



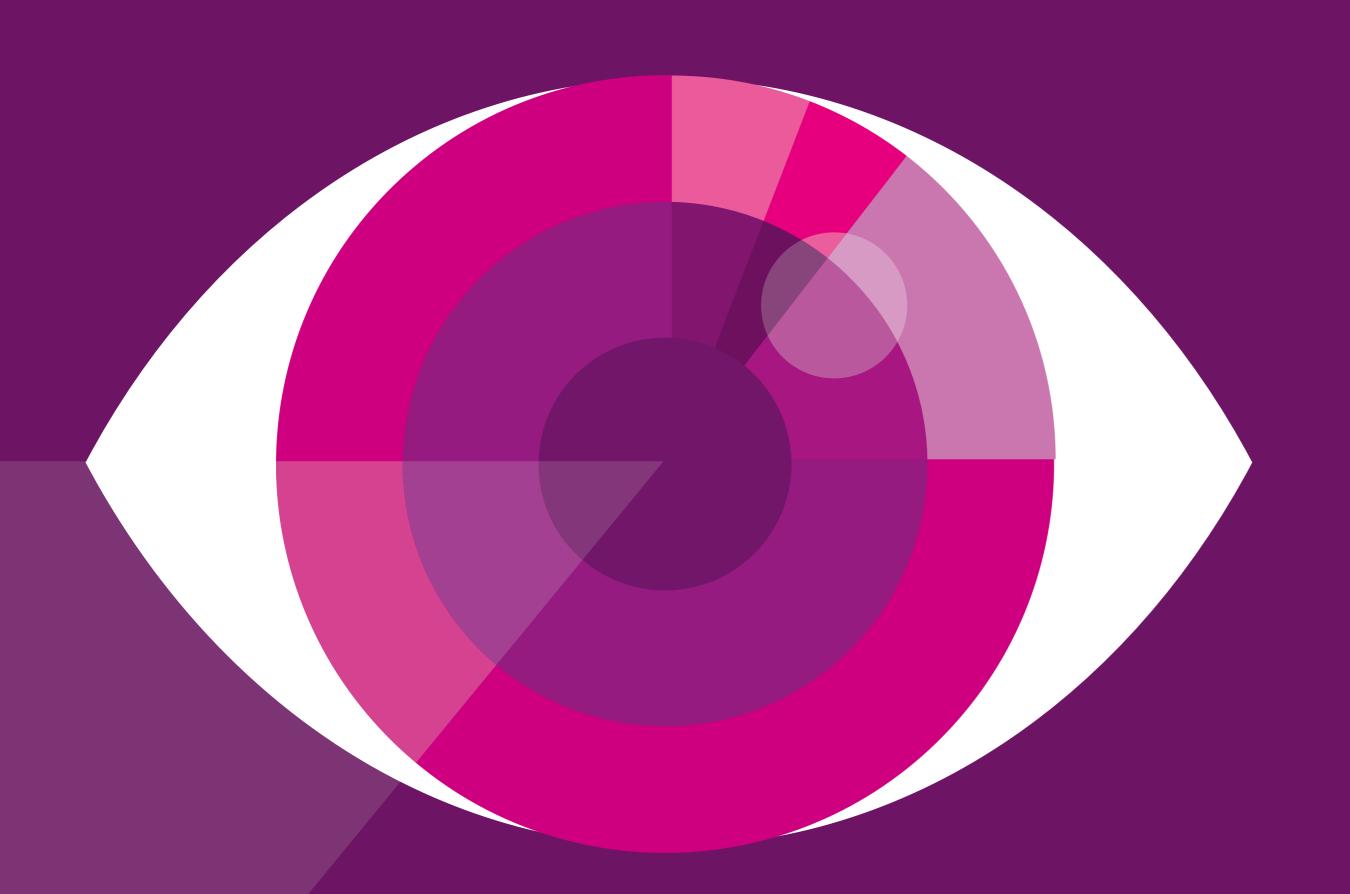
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"I hope you will enjoy reading our second sustainability report. We've had a busy year and are making good progress in achieving our environmental goals. Having recently taken on the role of senior partner I am pleased with the work we have achieved so far, and want to play an active part supporting and helping to drive our sustainability programme over the coming years."



Charles Staveley (he/him)
Senior Partner and Board lead for ESG
Mills & Reeve



# Mills & Reeve's commitment to net zero

Mills & Reeve is committed to minimising our impact on the environment, ensuring we promote environmental sustainability in all aspects of our operations, and recognising our responsibility for guardianship of the environment.

We recognise the importance of decarbonising and in 2022 we announced our intention to achieve net zero for scopes 1 and 2 by 2030, and all scopes by 2050 at the latest. We've also committed to having our targets validated by the Science Based Targets initiative (SBTi), and are working with consultants to help set our targets and put our submission together by the end of 2024.

We're also pleased to have recently achieved ISO 14001 accreditation giving us a universal international standard for environmental management. This enables us to improve our environmental performance by optimising our resource usage and reduction of waste, and identify areas for continual improvement.

You can read our full net zero statement here.

# Achieving more for our world

We're increasingly finding our clients emphasising the importance of Environmental, Social & Governance (ESG) when choosing their suppliers, and this includes lawyers. They want to work with organisations that share their values, want to know what we're actively doing in the space, and how we can support them to improve. That's why we offer training sessions and workshops to our clients to work together collaboratively to drive change.

## **Embedding ESG**

To support our people and our clients in this endeavour, we're embedding ESG even deeper in our organisation. We've assembled a larger ESG team, incorporating our sustainability experts, diversity, inclusion and wellbeing team, and wider ESG specialists to encourage good governance and intersectionality.

Charles Staveley, our senior partner who shared his thoughts earlier in this report, is Board lead on sustainability and is prioritising sustainable practices across the firm. ESG isn't just a buzzword or a tick-box exercise, it's a requirement from clients and our people, and a moral obligation which all organisations must address.

Through more closely embedding ESG in our governance structures, we try to take a more holistic approach to ESG. Take our new Birmingham office for example, where sustainability has been at the core of all fit out decisions. From the "E" perspective we wanted to re-use as much of our furniture as possible, but where we can't we look to donate it to charities that can ensure it's re-used by individuals or community organisations that need support (the "S"). And from the "G" perspective, a member of our ESG team is on the working party that makes these decisions. This is just one example of how, to us, ESG isn't iust an acronym - it crosses everything we do and we aim to tie all three elements even closer together in the coming years.

Now that we've made our net zero commitments and are setting our targets, we know our work is only just beginning and we can't be complacent. We want to use these targets to hold ourselves accountable for our sustainability progress, and we know it'll take a lot of hard work (and change) to achieve these. The reality of our net zero commitment is that, despite being a continually

growing organisation, we must reduce our gross emissions by at least 4% every year to hit our target by 2050. We know we'll have to keep meeting the challenge head on each year to deliver, and ideally exceed, our commitments.

## The bigger picture

More widely, I've recently seen a renewed determination in many organisations (including Mills & Reeve) to prioritise sustainability, despite recent Government changes in relation to sustainable commitments. For instance, it's encouraging to see leaders in the UK automotive industry stick to their 2030 commitment to phase out production of fossil-fuel burning vehicles (despite the relaxation by regulators of the deadline to do so). It feels to me like we're in a time when all organisations can make a real difference, and that organisations aren't waiting to be told they have to do it, but are increasingly motivated to be proactive, do the right thing and drive the ESG agenda in the UK.

While law firms don't have as large a carbon footprint as some sectors, we're still very committed to doing our part. I'd like to think that our report is evidence of this and might help encourage others to do the same. We're certainly up for the challenge!



Neil Pearson (he/him)
Partner, Head of ESG and Social Value
Mills & Reeve

## Achieving more together

It's been another busy year for the Mills & Reeve sustainability team. Not only have we doubled in size, but we've made several new commitments, and have tightened our sustainability objectives to align them with four strategic pillars: people, place, partnership and planet.

## People

Organisations face the challenge of keeping their people engaged with sustainability when there are so many other pressures on their time. Thankfully, people at Mills & Reeve continue to be passionate about the environment, and more widely, 82% of employees want to be able to link to the values and purposes of the organisations they work for<sup>1</sup>. So, the challenge is how to keep people engaged without overwhelming them. In 2023 we recruited a new ESG advisor to help boost our internal engagement and introduced compulsory environmental knowledge training. We've also launched ESG Ignite, a thought leadership series aimed at helping organisations to take a proactive and positive approach to ESG issues.



Across our sites we've continued to work hard to improve our waste consumption, have used biogas throughout this period and continue to divert our refuse from landfill. Financially, this year is the first since 2019 that hasn't been greatly impacted by the pandemic - meaning a return to business as usual, allowing us to glean a better picture of our emissions. This more accurate data enables us to focus on areas of risk, and more effectively track, plan and implement changes.

### **Partnerships**

Alongside our existing partnerships and commitments, we've engaged with additional organisations to help hold ourselves accountable and better structure our sustainability strategy. We're working with climate consultants Net Zero Now to develop our science based targets proposal which will detail how we reduce our greenhouse gas emissions. We've also aligned our strategic aims with the United Nations Sustainable Development Goals and recently achieved ISO 14001 certification.

Partnerships are vital to collectively move the dial on sustainability. Businesses like Mills & Reeve have both a moral and commercial imperative to maintain and increase the momentum towards improving sustainability. It makes sense to do this together.

Over the last year we've started collecting emissions and ESG data from our critical suppliers and have increased the sustainability expectations on any suppliers we procure. Our new caterer is a prime example, and we're working closely with them to drive sustainability in all our catering decisions.

#### **Planet**

In addition to our environmental progress so far, I'm incredibly excited for 2024, as we're lining up ambitious plans to contribute towards biodiversity restoration. One challenge that law firms face is that we rarely have physical chances to contribute to biodiversity. Through fostering partnerships with suppliers and clients, however, we've found that what we do have is access to people looking for proactive allies to support exciting biodiversity initiatives. It's going to be an exciting year, and I can't wait to get stuck in!

### **Looking forward**

Though we've made a lot of progress in 2023, there's still work to be done, and I'm particularly excited about the coming year where we'll be working even harder on partnerships, engaging our people to better embed sustainable practices, and exploring possibilities to continue to improve our emissions outputs. Watch this space, it's an exciting time to work in sustainability at Mills & Reeve.



Jessica Wilkes-Ball (she/her)
Senior Sustainability Manager
Mills & Reeve

<sup>&</sup>lt;sup>1</sup> EDIE, The 2023 Sustainable Business Leadership Report.

## 2023 sustainability snapshot

Trends in our sustainability data and key statistics.

Our scope 1-2 emissions have decreased by 58% from our baseline year (2021/22)

Although our overall energy consumption increased by 3% our emissions have dropped significantly due to having used biogas throughout this 12-month period



Following the completion of our ESOS phase three audits, and recommendations from these, we've implemented schemes across our offices to reduce building management system operating times, and no longer heat or cool buildings when they're unoccupied





Scope 3 emissions data now also includes all purchased goods and services, IT services, food and beverage purchases, business travel, commuting, homeworking, waste, and water, enabling greater transparency and ассигасу



We continue to produce episodes of our Talking ESG podcast, have set up an external ESG blog, and regularly share news internally through newsletters, and on our intranet and sustainability hub



As the first business as usual year since the Covid pandemic, we've been able to gain a more accurate read on supplier spend, travel and commuting data

We've achieved ISO 14001 certification



## Progress and looking forward

Highlights of our sustainability activity, and what's coming next.

"ESG isn't just an acronym
- it crosses everything we
do and we aim to tie all
three elements even closer
together in the coming years."

Neil Pearson (he/him)
Head of ESG and Social Value

## Cutting carbon emissions



## People and place

- By establishing a certified Environmental Management System (EMS) and identifying relevant risks, we can monitor the physical risks threatening our operations in the long and short term
- We're establishing a Sustainability Steering Group to oversee our strategy and monitor KPIs in line with our UN Sustainable Development Goals
- We're forming a firmwide network of sustainability activists
- We introduced a compulsory environmental awareness course in 2023 and are expanding this into a series of bite-sized learning modules to improve colleagues' understanding of ESG
- We recently undertook a client listening project to help understand client expectations, including in relation to ESG. This'll help us to address possible gaps when considering climate risks in advisory services.

## Partnership

- We're prioritizing our scope 3 emissions by introducing further sustainability mandates into our procurement policy and supplier questionnaire
- Tackling our Scope 3 emissions will be the biggest challenge for our Science Based Targets initiative (SBTi) submission, and is a key strategic activity for us in 2024
- To avoid supply chain disruption, we aim to on-board more sustainable, and climate-risk assessed suppliers
- The changing regulatory landscape, particularly relating to environmental laws, presents us with another set of opportunities to retain and procure subject matter experts and offer a well-rounded ESG advisory service
- In partnership with Mobilityways, we'll be exploring a series of options around sustainable commuting, beginning with a lift share trial in our Norwich office
- We maintained our EcoVadis silver accreditation

#### **Planet**

- We want to ensure we're operating a sustainable management approach to maintain efficient use of natural resources
- We'll substantially reduce waste generation through prevention, reduction, recycling and reuse
- We've ambitious plans to contribute towards biodiversity restoration and protection through our firm's core skills and strategic investment in projects. Watch this space for more on this.



United Nations Global Compact

Aligning ourselves with the world's largest corporate

citizenship initiative Mills & Reeve joined the United Nations (UN) Global Compact in 2022. As part of our commitment, we agreed to align our ESG activity to the most relevant United Nations Sustainable Development Goals (SDGs).

The UN Global Compact was launched in 2000 and is the world's largest global corporate citizenship initiative. By committing to this, businesses can take a shared responsibility for a better world.

It's a voluntary initiative to promote sustainable development and good corporate citizenship and has a set of values based on universally accepted principles. There's also a network of companies and other stakeholders who are part of a forum for learning and exchange of experiences.

We're committed to...

- Set in motion changes to our business operations so that the UN Global Compact and its Ten Principles become part of our strategy, culture and day-to-day operations
- Publicly advocate for the UN Global Compact and its principles via communications channels such as press releases, speeches, etc
- Communicate with our stakeholders annually about our progress towards implementing the Ten Principles and our efforts to support societal priorities

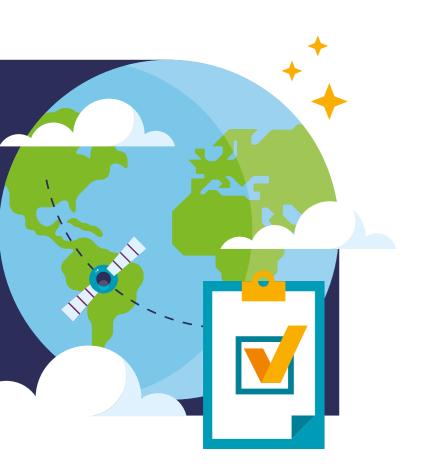
Click here to view our <u>first communication on</u> progress following submission in December 2023.

www.un.org/sustainabledevelopment

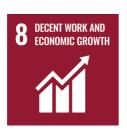


## **UN sustainable** development goals and Mills & Reeve

Here, we outline which UN goals align with our strategy of people, place, partnership and planet, and how we'll be working towards them here at Mills & Reeve.



www.un.org/sustainabledevelopment







13 CLIMATE ACTION





# Prioritising science based targets

As part of our sustainability strategy, we're committed to doing our part by developing science-based targets to help reduce our greenhouse gas (GHG) emissions. Over the next year we'll be working closely with climate scientists and experts from Net Zero Now (a platform that helps businesses identify and reduce their carbon emissions) to assess our emissions footprint and determine ambitious emissions reduction targets across Scopes 1, 2, and 3.

Our targets will be in line with the Science Based Targets initiative (SBTi), which defines and promotes best practice for those setting science based targets to align with the Paris Agreement goal of limiting global warming to 1.5 degrees. By submitting our targets to SBTi for approval, which we aim to do by the end of 2024, we can be confident that they're meaningful and stretching and that we'll be held accountable for meeting them. They'll ensure our strategy drives meaningful decarbonization across our operations and value chain.

Transitioning to a low-carbon business model is a strategic priority for Mills & Reeve as we aim to provide exceptional legal services to our clients in a sustainable manner.

Below we provide the process towards developing our science based targets alongside Net Zero Now.

## netzeronow

The process

## Data collection

## Scenario modelling

## Target setting

## SBTi approval

We'll chat to key stakeholders to gather key modelling data and find out more about their key emission drivers and how these are likely to change over time. We'll work with the experts and scientists at Net Zero Now to develop an emissions forecast model to analyse different scenarios.

We'll agree targets and our GHG reduction strategy.

Finally, we'll submit our targets to the SBTi for validation by the end of 2024.

Our approach to risk management

		Risks			
		Financial	Regulatory	Reputational	Operational
Strategic pillars	Planet	<b>*</b>	<b>*</b>		<b>*</b>
	Partnerships	<b>*</b>	<b>*</b>	<b>*</b>	
	People	<b>*</b>		<b>+</b>	
Sti	Place		<b>*</b>		<b>*</b>

Financial Regulatory Reputational Operational

Climate risks can cascade through financial markets, impacting the investments and finances of our clients.

As clients grapple with legal challenges related to climate issues, they may turn to law firms like Mills & Reeve for counsel, presenting both opportunities and risks for these firms.

As governments enact more stringent environmental regulations, law firms need to continually update and adjust to these changing legal frameworks.

We currently report against frameworks most pertinent to our sector and will adhere to and report against relevant future legislation.

In environmentally conscious industries, our clients expect us to be well-versed in climate regulations.

Failure to address climate risks in legal advice could expose us to liability, risking financial and reputational consequences for both clients and the firm.

Climate change can disrupt our supply chains, causing shortages in essential office supplies and technology.

This, coupled with increased operating costs such as rising energy expenses and insurance premiums, poses challenges to our operations.

### <u>Go</u>vernance

Our risk mitigation plan is closely tied to a well-designed governance structure. A formally appointed sustainability steering group will lead and manage this structure, strongly supported by our firm's board, ensuring a smooth connection between our risk management goals and broader sustainability objectives.



## Putting our plans into action

Examples of using people, partnership and places to make more sustainable choices.

"Businesses like Mills & Reeve have both a moral and commercial imperative to maintain and increase the momentum towards improving sustainability. It makes sense to do this together."

Jessica Wilkes-Ball (she/her) Senior Sustainability Manager

# Partnership and people: Adnams and the butterfly effect

We recently launched a series of reports viewing organisations through an ESG lens, and explored the opportunities and risks that an ESG-focused approach can provide. As part of this, we spoke to a range of our clients about their opinions. Below is just one of these discussions with the CEO of Adnams, Andy Wood.

"I'm sure you've heard the phrase: when a butterfly flaps its wings here, you get a hurricane over there."

As a 150-year-old business, Adnams knows all about long-term sustainability. From creating stronger relationships with key customers to leading industry innovation, the brewer's ESG focus over the last 20 years has had a significant and positive impact.

As a large, listed alcohol business, Adnams is obliged to comply with more ESG-related rules than organisations in many other sectors, but that was never the main driver for change, according to Andy. Instead, the business saw environmental, social and governance issues as opportunities to think bigger rather than as a hinderance to be hurdled. "There are all sorts of regulations that we have to sign up to but we always thought about going a bit further," he explained. Adnams is always looking at new ways to improve.

#### Governance

The company has ESG objectives built into its financing and insurance arrangements and is also keen to let customers know how seriously they take the issue. One famous example was an advertising campaign about how you can have too much of a good thing – unheard of at the time for an alcohol brand. "I think many of our peers in the market wondered what the heck we were doing," says Andy.

### **Social**

The company has a serious social focus too, donating to and supporting numerous local charities (too many to mention here) and championing social mobility.

#### **Environment**

Environmental investments and innovations have been made throughout Adnams' operations. It is working to reduce emissions, especially at its power intensive breweries, and hydrogenated fat has been trialed as fuel for its fleet. Another key example of an ESG opportunity that the company spotted was when one of its major customers asked it to develop a product to fit into its environmental strategy. The brewer went above and beyond, working with the University of East Anglia to assess carbon emissions all the way through the supply chain. As part of that process, a lighter beer bottle was developed which many other brewers across the world have emulated, creating a butterfly effect of lower emissions that the company is rightfully proud of. That commitment transformed their commercial relationship and today the customer remains one of Adnams' largest.

To read more about our recent ESG client listening initiative, and to access our series of reports on the results of our surveys, please visit our ESG Ignite microsite.





# Place: Sustainability in the heart of Birmingham

We're soon moving into a new premises in Birmingham's Paradise complex, a purposeful, forward-thinking landmark building that connects people together. We've worked closely with our designers, Claremont, to make sure the space is as sustainable as possible. Faten Bawadejki, an interior designer from Claremont, explains in more detail.

"As part of the design brief, Mills & Reeve worked closely with us to ensure that sustainability was fundamental to the ethos of the scheme, which includes setting out to achieve SKA Silver. SKA is an accreditation scheme that sets out sustainable criteria to help assess fitout projects in a quantifiable way against good practice measures. This includes looking at ways to reduce waste, design for efficiency, reduce the amount of existing furniture sent to landfill, work with local contractors, and many other assessed categories to ensure that the design is sustainable.

Furniture is always a large part of any project, so we audited all the existing furniture and have reused 73%, designing it into the scheme from the beginning so it fits with the overall look and feel. We assessed any new furniture required for carbon impact, and have specified criteria for fabrics such as EU Ecolabels and recyclable content.

For the flooring, we're using the old stock carpet leftover from previous Mills & Reeve office fitouts alongside new flooring that has recycled/recyclable content or similar. For example, Marmoleum is made up of 97% renewable natural raw materials including cocoa beans, wood flour, linseed oil, jute and limestone. Our supplier also offers a takeback scheme where the product can be fully biodegraded in a controlled environment at the end of its required use.

We've crafted the workspace with adaptability in mind, anticipating its evolution over time. Our careful consideration of flexibility is reflected in the design of the flooring, lighting, and acoustic layouts. This ensures that the firm can seamlessly adjust and expand within the space, adapting to accommodate changes without compromising functionality and aesthetic appeal."

# We'd welcome any questions, feedback and ideas.

## Please get in touch.

### **Neil Pearson (he/him)**

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For more on our latest sustainability initiatives, visit our <u>Environmental, Social and Governance homepage</u>

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#### About Mills & Reeve

Mills & Reeve is a leading UK law firm centred on achieving more for clients, their businesses and the wider communities we serve.

Our clients and their industries benefit from our knowledge and learning – on everything from wellbeing, diversity and inclusion to global trends. The wider community benefits from a focus on sustainability in client and business decisions.

Clients get a consistent experience with no surprises – we tell them what they need to know, when they need to know it. Our sector and market expertise helps us understand clients' issues. And our technology and innovations help them achieve more with less effort.

We build personal relationships, with advice individually tailored to individual need. And if clients need things we don't offer, we draw on our network to give recommendations.

Our 1,250 plus people and over 750 lawyers share one vision – achieving more for clients.

