 21.5 hectares of open land for the purposes of tree planting.

Scientists Warning – we undertook a pro bono charity registration for Scientists Warning Europe, which seeks to present and promote science endorsed solutions leading to a just transition to a sustainable and equitable future.

Renewable energy projects – we advise numerous community energy schemes on raising funds from retail investors to improve their ability to support energy saving initiatives in their communities.

Our Real Estate team have also established a **new Impact Real Estate Forum** on LinkedIn for organisations who want to explore and better understand how to utilise their premises to enhance their positive impact on the environment and society.

We continue to promote the Better Business Act and The British Academy's Future of the Corporation project. Both initiatives seek to create a more responsible environment for businesses to operate within. In each case we have been actively involved in providing specific recommendations for changes which could make this a reality. We initiated a project seeking to develop a legal strategy for the biodiversity crisis; and provided pro bono support to a project that has established the means to give nature a voice on the board of a commercial company.

We have also engaged actively with The Chancery Lane Project (TCLP). We joined with them for a series of events in which Bates Wells people identified opportunities to develop drafting to introduce a greater focus on climate heating into areas of governance for organisations and businesses. We developed precedents for dissemination and use by TCLP and by the wider legal profession, and we contributed to TCLP's promotional materials.

We believe in a more responsible environment for businesses to operate in so we continue to support and promote the Better Business Act and The British Academy's Future of the Corporation project.

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

Building on what we achieved in 2020, we've continued our efforts to support our people in moving their pension across to a more sustainable fund. We undertook a lot of preparatory work for switching our default fund to a more ethical one including instructing our benefits consultants to undertake a detailed pension governance review. Our chosen fund, the Aviva Stewardship Fund excludes investments in industries such as fossil fuels and others, which don't meet ethical criteria relating to, for example pollution. They also seek to invest in a way that achieves positive change. We will be launching this as a default pension to the firm in early 2022.

Last July, we introduced a *Green Energy Offering* to encourage our people to swap their domestic energy supply to certified green energy and we offer a £100 subsidy to those making the switch.

We launched and maintained promoting a continuous *Sustainable Swaps* campaign to encourage our people to make big, medium, and small changes to lessen their environmental impact. For example, including plant and insect-based alternatives in their pets' diets', switching to plasticfree cleaning materials to help the war against plastic; or switching bank accounts to a bank which has a greener investment strategy. Many of these suggestions come from our people, who we actively engage and involve in generating ideas that range from organised beach cleans to sharing resources on sustainable gifting. Being in a zero waste to landfill building, we've always sought to recycle as much as possible. Over the last year we have added to our list of recycling streams that our people can bring into the office to recycle. These include medicine blister packs, confectionery, cleaning packaging and empty containers from some beauty products. We've also directed people to local authority resources which detail where to recycle various other items at home.

To welcome our people back to the office, we ran a *Plant a Plant scheme* where we gave out seedgrowing kits from a fellow B Corp to highlight the benefits of growing consumable produce and to draw attention to the new high-carbon absorbing plants we introduced into our office.

We also continue to operate schemes established in previous years such as default vegetarian catering, our climate perks policy which pays 'journey days' to staff who take extra time to travel in more sustainable ways than flying for their holidays and offering circular economy working from home equipment for those that need it.

We've launched a continuous Sustainable Swaps campaign

This encourages our people to make big, medium, and small changes to lessen their environmental impact.

Helping our people recycle more

We want to help our people recycle items not generally collected in domestic recycling services. Over the last year we have added to our list of recycling streams for our people to include medicine blister packs, confectionery, cleaning packaging and containers for some beauty products.

Plant a plant:

We welcomed people back to the office by giving them herb growing kits to highlight the benefits of growing your own.

Staff gain by going <u>gr</u>een

We offer a £100 subsidy to staff swapping their domestic energy supply to certified green energy.

#5 Collaborate with others to amplify our impact

We know that collaboration is key as we move forward. And we want others to take the steps we are taking and to inspire us to do more, so that together we can make even more of a difference. In the run up to COP26 we teamed up with Business Declares and Letters to the Earth to help highlight the importance of taking action on climate change now. Our Managing Partner Martin Bunch joined other business leaders by writing his own **letter to the earth**. This was presented to delegates at COP26 alongside letters from other business leaders. We plan to host a Letters to the Earth workshop for our people in 2022.

We took part in B Lab's Boardroom 2030 activation and hosted two internal events focusing on the climate emergency and our response to it. *The Climate Emergency: We need to talk* invited several speakers to discuss a range of strategies to address the climate emergency. The second event, a hackathon, invited our whole firm to look ahead to 2030 and share ideas on how we as a law firm can play our part in a just transition to a zerocarbon economy. We are working on implementing outcomes of the hackathon during 2022.

We joined many other businesses in signing up to *Terra Carta* – a framework launched by HRH The Prince of Wales to help accelerate action on climate change outside of government action. It commits companies and investors to ensure their businesses are aligned with preserving the world's biodiversity and achieving net-zero emissions by 2050 or sooner. The initiative links closely with many of our own internal Climate Programme commitments. Bates Wells is a founder member of the Net Zero Lawyers Alliance. This is affiliated to the UN Race To Zero – the global campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero carbon recovery. Martin Bunch contributed to a **video** which offers an overview of the NZLA.

We continuously collaborate with networks such as The Chancery Lane Project, Imperative 21, Business Declares, Moving Beyond, GAIL and the Legal Sustainability Alliance, in each case contributing to events that are focused on the climate emergency and on practical and meaningful responses to it and sharing information about our own journey and actions.

We have also provided resources to The Law Society's Working Group on Climate Change, who authored the resolution published by The Law Society ahead of COP26.



Bates Wells is a member of the Net Zero Lawyers Alliance

Letters to the Earth

In the run up to COP26 our Managing Partner teamed up with Business Declares and Letters to the Earth to help highlight the importance of taking action on climate change now.

Amplify our impact

We continuously collaborate with networks like the Chancery Lane Project, GAIL, Imperative 21, the Legal Sustainability Alliance and others to help with practical and meaningful ways to respond to the climate emergency.

Conclusion

We aren't complacent – we know there's a lot more to do to tackle climate change. What we've achieved in 2021 shows that we're on the right path but it isn't enough. We're going to continue to increase our efforts to minimise our impact on the environment and to use our voice, the power of collaboration and the law to help bring about the changes we need.

In 2022 we're looking to introduce firm-wide carbon literacy training so that all our people have the tools they need to talk to clients and other contacts about the climate emergency and ways in which they can make changes. We're going to roll out our new sustainable default pension fund which is one of the single biggest changes that people can make to have a positive impact on climate change. We plan to roll out a new environmental recognition reward scheme to incentivise and reward our people throughout the year with sustainable vouchers in recognition of their own personal efforts to help tackle climate change. And we're hoping to continue to work with some amazing clients who are taking groundbreaking actions in a bid to save the planet.



Sally Procopis Chief Operating Officer



"We aren't complacent – we know there's a lot more to do to tackle climate change. What we've achieved in 2021 shows that we're on the right path but it isn't enough. We're going to continue to increase our efforts to minimise our impact on the environment and to use our voice, the power of collaboration and the law to help bring about the changes we need."







Making a profit is core to all businesses but our goal is to combine this with a real social purpose. Our values are pivotal to us, they shape our decisions and the way we live and work.

We focus on positive social impact as much as we focus on being a successful law firm. Our top tier legal advice is coupled with a real desire to drive change and we were the first UK law firm to achieve B Corp certification, awarded to businesses that balance purpose and profit.

Today, our clients are diverse – from corporate household names, to public bodies, to start-ups. We're also the firm of choice for thousands of charities and social enterprises. We continue to lead the market we helped to shape.

Bates Wells challenges what is possible in legal expertise delivery.

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