

Creating Impact

BATES WELLS IMPACT REPORT 2022

Certified



Corporation

Contents

- 3 Introduction
By Martin Bunch, Managing Partner
- 4 Creating impact: using law as a force for good
 - Addressing climate change through our work
 - Immigration work
 - Helping our clients have a wider impact
 - Clients and partnerships
 - Supporting strong communities
- 10 Creating impact: managing our impact on the environment
 - Reducing our emissions
 - Supporting our people on environmental action
 - Reducing waste
- 14 Creating impact: being people people
 - Gender and ethnicity pay gap
 - Actions
 - Addressing systemic inequality
 - Who we are
- 22 Conclusion
By Sally Procopis, Chief Operating Officer

Introduction

It's been another busy year at Bates Wells and we continue to live through interesting times. I am increasingly convinced of the need for business to be radical, to step up and address the biggest challenges that we face. It's gratifying to see everyone across the firm work on this on a daily basis. This impact report covers the year ending 31 March 2022. We share it to encourage other businesses to join us in our mission to make business a force for good.

There have been some highlights for us again this year. It was a real boost to see the outcome of the decision in *Butler-Sloss v the Charity Commission*. The ruling supports charity trustees who want to prioritise sustainability over financial returns, allowing them to move their reserves away from investments in fossil fuels and sends a positive

message to those wanting to have an investment portfolio that addresses climate change. It was equally important to us to use our immigration expertise to support people escaping from the Taliban takeover of Afghanistan and the war in Ukraine and I'm grateful to our team for their efforts.

Our commitments to the environment and to EDI continue to be an important internal focus for the firm. This year we switched to a sustainable fund for our staff pension and we've been encouraging all of our suppliers to commit to net zero by 2030. On EDI, our inclusion training, improved personal objective-setting and upward mentoring programmes have continued to deliver positive results. We still have more to do to make the firm more inclusive but we continue with our efforts in our firm and the sector.



Martin Bunch
Managing Partner



“This impact report covers the year ending 31 March 2022. We share it to encourage other businesses to join us in our mission to make business a force for good.”

Martin Bunch, Managing Partner

Creating impact: using law as a force for good

Charity trustee investments

UK charities now have freedom to align their investments (worth an estimated £150 billion in England and Wales) with the Paris Climate Agreement goal to keep temperatures within 1.5°C of pre-industrial levels.

Climate aligned contract clause

More than 40 organisations will conduct their activities to limit global warming below 2°C because of the addition of one clause in the contract.

Making purpose & impact real

We have been working with our clients to make a whole range of documents plain English, easy to understand and fair to all parties.



Addressing climate change through our work

Moving the needle on charity trustee investment duties

We acted for the trustees of the **Ashden Trust** and the Mark Leonard Trust in the landmark High Court case of *Butler-Sloss v the Charity Commission*. The case sought to clarify that charities are entitled to exclude investments that do not align with their charitable objects or the Paris Climate Agreement, even if that could negatively impact financial returns.

The ruling confirmed that the trustees could align their investments with the goals of the Paris Climate Agreement to keep global temperatures within 1.5°C of pre-industrial levels. The judgment is the main English law case defining fiduciary duty in the context of climate change. The decision has the potential to shape charity investment portfolios (worth an estimated £150 billion in England and Wales), giving them greater freedom to prioritise sustainability issues over financial returns.

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Climate aligned contract clause – the ripple effect

We used one of the **Chancery Lane Project's** climate aligned clauses in a licence agreement between our client and a number of further education colleges. It commits both our client and the colleges with whom they are contracting, to the Paris Climate Agreement target aimed at limiting global warming to well below 2°, preferably 1.5°C. By including this clause, the organisations are amplifying their impact across all their partner organisations, which means that over 40 organisations will seek to conduct their activities at all times in a manner consistent with reducing global warming. We have collaborated with and supported the Chancery Lane Project over a number of years so it's great to be able to put their work into practice.

More than 40 organisations will conduct their activities to limit global warming below 2°C because of the addition of one clause in the contract.

One Small Step...

We know how difficult it can be for businesses, charities and others to know how best to build ESG into their day-to-day activities when their main focus has to be about operating successfully. But we also know that being a more sustainable business makes sense in so many ways. This year we launched our **Stepping Stones to Sustainability** guides because we want to encourage all organisations to take their first steps into a fairer way of operating for people and planet.

Immigration work

We co-ordinated legal support to help those escaping conflict following the Taliban takeover in Afghanistan and the start of the war in Ukraine. Our immigration team offered specialist pro bono legal advice, lobbied government departments and supported organisations to help displaced people cross UK borders legally.

Our team worked with the **Immigration Law Practitioners' Association** to facilitate ease of movement in response to humanitarian crises. We also shared UK specific updates on immigration options as part of a global project with the **American Immigration Lawyers Association**.

A number of specific immigration routes exist for Afghans who previously worked with the UK government, and the government has committed to resettling up to 20,000 people under the **Afghan Citizens Resettlement Scheme**. When the scheme was announced details were slow to be released and eligibility is limited. Our work focused on advising individuals and organisations on other pre-existing immigration routes, and how these could be used effectively by Afghans looking to reach safety in the UK.

Similarly, in response to the war in Ukraine we have focused on supporting individuals and organisations in navigating the scheme and likely contributed to improving the rules for those fleeing to the UK. **Home Office figures** confirm that up to 31 October 2022 **141,500** people have arrived in the UK through the Ukraine Scheme, of those **39,400** are via the Ukraine Family Scheme, and **102,100** are via the sponsorship scheme.

Ukrainian Sponsorship Pathway UK

We supported the **Ukrainian Sponsorship Pathway UK** to register with the Charity Commission. The charity was set up at pace to respond to the humanitarian crisis caused by the Russian attack on Ukraine. It supports people to navigate the system and find their way into the UK, making the Government's immigration pathways easier to access and understand.



“At critical moments like these, the safe movement of people is always top of our minds as immigration lawyers. It's therefore only appropriate for us to use our expertise to help those people fleeing dangerous situations”.

Chetal Patel, Immigration Partner

Helping our clients have a wider impact

EDI and social justice

Working towards our goal to reduce inequality across the UK, 2022 has seen us create a specific strategic business plan to focus our efforts in supporting clients on EDI:

- **Developing policies and procedures** to improve their EDI performance including incorporating EDI objectives into recruitment, training, performance reviews and promotions.
- **Identifying and mitigating EDI issues and risks** by making sure they have the right policies in place.
- **Providing training** on their obligations under the Equality Act, making sure that they understand protected characteristics, types of discrimination and being clear about what they can and can't do.
- **Supporting our clients to lobby for change and redress social imbalance** including national charities and campaign groups looking to address protected characteristics and equality issues.
- **Helping implement innovative structures and ways of working** to make for fairer organisations that draw on lived experience and the potential implications of their work on the communities and stakeholders that they are supporting.
- **Providing immigration services** specifically tailored to alternative families and LGBT+ individuals.
- **Bringing and defending Equality Act complaints and claims.**

Making purpose & impact real

Legal documents, contracts, and terms and conditions are notoriously hard to understand and often one-sided. We want to change that, so we have been working with our clients to make a whole range of documents plain English, easy to understand and fair to all parties.

- We're working with our B Corp clients to build openness, fairness and clarity into contracts and agreements.
- We're helping them to make their employment contracts commercial but fair, clear to understand and reflective of the employment life cycle.
- We're making terms and conditions easy to understand for clients while protecting our client's rights and making each party's responsibilities clear.
- We're working together to make contract terms between businesses clear and reasonable while also building in the ability to monitor and collaborate on ESG strategies like net zero.



Clients and partnerships

Reputational Risk Group

Our Reputational Risk Group (RRG) reviews our approach to matters that could potentially have a negative impact on climate or social justice, impacting our own purpose and values.

The RRG includes partners with expertise in EDI and climate, members of the senior management team and the Managing Partner. They discuss any matters or clients whose actions may not align with our purpose or who could negatively impact our reputation to come to a view on how we might work with them.

Not only will the RRG take a decision not to act on a matter or for a particular client, the RRG can also help to influence a potential client, asking them to demonstrate their commitment to reduce global warming for example, before taking on the work.

We want the clients that we work with to share our values by taking a positive stance on climate change or by addressing social injustice.

Partnerships



Global Alliance of Impact Lawyers (GAIL)



Business Declares



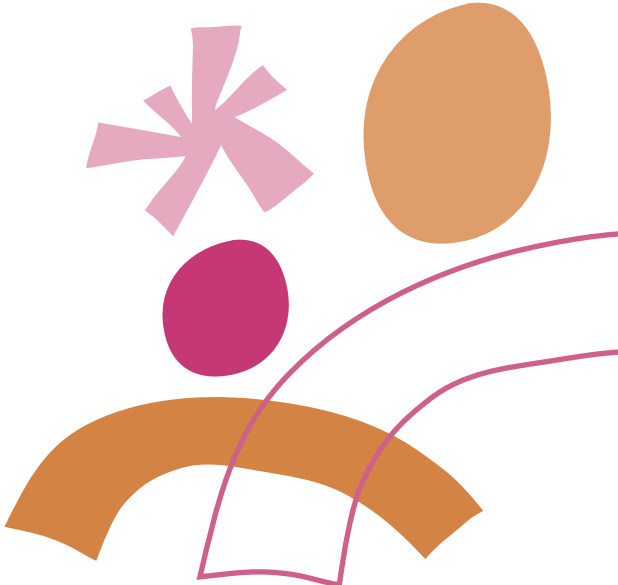
Better Business Act Coalition



Net Zero Lawyers Alliance



Social Enterprise UK



Supporting strong communities

The Stephen Lloyd Awards

The **Stephen Lloyd Awards** were set up by the Bates Wells Foundation¹ in 2015 to support early-stage innovations addressing social or environmental change. Both shortlisted applicants and winners receive grants and pro bono support to develop their projects from the Foundation's supporters and partners.

In 2021 awards entrants benefitted from over 400 hours of voluntary support from Bates Wells people and the Awards' partners. The four finalists received grants totalling £60,000. Since its inception, the Foundation has donated over £600,000 to 117 organisations.

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Stephen Lloyd Awards 2021 winners



1. Charity number 1150321

Creating impact: managing our impact on the environment

Carbon emissions

We have seen an

80%

reduction in our carbon emissions in the last ten years.

Pensions

Our default staff pension for all new joiners is now invested in a sustainable fund.

Bug hotels

We convinced our landlord to let us install bug hotels on our roof garden to support biodiversity and protect pollinators from predators during hibernation.



Reducing our emissions

Measuring and balancing our emissions

Our carbon footprint for the calendar year 2021 amounted to 120.9 tonnes CO₂e – that’s an 80% reduction over the last ten years.

We saw reductions across most areas in our office including electricity, water, paper, and transport. There was an increase in our working from home emissions. This was in part due to our consultant developing an updated and more accurate methodology, something we were keen to do to help improve our efforts at emissions reduction. We are continuing to look at ways to take more relevant activities into account in our future calculations.

While we know that offsetting is not the answer and work hard to reduce our emissions as much as possible, we also want to make sure that we effectively balance any residual emissions that we have. This year we have worked with **SeaTrees** to balance our residual emissions (121 tons of CO₂e) through SeaTrees Tokens. As well as providing VCS certified carbon credits through their Southern Cardamom REDD+ Project, the scheme plants mangrove trees and restores kelp which combined have the potential to sequester an additional ton of CO₂ per token purchased. We know that there will be emissions that we haven’t been able to measure so we have worked with **Ecologi** to plant 1210 trees to have even more impact.

Having 21x the impact through sustainable pensions

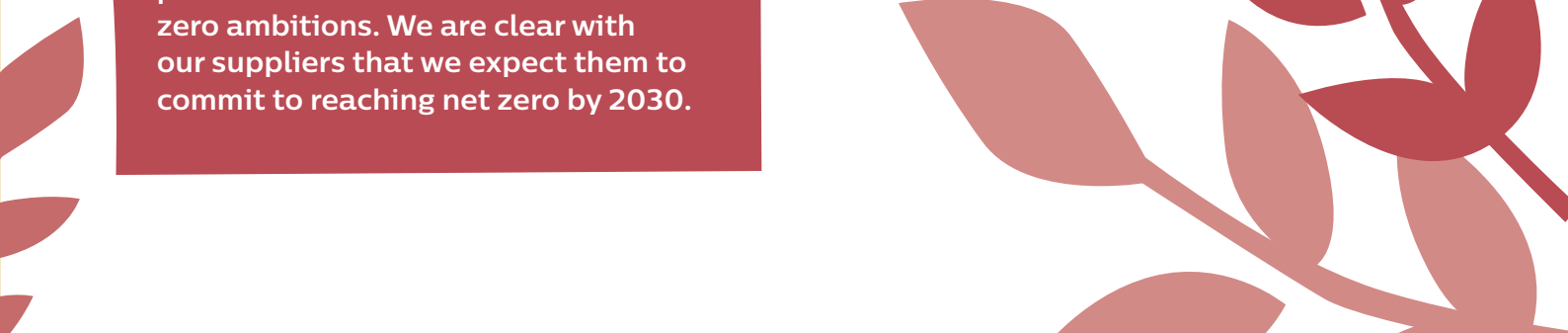
After carrying out due diligence and consulting with our people, we have switched our staff default pension for all new joiners to a sustainable fund. Switching to a sustainable pension can be 21 times more impactful than many other climate actions. We have explained the reasons behind the decision to all staff, helping them to make an informed choice in how their pension is invested.

30 trees planted thanks to our love of fresh fruit

As our people returned to the office in greater numbers in January 2022, we re-started our partnership with **Fruitful Office** to deliver fresh and sustainable fruit for everyone to enjoy. To combat deforestation and offset CO₂ emissions, Fruitful Office plant 1 fruit tree for every basket that they deliver to us.



We are encouraging our suppliers to commit to net zero by 2030 by enhancing our supplier onboarding process to include a focus on net zero ambitions. We are clear with our suppliers that we expect them to commit to reaching net zero by 2030.



Supporting our people on environmental action

Encouraging our people to protect the environment

Over the last year we have encouraged our people to protect the environment in their personal lives:

- We offer a one-off payment towards energy bills for those switching to a certifiable green energy provider.
- We have set up a recognition scheme to thank those of our people who go the extra mile to make a positive impact on climate change with a voucher or donation to charity.
- We encouraged our people to travel sustainably during London Climate Action week by reminding them of our **Climate Perks** policy, sharing resources about sustainable travel and providing reusable travel kits from fellow B Corp **Beauty Kitchen**.
- We offer two volunteering days each year which people can use to contribute to causes which matter to them, including tackling the climate emergency.

Letters to the Earth

In the run up to COP26 our Managing Partner, Martin Bunch teamed up with **Business Declares, Letters to the Earth** and a number of business leaders to highlight the importance of taking action on climate change now. We also sponsored Letters to the Earth's activities at COP26.

“As I get older, and I start to wonder about my children’s future, I feel we must be more radical in our efforts if we want to make a real difference; our legacy cannot be a broken planet. We must act now”.

Martin Bunch, Managing Partner



Bug hotels

We convinced our landlord to let us install bug hotels on our roof garden to support biodiversity and protect pollinators from predators during hibernation.

Climate Perks

Our people get up to **two journey days** added to their annual leave to compensate for the additional time taken when travelling by sustainable transport such as trains instead of by air for their holidays.

Boardroom 2030 hackathon: doing more to get to net zero in a fair and equitable way

In November 2021 we ran a **Boardroom 2030** hackathon. Focusing on our action on climate change. We ran a panel event to set the scene and a hackathon where we asked our people what we can do as lawyers to ensure a just transition to net zero. Since the hackathon we have:

- **formalised** regular reporting from our climate programme to our management board,
- **supported** our people to feel confident to talk about the ways we are acting on climate change through our legal work,
- **improved** internal communications around our actions,
- **encouraged** all departments to incorporate our climate goals into their business plans, and
- **reviewed** and clarified the role of our departmental climate connectors.

Reducing waste

295

plastic bottles of cleaning products avoided between October 2021 and March 2022 thanks to our new corporate cleaning provider **Peartree**, whose ethos, values and focus on sustainability made them a natural fit to work with us and aligns closely with our plastic reduction project.

Supporting our people to reduce waste that goes to landfill

As well as operating a zero waste to landfill office, our people can recycle medicine blister packs, crisp packets, batteries, contact lenses, bottle tops, stamps and **Beauty Kitchen** containers from home at our office.

Reducing paper

All the paper that we use is recycled and we encourage our people to avoid printing as much as possible. We have seen an 89% reduction in paper used since 2016.

For the unavoidable residual printing, we partner with **Print ReLeaf** who planted 53 trees in Madagascar on our behalf over the last year.



31kg

of CO2 saved by working with our partner **Recorra** to recycle furniture and waste material from our recent office refurbishment that we couldn't use in the new space.

Creating impact: being people people

Attracting diverse talent

We've seen an increase in training contract applications from the LGBT+ community and people with disabilities after working to widen access to careers in law.

Gender and ethnicity pay gaps

Our mean gender and ethnicity pay gaps have reduced.

Gender

Management Board

43% women / 57% men

Partnership

38% women / 62% men

Senior management team

71% women / 21% men

Firm-wide

71% women / 21% men



Gender and ethnicity pay gap

Our mean pay gaps have continued to reduce in the year up to 5 April 2021.

Our bonus gaps increased this year because we didn't pay bonuses during the pandemic, but we did keep making payments to those who introduced talent and clients to the firm.

We failed to reach our gender target across the partnership because 2 female partners left. Our talent pipeline is strong and well balanced, so we expect to reach our target in the new year.

Our partner ethnicity profit gap has gone up as only 9% of our partners are from a minority ethnic background. We have more to do on increasing the ethnic diversity of the partnership.

Gender

% difference 2020 and 2021	Increase	Decrease	2021 result
Mean employee pay gap %		-9%	1%
Mean employee bonus gap %	+40%		62%
Mean partner profit gap %	+9%		21%
Combined pay and profit pay gap %		-0.1%	36%

Ethnicity

% difference 2020 and 2021	Increase	Decrease	2021 result
Mean employee pay gap %		-2%	10%
Mean employee bonus gap %	+30%		69%
Mean partner profit gap %	+1%		88%
Combined pay and profit pay gap %		-2%	27%

Promotions

2021	Women	Men
Promotions to associate or senior associate	100%	
Promotions in the business team	75%	25%
36% promotions were Black or under represented colleagues		

Actions

Diversity and Inclusion Forum (DIF)

- We aim to create a strong sense of belonging to enable everyone at Bates Wells to reach their full potential. We strive to address structural inequalities and to respect diverse cultures, backgrounds, and experiences.
- Our DIF groups are a way for our people to help develop, innovate and participate in activities to promote a truly equal and inclusive environment.

Inclusion

- We want to drive positive change for marginalised and underrepresented groups and attract diverse talent to the firm and our profession.
- We are focusing on and embedding the principles set out in the **Race at Work Charter** and the **Women in Law Pledge** to increase representation. We will also look to other thought leaders, experts and accreditations to help us achieve more.

Inclusion training

- Inclusion training was delivered to our partnership in Autumn 2021 focusing on why it is key for our future as a firm.
- The next step is to work with our Heads of Department to embed EDI into their business plans and into everyone's objectives and to roll out inclusion training across the firm.

Upward mentoring

- 17 mentors facilitated open dialogue and safe spaces to encourage understanding and create a more inclusive culture.
- Mentees gave a commitment to drive forward initiatives including senior leaders putting EDI objectives in business plans.

Partner development

- We are working with some of our more senior partners to help them plan their careers beyond the partnership.
- New members of the Management Board now receive an induction to help them understand their role and responsibilities and to perform well.



Firm-wide performance review process

- Process simplified to focus on quality conversations and creating a culture of continuous learning & improvement.
- Heads of Department, Directors and HR Business partners work with the HR Director to review all promotions through a gender lens to address any gender bias.

Talent pipeline

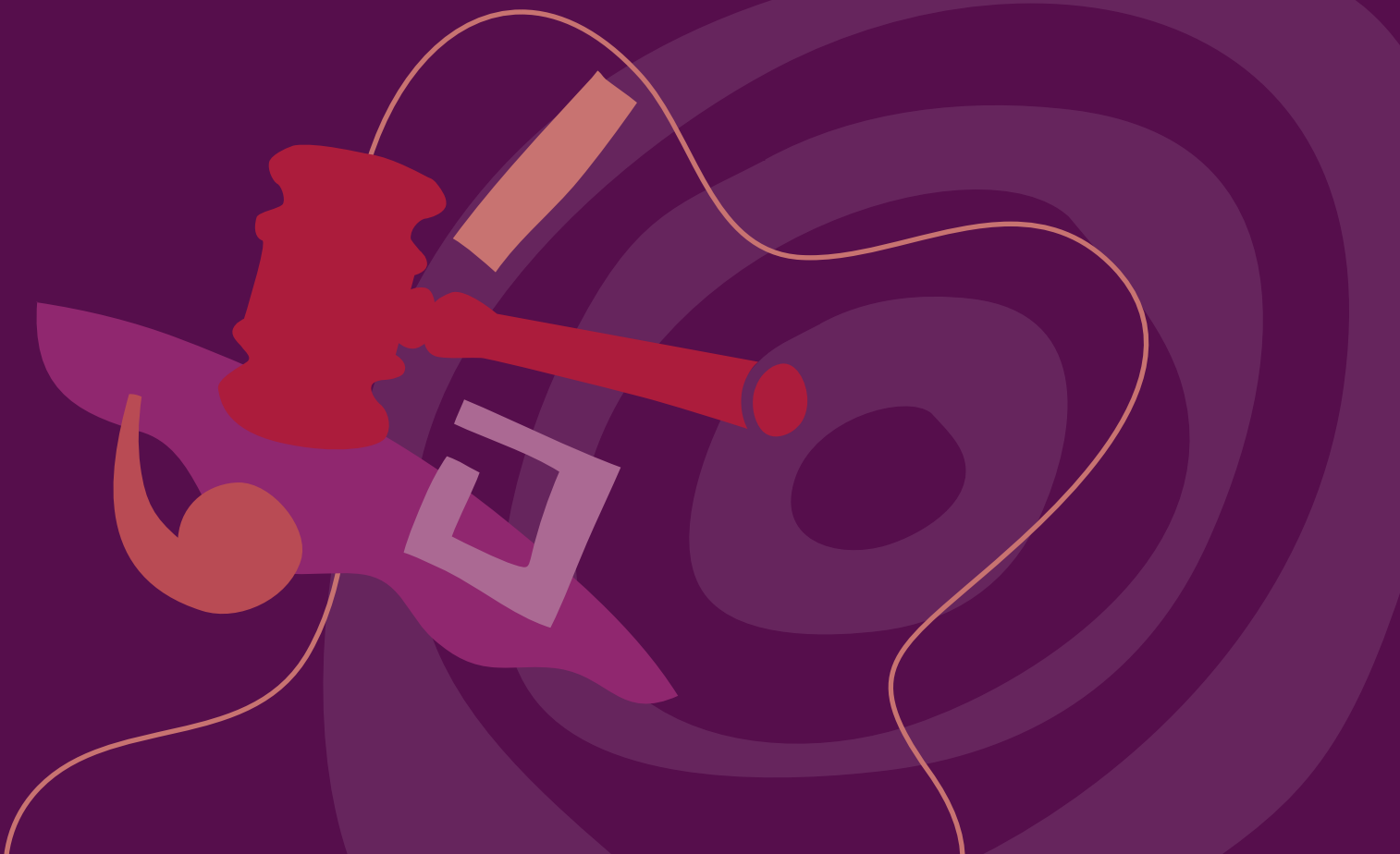
- We closely monitor our talent pipeline for all fee earners with a gender and ethnicity lens to support all our people through all stages of their career.
- 100% of promotions to both Associate and Senior Associate went to women in our last promotion round.

Menopause awareness

- We teamed up with **Talking Menopause** to support and educate our people about the menopause. We want to make open discussions about the menopause the norm.
- We have created an online menopause information and support hub and we are about to upskill our mental health first aiders to support people going through the menopause. We provide a funded menopause plan through our private healthcare provider.

Women in Law Pledge

- We have signed up to the **Women in Law Pledge** to harness the power of gender equality to transform the business of law.
- The pledge holds us accountable for promoting gender equality across the firm and our action plan details how we aim to achieve this.



Addressing systemic inequality

Social mobility

Our social mobility group's aim is to remove barriers to working in the legal sector. We want to make sure that there is a level playing field at Bates Wells so that we can attract, retain, and promote the best people. The group carries out outreach and work experience programmes and workshops with students from less advantaged backgrounds as well as providing mentoring. In the coming year the group will be working with the Sutton Trust, will review the training contract process and deliver a social mobility hackathon to crowdsource more ideas and initiatives from our people.

Gender neutral guidance

In June 2021 we published internal guidance on gender-neutral drafting and eliminating gender bias as part of our commitment to creating a more inclusive culture.

Transgender policy and guidance

We have developed and launched a range of gender inclusion policies to raise awareness, promote understanding and show our commitment to an inclusive culture. We promote a working environment which is free from discrimination, harassment, or victimisation and we want to ensure that transgender people or transitioning employees feel respected and valued and are treated as such.

Our transitioning in the workplace guidance focuses on making sure that everyone feels supported throughout the transitioning process in our firm.

Training contracts and recruitment

We go to a range of law fairs and graduate recruitment events which attract students from diverse backgrounds to meet our objective of widening access to careers in the legal sector. And we work with a local comprehensive school and the Sutton Trust to support young people to access work experience opportunities.

We have seen an increase in training contract applicants from the LGBT+ community and from those who have disabilities. We have committed to allowing future trainees to complete their training contracts on a part-time basis, which will make them more accessible to individuals who have caring responsibilities or disabilities.

We use the Rare Recruitment contextual recruitment tool in our training contract and vacation scheme application processes to have a holistic understanding of our candidates' backgrounds and to prevent us missing any high-potential candidates.



Partnerships



Race at Work Charter



Halo Code



Social Mobility Employer Index



Menopause Pledge



Women in Law Pledge



Mindful Business Charter



Who we are

We have set out the steps that we are taking to make our firm more diverse and inclusive in this report. Our latest statistics (based on our October 2021 internal survey) show that we are heading towards our 40 /60 gender target either way for our leadership roles and across our partnership. Our management board is 43% women and 57% men and our partnership is 38% women and 62% men. The diversity of our senior management team has improved, going from 100% women last year to 71% women and 29% men.

Solicitors Regulatory Authority data collected in summer 2021 shows that on average in UK law firms, 52% are women, 17 % are from Black or Ethnic minority backgrounds, 5% are disabled and 3.5% identify as LGBT+.

Census data from 2021 has not been fully published at the time of writing but the high-level information shows that across the UK 82% of the population is white, 9% Asian and 4% Black. In London 37% of people identify as white.

We want to increase the data that we gather to make sure that it is as meaningful as possible. We will keep holding ourselves to account and use our data to help us reach our goal to create a workplace enriched by diverse talent, views and thinking.



Gender

Management board:

43%
women

57%
men

Senior management team:

71%
women

29%
men

Partnership:

38%
women

62%
men

Firm-wide:

71%
women

29%
men

Other stats

15%
identify as LGBT+

4%
reported having a disability

26%
have been here for 10+ years

83%
retention

74% are white:

82%
were born in the UK and 7% of those were first-generation born in the UK.

27%
are from minority ethnic backgrounds, of which the largest group (8%) identify as British Asian Indian and 4% are of Black heritage.

Conclusion

I am really pleased that we are now reporting annually on the progress that we've made in the last year and this commitment to report also helps keep us on our toes.

Our collaboration with clients is having a positive impact on climate change. Our work in delivering fair and easy to understand contracts and our EDI client offering, including our newly launched LGBT+ service line, are creating further opportunities for our clients to be better businesses. I'm encouraged to see how much further our shared interests can help make society stronger, fairer and more inclusive.

Within the firm we have set clear goals and taken steps to achieve our climate commitments and this is giving us the confidence to encourage others to join us. On EDI, we are learning and shaping our firm for the better. We know we still have a long way to go to increase diversity and to improve inclusion at Bates Wells but I know we will keep making progress with the support of our brilliant and engaged people.

We look forward to reporting back next year.



Sally Procopis
Chief Operating
Officer



“I’m encouraged to see how much further our shared interests can help make society stronger, fairer and more inclusive.”

Sally Procopis



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.