

Corporate responsibility
report 2011

Aiming even higher



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Welcome to our 2011 corporate responsibility (CR) report

We're a leading international law firm providing business law advice of the highest quality throughout Europe, in the Middle East, Asia and the US. Our CR report offers an insight into our approach to being a responsible business and our challenges and achievements in 2011, as well as an outlook on future targets and initiatives. At Freshfields, we're aiming even higher to integrate CR into everything we do.

5,159	12%	27	£1,115.7m	49,743
people	reduction in CO ₂ against 2009 baseline	offices	turnover to 30 April 2011	hours contributed through pro bono and volunteering

Aiming even higher

Message from our senior management team

Over the years, our firm has built a strong reputation for its active commitment to CR. We were the first law firm to publish an externally assured CR report in 2007, and have established award-winning pro bono and community investment programmes around the world. We have achieved carbon neutral status and have made real progress in our efforts to make the firm a diverse and inclusive place to work.

Our success is the result of the efforts of a large number of our people who, above and beyond their day job, demonstrate commitment to our values by promoting and participating in our programmes. We're grateful to them all and they can be assured that their vital contribution in this area does not go unnoticed. That said, we recognise there is more we can do across the firm in each of these areas and we are now aiming even higher to build on the programmes that make a difference and to maintain our leadership position in the industry.

And it is important for our business that we do. Clients increasingly expect a demonstrable record in this area; and to our outstanding people and those we aim

to recruit, it is an important manifestation of the firm's core values. Above all, it is the right thing for a responsible business to do, as recent debates provoked by the financial crisis about the social contract are re-emphasising. Furthermore, as with many of our clients, we are signatories of the UN Global Compact (UNGC). We have committed to continue aligning our operations and strategies with the 10 UNGC principles in the areas of human rights, labour, environment and anti-corruption. We describe our progress later in this report.

We welcome any feedback you may have on this report or our approach to CR more generally. Please email your thoughts to crfeedback@freshfields.com.

Q: What does CR mean to Freshfields?

A: CR is an important part of the way we conduct our business. It's a commitment to do more than simply comply with our legal obligations; it's our acknowledgement that all businesses have a duty to act responsibly and make a positive difference to the communities in which they operate. Our key focus areas include creating a welcoming and inclusive place to work, minimising the impact we have on the environment, volunteering in our communities and providing free professional skills for good causes.

Although, it's the positive impact we create that's important, it's also rewarding to gain external recognition for our CR efforts. This year, our offices in Brussels, Frankfurt, Hong Kong and London have all won prestigious CR awards. For example, in Germany we won the large company award in the European Employee Volunteering Awards. In the UK we jointly won Pro Bono Team of the Year at *The Lawyer Awards* and also won The Lord Mayor's Award at the Dragon Awards, the latter recognising our long-term commitment to community investment.

Q: What CR programmes/initiatives are you particularly proud of?

A: There are many, but here are a few:

- Strategic Excellence, a tailored programme to support the development and retention of female lawyers, which helped the firm to be named as one of *The Times'* Top 50 Employers for Women;
- the work of our lawyers from across the network to assist with the global restructuring of Save the Children. This work greatly strengthened the charity's ability to deliver its programme and manage its resources; and
- our long-term investment in PHINEO in Germany, an organisation helping to strengthen the non-profit sector by bridging the gap between social investors and non-profit organisations.

Q: What CR area have you found particularly challenging over the year?

A: Widening access to the legal profession to those from non-traditional backgrounds and the bigger issue of social mobility are key challenges for the legal sector in the UK. We think the problem will be exacerbated

by the changes to university fees. We're working with a number of organisations, including a leading London university, the Social Mobility Foundation and Sutton Trust – Pathways to Law – to tackle this issue.

Q: How has Freshfields fared against the CR targets set last year?

A: We've made progress in engaging our network of offices and have improved data collection and measurement of the impact of our contribution. This year 39 per cent of our people gave 49,743 hours in total to support community investment and pro bono causes around the firm. This did not quite reach our ambitious target, but it still represents a substantial contribution.

We've now achieved a 12 per cent reduction in our carbon footprint against our 2009 baseline. Implementing our global travel policy and the environmental management standard ISO 14001 in London will remain as goals for the coming year.

'leadership'

The firm has achieved an acknowledged reputation for its active commitment to CR. We intend to maintain that leadership position.

Q: What will you focus on in the coming year?

A: As part of our new five-year CR strategy, we agreed to establish an external advisory panel to advise us on our approach to CR and how we report. This will enable us to gather objective feedback and constructive challenge on our strategy.

We also plan to maximise the opportunities to partner with clients to share best practice and identify and pursue opportunities for continual improvement.

Q: What are your CR priorities in the short, medium and long term?

A: In the short and medium term we're focused on delivering our five-year CR plan. This involves strengthening our international programme, engaging more meaningfully with our stakeholders, recognising better the efforts of our volunteers and collaborating further with

some of our most important clients. Our long-term vision is to maximise the value CR brings to our business; these steps will help us towards this.

Q: How would you summarise Freshfields' financial performance in 2011?

A: We're pleased that we've been successful in the past few years and have been able to maintain strong performance while making significant long-term investments in our business and people.

Although turnover has remained static, sources of revenue have changed over the year, shifting away from restructuring work. See **Firm profile** for our key financial figures.

Obviously we care about financial success, but we don't manage the firm to maximise short-term profit. We care much more about sustainable success.

Q: The report title is *Aiming even higher* – what does this mean to Freshfields?

A: We recognise that we've not quite achieved our existing targets. We're also opening ourselves to challenge from the outside through our new advisory board. *Aiming even higher* illustrates our commitment to meet our targets and build on our achievements to maintain our leadership position in CR in our sector.



Will Lawes,
senior partner



Ted Burke,
managing partner



Stephan Eilers,
executive partner

Firm profile



We provide business law advice throughout Europe, in the Middle East, Asia and the US. We operate as an English Limited Liability Partnership (LLP) in all our offices except Hong Kong, Japan and the US. We are a collegiate firm and have no head office; all 27 offices work together in the best interests of our clients. Our largest business operations by employees are London and Germany.

Global

Employees: 5,159¹

Offices: 27

Revenue: £1,115.7m

More online:
www.freshfields.com/locations/

America

New York
 Employees: 168

Washington
 Employees: 46

Europe

Amsterdam
 Employees: 161

Barcelona
 Employees: 21

Berlin
 Employees: 149

Brussels
 Employees: 147

Cologne
 Employees: 240

Düsseldorf
 Employees: 263

Frankfurt
 Employees: 451

Hamburg
 Employees: 188

London
 Employees: 1,871

Madrid
 Employees: 127

Milan
 Employees: 125

Moscow
 Employees: 144

Munich
 Employees: 89

Paris
 Employees: 312

Rome
 Employees: 61

Vienna
 Employees: 133

Middle East²

Abu Dhabi
 Employees: 12

Bahrain
 Employees: 4

Dubai
 Employees: 40

Asia

Beijing
 Employees: 63

Hanoi
 Employees: 23

Ho Chi Minh City
 Employees: 18

Hong Kong
 Employees: 188

Shanghai
 Employees: 54

Tokyo
 Employees: 62

¹ Data shown is average number of employees in 2010/11 financial year. The total average headcount for our offices shown is 5,160 due to rounding.

² Freshfields has an exclusive association agreement in Riyadh with the law firm of Salah Al-Hejailan – one of the largest and oldest firms in Saudi Arabia – but it is not included within our reporting boundary.

'Our vision'

Our vision is to be the number one international law firm.

The values we live by are:

- excellence in everything we do;
- outstanding teamwork;
- trusted relationships with our clients and our communities; and
- imagination.

To advise our clients in the best way possible, we need to develop a deep understanding of:

- their businesses;
- the industries and markets in which they operate;
- the properties and assets they own;
- the products and services they sell;
- the technology they use;
- the people they employ and how they reward them;
- their cultures and values; and
- the challenges they face.

Key financial data

	2009	2010	2011
Per equity partner (£m)	1.477	0.746	1.072
Turnover (£m)	1,191.2	1,158.0	1,115.7
Profit (£m)	523.1	264.7	372.6

Our clients are generally big businesses, by the number of employees, their countries of operation or the size of the funds they manage. Many clients are household names, governments or financial institutions and we pride ourselves on our long-standing relationships with them. The Bank of England, for example, has been our client for over 250 years. They all have one thing in common: the sheer complexity of what they want to achieve.

The way we work is characterised by a combination of openness, confidence, value and respect for people, a sense of humour and proportion, and an absence of hierarchy.

The numerous client service awards we've won over the past year are testament to the quality of our work and the unique and often groundbreaking nature of some of the matters we take on.

Our eight global practice groups allow us to give specialist advice in all the areas our clients require. We also have sector groups which bring together lawyers from across our practice groups, focusing on the industries and business sectors relevant to our clients. With this set-up, we believe we can accommodate our clients' needs best. For information on how we govern our firm, please see **Governance and CR management**.

In addition to specialist legal advice, we also offer other expert services such as regulatory and public affairs. Our lawyers are supported by our dedicated business services staff, helping us to offer the exceptional service for which we have become known.

To ensure that we consistently meet all our clients' needs and expectations, we partner with world-class suppliers with specialist expertise where we do not offer in-house services. The degree of outsourcing varies across our network and according to transaction or matter and is driven by the added value it can deliver.

Practice groups

- Antitrust, competition and trade
- Corporate
- Dispute resolution
- Employment, pensions and benefits
- Finance
- Intellectual property/Information technology
- Real estate
- Tax

Sector groups

- Consumer and healthcare
- Energy and natural resources
- Financial institutions
- General industrial
- Infrastructure and transport
- Leisure
- Private equity
- Real estate
- Telecommunications, media and technology

CR at Freshfields

Our CR vision is to be the number one socially and environmentally responsible law firm. This is integral to achieving our vision of being the number one international law firm.

Having a robust, integrated CR programme with clear aims and objectives has tangible business benefits, including:

- building trust and loyalty with key stakeholders;
- attracting, motivating and retaining talented people;
- using and developing the skills of our people;
- decreasing operating costs; and
- shaping what makes us different.

Being a responsible business involves addressing the impacts of our operations. And for long-term, sustainable success, we must look beyond our own activities because we rely on the health of the economy, environment and society; and on the succession of a talented, diverse workforce.

Our strategy

During the reporting period, we've moved from corporate social responsibility (CSR) to corporate responsibility (CR) to reflect our broader approach to being a responsible business. We're working hard to integrate further and align CR with our business strategy, operations and decision-making processes, and we have recently developed a five-year strategy to help us do this.

Our strategy maximises the value CR can bring to our business by focusing our efforts on where we can make the greatest difference:

- using our professional skills for the greater good (ie pro bono);
- creating a positive impact on the communities in which we operate;
- being an excellent employer, promoting inclusiveness and diversity; and
- minimising our impact on the environment.

Our approach reflects our business values and focuses on those social and environmental issues that are important to our business and to our stakeholders. See **Materiality and stakeholder engagement**.

We recognise the importance of sharing knowledge and collaborating with our stakeholders to multiply the impact of our efforts, and you'll see examples of this throughout the report.

Looking forward

We've made great progress in recent years but our work is continually evolving. Over 2011, we've discussed our strategy and direction with our people and key external stakeholders. As a result, we have set ourselves ambitious goals in the areas where we perform well, as well as those where we need to improve.

- **International programme.** Achieving more consistent levels of engagement and support across the network. We will improve communication and knowledge sharing; implement targets, key performance indicators (KPIs) and action plans where appropriate; and continue to roll out successful programmes and initiatives.
- **Internal communication.** Ensuring our people are aware of our activities, the benefits, and the various ways in which individuals can get involved.

Regular communications, including newsletters, road shows, presentations and CR training will help us to achieve our aim.

- **Recognition.** Making sure that engagement in our programmes is recognised internally. We will introduce employee volunteering awards and include all engagement in CR activities in appraisal processes globally.
- **Governance and leadership.** Strengthening governance and leadership to integrate CR further into our business values, culture, operations and decisions at all levels.

A new CR management structure, including an external advisory board, clearer policies and procedures and enhanced stakeholder engagement will support this objective.

2010/11 highlights

- Launched a new, five-year CR strategy.
- Reviewed our community investment and environment programmes to make sure we have the right partnerships and initiatives in place to maximise our positive impacts. See **Social inclusion** and **Protecting our natural resources**.
- Launched a new three-year strategy confirming the focus of our pro bono work on the Rule of Law and the UN Millennium Development Goals. See **Pro bono**.
- Strengthened our governance and leadership of diversity leading to the launch of new, innovative programmes and collaborations to support our objectives. See **A positive, inclusive and diverse culture**.
- Implemented new initiatives to develop our people, giving them the tools they need to realise their potential. See **Engaging with and supporting our employees**.

'We've made great progress in refining our strategy this year. We must collaborate with our people, clients, communities and other key stakeholders to realise the benefits and reach our CR ambitions.' **James Daffurn**, head of corporate responsibility, London

Supporting our communities

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We feel a responsibility to make a positive impact on the communities in which we operate and beyond, not only because it's the right thing to do but also because it's good for business. Our aim is to maximise the value we add to our communities through our pro bono and community investment programmes, tailored to the interests and expertise of everyone working for us.

49,743

hours contributed through pro bono and volunteering

39%

of our people involved in our pro bono and community investment programmes firmwide

£8.79m

total community contributions (including management costs)



Pro bono

Pro bono primarily refers to free legal advice and representation for the public good. This is part of our professional responsibility.

Our pro bono programme helps us to make a valuable, high-impact contribution to society, with clients ranging from destitute individual asylum seekers to some of the world's largest international non-governmental organisations (NGOs). We also have strong relationships with law centres that stretch back over 40 years.

Pro bono work harnesses our people's enthusiasm, builds expertise and improves lives locally, regionally and internationally. From 2011/12, our pro bono programme will focus on two themes that have emerged through the firm's pro bono interests and client base over recent years:

- **the Rule of Law:** using our legal expertise to promote human rights and give access to justice to those who otherwise would not have it; and
- **the UN Millennium Development Goals (MDGs):** working on issues that affect us as global citizens to help achieve the MDGs on areas such as poverty, inequality, climate change and health.

Key to our approach to pro bono is that we focus on projects that allow us to utilise our core legal expertise. For example, in 2010, when the European Court of Human Rights in Strasbourg brought the whole of human trafficking within the ambit of

Article 4 of the European Convention on Human Rights (the prohibition of slavery), we started an exercise to work out how we could bring our expertise to bear in this area.

We organised a conference, in partnership with human rights NGO Advice on Individual Rights in Europe (AIRE), with participants from across the human trafficking sector (NGOs, prosecutors, police, legal practitioners, judges, and international agencies such as the UN and Europol). Through this process we identified civil enforcement as an area in which there was both a significant unmet need for legal services and a good fit with our expertise – in other words, an area in which we think we can have a real impact. We are piloting our civil enforcement project for victims of human trafficking in 2011/12, with a view to developing it further if it is successful.

'Freshfields has delivered for us on every level – their legal expertise, global reach and absolute commitment has made for a perfect partnership in realising this complex and groundbreaking restructuring for Save the Children.' **Elizabeth Stephen**, general counsel, Save the Children International

Access to clean water

In Hamburg, Germany, we advised Viva con Agua (VcA), a charitable organisation campaigning for clean drinking water worldwide. Together with a mineral water company, VcA sells branded bottled water and a percentage of the price is donated to clean water projects around the world.

Several practice groups assisted with the structure of this project including advising on contractual agreements, tax and trademark issues.

'We're proud to be legal advisers to VcA. Access to drinking water is increasingly important all around the world and VcA's creative ideas to fundraise in this field are inspiring.' **Ulrich Blaas**, tax partner, Hamburg

Rule of Law

Our New York office helped a polio survivor and published author from Guinea, West Africa, claim asylum in the US. He had been arrested and tortured after speaking out against his country's treatment of its handicapped citizens. We worked with the charity Human Rights First to prepare a 600-page submission and represent him.

In June 2011, we jointly won Pro Bono Team of the Year at *The Lawyer Awards 2011* in London for our work on asylum support appeals with the Asylum Support Appeals Project, a collaboration with two other law firms.

MDGs

In 2010/11, over 50 lawyers from across our network contributed more than 4,500 hours of free legal advice on the global restructuring of Save the Children International – one of the largest international children's rights organisations. The project streamlined the way the charity operates at a global level, unlocking huge benefits for children as Save the Children becomes more aligned as a global organisation.

Our Moscow office has formed a strong partnership with Oxfam Moscow. As well as working on its microfinance programme, we've also advised on corporate, employment and finance matters.

Industry collaboration

Working with other law firms on pro bono projects enables us to maximise the impact we can have as a profession. Our Madrid lawyers support the Knowing your Legislation scheme, run with other Madrid-based law firms and the regional government. It's primarily a legal education project offering courses on Spanish law for people who live in Spain and want to take citizenship. It has proved so popular that Spanish nationals also attend, providing a great opportunity for citizens and those who want to make Spain their home to integrate.

In Germany, we're a founding member of Pro Bono Deutschland (PBD), an organisation that encourages law firms to take on more pro bono work. PBD also works to improve the framework conditions for providing pro bono legal advice.

Professional skills pro bono

We also encourage our non-legal professionals to work with our pro bono clients. Building on our four-year relationship with South West London Law Centres (SWLLC), our dedicated team of London PAs and document specialists contributed 769 hours in 2010/11. By sharing resource, skills, know-how and learning, we've helped SWLLC to dedicate more time, money and services to those in need of legal advice, making a significant difference to our community.

'Pro bono legal advice has not previously attracted much attention in Germany. Through our membership of PBD, we hope to motivate even more colleagues to assist non-profit organisations and to raise the profile of pro bono advice in Germany.'

Christian Bunsen, finance partner; Germany and Austria CR partner, Frankfurt (and the first elected spokesperson of the PBD management board)

'Freshfields' support has been invaluable this year. We've greatly appreciated the constant guidance in relation to the Russian Women's Microfinance Network.'

Auriol Miller, country director, Oxfam, Russia

Global pro bono hours

2010/11	37,916
2009/10	42,561
2008/09	26,185
2007/08	16,120
2006/07	12,132

Engaging our people

Pro bono client needs vary from year to year, so although we took on more clients in 2010/11, our global pro bono hours are down 11 per cent on the previous financial year. However, they're up 45 per cent over two years and 135 per cent over three. We're also pleased to report that our pro bono participation rates remain high at 34 per cent.

Looking forward

We want to build on our success, being strategic in the pro bono clients we work with but recognising that local passions and interests can build our pro bono practice.

Our challenge is to increase engagement across our offices. By making processes and systems consistent across our network, we can make sure that more people are aware of and undertake pro bono work. At management level, we need to make sure that we recognise pro bono efforts and promote what we do across all our offices.

Social inclusion

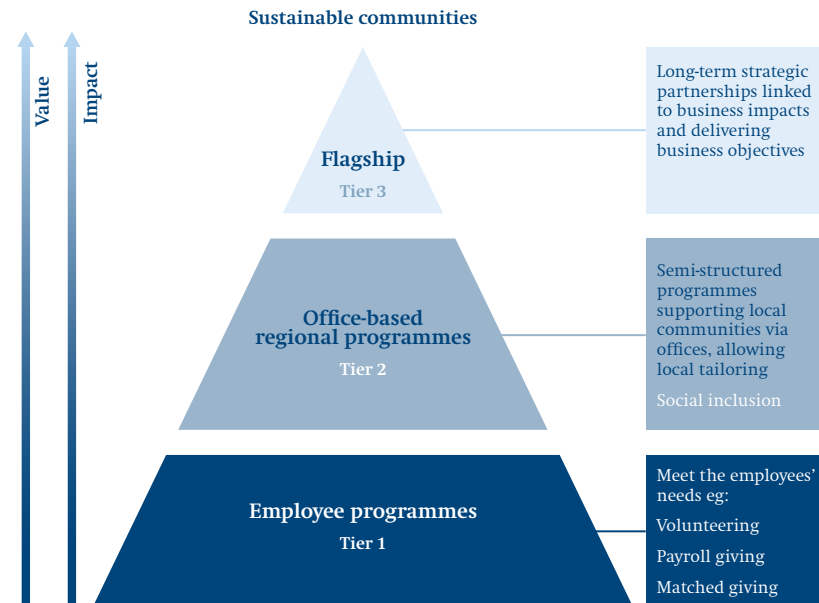
Our community investment approach aligns business goals and competencies with the priorities of our stakeholders, so that we can maximise the benefits to our local communities, our people and the firm.

‘We believe that everyone should have an equal opportunity to contribute to society, regardless of background or circumstances. Our business relies on a supply of talented and motivated employees, so by up-skilling future generations, we are ensuring a potential talent pool for the future.’

Simon Hall, finance partner; global CR and community investment partner, London

To increase the value and impact of our programme, we have a three-tiered approach:

Community investment programme value and impact



This year, we reviewed our community investment strategy and brought our existing programmes together under one umbrella theme: social inclusion. We will focus on helping people suffering with problems such as poor employability or language skills, or homelessness, to fully participate in society. In particular, our skilled workforce can pass on their knowledge to raise the aspirations and employability of these at-risk groups or individuals.

We estimate that 4,000 people directly benefited from our community investment activities in 2010/11.

Education

We encourage young people to aim high in their academic lives and future career choices. We partner with local schools and run business activity days and work placement schemes so that talented people, regardless of their background, have the opportunity to develop the knowledge and skills to pursue a career in an international law firm.

'long-term commitment'

In the UK, we won two Business in the Community Big Tick Awards in the education and work inclusion categories, and the Lord Mayor's Dragon Award for our long-term commitment to community involvement in London.

We work with a number of non-profit partners such as the **Social Mobility Foundation, Pathways to Law** and **Gesellschaft für Jugendbeschäftigung** to offer work placements. These typically involve offering experience in the different areas of law and advising on CV writing and interview techniques. In 2010/11, we hosted over 200 students around the firm and hope to build on this in the future.

Homelessness

We work with the homeless to increase their potential of gaining and maintaining employment.

In London, through our long-running Ready for Work programme – in collaboration with Business Action on Homelessness – we have offered 188 homeless people work placements since

the programme began in 2001, 15 of whom have gained full-time employment with our firm. We have refined the programme over recent years with more specific employability skills training.

Across the network, our offices such as Berlin, Brussels and Madrid volunteer with, or donate to, local homeless shelters.

Encouraging young people to aim higher in New York

In New York, we have worked with the charity **Legal Outreach** for five years, offering 13 to 18-year-old students from disadvantaged communities the opportunity to take part in our week-long Summer Law Institute.

More than 75 of our people from the New York office and a dozen lawyers from around the network take part in inspiring sessions and workshops. In June 2011, all the students who attended the Institute graduated from high school and are now at prestigious colleges.

This is a wonderful opportunity to share our skills in writing, speaking and debating – we can help arm students with the tools to thrive and become the first ones in their families to attend college. We look forward to the next time they arrive at our offices as job applicants.'

Timothy Wilkins, corporate partner, New York

We won two European Employee Volunteering Awards: our Brussels office in the most innovative programme category and Frankfurt in the large company category. These recognised our efforts in improving the employment prospects of young people from disadvantaged backgrounds.

Involving our people

Our programme can only come to life through the efforts of our volunteers and CR coordinators across the world. In 2011, we held a CR coordinator conference seeking input into our strategy review and providing training sessions to improve community engagement across our network.

We encourage our people to volunteer at least one day a year in the local community and we talk to them to make sure they get the most out of the opportunity.

Across the network, our people volunteered a total of 11,827 hours (excluding pro bono legal work) in our communities. This was a 16.6 per cent reduction compared to 2009/10, largely due to ending some charitable support in favour of organisations better aligned with our CR strategy. As we take a more focused

approach and offer more opportunities, we expect volunteering hours to increase once more. We are, however, encouraged that the percentage of our people involved, in all types of volunteering, remained stable at 39 per cent.

Charitable giving

Our matched giving and payroll giving schemes encourage, recognise and support our people who raise money for charities and community organisations. There has been a 4.2 per cent uptake in our UK payroll giving scheme. The firm matched £129,359 of employee fundraising and donations during the 2010/11 financial year. As a firm, we have donated £1.139m, including contributions to disaster relief.

Looking forward

Recognising the efforts of our volunteers is key to increasing firmwide participation and in 2011/12, we plan to introduce:

- a policy to match up to two days volunteering outside work hours; and
- regional and firmwide community service awards.

We are introducing more structure and support for those offices that need it to enhance engagement across the firm. With regard to charitable giving, our aim is to develop a more uniform approach across our network and we'll introduce a global disaster-response policy. We also plan to collaborate further with clients to strengthen our relationships and maximise the impact for beneficiaries.

Data for Supporting our Communities ³	2007/08	2008/09	2009/10	2010/11	% change in last year
Percentage of employee involvement in pro bono and community programmes	29	35	39	39*	0
Total community contribution including management cost ⁴	£4.45m	£6.47m	£9.55m	£8.79m*	-8%
Cash contributions	£826,912	£1.085m	£1.064m	£1.139m*	7.1%
Community investment hours	13,635	13,825	14,181	11,827*	-16.6%
Total hours contributed to pro bono ⁴ and community investment	29,519	40,008	56,739	49,743*	-12.3%

* This data has been assured by Deloitte LLP.

³ The value of our contribution is calculated using the London Benchmarking Group (LBG) methodology.

⁴ The historical data for 2007/08 and 2009/10 has been restated in this year's report.

Collaboration

London 2012 Olympic and Paralympic games



Our CR credentials played an important part in our selection as the official legal services provider for the London 2012 Olympic and Paralympic Games. This appointment offered us a great opportunity to enhance our community investment programme – complementing our existing programmes in the host boroughs and allowing us to support some exciting new initiatives.

Since 2009, we've supported Get Set – the official London 2012 education programme – which brings together a network of schools and colleges committed to the Olympic values (friendship, excellence and respect) and the Paralympic values (inspiration, determination, courage and equality). Working with the charity Teach First, we encouraged teachers in schools across the country to take part in the Get Set values-based activities and access exclusive rewards such as tours of the Olympic Park.

In London, we have also helped both our partner schools – where our staff have mentored and volunteered for several years

'Working with Freshfields to engage Teach First participants in Get Set and use London 2012 to inspire students has been a great success. Over 50 per cent of Teach First schools have now joined the Get Set network reward and recognition scheme and will benefit from a range of exclusive rewards and opportunities.'

Nick Fuller, head of education, the London Organising Committee of the Olympic and Paralympic Games

– to join Get Set. At Haggerston Secondary School in Hackney, we arranged for two of the athletes we sponsor, Richard Whitehead and Tim Brabants, to give inspiring and motivational talks about the Olympic and Paralympic values. At Redlands Primary School in Tower Hamlets, we organised a special visit from the official London 2012 mascots, Wenlock and Mandeville.

In addition, we held competitions at Haggerston and in our London office for two individuals to be torchbearers in the London

2012 Torch Relay. Pupils submitted entries explaining why they deserved to carry the Olympic torch and we asked our people to nominate inspirational colleagues. The shortlist was put to an office-wide vote.

By aligning our sponsorship of London 2012 and our community investment programme, we have enabled our local community to take advantage of this unique opportunity, inspired students and increased awareness and engagement in our CR activity.

Valuing our people

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Our vision to be the number one law firm is dependent on recruiting and retaining the best people. To achieve this, we are committed to nurturing a culture where we give our people exceptional opportunities to develop; listening to their views and creating a diverse and innovative workforce.

8th

place in the legal sector in the Stonewall Workplace Equality Index and the highest-ranking magic circle law firm

Top 50

Named in *The Times'* Top 50 Employers for Women list



A positive, inclusive and diverse culture

We want our people to work in a dynamic, inclusive and diverse environment that's free from discrimination. Strong leadership, engagement and ownership from senior management are critical to embedding diversity into our firm.

Our senior management team has prioritised inclusiveness and diversity for the firm over the next five years and developed a strategy in 2010. In 2011, we introduced a new governance structure for diversity in our London office, with five partners taking responsibility for different aspects of diversity: disability, gender, race and ethnicity, religion and culture, social mobility and lesbian, gay, bisexual and transgender.

Gender diversity is one of our biggest challenges across the network, and our long-term strategy focuses on the imbalance between the number of female lawyers we train and those who have been promoted to partnership.

Looking forward

There is a particular focus on all aspects of inclusiveness and diversity in London. In 2011, we will continue to expand this focus to other parts of the network, particularly Germany and the US.

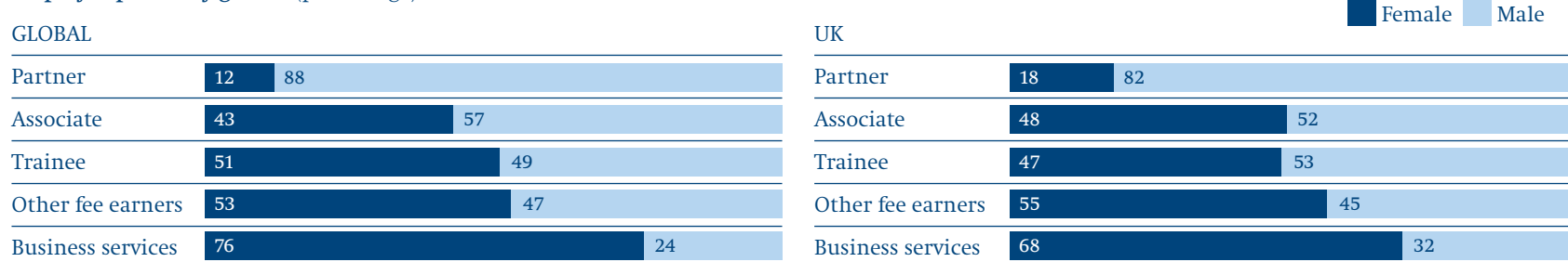
'Diversity is a core part of our business and requires us to bridge cultures and create an environment for our employees where they can be authentic. We want to work with partners who embrace these values, such as Freshfields, who have publicly committed themselves to diversity as an integral part of their business. Their work with the Deutsche Bank Women's Legal Forum and other initiatives demonstrates their understanding of the importance of this concept.'

Emma Slatter, general counsel, UK & Western Europe

Key 2011 initiatives in London include:

- lunchtime talks covering cultural and religious issues and themed menus celebrating key cultural and religious holidays;
- a diversity training programme for our London business services staff;
- hosting events for university students on lesbian, gay, bisexual and transgender diversity; and
- continued taking part in The London 2012 Organising Committee diversity events, and using the Paralympics to raise the firm's awareness of disability-related issues through a series of events.

Employee profile by gender (percentage)

Employee profile by region by gender⁵

Region	Gender	Partner	Associate	Legal trainee	Other fee earners	Business services employee	Grand total
ASIA	Female	4	67	31	25	138	265
	Male	24	65	20	9	23	141
ASIA total		28	132	51	34	161	406
Germany and Austria	Female	13	151	2	122	550	838
	Male	141	311	2	119	109	682
Germany and Austria total		154	462	4	241	659	1,520
LONDON	Female	33	242	83	67	594	1,019
	Male	137	271	89	42	286	825
LONDON total		170	513	172	109	880	1,844
Middle East and North Africa (MENA)	Female		11		2	24	37
	Male	5	18	3	1	10	37
MENA total		5	29	3	3	34	74
Rest of Central Europe (ROCE)	Female	5	179	24	67	326	601
	Male	101	237	21	47	90	496
ROCE total		106	416	45	114	416	1,097
US	Female	5	32	0	10	50	97
	Male	25	60	1	10	28	124
US total		30	92	1	20	78	221
Grand total		493	1,644	276	521	2,228	5,162

Women in Business

Erin Miller Rankin, a senior associate in Dubai, launched a series of seminars called Women in Business to provide a shared platform for tackling important gender diversity issues in the Middle East and North Africa (MENA) region.

The seminars are open to employees, clients and colleagues from other law firms and other industries, offering a rare networking opportunity for women. The series has been praised for introducing diversity issues within MENA in a new and innovative way.

Through this series we demonstrate our support and commitment to our female employees and to the broader community of women working in the MENA region.' **Erin Miller Rankin**, senior associate, Dubai

Recruitment

Our business longevity depends on our continued ability to recruit and retain talented people, regardless of background. We do this by appointing on merit and recruiting from as wide a pool of talent as possible. Our London employees alone represent over 50 different nationalities.

We recognise that the legal sector needs to appeal to a broader range of people than it

currently does and we actively encourage people from non-traditional backgrounds to consider a career in law. This is aligned to our community investment theme – see **Social inclusion** for our work to widen access to the profession and inspire students to continue to further education.

We work with Sponsorship for Educational Opportunities (SEO), a programme specifically targeting ethnic minority groups, which are currently under-

represented in the profession. In 2011, four SEO candidates successfully gained training contracts with us. We intend to increase this number in the future and further strengthen our relationship with SEO. The proportion of our trainee solicitors from ethnic minorities has increased from five per cent to 19 per cent in the past nine years in the UK.

In January 2011, we co-sponsored the unique Open to You event to offer people with disabilities and long-term health conditions an insight into opportunities for graduates interested in law.

Reward and recognition

To make sure we reward our people's efforts, we have a competitive remuneration package, including a benefits package and performance-related bonus in most offices. These aspects are locally determined within firmwide guidelines.

'We want to attract and retain the very best people. To do this we have to create a culture where our people are given exceptional opportunities to develop, feel valued and work alongside people they value and respect.' **Kevin Hogarth**, global HR director, London

Engaging with and supporting our employees

71%

participation rate in our 2010 employee engagement survey

Employee engagement

It is only by listening to what our people say that we can make the right decisions for them and for our business. We keep our people informed about our business through our intranet and regular email communications.

Our annual global engagement survey is invaluable for assessing the key people and workplace issues and for developing action plans to address them. In 2010, we had a response rate of 71 per cent – a 10 per cent increase on 2009. This signals an increased appreciation from our employees that we value and act on their views.

While our people are very satisfied with the leadership and culture of the firm, they indicated that there's still room for improvement in some areas, including: the way we use our people's skills and abilities,

the development of new skills and work-life balance. Careful analysis of the results allows us to identify the particular offices and teams where issues are of greatest concern and therefore how to develop the most effective action plans. As well as instigating a renewed focus on office social activities, the survey results have influenced a number of new development programmes around the firm, in particular those targeted at business services employees.

Learning and development

With learning and development programmes tailored to legal and non-legal staff across the network, we are helping our people to progress their careers and deliver client service of the highest quality.

To enhance career progression, we encourage secondments across our network – be they short- to long-term placements with clients and charities, or internal ones between offices and/or departments. These placements broaden knowledge and skills and help develop working relationships. In late 2011, we launched our new Trading Places initiative for business service employees. This initiative is a direct result of our annual global employee engagement survey.

Mentoring allows our more experienced people to share their knowledge with others and, in turn, to learn from them. We have a number of formal and informal mentoring programmes across the firm together with a global best-practice mentoring guide. Our people mentor both the firm's staff and others such as students.

Average number of hours of training per year per employee by employee category

Partner		79.9
Associate		44.1

Average number of hours of training per year per gender

Female total		40.6
Male total		39.9

Managing performance

We hold formal appraisals for all our people at least once a year, and several offices now conduct half-year reviews to discuss ongoing objectives and development needs. Feedback from peers and colleagues forms a key part of our system as it offers a broader perspective on each individual's performance.

Our partner leadership framework aims to motivate partners to fulfil their potential and help the firm to achieve its strategic aims more efficiently. The framework allows partners to assess their career aspirations, identify the skills to develop and set relevant goals.

A smarter way forward

In Germany and Austria, we launched the Smart Balance scheme to address individual development, flexible working and diversity and inclusion. It includes the associate development framework introduced in London, as part of the firm's wider commitment to move away from a rigid step from junior lawyer to senior associate. It also includes flexible working options and an updated IT system to allow people to work remotely.

In our commitment to increasing the proportion of women at partner level, we've launched a unique mentoring programme to guide and motivate female associates. To date, 60 partners have volunteered and undertaken mentor training, with the first mentoring sessions starting in January 2012.

'One of the main issues firms are facing today is being able to offer a better work-life balance to young lawyers, while maintaining the same high-quality client service. We hope to address both through Smart Balance.' **Klaus-Stefan Hohenstatt**, regional managing partner, Germany and Austria, Hamburg

Flexible working

Flexible working is undoubtedly one of our biggest global challenges. We have to balance the need to provide exceptional client service at all times with the needs of our employees, who want to work flexibly at different stages of their career. While less than one per cent of our staff in London have a formal flexible working arrangement, significantly more have informal arrangements in place. We've run pilot programmes over 2010/11 and feedback from these will inform our approach going forward.

Health and wellbeing

Our priority is to protect the health, safety and wellbeing of our employees. As such, our US and UK offices offer an employee assistance programme – a free, confidential 24-hour personal support service. This is available to our staff, their partners and any family members who live with them. In London, there is also an on-site occupational health expert with whom employees can discuss issues confidentially. In Germany, occupational doctors visit the offices regularly.

Many of our offices also offer free or discounted gym memberships as well as physiotherapy and massage therapy.

Proactive risk assessment has led to a reduction in reportable accidents in London, our biggest office. Accidents have been reduced by almost 50 per cent since we started publicly reporting our performance. Manual handling activities are a significant source of injury and we'll continue to address this with further training and improving our risk assessment.

Looking forward

We recognise that introducing flexible working remains a challenge for us.

We will focus on flexible working globally and use the feedback from our pilot programmes to inform our approach.

Collaboration

Strategic Excellence

The Strategic Excellence programme is a business and leadership coaching programme to support the retention and development of Freshfields' female lawyers globally. It is a four-stage programme developed in partnership with Aspire – a highly regarded women's leadership and research consultancy – and enables women to:

- take a bigger-picture look at their careers in the firm;
- develop a vision for themselves; and
- understand the crucial role they play as role models.

The introductory programme focuses on the skills, confidence and capability needed to excel in the early stages of a legal career at the firm. For senior lawyers, we have a year-long small-group coaching programme of workshops, regular coaching calls and mentoring sessions with partners. The aim is to help women improve their leadership and communication skills while becoming role models for others.

'Firms such as Freshfields are a vehicle for social and economic change. The commitment to advance women not only for the commercial gain but also to see more women take significant roles as leaders in that change is very worthwhile.'

Sam Collins, CEO, Aspire

Partners and senior lawyers also have the opportunity to join a one-on-one coaching programme with a particular focus on understanding the importance of being a role model.

As well as creating a gender-diverse culture, retaining our female lawyers helps us with succession planning and ultimately reduces costs associated with attrition and recruitment.

Over half of our women partners worldwide have signed up to the coaching programme and we have already started seeing results:

- the greatest increase in engagement in our 2010 employee engagement survey was from female partners;
- female partners are taking personal responsibility for driving gender diversity forward; and

- all partners who completed the programme said that it improved their management skills and 41 per cent believed it helped them develop new business.

Over 50 junior associates have attended the introductory programme to date. This has not only generated positive feedback but has also made a positive impact on retention rates. In 2010/11, the attrition rate for those who participated in the programme is one-third of the rate for the firm as a whole.

Strategic Excellence helped Freshfields to be named in *The Times* Top 50 Employers for Women. In 2011/12 we will look to roll out the programme more broadly across the network.

Protecting our natural resources

- 27 Climate change
- 29 Responsible resource use
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Managing our environmental impact is central to our CR strategy. We strive to mitigate our contribution to climate change impacts and improve our environmental performance by adapting working practices, raising awareness, investing in energy-efficient technology and minimising waste and resource use. This not only benefits the local and wider environment but also has tangible business benefits.



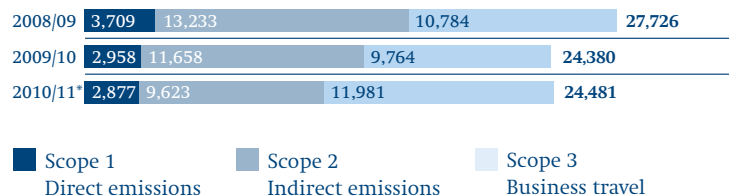
12%
reduction in CO₂
against 2009
baseline

**Carbon
neutral**
We have been
carbon neutral
since 2007

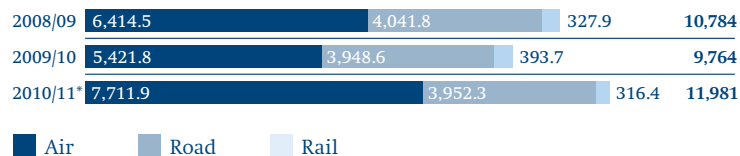
Climate change

We work hard to reduce our carbon footprint and voluntarily offset the remainder to mitigate the impact our business has on climate change. This major global issue affects our own operations, our clients and the communities in which we operate.

Global emissions (tCO₂e)⁶



Business travel (tCO₂e)



Global emissions per capita (tCO₂e)



* This data has been assured by Deloitte LLP.

⁶ We have changed the way we calculate our global emissions (tCO₂e) data since our last report. All data shown now includes some estimated data for travel and electricity. See Basis of reporting for further information.

We understand that climate change is happening now and that although mitigation of the impact is a worthwhile endeavour, it is not enough. This is why we have started to invest in climate change adaptation initiatives to assist communities already suffering the effects of climate change.

Our carbon footprint

The majority of our carbon emissions come from business travel and energy use in buildings. In 2010/11 our carbon emissions went down by 12 per cent compared with the 2008/09 baseline.

The reduction in carbon footprint has largely been the result of investment in energy-efficient technology and green tariff electricity. We've installed technologies

such as LED and fluorescent lighting, and passive infra-red lighting controls, roof and pipe insulation and more energy-efficient equipment in our offices. We're pleased that our emissions from energy use have fallen by 26 per cent since 2008/09.

This year, we found reducing emissions from business travel particularly challenging. While emissions from road and rail travel have decreased since 2008/09, air travel emissions have increased by 20%. We're committed to working harder in this area and have invested heavily in high-quality videoconferencing facilities. We've already seen an increase in uptake and hope this trend will continue.

‘We decided to offset our emissions from Gold Standard projects because we were impressed by the rigorous third-party validation and verification that all certified credits go through.’

Juliane Hilf, environment, regulatory and planning partner; global environment partner, Cologne

Our strategy also includes making our buildings more sustainable. After recently refurbishing our new premises in New York, originally built in 1982, we achieved a Leadership in Energy and Environmental Design (LEED) Silver rating.

We continue to offset our emissions and, since 2007, we’ve been carbon neutral. We currently offset our emissions from Gold Standard projects. This year we invested in the **Soma-Polat Wind Farm Project** in Turkey.

Wider collaboration

As part of our collaborative approach to tackling climate change, we invest in the carbon-reduction initiatives of other organisations, especially clients and NGOs.

Looking forward

Our greatest challenge is to continue to provide the best service to our clients in every jurisdiction, while reducing our business travel footprint. To achieve this we’ll introduce a global travel policy and continue to encourage the use of videoconferencing.

Helping children affected by climate change

Since signing up to UNICEF’s **Climate Positive** initiative in May 2011, we’ve partnered with UNICEF on projects to help communities around the world become more resilient to the effects of climate change.

Our aim is to improve water supply in communities where prolonged droughts and short rainy seasons mean that only a third of primary schools have access to water and sanitation facilities. As part of the partnership, we funded rainwater harvesting systems in Mozambique schools to collect potable water, benefitting approximately 18,000 students.

This will help to keep more children in school by tackling barriers such as poor health, access to safe drinking water and sanitation facilities within schools.

‘It is fantastic to see Freshfields showing leadership with their climate change commitments. It is indisputable that climate change is already having a devastating effect on children’s lives around the world.’ **Lucy Stone**, climate change specialist, UNICEF



Responsible resource use

In our approach to environmental issues, we apply the precautionary principle – if the consequences of an action are uncertain and potentially harmful, we err on the side of caution.

Environmental management

Effective environmental management helps us to reduce our impacts. In the UK, we aim to have our environment management system certified to the international standard ISO 14001 by the end of 2012. As our operations vary in size and geography, our approach to environmental management varies locally with each office addressing its individual challenges. We're working to implement global environmental policies to further assist each office.

Resource use⁷

Paper is the major resource we use, especially as in some jurisdictions lawyers are obliged to store hard copy documents related to their mandates. In London alone, we used 261 tonnes of office paper in 2010/11. Several of our offices use recycled paper and many more have double-sided printing as default. We encourage staff through internal communications and labelling of printers to always use recycled paper, and half of the paper used in our London office is now recycled paper.

In London, we have 100 per cent recycled paper – made from our own paper waste. We believe we were the first law firm in the UK to achieve this closed-loop system for recycling office paper. In partnership with our paper supplier, we set a process where paper is collected from our London office, shredded and then processed by the mill and returned as new paper. This helped us to win the Best Partnership Award in the National Recycling Awards 2010.

⁷ Our resource and waste data covers London initiatives as it is the largest office and is in the unique position of being the sole tenant of the premises. It often pilots initiatives and then shares best practice across the network.

Waste and recycling

In London we operate three waste contracts: general waste, secure shredding (which supplies our closed-loop system) and food waste (which is composted). Our general waste goes to a materials recovery facility where 60–70 per cent of material is recovered each month, and the remainder goes to a waste-to-energy incinerator. In 2011/12, we will add extra labels to segregated bins to increase the material recovered.

Using our legal skills

Our low carbon energy group helps our clients to prepare for the inevitable move towards a low carbon international economy and gain competitive advantage by exploiting the opportunities this presents.

We recently launched a low carbon sub-group focused on the China market. We will support Chinese organisations on their outbound investments in the global low carbon sector, and multinational businesses on their inbound investments into China's rapidly expanding low carbon economy.

Looking forward

We plan to improve our waste management data collection and where possible begin reporting on firmwide water consumption, paper use, recycling rates and waste production to bring ourselves in line with best practice.

Total waste by disposal method – London (total in tonnes)



Collaboration

The Legal Sector Alliance

The Legal Sector Alliance (LSA) is an industry-wide collaboration of law firms committed to taking action on climate change by reducing their carbon footprint and adopting environmentally sustainable practices. Freshfields was a founding member of the LSA in 2007 together with The Law Society, Business in the Community and a small number of other law firms.

The LSA identified priority areas for the legal sector to respond to climate change, both directly through its own activities and indirectly through law firms' influence over clients, suppliers and government. It

also developed a set of principles, which all members commit to on joining and cover areas such as reducing and managing environmental impacts and influencing others to do the same.

As an executive member, we offer financial support to the LSA and designate senior representatives to engage with ongoing LSA strategic development and workstreams. We recognise that collaboration and knowledge sharing helps us to progress in reducing our own footprint by learning from others, and raising awareness of environmental and climate change issues throughout the sector.

The LSA has now grown to over 200 members and we share our knowledge through the network to help other members manage their environmental impact. We've used our experience of measuring our international carbon footprint to help in developing a carbon footprinting tool for the legal sector.



'Freshfields has played a crucial role in the development of the LSA since its inception in 2007. The LSA has benefited enormously from the significant support and knowledge provided by Freshfields' leadership team and environmental experts.' Micael Johnstone, LSA manager

Business and ethics

33 Clients and ethics

36 Governance and CR management

39 Materiality and stakeholder engagement

We are committed to high standards of governance and conduct our business with the ethics and integrity expected from a responsible and highly regulated business.



Clients and ethics

Giving the very best advice and service consistently across the network is our primary motivation.

Our offering

We're continually developing the services we offer to our clients. For example, we launched our global investigations group to advise multinational clients on cross-border investigations from regulators and prosecution authorities covering antitrust, bribery and corruption and related issues. As our client base is spread across the world, we are growing relationships with other exceptional law firms in jurisdictions where we do not have offices.

Client feedback is essential for us to monitor the quality and delivery of our work. We conduct post-matter reviews and we also have a client partner dedicated to working with people across the firm to ensure feedback is gathered regularly and acted upon. In 2011, we produced *Bank of the future* reports and publications to help clients in the finance sector to prepare for future regulations, as a result of feedback from legal in-house teams in banks.

If we receive a client complaint, we have a procedure that reflects requirements of the UK Solicitors Regulation Authority (SRA).

Data privacy and protection

In compliance with the UK Data Protection Act 1998 and the SRA rules, we protect the personal information we hold, and notify the Information Commissioner's Office how we manage personal information. We have a data protection manager, a privacy group and local privacy representatives working under our firmwide data protection policy. We regularly audit and/or review personal data to ensure compliance with local legislation, and train all individuals who have access to sensitive data.

'feedback'

Client feedback is essential for us to monitor the quality and delivery of our work.

Ethics

We conduct our business ethically and with integrity. Our lawyers are bound by legal and ethical requirements as members of bar associations or law societies, and the firm is also regulated by local bars and complies with the relevant codes of conduct. We expect all employees to adhere to the same ethical standards. New starters receive information and training on the firm's procedures and are updated via email and print communication. Offences are taken seriously and appropriate action is taken. We comply with the reporting obligations set out by our regulating authorities. If there's a serious offence, employees, whether lawyers or business services staff, may be asked to leave the firm and could lose the ability to work in the legal sector.

We conduct rigorous verification before accepting a client and if there is any doubt about taking on a client or project, this is escalated to the senior management team. They then consider factors such as sanctions imposed by governments or NGOs; reputational issues; client relationships; and our suitability to act. Our decisions on clients we will act for are not based on any discriminatory reasons and we accommodate their needs regardless of gender, race, disability, religion or belief, age or sexual orientation. We don't work with organisations that might threaten the safety of our people.

Equality

We're committed to upholding equality and diversity in all our dealings with our people, clients, suppliers and other stakeholders. All our people are expected to observe our policies in this area. Ultimate responsibility for ensuring compliance rests with the partners of the firm and the global people partner. We take allegations of discrimination or harassment seriously and take appropriate action. We comply with local law in the jurisdictions where we work. Some offices therefore require their own equal opportunities policies but, as far as possible, these are consistent with our overall policy. We signed up to The Law Society's Diversity and Inclusion Charter in 2009 and we work closely with The Law Society and other law firms to further progress diversity within the sector.

'ethical and professional'

Our lawyers are bound by ethical and professional vows they're required to take as members of bar associations or law societies.

Human rights and labour standards

Our operations and policies support and reflect the Universal Declaration of Human Rights and The International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

We uphold employee rights, respecting collective bargaining and freedom of association. While the vast majority of our staff are not members of a recognised trade union, we do help them to establish internal groups where necessary. For example, our associate engagement groups around the firm play an active role in generating ideas and reviewing concepts, and are often consulted by senior management.

We have harassment policies in place that reflect local law. In London the harassment policy clearly sets out who to contact in the unlikely event of harassment.

The nature of our business means we're at little risk of contravening forced and compulsory labour or child labour principles. Our aim is to work with suppliers who share our human rights and labour standards, and we will soon roll out a global responsible procurement policy to make sure we only work with like-minded suppliers.

We also use our influence and expertise to uphold human rights issues across the world through our pro bono work, see **Pro bono**.

Anti-bribery and anti-corruption

In 2010/11, we consulted with individuals across our offices on the risks of bribery. Although we believe that the risk identified for our firm is minimal, we take the issue very seriously and have implemented anti-bribery policies and procedures reflecting the UK Bribery Act 2010. We've run a number of training sessions for our people on the Act and will continue to do so.

As part of our business is regulated in certain circumstances, we're obliged under various laws to report any knowledge or suspicion of money laundering (including bribery) to the authorities and our internal policies and procedures reflect the seriousness of these obligations. Being subject to ethical duties under the rules of most bar associations or law societies in the jurisdictions in which we operate, any case of corruption in which one of our lawyers is involved would potentially lead to that lawyer being debarred or struck off.

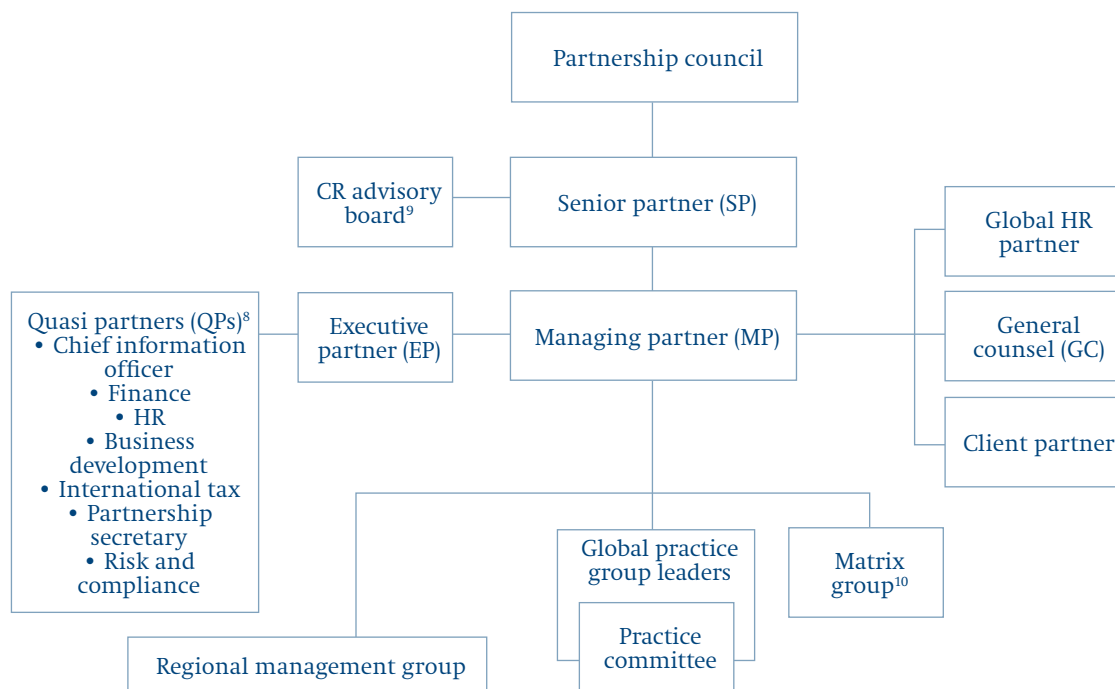
Whistleblowing

We have a global policy for our people to report any perceived deviation from the high ethical and compliance standards set by the firm. This policy only deals with serious wrongdoing and does not undermine the trust we have in each other. The policy is provided to all new starters and is also available on our intranet. There is also a dedicated confidential hotline available to all staff.

Governance and CR management

The overall aim of our governance structure is to support and drive the delivery of the firm's objectives and values. Our business is operated on a matrix management structure.

Management structure of the firm



Partnership and Partnership council

Partnership meetings take place from time to time, on the proposal of the senior partner or at the request of a minimum of a 20th of the partners.

The Partnership council is the firm's highest governance and policy body, and has the power to make certain decisions on behalf of the partnership. It delegates authority for day-to-day decision making to the central management team, comprising the senior partner and the managing partner, who are supported by the executive partner, the general counsel, the global people partner and the client partner. In January 2011, our new senior management team took office – Will Lawes (senior partner), Ted Burke (managing partner) and Stephan Eilers (executive partner).

⁸ QPs also report to other members of the leadership team according to subject. The partnership secretary supports all members of the leadership team and the chair/members of the firm's committees/groups of which he is secretary.

⁹ Due to be launched in January 2012.

¹⁰ The various management streams (central practice groups, sector, office and business services) come together from time to time in the 'Matrix group' to discuss firm strategy and other matters of mutual interest.

The Partnership council's responsibilities include reviewing business strategy and monitoring the firm's performance, the quality of its practice and achievement of aims and goals.

The Partnership council is chaired by the senior partner. Fifteen members are elected democratically by the partnership. All partners may stand for election except those in management positions. All regions where the firm has operations are represented in proportion to the number of partners in each region. Members of the Partnership council do not have executive powers, apart from the senior partner.

The senior partner is elected by the partnership for a five-year term. Among other responsibilities, the senior partner has overall responsibility for identifying key CR opportunities and risks, supported by the committees for community investment, pro bono, environment and diversity.

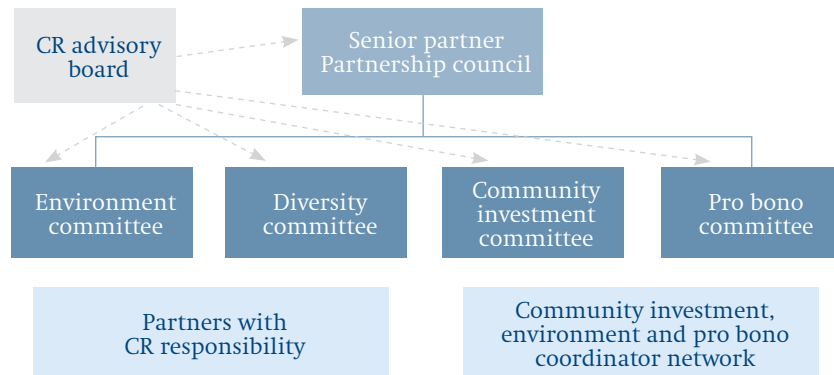
Members of the Partnership council are required to communicate with the partnership regularly, both in their regions and more widely. The Partnership council has two principal sub-committees (finance committee and partner recommendation committee). Other committees are responsible for coordinating and monitoring certain aspects of our business.

Leaders of our eight worldwide practice groups meet regularly, together with the regional managing partners, in the firm's practice committee, chaired by the managing partner. Other structures (our regional management group, London management group and Germany management group) look after matters within their respective ambits and geography.

Risk management

Our general counsel is supported by the director of risk and compliance, who runs a risk committee, a global risk and compliance team, and local risk partners to implement the firm's risk management system and to monitor its effectiveness. Firmwide policies on risk management are in place. Issues addressed are client acceptance including reputational risk, money laundering, conflicts of interest, insider dealing, confidential information and economic sanctions.

The diagram (on page 38) shows how the Partnership council is ultimately responsible for the firm's CR strategy and performance. Our environment, diversity, community investment and pro bono committees represent our global network and they work to agree the detailed strategic direction and report to the Partnership council.

CR management

CR partners in our offices around the network are responsible for implementing our CR strategy and commitments, allowing for local considerations such as office size and the needs of the communities in which they operate. They are supported by community investment, pro bono and environment coordinators in each office.

There were several changes in CR management, with the addition of new CR partners and staff. The diversity and pro bono committees met on a regular basis throughout 2010/11. However, the community investment and environment committees didn't formally meet. Instead, the partners responsible for these areas spent a significant amount of time on strategy development.

The process of CR management has been challenging, as different offices and regions have different priorities and needs, but we've sought to establish a balance between

centralised activity and local autonomy to overcome these issues. We'll be introducing additional global policies with room for local adaptation. We've made good progress, but naturally there is more to do to achieve more consistent engagement and activity firmwide.

In 2012, we will set up an external CR advisory board made up of several independent specialists. This will add perspective on our strategic approach to CR, our performance and how we report. It will also help us to keep abreast of new issues, trends and opportunities.

Materiality and stakeholder engagement

Our report covers the CR issues that are important to our firm and our stakeholders. They influence our social and environmental impacts and help us to direct resources where we can make the greatest difference.

Our material issues

- Offering the highest quality of client service
- Attracting and retaining talent
- Promoting an inclusive and diverse workforce
- Using our professional skills to support pro bono clients
- Promoting social inclusion
- Minimising our impact on the environment
- Championing ethics and CR governance
- Collaborating to maximise our CR impacts

Our key stakeholders are our employees (past, present and future), clients, suppliers, local communities, charities and NGOs, the legal sector and wider membership groups, as well as governments and regulatory bodies. We've identified these groups as having a direct interest in our business or as being impacted by our business.

We employ various forms of stakeholder engagement such as surveys, newsletters, meetings and informal feedback. Our informal surveys with clients, partner organisations and employees in 2009 confirmed that we are addressing the issues relevant to them. Feedback has also led to changes, such as the community investment theme of social inclusion, a

stronger focus on widening access to the legal profession and diversity programmes. Our stakeholder engagement has helped to identify our material issues, but going forward we intend to arrange more formal stakeholder consultation to help prioritise current and emerging issues.

Memberships and partnerships

We work with, and are members of, a number of external organisations to strengthen our CR programme. See **List of partnerships**.

Engaging with our stakeholders is crucial for our business and we need to consider their needs in our decision making. We're committed to responding to and acting on issues raised by stakeholders. Our response to some issues, such as widening access to the legal profession and work-life-balance programmes, are a direct result of our stakeholder engagement process. See more examples of our 2010/11 responses in the table on pages 40 and 41.

Stakeholder group	Engagement methods	Types of feedback provided	Our response to some issues raised in 2010/11
Clients	Ongoing contact during projects Regular and ad hoc client meetings and feedback gathering	Service needs, feedback on quality and delivery of work, performance on CR	Launched a global investigations group and prepared for our new China low carbon group Completed numerous client surveys and requests for information on CR, in particular an on-site audit with one of our biggest clients looking for evidence to support the responses we gave in a supplier questionnaire Preparatory work on policies and training for introduction of the UK Bribery Act
Employees (past, present and future)	Annual global employee engagement survey Regular consultation groups and employee networks and social activities One-on-one interviews Ongoing development programmes and work placements Ad hoc competitions Regular volunteer surveys Regular communication through intranet Regular newsletters Conferences Regular campus and recruitment events	Areas of satisfaction and dissatisfaction, ideas for innovations in areas of interest (working environment; learning and development programmes; CR performance and programmes, compensation and benefits)	Launch of a programme to further career options for women Hosted events on diversity and disability-related issues Launch of our <i>This Week</i> global newsletter Firmwide Freshfields Film Festival competition Global CR coordinator conference Implementing volunteer feedback on community projects – for example work experience placements Introduction of quarterly pro bono newsletter
Legal sector and membership groups Governments and regulators	Ongoing active memberships in legal groups and associations, bars and lawyers associations and other membership groups Ongoing direct dialogue, participation in working groups and advisory panels, collaboration on policy and position statements Hosting ad hoc events to promote dialogue Responding to consultations Drafting law	New or amended laws, rules, regulations; sharing of best practices; ideas for collaboration	Founding member of Pro Bono Deutschland to promote pro bono in Germany Jointly launched Knowing your Legislation for students in Madrid with other law firms As a member of Business in the Community's International Outreach Group, we've been heavily involved in advocating employee volunteering to the European Commission. Our Brussels office was instrumental in setting up the Alliance of the European Year of Volunteering 2011.

Stakeholder group	Engagement methods	Types of feedback provided	Our response to some issues raised in 2010/11
NGOs, charities and community organisations	Regular and ad hoc meetings with major pro bono clients and community investment partner organisations Hosting ad hoc events to enhance dialogue Ongoing strategic partnerships	Requests for assistance, feedback on quality and delivery of work/support, recommendations on better performance, ideas for future cooperation	Advised and worked with more than 300 NGOs, charities and community organisations worldwide Tailored support: changes to specific community projects, for example the refocus of London primary school programme from literacy to communication skills and addition of language partners to secondary school programme Preparations for launch of global UNICEF strategic partnership Launch of PHINEO strategic partnership in Germany Hosted conference on Human Trafficking in London AIRE Centre
Suppliers	Ongoing dialogue, regular and ad hoc meetings	Feedback on improvements in performance in areas of interest (such as payment terms), responsible procurement	Preparations for global procurement policy and supply chain management policy

Looking forward

We're striving to further develop and institutionalise our stakeholder engagement. In line with our *Aiming even higher* theme, we're exploring how we can further refine our strategy to identify and prioritise the issues that matter most to our stakeholders and our business. We will set up an external CR advisory board – see **Governance and CR management**. We also intend to run further initiatives as a means of defining and prioritising our material issues.

As a member of Business in the Community's International Outreach Group, we've been heavily involved in advocating employee volunteering to the European Commission. Our Brussels office was instrumental in setting up the Alliance of the European Year of Volunteering 2011.

Performance

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We want to report our CR performance openly and transparently. Here you can see the targets we set ourselves, our progress against them and how we'll improve in the future.

Our progress

Key

■ Achieved □ Partially achieved □ Not achieved ○ Ongoing

Our goals in 2009/10	Our performance in 2010/11		... and our goals for 2011/12
Valuing our people			
Implement global priorities for gender diversity at local level using a 10-point plan. Appoint gender diversity champion for each jurisdiction.	Reviewed role, membership and remit of global diversity committee.	○	Continue to implement global priorities for gender diversity at local level. Look to appoint gender diversity champion for each jurisdiction.
Pilot development programmes and incorporate into mainstream learning and development offering.	See Valuing our people	○	Further develop programme to align with broader learning and development objectives – roll-out Strategic Excellence in other parts of the network.
Continue to improve maternity and flexible working options.	Maternity coaching rolled out in London. Flexible working pilot launched in London.	■□	Review offering and type of coaching provided – link to broader learning and development programmes. Implement flexible working solutions in London followed by broader roll-out in other parts of the network.
Extend formal women's network groups across the network.	See Women in Business Held meetings for female associates in New York. Regular meetings of female partners in Germany and London.	○	Further develop networking opportunities for female lawyers with a strong link to business development. Host first global female partners' conference in 2012.
Continue with programme of events to raise awareness on diversity.	See A positive, inclusive and diverse culture	■□	Develop tailored programme of diversity events in London and other jurisdictions.
	Increased our social mobility outreach by increasing the number of work placements we offer and started a new partnership with the Social Mobility Foundation.		Align our social mobility focus to ensure a consistent approach to all work experience placements; continue to raise awareness of careers within the legal sector to under-represented groups.
Improve positioning in benchmarking exercises and strive for awards.	Further increased our position in Stonewall Workplace Equality Index.	○	Be listed as Top 100 employer Stonewall Workplace Equality Index in 2012/13.
	Increased the number of universities we visit and increased our presence at careers fairs and other recruitment events. Participated in Open To You – a sector-wide event aimed at encouraging greater participation of students with disabilities or impairments.		Encourage greater applications from under-represented ethnic minority groups. Run an LGBT recruitment event in Manchester thus increasing our outreach.
Achieve an accident rate of fewer than 2 accidents per 100 people in London and maintain our target of fewer than 1.5 reportable incidents per 1,000 people over the next reporting period (2010/11).		■	Achieve an accident rate of fewer than 1 accident per 100 people, and fewer than 1 reportable incident per 1,000 people by 2012/13.

Key

■ Achieved □ Partially achieved □ Not achieved ○ Ongoing

Our goals in 2009/10

Our performance in 2010/11

... and our goals for 2011/12

Pro bono and community investment

Increase firmwide participation to at least 42 per cent by 2010/11 and achieve a more consistent spread across global network.	Participation remained level at 39 per cent.	<input type="checkbox"/>	Achieve a more consistent spread across global network.
Increase global community investment hours by 5 per cent to 14,500 hours by 2011/12.	Community investment hours dropped to 11,827 hours.	<input type="checkbox"/>	Increase global community investment hours by 5 per cent by 2011/12.
Continue to develop numberpartners.org and encourage more people to volunteer their time towards developing a young person's numeracy skills.		<input checked="" type="checkbox"/>	Review membership of National Number Partners Consortium.
Undertake a pilot Social Return on Investment (SROI) study with one of our key community partners.		<input checked="" type="checkbox"/>	Assist Business in the Community with the publication of their SROI study in 2011/12.
Introduce international community investment database.		<input checked="" type="checkbox"/>	Introduce quarterly community investment reporting across the network.
Continue to improve internal awareness and engagement.	We held a global CR coordinators conference in March 2011.	<input type="checkbox"/>	Offer training, roadshows and support to partners and staff. Introduce a global community investment and environment newsletter. Host a CR coordinators conference in 2012/13.
Participate in the European Year of Volunteering 2011 (EYV 2011).		<input checked="" type="checkbox"/>	No target
Launch a volunteer support scheme to enable our people to spend working time on their own community volunteering initiatives in 2010/11.	Put on hold due to strategy development.	<input type="checkbox"/>	Introduce a matched time volunteering policy in 2011/12.
Increase participation in payroll giving to at least 5 per cent and be awarded with a silver payroll giving quality mark.	We increased payroll giving to 4.2%.	<input type="checkbox"/>	Increase participation in payroll giving to at least 5 per cent and be awarded with a silver payroll giving quality mark.

Key

■ Achieved □ Partially achieved □ Not achieved ○ Ongoing

Our goals in 2009/10

Our performance in 2010/11

... and our goals for 2011/12

New targets – pro bono

Support projects involving combating sexual violence in Congo and create innovative ways to support legal clinics.

Identify individuals responsible for internal reports in all jurisdictions and issue guidance and provide ongoing support to enable pro bono time to be treated equally across all our offices.

Pilot civil enforcement project for victims of human trafficking.

New targets – community investment

Introduce a firmwide matched funding policy in 2011/12.

Launch global and regional employee volunteering award 2011/12.

Introduce a firmwide disaster response policy.

Launch CR advisory board.

Reducing our carbon footprint

Reduce our firmwide carbon footprint and set a firmwide reduction target of 6.8 per cent for 2010/11 against 2008/09 baseline.



Reduce energy use by: increased metering and monitoring; adapting working practices; and investment in energy-efficient technology. Encourage more of our offices to switch to low carbon energy supplies.

See **Protecting our natural resources**



Continue to reduce energy use. Encourage remaining offices to switch to low carbon energy supplies.

Launch of global travel policy.



Launch global travel policy.

Key

■ Achieved □ Partially achieved □ Not achieved ○ Ongoing

Our goals in 2009/10

Our performance in 2010/11

... and our goals for 2011/12

Environmental management

Achieve ISO 14001 certification for our London office by 2012.



Achieve ISO 14001 certification for our London office by 2012.

Reducing our use of resources

Reduce paper use, promote double-sided printing and encourage use of recycled paper.



Continue to reduce paper use and increase use of recycled paper.

Review water usage and waste production in London by 2012.



Review water usage and waste production in London by 2012.
Improve our waste management data collection and report on firmwide water consumption, paper use, recycling rates and waste production by 2012/13.

Engagement

Relaunch our green teams and introduce a series of training initiatives.



Relaunch our green teams and introduce a series of training initiatives.

Promote environmental awareness in our partner schools.



Promote environmental awareness in our partner schools.

Ensure all offices participate in Earth Hour and the UN World Environment Day.



Collaborating with our profession

Participate in activities and initiatives that encourage and promote CR.

See Materiality and stakeholder engagement



Participate in activities and initiatives that encourage and promote CR.

Alumni

Build on alumni network launched in 2009 to use as an opportunity for expanding our CR programmes.

We have engaged alumni in CR activities like the London marathon: however, strategic implementation has been moved to 2011/12.



Implement inclusion of alumni into our CR programmes.

Employees

Conduct a second firmwide CR survey in 2011/12 to check our progress.



Achieve response rate of at least 75 per cent.

Key performance indicators¹¹

Indicator	GRI ref	2009	2010	2011	2015 target
People					
Total number of employees	2.8, LA1	5,584	5,237	5,159	-
Women in top senior management (%)	LA13	-	-	12	¹²
Average hours of training per year per employee (hours)	LA10	-	-	40.1	¹³
Environment					
Total carbon footprint (tonnes CO ₂ e)		27,726 ¹⁴	24,380 ¹⁴	24,481*	
Total carbon footprint per capita (tonnes CO ₂ e)	-	4.97	4.65	4.74*	
Total direct and indirect GHG emissions – Scope 1 and 2, fossil fuels and refrigerants; electricity (tonnes CO ₂ e)	EN16	16,942	14,616	12,500*	
Scope 3 – indirect GHG emissions – business travel (tCO ₂ e)	EN17	10,784	9,764	11,981*	

Indicator	GRI ref	2009	2010	2011	2015 target
Community investment (CI) and pro bono					
Percentage of employee involvement in pro bono and CI programmes (%)		35	39	39*	50
Total hours contributed to pro bono and CI programmes ¹⁵		40,008	56,739	49,743*	51,733
Total community contributions (£m) including management costs ¹⁵		6.47	9.55	8.79*	-
Participation in UK payroll giving (%)		4.82	5.67	4.2	10
Responsible business					
Turnover (£m)	2.8	1,191.2	1,158.0	1,115.7	-

* These KPIs have been assured by Deloitte LLP.

¹¹ The scope of each of these indicators is outlined in Basis of reporting.

¹² We're working hard to increase our number of females in senior management positions (see **Valuing our people**). However, we refrain from setting a target.

¹³ We're working on developing systems to record training hours for all employees and cannot report on quantitative objectives at the moment.

¹⁴ We have changed the way we calculate our global emissions (tCO₂e) data since our last report. All data shown now includes some estimated data for travel and electricity. See Basis of reporting for further information.

¹⁵ The historical data for 2007/08 and 2009/10 has been restated in this year's report.

Assurance statement



Independent assurance report by Deloitte LLP to Freshfields Bruckhaus Deringer LLP on the corporate responsibility report 2010/11.

What we looked at: scope of our work

Freshfields Bruckhaus Deringer LLP ('Freshfields') has engaged us to give assurance on:

Limited assurance

1. **AA1000 assurance: managing and reporting corporate responsibility ('CR') performance** – Freshfields' description on application of AA1000 of using the principles of:
 - Inclusivity – how they identified and engaged with stakeholders to gain a full understanding of issues;
 - Materiality – how they assessed the relative importance of each issue; and
 - Responsiveness – how they responded to stakeholder issues and how this is reflected in the CR Report as set out in the AccountAbility 1000 Assurance Standard (AA1000 AS 2008)
2. **Selected corporate responsibility performance data** – for the year ended 30 April 2011. The assured data appear in the 'Corporate Responsibility Report 2010/11' (the 'Report') on page 47 and are indicated by the * symbol.
3. **GRI assurance: using the Global Reporting Initiative 2006 Sustainability Reporting Guidelines (the GRI guidelines) in preparing the report** – Freshfields' declaration on the page 50 'GRI' that it has applied the GRI guidelines at level 'B+' in preparing the report.

What we found: our assurance opinion

Limited assurance conclusion

Based on the work we performed, we are not aware of anything that causes us to believe that:

1. Freshfields' description of its alignment to the AA1000 AS principles of inclusivity, materiality and responsiveness in reporting its performance for 2010/11 is materially misstated.
2. The CR performance data, shown on page 47 of the Report, indicated by the * symbol is materially misstated
3. Freshfields' self-declaration on page 50 that it has applied the GRI guidelines at level B+ is materially misstated.

Observations and recommendations

Freshfields has made the following key improvements in managing and reporting its corporate social responsibility performance during 2010/11:

- Freshfields developed a long term CR strategy for the 2011-2015 period with clearly defined objectives for the subject matters of community investment and environment. The firm took a more strategic approach towards community investment and articulated the need for an internationally consistent policy framework for environment. We see the implementation of this strategy continuing into the next financial year.
- The roll out of the new CR strategy will enable Freshfields to have a more consistent and robust CR management process in place and structure its approach towards key stakeholders which we welcome.

To improve future management and reporting of CR in accordance with AA1000APS we make the following recommendations to Freshfields:

- Continue the roll out CR, Diversity and Pro Bono strategies globally and work towards integrating the governance of these areas.
- The management of CR in the global offices is not as advanced as in London, which has resulted in less content about these offices being available in the CR Report. This is mainly due to their smaller size in terms of employees, however, we recommend that key CR issues receive equal focus and attention within these offices.

Inclusivity

- As Freshfields has an informal stakeholder engagement process where consultation happens on an issues basis, we welcome the commitment to set up an external Advisory Board to provide feedback and challenge to Freshfields on their CR programme. We recommend that Freshfields ensures that all their key stakeholder groups are represented on this Board to facilitate the identification and full understanding of views and concerns of stakeholders.

Materiality

- As acknowledged by Freshfields, a more reactive approach has been followed in terms of assessing the materiality of sustainability issues within the firm. We recommend that Freshfields conduct a formal materiality determination exercise within its key stakeholders and more fully disclose the process of identifying CR key issues for the firm.

Responsiveness

- Freshfields should continue their open approach to receiving stakeholder views and feedback. We recommend that the firm explore innovative ways to communicate and seek feedback on its CR performance both internally and externally.

The above observations have been raised in a report to Freshfields management. The observations and recommendations have been taken into account in forming our conclusions on the CR Report as set out in this statement.

What standards we used: basis of our work and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

What we did: our key assurance procedures

Our key procedures included:

- interviewing managers at Freshfields' head office, including the Group CR team and those with operational responsibility for the issues covered in the CR Report;
- reading and analysing public information relating to Freshfields and industry CR practices and performance during the year;
- analysing and testing on a sample basis the Company's processes relating to:

- stakeholder identification, engagement and responsiveness;
- management commitment and the governance structures used for managing CR;
- implementation of CR-related policies, codes of conduct, internal audit and other monitoring activities; and
- collation, aggregation, validation and reporting of CR performance data including relevant GRI guidelines.
- reviewing the development process for the CR Report, including the selection of material issues;
- checking that the GRI index, for each of the standard disclosures required by the GRI guidance required at level 'B+', contains the relevant indicator or an explanation is given as to why it is not relevant to Freshfields; and
- reviewing the content of the report against the findings of our work and making recommendations for improvement where necessary.

We have not completed any analysis, testing or review of prior year performance information included within the Report.

Responsibilities of partners and independent assurance provider

Freshfields' responsibilities

For the preparation of the CR Report 2010/11 for, for the information and statements contained within it and the intended audience as outlined in the 'Reporting' section on page 70, and in the Basis of Reporting.

For determining the CR targets and for establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

Deloitte's responsibilities, independence and team competencies

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Federation of Accountants Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We have confirmed to Freshfields that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.

Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of environmental, CR and stakeholder engagement experience, including many years experience in providing corporate responsibility report assurance.

To independently express conclusions on the subject matters as defined within the scope of work above to Freshfields in accordance with our letter of engagement. Our work has been undertaken so that we might state to the Partnership those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Freshfields for our work, for this report, or for the conclusions we have formed.

Deloitte LLP

London, United Kingdom
14 December 2011

GRI index

We have aligned this report with the Global Reporting Initiative (GRI) G3.1 Sustainability Reporting Guidelines.

We sought independent opinion on our GRI declaration by Deloitte LLP. Please see Assurance statement. The GRI has checked the application level and the report achieves a Level B+.

The table below lists the GRI indicators that we have reported against and provides links to the relevant information.

Report Application Level	C	C+	B	B+	A	A+
G3 Profile Disclosures <small>output</small>	Report on: 1.1 2.1-2.10 3.1-3.8, 3.10-3.12 4.1-4.4, 4.14-4.15	Report on all criteria listed for Level C plus: 1.2 3.9, 3.13 4.5-4.13, 4.16-4.17	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Same as requirement for Level B		
G3 Management Approach Disclosures <small>output</small>	Not Required	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category	Management Approach Disclosures for each Indicator Category		
G3 Performance Indicators & Sector Supplement Performance Indicators <small>output</small>	Report on a minimum of 10 Performance Indicators, including at least one from each of: Economic, Social and Environmental.	Report on a minimum of 20 Performance Indicators, at least one from each of: Economic, Environmental, Human rights, Labor, Society, Product Responsibility.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.	Report on each core G3 and Sector Supplement* Indicator with due regard to the Materiality Principle by either: a) reporting on the Indicator or b) explaining the reason for its omission.		

*Sector supplement in final version



Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Profile Disclosures				
Strategy and Analysis				
1.1	Statement from the most senior decision-maker of the organization.	■	Aiming even higher: message from our senior management team (see page 3)	
1.2	Description of key impacts, risks, and opportunities.	■	Aiming even higher: message from our senior management team (see page 3) CR at Freshfields (see page 8) Pro bono (see page 11) Social inclusion (see page 14) A positive, inclusive and diverse culture (see page 19) Climate change (see page 27) Business and ethics (see pages 32–35) Governance and CR management (see page 36) Materiality and stakeholder engagement (see page 39) Performance (see pages 42–47)	
Organizational Profile				
2.1	Name of the organization.	■	Front cover	
2.2	Primary brands, products, and/or services.	■	Inside front cover Firm profile (see page 6)	
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	■	Firm profile (see page 6)	
2.4	Location of organization's headquarters.	■	Firm profile (see page 6)	
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	■	Firm profile (see page 6)	
2.6	Nature of ownership and legal form.	■	Firm profile (see page 6)	
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	■	Firm profile (see page 6) Business and ethics (see pages 32–33)	
2.8	Scale of the reporting organization.	■	Inside front cover Firm profile (see page 6) Total loans and other debt due to members (including members capital): £417.4m Members other reserves: (£248.8m)	

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	■	Reporting (see page 70)	
2.10	Awards received in the reporting period.	■	Aiming even higher: message from our senior management team (see page 3) Pro bono (see page 12) Social inclusion (see pages 15–16) Valuing our people (see page 18) Responsible resource use (see page 29) Awards won in 2010 and 2011: http://www.freshfields.com/news/awards/	
Report Parameters				
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	■	Reporting (see page 70)	
3.2	Date of most recent previous report (if any).	■	Reporting (see page 70)	
3.3	Reporting cycle (annual, biennial, etc.)	■	Reporting (see page 70)	
3.4	Contact point for questions regarding the report or its contents.	■	Aiming even higher: message from our senior management team (see page 3)	
3.5	Process for defining report content.	■	Materiality and stakeholder engagement (see page 39) Our approach to reporting (attached document)	
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	■	Reporting (see page 70) Basis of reporting (attached document)	
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	■	Reporting (see page 70) Basis of reporting (attached document)	
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	■	Reporting (see page 70) Basis of reporting (attached document)	
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	■	Basis of reporting (attached document)	

Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	■	Protecting our natural resources (see page 27) Emissions data from the two previous years has been restated. Total emissions in both years went up.	
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	■	Basis of reporting (attached document) Protecting our natural resources (see page 27) We have introduced an online data collection tool for Community Investment.	
3.12	Table identifying the location of the Standard Disclosures in the report.	■	GRI index (see page 50)	
3.13	Policy and current practice with regard to seeking external assurance for the report.	■	Reporting (see page 70) Assurance (see page 48)	
Governance, Commitments, and Engagement				
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	■	Governance and CR management (see page 36) The Partnership council is made up of 19% female members and 81% male members. Percentage of individuals by gender in Partnership council broken down by age group Age group <30 F 0% M 0% Age Group 31-50 F 70% M 60% Age Group 51> F 30 % M 40% Outside of London and the US offices, we are not able to collect other minority data owing to cultural differences and/or laws prohibiting the collection of such data. The composition of the Partnership council is international and diverse.	
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	■	Governance and CR management (see page 37)	
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	■	Governance and CR management (see page 37) We have a unitary board structure which takes the form of our Partnership council, the single highest governance body of the firm. The 15 members of the Partnership council do not have executive powers: of these 19 per cent female to 81 per cent male. There are no independent members.	

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	■	Governance and CR management (see page 37) Materiality and stakeholder engagement (see page 39) Human rights and labour standards (see page 35) The partnership follows strictly democratic procedures. Partners all own a fixed share of the firm.	
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	■	All partners own a fixed share in the firm and are remunerated by division of profits. Senior managers and executives are remunerated according to individual arrangement including performance on previously agreed targets.	
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	■	Partnership council Members are expected to recuse themselves from any discussion in which there may be a real or perceived conflict between their personal interests and those of the firm. Lawyers are bound by high ethical and professional vows they are required to take as members of bar associations or law societies. Serious offence of those could lead to the offending individual to be de-barred or struck off. All members of the Partnership council are lawyers.	
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	■	Governance and CR management (see page 37) Members of the Partnership council are elected democratically by the partnership. All partners may stand for election except those in management positions. Therefore this open, equal opportunities election process does not include consideration of gender or diversity. As a legal service provider, our Partners have been admitted to local/national bar associations. All Partners who are elected must be resident in the region they represent, and therefore we can determine that the Partnership council represents the global and diverse nature of our firm.	
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	■	Firm profile (see page 6) CR at Freshfields (see page 8) Valuing our people (see page 18) Business and ethics (see page 35) Performance (see page 43)	

Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	■	<p>Governance and CR management (see pages 36–37)</p> <p>Risk management (see page 37)</p> <p>Business and ethics (see pages 33–35)</p> <p>The legal sector is highly regulated on local, national and international level and is monitored by regulatory authorities. To comply with all regulations, we have many Risk and Compliance staff across the network of offices. As a UK registered LLP, we have to report to the UK Solicitors Regulation Authority (SRA).</p> <p>Quasi-Partners are responsible for areas that affect our performance, including risks and opportunities within their area of expertise (CIO, Finance, Human Resources, Business Development, Tax, Risk & Compliance). They report to the Partnership council on a regular basis.</p> <p>The senior partner has overall responsibility for identifying key CR opportunities and risks, supported by the committees for community investment, pro bono, environment and diversity. The teams are reporting back to him Sustainability performance is reviewed annually.</p>	
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	■	<p>Governance and CR management (see pages 36–37)</p> <p>The Partnership council is evaluated through the firmwide partner election process. The Senior Partner is ultimately responsible for CR performance and is held to account by the Partnership council.</p>	
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	■	<p>Climate change (see page 27)</p> <p>Responsible resource use (see page 29)</p>	
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	■	<p>UN Global Compact principles (see page 69)</p> <p>Pro bono (see pages 11–12)</p> <p>Climate change (see pages 27–28)</p> <p>Collaboration The Legal Sector Alliance (see page 31)</p> <p>Business and ethics (see pages 33–35)</p> <p>Social inclusion (see pages 14–17)</p> <p>Reporting (see page 70)</p>	
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	■	<p>Pro Bono (see page 11)</p> <p>Collaboration: The Legal Sector Alliance (see page 31)</p> <p>Materiality and stakeholder engagement (see page 39)</p> <p>List of partnerships (attached document)</p> <p>Our progress (see pages 43–46)</p>	
4.14	List of stakeholder groups engaged by the organization.	■	Materiality and stakeholder engagement (see page 39)	

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
4.15	Basis for identification and selection of stakeholders with whom to engage.	■	Materiality and stakeholder engagement (see pages 39–41) Our approach to reporting (attached document)	
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	■	Materiality and stakeholder engagement (see pages 39–41)	
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	■	Valuing our people (see page 19) CR at Freshfields (see page 8) Social inclusion (see page 14) Materiality and stakeholder engagement (see pages 39–41)	

Disclosures on Management Approach (DMAs)

Disclosure on Management Approach EC

DMA EC		■	Aiming even higher: message from our senior management team (see page 3) In our approach to managing economic performance, we are committed to financial success, but we do not manage the firm to maximise short-term profit. Our focus is much more on long-term sustainable success. A brief summary of financial performance is also provided in Firm profile. We do not produce an Annual Report. Our accounts are filed.	
Economic performance		■	Firm profile (see page 6) Responsible resource use: Using our legal skills (see page 30)	
Market presence		■	Reward and recognition (see page 21) Our lawyers have been admitted to local/national bar associations. We are committed to hiring locally where possible, and selecting local suppliers to provide our services.	
Indirect economic impacts		■	Supporting our communities (see pages 10–16) Responsible resource use: Using our legal skills (see page 30) Performance (see pages 42–44)	

Disclosure on Management Approach EN

DMA EN		■	Our approach to environmental management is discussed in Protecting our natural resources (see page 29). Goals and performance related to our environmental management are provided in: Key performance indicators and Our progress (see pages 43–47).	
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Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
	Materials	■	Responsible resource use (see page 29)	
	Energy	■	Climate change (see page 27)	
	Water	□	This is not a material issue for us and is not covered in the report.	Not material
	Biodiversity	□	This is not a material issue for us as all our offices are based in major cities. Issue is not covered in the report.	Not material
	Emissions, effluents and waste	■	Climate Change (see page 27) Responsible resource use (see page 29) Key performance indicators (see page 47)	
	Products and services	■	Using our legal skills (see page 30)	
	Compliance	■	This information is covered in GRI indicator EN28.	
	Transport	■	Climate change (see page 27) Our progress (see pages 45-46) Basis of reporting (attached document)	
	Overall	□	Total environmental protection expenditures are not provided.	
Disclosure on Management Approach LA				
	DMA LA	■	Our approach to Labour Aspects is covered in: Valuing our people (see page 18) Clients and ethics: Human rights and labour standards (see page 35) Goals and performance related to our management of employees are provided in: Key performance indicators and Our progress (see pages 43-47)	
	Employment	■	A positive, inclusive and diverse culture (see page 19) Key performance indicators (see page 47)	
	Labor/management relations	■	Clients and ethics: Human rights and labour standards (see page 35)	
	Occupational health and safety	■	Engaging with and supporting our employees (see page 22)	
	Training and education	■	Engaging with and supporting our employees (see page 22) Key performance indicators (see page 47)	
	Diversity and equal opportunity	■	A positive, inclusive and diverse culture (see pages 19-21) Key performance indicators (see page 47)	

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
	Equal remuneration for women and men	■	We are committed to upholding equality and diversity in our workforce. Our remuneration reflects experience, performance and job role, regardless of gender.	
Disclosure on Management Approach HR				
DMA HR		■	Our approach to upholding Human Rights is covered in: Pro bono (see page 11) Clients and ethics: Human rights and labour standards (see page 35)	
	Investment and procurement practices	■	Our aim is to work with suppliers who share our human rights and labour standards. Our priority is to roll out a global procurement practice to reflect these. Clients and ethics: Human rights and labour standards (see page 35)	
	Non-discrimination	■	A positive, inclusive and diverse culture (see page 19) Clients and ethics: Human rights and labour standards (see page 35) Equality (see page 34)	
	Freedom of association and collective bargaining	■	Clients and ethics: Human rights and labour standards (see page 35) This information is also covered in GRI indicator HR5.	
	Child labor	■	Clients and ethics: Human rights and labour standards (see page 35)	
	Prevention of forced and compulsory labor	■	Clients and ethics: Human rights and labour standards (see page 35)	
	Security practices	□	This is not a material issue for us and is not covered in the report.	
	Indigenous rights	□	This is not a material issue for us and is not covered in the report.	
	Assessment	□	This is not a material issue for us and is not covered in the report.	
	Remediation	□	This is not a material issue for us and is not covered in the report.	
Disclosure on Management Approach SO				
DMA SO		■	Our management approach to society aspects is covered in: Supporting our communities (see pages 10–16) Related goals and performance are provided in: Key performance indicators and Our progress (see pages 43–47)	
	Local communities	■	Supporting our communities (see pages 10–16) Key performance indicators (see page 47)	

Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
	Corruption	■	Clients and ethics: Anti-bribery and anti-corruption (see page 35)	
	Public policy	■	We engage with government departments on issues that affect our work and our industry. Materiality and stakeholder engagement (see page 39)	
	Anti-competitive behavior	■	Business and ethics (see pages 33–35) Anti-competitive behavior is addressed in ethical and professional standards and laws. We have to comply with those as a legal service provider on a national and international level and are monitored by regulatory authorities.	
	Compliance	■	Business and Ethics (see pages 33–35) The legal sector is highly regulated on local, national and international level and is monitored by regulatory authorities. To comply with all regulations, we have many Risk and Compliance staff across the network of offices.	
Disclosure on Management Approach PR				
	DMA PR	■	Our management approach to product responsibility is covered in Business and ethics (see pages 33–35)	
	Customer health and safety	□	As a legal service provider, our operations do not affect the health and safety of our clients.	Not applicable
	Product and service labelling	■	Clients and ethics (see page 33) Information is also covered in GRI Indicator PR3.	
	Marketing communications	■	The legal sector is highly regulated on local, national and international level and is monitored by regulatory authorities. Marketing is covered under these.	
	Customer privacy	■	Clients and ethics (see page 33)	
	Compliance	■	This information is covered in GRI indicator PR9.	

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Performance Indicators				
Economic				
Economic performance				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	■	Firm Profile (see page 6) Supporting our communities (see pages 10–16)	Direct economic value distributed: operating costs. Direct economic value distributed: employee wages and benefits. Direct economic value distributed: payments to providers of capital. Direct economic value distributed: payments to governments (by country).
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	■	Climate change (see page 27) Responsible resource use: Using our legal skills (see page 30)	Risks due to physical changes associated with climate change and a quantitative estimate of the financial implications of climate change.
EC3	Coverage of the organization's defined benefit plan obligations.	■	Retirement plans are based on defined contribution schemes.	The level of participation in retirement plans and the aggregate totals of plan coverage.
EC4	Significant financial assistance received from government.	□		
Market presence				
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.	□		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	□		
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	□		

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Indirect economic impacts				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	■	Supporting our communities (see pages 10–16) Responsible resource use: Using our legal skills (see page 30) Key performance indicators (see page 47) We have based our community investment activity and pro bono engagement where we can provide services for the greatest public benefit.	
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	□		
Environmental				
Materials				
EN1	Materials used by weight or volume.	□		Not available. Paper is our major material used. We are currently only able to capture soliddate in our London office.
EN2	Percentage of materials used that are recycled input materials.	□		
Energy				
EN3	Direct energy consumption by primary energy source.	□		
EN4	Indirect energy consumption by primary source.	□		
EN5	Energy saved due to conservation and efficiency improvements.	■	3,801,675.6 MJ of energy saved due to conservation and efficiency improvements.	This data is for our London office only. We are only monitoring this data for our biggest office in London.
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	■	Climate change (see page 27) Responsible resource use: Using our legal skills (see page 30)	We do not report actual reductions achieved as a result of initiatives.
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	■	Climate change (see page 27)	We do not report actual reductions achieved as a result of initiatives.

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Water				
EN8	Total water withdrawal by source.	<input type="checkbox"/>		Only 53% of offices by headcount have the data available. We have some offices in multi-tenant buildings where we are unable to access water use data for our operations exclusively.
EN9	Water sources significantly affected by withdrawal of water.	<input type="checkbox"/>		Not material. We are not an industrial production company.
EN10	Percentage and total volume of water recycled and reused.	<input type="checkbox"/>		Not material. We are not an industrial production company.
Biodiversity				
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	<input type="checkbox"/>	Biodiversity is not a material issue for us as all our offices are based in major cities and therefore this indicator is not reported.	Not material
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	<input type="checkbox"/>	Biodiversity is not a material issue for us as all our offices are based in major cities and therefore this indicator is not reported.	Not material
EN13	Habitats protected or restored.	<input type="checkbox"/>	Biodiversity is not a material issue for us as all our offices are based in major cities and therefore this indicator is not reported.	Not material
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	<input type="checkbox"/>	Biodiversity is not a material issue for us as all our offices are based in major cities and therefore this indicator is not reported.	Not material
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	<input type="checkbox"/>	Biodiversity is not a material issue for us as all our offices are based in major cities and therefore this indicator is not reported.	Not material
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	<input checked="" type="checkbox"/>	Climate change (see page 27) Basis of reporting (attached document)	
EN17	Other relevant indirect greenhouse gas emissions by weight.	<input checked="" type="checkbox"/>	Climate change (see page 27)	

Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	■	Climate change (see page 27)	We are setting reduction targets for 3-year periods, so do not report on annual reductions.
EN19	Emissions of ozone-depleting substances by weight.	□		Not material
EN20	NOx, SOx, and other significant air emissions by type and weight.	□		
EN21	Total water discharge by quality and destination.	□		Not material
EN22	Total weight of waste by type and disposal method.	■	Responsible resource use (see page 30) 538 tonnes	We do not report waste by disposal method. The total waste we report is for 60% of our offices by headcount.
EN23	Total number and volume of significant spills.	□		Not applicable
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	□		Not applicable
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	□		Not applicable
Products and services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	■	Climate change (see pages 27–28) Responsible resource use (see pages 29–30)	We do not report extent of impact mitigation and waste.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	□		Not applicable
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	■	We did not receive any fines or sanctions during our reporting period.	
Transport				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	■	Business travel is a key impact for our organisations. Climate change (see page 27) Basis of reporting (attached document)	Business travel does not include employee commuting.

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Overall				
EN30	Total environmental protection expenditures and investments by type.	<input type="checkbox"/>		
Social: Labor Practices and Decent Work				
Employment				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	<input type="checkbox"/>	Valuing our people (see page 20)	We currently do not report total workforce by type of employment contract and employment type.
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	<input type="checkbox"/>		
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	<input type="checkbox"/>		
LA15	Return to work and retention rates after parental leave, by gender.	<input type="checkbox"/>		
Labor/management relations				
LA4	Percentage of employees covered by collective bargaining agreements.	<input type="checkbox"/>	None of our employees are covered by collective bargaining agreements.	
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	<input type="checkbox"/>	Minimum notice periods, where applicable, are governed by local law.	
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	<input type="checkbox"/>		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	<input type="checkbox"/>		
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	<input type="checkbox"/>	Engaging with and supporting our employees: Health and wellbeing (see page 24) None of our employees are involved in occupational activities who have a high incidence or high risk of specific diseases.	
LA9	Health and safety topics covered in formal agreements with trade unions.	<input type="checkbox"/>		Not applicable

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Training and education				
LA10	Average hours of training per year per employee by gender, and by employee category.	■	Engaging with and supporting our employees: Learning and development (see page 22)	
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	□		
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.	□		
Diversity and equal opportunity				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	□		
Equal remuneration for women and men				
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	□		
Social: Human Rights				
Investment and procurement practices				
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	□		
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	□		
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	□		
Non-discrimination				
HR4	Total number of incidents of discrimination and corrective actions taken.	□		

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Freedom of association and collective bargaining				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	■	Clients and ethics: Human rights and labour standards (see page 35) We do not consider the right to exercise freedom of association and collective bargaining to be at significant risk in any of our operations.	
Child labor				
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	■	Clients and ethics: Human rights and labour standards (see page 35) Freshfields has no such operations.	
Forced and compulsory labor				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.	■	Clients and ethics: Human rights and labour standards (see page 35) Freshfields has no such operations.	
Security practices				
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	□		Not applicable
Indigenous rights				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	□		Not applicable
Assessment				
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	□		
Remediation				
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	□		

Key

■ Fully reported ■ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Social: Society				
Local communities				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	■	Supporting our communities (see pages 10–16) All our operations participate in community programmes. These take into account positive impacts on local communities.	
SO9	Operations with significant potential or actual negative impacts on local communities.	■	As legal service provider, our operations do not have significant potential or actual negative impacts on local communities.	
SO10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	■	As legal service provider, our operations do not have significant potential or actual negative impacts on local communities.	
Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	□		Not available. We are still in the process of analysis.
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	□		
SO4	Actions taken in response to incidents of corruption.	■	There have been no incidents of corruption in respect of individuals in the Firm.	
Public policy				
SO5	Public policy positions and participation in public policy development and lobbying.	■	Pro bono (see pages 11–12) Materiality and stakeholder engagement (see pages 39–41)	
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	■	Our firm does not make any contributions to political parties and politicians.	
Anti-competitive behavior				
SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	□		
Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	□		

Key

■ Fully reported □ Partially reported □ Not reported

Indicator	Description	Reported	Cross-reference/Direct answer	Notes
Social: Product Responsibility				
Customer health and safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	□	Our services do not have any health and safety impacts.	Not applicable
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	□		Not applicable
Product and service labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	□		
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	■	We are not aware of any incidents of non-compliance with regulations and voluntary codes concerning product and service information.	
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	■	Clients and ethics: Our offering (see page 33) Materiality and stakeholder engagement (see page 39)	
Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	□		
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.	■	We are not aware of any incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	
Customer privacy				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	■	There have been no substantiated complaints regarding breaches of customer privacy and losses of customer data.	
Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	■	We are not aware of any fines or non-monetary sanctions.	

UN Global Compact Principles



As a signatory of the UN Global Compact we are required to report on how we implement its 10 principles and support broader development objectives. The following table provides a quick reference to relevant text in our 2011 CR report against which our progress on the 10 principles can be measured.

Issue areas	GC Principle	Reference
Human rights	<i>Principle 1</i> – Businesses should support and respect the protection of internationally proclaimed human rights.	Human rights and labour standards (page 35) Pro bono (page 11)
	<i>Principle 2</i> – Businesses should make sure that they are not complicit in human rights abuses.	Human rights and labour standards (page 35)
Labour	<i>Principle 3</i> – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human rights and labour standards (page 35)
	<i>Principle 4</i> – Businesses should uphold the elimination of all forms of forced and compulsory labour.	Human rights and labour standards (page 35)
	<i>Principle 5</i> – Businesses should uphold the effective abolition of child labour.	Human rights and labour standards (page 35)
	<i>Principle 6</i> – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Equality (page 34)
Environment	<i>Principle 7</i> – Businesses should support a precautionary approach to environmental challenges.	Protecting our natural resources (page 26) Responsible resource use (page 29)
	<i>Principle 8</i> – Businesses should undertake initiatives to promote greater environmental responsibility.	Protecting our natural resources (pages 26–31) Using our legal skills (page 30) Helping children affected by climate change (page 28) Collaboration – The Legal Sector Alliance (page 31)
	<i>Principle 9</i> – Businesses should encourage the development and diffusion of environmentally friendly technologies.	Using our legal skills (page 30)
Anti-corruption	<i>Principle 10</i> – Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-bribery and corruption (page 35)

Reporting

We report on our CR performance annually for our key stakeholder groups, listed in **Materiality and stakeholder engagement**. We published our last report in December 2010. All our previous CR reports are available on our **website**.

This report covers all 27 offices, unless specified otherwise. Freshfields has an exclusive association in Riyadh with Salah Al-Hejailan. This association is not included within our reporting boundary. This report includes data and information covering the period 1 May 2010 to 30 April 2011. For more information please see **Basis of reporting**, which outlines the scope of each of our KPIs.

There have been no significant changes during the reporting period regarding size or structure of our firm. As announced in our last CR report, a new management team has taken over management of our firm.

We aim to use standard methodologies for measuring and presenting our performance data such as the AA1000 AccountAbility Principles Standard (AA1000 AS 2008), a recognised principles-based framework for sustainability management and reporting, as a reference to make sure that we provide information on our social and environmental impact in a systematic way. The AA1000 AS 2008 defines three principles for sustainability management and reporting: inclusivity, materiality and responsiveness. See how we apply these principles in **Our approach to reporting**.

We have sought external assurance for our CR reports since 2007/08. See this year's **Assurance statement** by Deloitte LLP.

We've aligned this report with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, achieving Level B+. See **GRI index**.

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<p>BEIJING 3705 China World Office Two 1 Jianguomenwai Avenue Beijing 100004 T +86 10 6505 3448 F +86 10 6505 7783</p>	<p>DÜSSELDORF Feldmühleplatz 1 40545 Düsseldorf T +49 211 49 79 0 F +49 211 49 79 10 3</p>	<p>LONDON 65 Fleet Street London Ec4y 1hs T +44 20 7936 4000 F +44 20 7832 7001</p>	<p>NEW YORK 601 Lexington Avenue 31st Floor New York, Ny 10022 T +1 212 277 4000 F +1 212 277 4001</p>		
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