

# The climate-ready law firm

**Can a law firm can choose to only do work that is consistent with sustainability values and also be successful and profitable according to conventional metrics? Ben McQuhae felt these were compatible outcomes.**

**W**e launched Ben McQuhae & Co in 2021 as a law + ESG offering and have committed to only accept mandates aligned with the UN Sustainable Development Goals (UN SDGs). We appreciate our uniqueness in the market, and the many generous accolades (“the only true ESG law firm on the planet”) and awards (INSEAD Business as a Force for Good), but our primary motivation was not to set ourselves apart using sustainability as a branding tactic. It was to apply our skills as lawyers to contribute additionality to the global imperative of building a sustainable future. Our first challenge was to work out how to frame this as a business case in a way that made sense to us, to our clients and to the broader market.

## Commitment to Values

We determined the best way for us to achieve our objectives, which includes transparency and being fully aligned with the Paris Agreement, was to build a new law firm and place sustainability at the heart of our business plan and value proposition. To us, this means: (1) to provide legal support only to projects that make a positive impact through UN SDG-alignment; (2) to develop a service offering that leverages legal solutions to help drive corporate sustainability efforts; and (3) to integrate sustainability in our own internal operations.

Law and sustainability are vast, complex and ever-expanding universes that frequently intersect. It is important to us that we are clear about what we mean by ESG and/or sustainability and which of these intersections represent our focus areas and target markets. Notwithstanding our head start in ESG relative to many others, this was still a complex process that took us time to properly think through and shape.

We started by trying to understand what our clients wanted and the impact that we wanted to drive and worked backwards from there. In anticipation that ESG skills could become as important as legal skills to our clients, we determined that to serve our clients effectively we need to be skilled in all of the relevant disciplines and this required us to rethink how we shape and deliver our services. This is why we placed our firm and our offering at the intersection of law, ESG and innovation. To us, lawyers should be adaptable and able to quickly learn and develop new skills, but an experienced ESG professional is just that and a lawyer can no more readily become skilled at advising on ESG than an ESG professional can become skilled at advising on matters of law. To better serve our clients, we launched [www.venturis.eco](http://www.venturis.eco) at the same time as our law firm to provide robust ESG counsel through our Legal Solutions + offering.

## Transparency

Integrity is fundamental to the execution of our sustainability commitment. It is therefore important to us that our ESG commitments are clear and measurable.

Having the courage to hardwire ESG into our DNA and commit to providing legal support only to projects that make a positive impact through UN SDG-alignment



**Ben McQuhae** is an industry leading commercial lawyer, founder of a sustainability-focused law firm (described as perhaps “the first ESG dedicated law firm on the planet”) and an active leader in sustainable finance. He is a founder of the Hong Kong Green Finance Association and is the Hong Kong representative of the United Nations Financial Centres for Sustainability network.

makes us unique, but for us it is not enough. We must be able to prove that we practice what we preach, both to ourselves and externally. For this reason, we developed our SDG Tracker through which we assess mandates and measure alignment with the UN SDGs. We chose to define our sustainability commitment by reference to the UN SDGs because they are the most relevant metrics to measure the impact of sustainability initiatives and progress towards sustainable development. While the UN SDGs represent the most relevant and applicable metric for us to measure the objectives we want to achieve, we appreciate they are intended for policy integration and so are not a perfect fit for a law firm. We made our SDG Tracker, including our thoughts on some of the practical limitations and challenges, open source and available on our website so other law firms and professional services providers may review and adopt it too.

Committing to our values means being ready to say “no” to a mandate that is not aligned even though we have the legal skills to do the work. This will likely seem counter-intuitive or crazy to some colleagues, but to us it is an obvious and necessary outcome of our commitment to our value proposition. It is a matter of choice, and all law firms make choices about clients and mandates based on considerations such as conflicts, anticipated fee revenue, and reputation risk. We make choices based on our values as well.

## Opportunities

We are often asked if we have had to say “no” to a client, and how the client takes it. On a number of occasions, we have said “no”. With one exception, each time we determined the mandate as framed by the client was probably not UN SDG-aligned we were asked to work with the client to restructure the project so that it was aligned. The exception related to a mandate where the project was non-alignable. In all other instances, we have been able to influence a positive ESG outcome and we believe our clients consider our willingness and ability to guide them as they navigate their transition to be a unique value-add to our offering. We appreciate the opportunity to help inform our clients on sustainability-related matters relevant to their business, and where appropriate will write it into our client engagement letters. This is empowering. The legal profession has a unique court-side seat at every policy decision, major transaction and dispute and thereby we collectively have a unique opportunity, through our engagement letters, to make a positive difference. We can all choose how we want to make impact relative to the need to make money.

We launched our firm in February 2021 in the middle of a pandemic. We felt that sustainability must be a growth area and that the market was ready for our offering for various reasons including the wave of national policy commitments to decarbonise and an appreciation of the broad ESG problems exposed by COVID.

In the short time since then we have witnessed a global ESG explosion and the proliferation of related policy, regulation, integration, finance, litigation and greenwashing. It is not possible for most clients to keep up with developments, make sense of the new rules and market expectations, and find opportunity in transition. As the ESG landscape becomes more complex, the need for clear guidance becomes greater. By placing sustainability at the heart of our business, we believe we are well placed to help clients who are in transition and working towards building a sustainable future.

We set out to demonstrate that a law firm can choose to only do work that is consistent with sustainability values and also be successful and profitable according to conventional metrics. We felt these were compatible outcomes and still believe we were correct. ESG has become relevant to every business in every market globally and we are anticipating a shift in client expectations and counsel selection that will increasingly prioritise values-alignment, ESG integration, relevant expertise, knowledge of emerging trends and the ability to contribute additionality to the sustainability transformation.

We may have been the first mover in our industry, but we must not be the last.