

Corporate responsibility report

Aiming even higher: *progress update 2012*



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Welcome

Welcome to our 2012 corporate responsibility report.

We're a leading international law firm providing business law advice of the highest quality. We have 2,500 lawyers worldwide and a network of trusted law firms to support clients anywhere in the world.

This report offers an insight into our approach to being a responsible business, our challenges and achievements during 2012, and an outlook on future targets and initiatives.

This year we've been working hard to implement and embed our CR strategy across the business, and we've produced a summary of our activities for 2012. Deloitte LLP has provided limited assurance on a list of selected performance indicators. Please see the [assurance statement](#) on page 21 and our [basis of reporting](#) which outlines the scope of our KPIs.

For our CR activities in 2013, we will produce a full report, assured to the AA1000 AS (2008) Standard.

Firm profile

Our vision is to become the leading international law firm; the firm that is widely recognised as standing apart, for the quality of our advice and for our unswerving commitment to our clients.

Our eight global practice groups allow us to advise our clients in the areas that matter to them:

- antitrust, competition and trade;
- corporate;
- dispute resolution;
- employment, pensions and benefits;
- finance;
- intellectual property and information technology;
- real estate; and
- tax.

We also have sector groups, which bring together lawyers from across our practice groups:

- consumer and healthcare;
- energy and natural resources;
- financial institutions;
- general industrial;
- global financial investors;
- infrastructure and transport;
- leisure;
- pro bono;
- real estate; and
- telecommunications, media and technology.

A message from our senior management team

In our 2011 CR report, *Aiming even higher*, we outlined the progress we've made in our approach to responsible business.

5,266¹
employees
28² offices
£1,177m
turnover

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.

This report updates our continuing progress in the year to 30 April 2012, giving a detailed account of the firm's performance in four key areas: **Business and ethics**; **Valuing our people**; **Supporting our communities**; and **Managing our environmental impact**.

This summer saw the climax of our nine-year involvement with the London 2012 Olympic and Paralympic Games, and we're proud that our CR credentials played an important part in our selection as the official legal services provider. London 2012 was a great opportunity to foster community spirit, inspire young people and produce a legacy for future generations. We were thrilled to be involved.

We are also delighted by the improvement that we have seen in the firm's annual engagement survey. While our people have always shown a high level of pride in the quality of the work we do for our clients, it is reassuring to see that having spent much time improving our people proposition in recent years, there is a substantially improved willingness to recommend the firm as a place to work. We are not yet where we wish to be and will continue to work hard on those areas where our people tell us we can do better.

We maintain our commitment to the **United Nations Global Compact (UNGC)** and continue to align our operations and strategies with the 10 principles. This report also serves as our 'Communication on Progress', as defined by the UNGC.

In the coming year, we will formally launch our external CR Advisory Board, who will provide additional commentary on our next assured CR report. We will also produce a full 2013 CR report externally assured to the AA1000 AccountAbility Principles Standard.

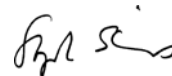
We welcome any feedback you may have on this report or our approach to CR more generally. Please email your thoughts to crfeedback@freshfields.com.



Will Lawes,
Senior Partner



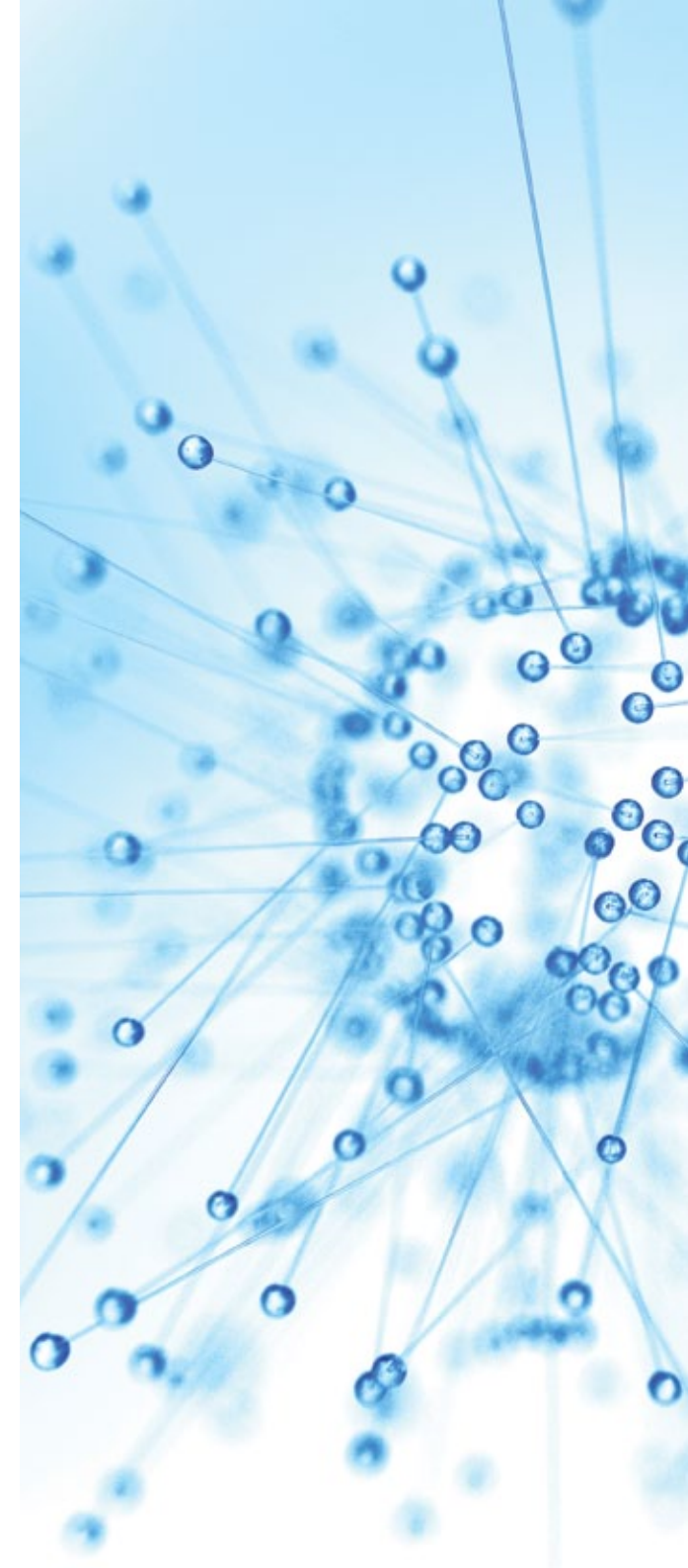
Ted Burke,
Managing Partner



Stephan Eilers,
Executive Partner

¹ Data shown is average number of employees in 2011/12 financial year. Freshfields has an exclusive agreement in Riyadh with the law firm of Salah Al-Hejailan but it is not included within our reporting boundary.

² A new office was opened in Singapore in 2012 but this is not included in the scope of this report.



Looking forward

'We've made good progress in implementing our new strategy. We've focused on developing our programme internationally and improving our communication with our employees. Going forward we aim to strengthen the governance of our programmes, and this will be supported by our new CR Advisory Board. In 2012/13 we will engage with our key stakeholders, both internally and externally, to ensure our CR programmes remain responsive to the changing environment.'

James Daffurn

Head of Corporate Responsibility

CR at Freshfields

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

Our strategy

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

During 2011/12 we've been implementing our five-year CR strategy with the goal of achieving the targets and objectives we set ourselves. We're working hard to further align CR with our business strategy, operations and decision-making processes.

Our approach reflects our business values and focuses on the social and environmental issues that are important to our stakeholders and our business.

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

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

Our material issues are:

- offering the highest-quality 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; and
- collaborating to maximise the effectiveness of our CR programme.

Governance and CR management

We are committed to high standards of governance and conduct in our business.

Partnership council

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.

The Partnership council is ultimately responsible for the firm's CR strategy and performance.

CR management

CR partners in offices across our network are responsible for implementing our CR strategy and commitments. They are supported by community investment, pro bono and environment co-ordinators in each office.

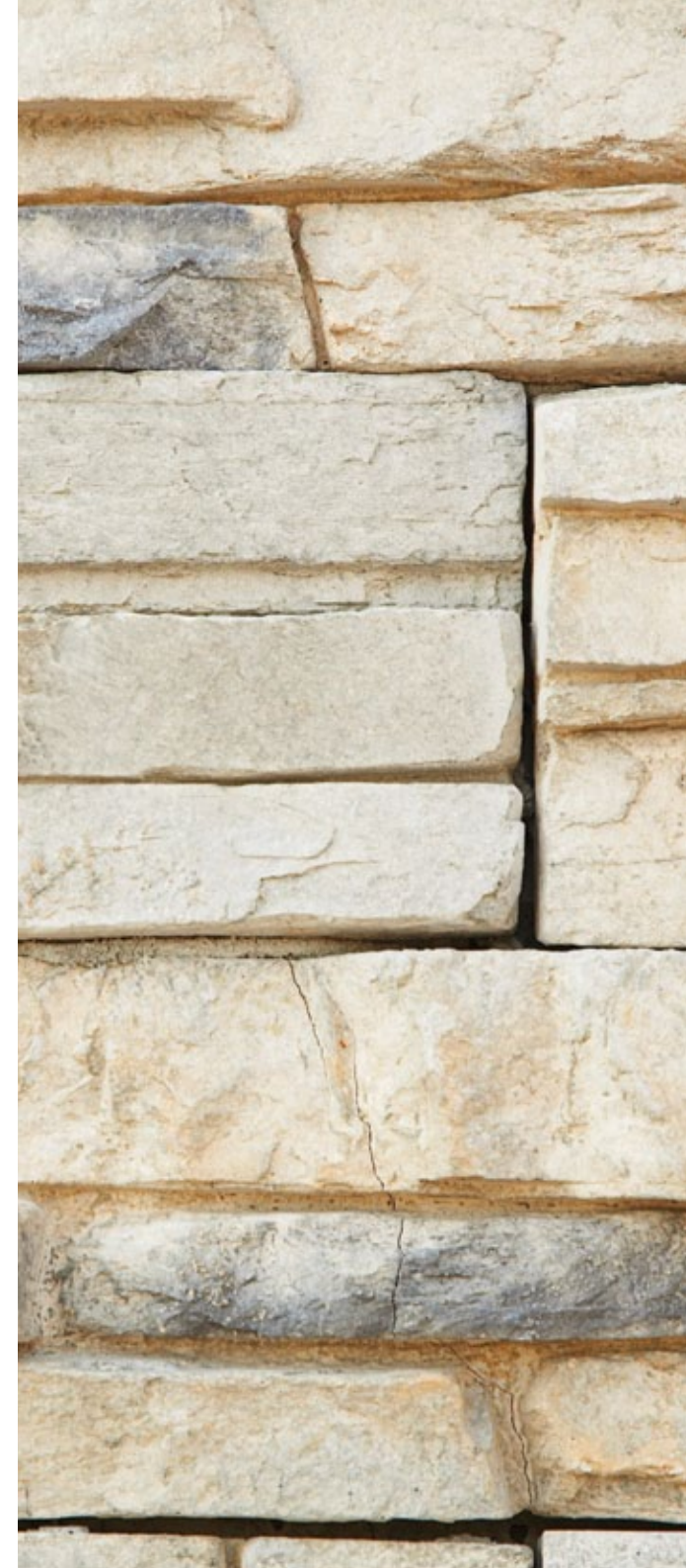
Risk management

Our general counsel is supported by the director of risk and compliance to implement the firm's risk management system and monitor its effectiveness. We have a risk committee, a global risk and compliance team, and local risk partners. 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.

CR Advisory Board

In 2012 we appointed three independent specialists, each with relevant CR expertise, to sit on our external CR Advisory Board. The Board aims to give perspective on our strategic approach to CR, our performance, and how we report.

The Board will hold its first meeting in January 2013.



Engaging with our stakeholders

Our key stakeholders are our employees (past, present and future), clients, suppliers, local communities, charities and non-governmental organisations (NGOs), the legal sector and wider membership groups, as well as governments and regulatory bodies. We're committed to responding to and acting on issues raised by our stakeholders. We use various means to obtain feedback such as surveys, newsletters, meetings and informal discussions. We will undertake some specific stakeholder engagement activities next year to ensure our strategies reflect the issues that are most important to our stakeholders.

Business and ethics

We demonstrate the ethics and integrity expected of a highly regulated business.

Our services

We continually develop the services we offer to our clients. Client feedback is essential for us to monitor the quality and delivery of our work, and we have a client partner who works with people across the firm to ensure feedback is gathered and acted on.

Data privacy and protection

To comply with the UK Data Protection Act 1998 and the Solicitors Regulation Authority rules, we protect the personal information we hold and notify the Information Commissioner's Office on how we manage personal information. We have a data protection manager, a privacy group and local privacy representatives who work under our firmwide data protection policy. We train all individuals who have access to sensitive data.

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. 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. All new starters receive information and training on the firm's standards and procedures.

We verify new clients and mandates rigorously and raise any concerns with the senior management team. We consider issues including: sanctions by NGOs; reputational issues; client relationships; and our suitability to act. It is our stated aim to advance the UNGC principles within our sphere of influence and our standard client engagement letters contain reference to this.

We do not base decisions to take on new clients on any discriminatory reasons and we accommodate their needs regardless of gender, race, disability, age, or sexual orientation.

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 firm's partners and the global people partner.

Human rights and labour standards

Our operations and policies support and reflect the principles of the UN Global Compact, the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We uphold employee rights, and respect collective bargaining and freedom of association. We also have a harassment policy in place in London. The nature of our business means we're at little risk of contravening forced and compulsory labour or child labour principles.

Anti-bribery and corruption

Following the introduction of the UK Bribery Act 2010, the firm introduced new anti-bribery policies and procedures. We offered training on these policies to all employees.

In a number of jurisdictions we are obliged to report any knowledge or suspicion of money laundering, including bribery, to the authorities and our internal policies and procedures reflect this.

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. There is also a dedicated confidential hotline available to all staff.

Responsible procurement

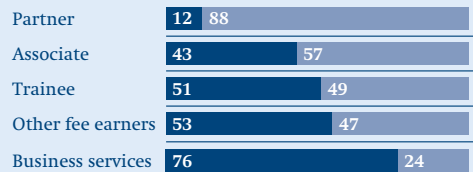
We receive an increasing number of requests to complete supplier questionnaires. We are looking at how we procure goods and services ourselves and are in the process of reviewing and developing our procurement processes. We aim to have a responsible procurement policy in place by early 2013 and supplier questionnaires in place by April 2014.



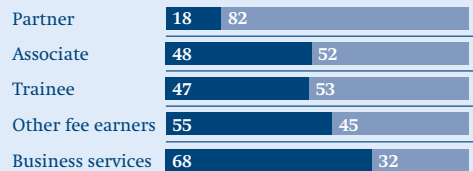
Valuing our people

Employee profile by gender (percentage)

GLOBAL



UK



■ Female ■ Male

A positive, inclusive and diverse culture

To be the world's leading law firm, we must recruit and retain the best people. We want our employees to work in a diverse, inclusive environment, free from discrimination. We are committed to creating a diverse and innovative workplace in which our people have exceptional opportunities to develop.

Gender diversity at senior level is one of the biggest challenges we face. Our long-term strategy focuses on promoting more of our female lawyers to partnership. In February 2012 we held our first female partners' conference, which resulted in a series of recommendations we will implement over the next few years. These include:

- getting more women to leadership positions;
- promoting flexibility – both by piloting 'smart' working (using technology to work from different locations) and 'flexible' working (more formal arrangements on agreed working hours);
- focusing on sponsorship – carrying on with informal mentoring programmes and creating more formal sponsorship programmes in which partners take responsibility for helping senior associates (male and female) to become partners; and
- reviewing the maternity support in each office.

Diversity is a topic that matters to our clients and we increasingly work in partnership on joint initiatives. In January 2012 we held our first lesbian, gay, bisexual and transgender (LGBT) conference in Germany. This will be followed by a global LGBT conference in London in December.

Recruitment

The firm's success depends on our ability to recruit and retain talented people, regardless of background. We do this by appointing only on merit and recruiting from as wide a pool of talent as possible. We encourage people from diverse backgrounds to consider a career in law, in line with our community investment theme. See [Social inclusion](#) for more about our work on widening access to the profession and inspiring students to continue in further education.

Reward and recognition

Our competitive remuneration package, which includes benefits and a performance-related bonus in most offices, ensures we reward our people's efforts fairly. These aspects are determined locally, but fall within firmwide guidelines.

Engaging with and supporting our employees

Employee engagement

Our annual global engagement survey helps us assess key employee and workplace issues. In 2011/12 we had a response rate of 76 per cent, up from 71 per cent in 2010. The survey showed that our people continue to feel very proud about the quality of the work they do for clients, and they are more willing than ever to recommend Freshfields as a place to work. Previous years' results have helped build the case for an increased focus on development, work/life balance and gender diversity.

Learning and development

Our learning and development programmes, tailored to both legal and non-legal staff, help our people to progress their careers and deliver exceptional client service. We encourage secondments (both externally with clients and charities, and internally between offices and departments) because they help to broaden business knowledge and skills and enhance working relationships.

Managing performance

We are committed to providing very high levels of service. As well as formal appraisals and interim reviews, we encourage day-to-day conversations about performance and development. Feedback from peers and colleagues forms a key part of our approach, because it offers a broader perspective on each individual's performance. We hope our

online feedback system, introduced this year, will help us achieve our ambitions in this area and support our people's development.

Flexible working

Flexible working is one of our biggest global challenges. While less than one per cent of our staff in London have a formal flexible working arrangement, significantly more have informal arrangements. We have to balance the requirement 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.

Health, safety and wellbeing

Our priority is to protect the health, safety and wellbeing of our employees. Our US and UK offices offer an employee assistance programme that's free, confidential and available 24 hours a day to our staff, their partners and any family members who live with them. In London we have an on-site health suite that includes a doctor, dentist and gym for staff members. Many of our offices also offer discounted gym memberships and physiotherapy.

We report on health and safety figures for our London office. In 2011/12 there was a reduction in accidents and we have achieved our aim of less than one reportable accident per thousand employees. Our next target is to achieve zero reportable accidents.

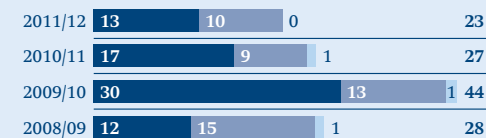
'We want to attract and retain the very best people. To do this we have to create a culture where our people are given exceptional opportunities to develop, feel valued and work alongside people they respect.'

Kevin Hogarth, Global HR Director, London

Response rate to global engagement survey (percentage)



Health and safety – London



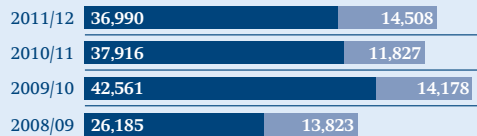
- Accidents by Freshfields staff
- Accidents by contractors
- Reporting of Injuries, Diseases and Dangerous Occurrences Regulations

Supporting our communities

Community investment (CI) and pro bono



■ Percentage of employee involvement in pro bono and CI programmes



■ Total hours contributed to pro bono programmes

■ Total hours contributed to CI programmes



■ Total community contributions (£m) including management costs

We are pleased that our programme has grown in value to just below £9 million this year, with community and pro bono volunteer hours increasing to more than 51,000. We're also proud that 39 per cent of our employees across the world have participated in our programme.

Pro bono

Pro bono work is free legal advice and representation for the public good, and we regard it as part of our professional responsibility.

Our pro bono practice, which sees us work with clients ranging from asylum seekers to some of the world's largest NGOs, enables us to make a valuable contribution to society.

Our pro bono work harnesses our people's enthusiasm, builds expertise and improves lives locally, regionally and internationally. We focus on two themes:

- **the Rule of Law:** using our legal skills 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 will help achieve the MDGs in areas such as poverty, inequality, climate change and health.

We also work on pro bono projects in partnership with our fee-paying clients across the world. This includes providing traditional legal advice clinics and working on individual projects that benefit from our knowledge. Over the past year our fee earners globally gave 36,990 hours of pro bono legal advice on over 380 separate mandates.

Our pro bono work in the past year includes: a new relationship with Islington Law Centre in London; working on an optimised tax model for an environmental foundation; helping to launch a micro-health insurance organisation in Cambodia; advising Save the Children on governance matters; and helping to establish the Belgian branch of Oxfam International.

Professional skills pro bono

We also harness the skills of our non-legal employees through our professional skills pro bono programme. In London our programme gives support in areas such as HR, IT, finance, marketing and business development, project management, administration, design and print, and legal secretarial. Our clients include the Global Foundation for the Elimination of Domestic Violence, Refuge, Fair Trials International, Shelter, Kids Company, Tower Hamlets Law Centre, Fields in Trust and South West London Law Centres.

* This data has been assured by Deloitte LLP.

Social inclusion

We are committed to having a positive impact in the communities in which we operate and beyond. Our community investment programme allows all our people, both lawyers and non-legal professionals, to pass on their skills and knowledge to help others.

This year, we've been implementing our new strategy and aligning our international activities under the theme of social inclusion. We've continued to increase our stakeholder engagement activity, particularly recognising the efforts of all those who contribute to the success of our programme.

'Unlocking the potential of talented young people by helping them build a picture of the possibilities open to them is so important, particularly for those who otherwise may not have had access to this information or these opportunities.'

Mario Huther, Finance Partner, Frankfurt

In the past year the number of hours our people have volunteered on our community investment programmes was over 14,500, 23 per cent higher than the previous year. We feel the increase is a result of focusing on, and expanding, key programmes and relationships as part of our revised strategy. We are pleased that 26 per cent of our people firmwide have participated in our community programmes.

Looking forward

Working consistently across our markets is a real challenge because participation rates and engagement vary greatly between offices. We hope to address this issue by working more closely with the office management and our CR co-ordinators and building their capacity to drive our programmes at a local level. The popularity of our responsible business seminars also demonstrates that these issues matter to our employees.

We've also been working on an international matched funding policy and ensuring skills development through volunteering is acknowledged in appraisals.

Developing young people's skills globally

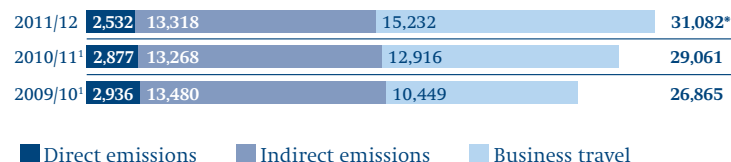
To improve access to the legal profession, lawyers in our Berlin and Frankfurt offices worked with START-Stiftung to deliver legal training and skills workshops for students from immigrant backgrounds. Feedback from the event was very positive, with participants appreciating the personal insight and practical knowledge they were able to take away with them.

In New York, 17 refugee students from the International Rescue Committee's Leaders in Training Program were given a taste of life inside a law firm. Volunteers gave presentations on the different practice groups, accountancy and marketing departments, and the students took part in interview skills sessions. The day ended with an exciting mock trial and a tour of the office.

In our Brussels office, 22 employees supported the 'Discover Your Talent' event. They joined other corporate volunteers to work with 75 unemployed young people from Anderlecht, one of the most deprived areas in Brussels. The event developed young people's professional skills and employability through workshops that focused on topics such as interview technique, CV writing and social networking.

Managing our environmental impact

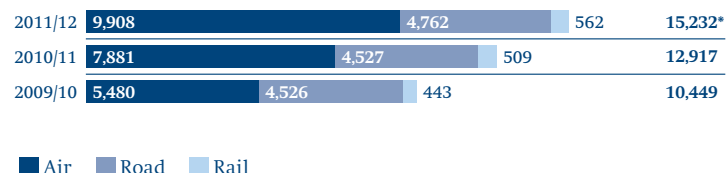
Gross global emissions (tCO₂e)



Net global emissions² (tCO₂e)



Gross travel emissions (tCO₂e)



* This data has been assured by Deloitte LLP.

1 Our data quality has improved, and having reviewed our historic carbon data we have restated figures for 2009/10 and 2010/11.

2 Accounting for green tariff electricity and travel that has already been offset by suppliers. However, this does not include offsets purchased to remain carbon neutral.

Climate change

We aim to reduce our carbon footprint and lessen the impact our business has on the environment. Most of our carbon emissions come from the energy we use in our buildings and from business travel. In London we have achieved a 4 per cent reduction in energy emissions compared to 2010/11. Going forward, we have plans to share best practice and identify the most appropriate energy reduction options for our other offices.

Our gross global carbon emissions increased by 7 per cent in 2011/12, compared to 2010/11. This was due to a large rise in business travel. The nature of our work means that, increasingly, we act for clients in locations where we do not have offices. Despite this, we've also seen a substantial increase in the use of our videoconferencing facilities year on year. In 2013, we will launch a revised travel policy and set travel reduction targets.

We have been carbon neutral since 2007, offsetting our global carbon emissions through investment in Gold Standard projects. This year we have chosen to offset our emissions through a Turkish Wind Farm and the LifeStraw® Water Filter project in Kenya.

Our environmental management system

In London we've been developing an environmental management system and aim to have this certified to the international standard

ISO 14001 by the end of 2012. This has involved setting specific targets for the London office for all our main environmental impacts, including energy use, business travel, paper use, waste and recycling, water use and procurement.

Using our legal skills

The lawyers in our low carbon group work with our clients on a range of projects aimed at contributing to global climate change goals. We aim to find the opportunities presented by the increasingly carbon driven international economy.

We continue to grow our low carbon practice. This past year our low carbon group has focused on supporting the development of new technologies such as electric vehicle charging, smart metering and carbon capture and storage.

We also support ground-breaking developments through our pro bono work for environmental NGOs. Our Frankfurt real estate lawyers worked alongside several of our fee earning clients to create the standard for green leases. In London we continue to support the Carbon Disclosure Project, including advising on a transaction that has created the world's largest comprehensive natural capital measuring system that covers carbon, water and forests.

Protecting our natural resources

Responsible resource use

Paper is the major resource we use. Several offices use recycled paper and print double-sided as default. Our Brussels office installed follow-me-printing and has reduced paper use by 15 per cent in the last 12 months. We are reviewing our use of paper globally, and will set paper reduction targets and share best practice across the firm.

Paper purchased	2010/11	2011/12
London (reams)	118,041	105,503
London (tonnes)	294	263

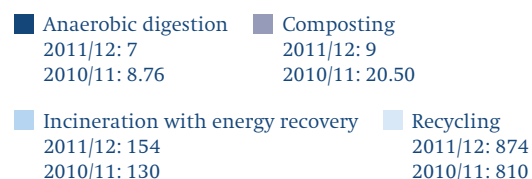
Paper disposed	2010/11	2011/12
London (tonnes)	387	372

Water and waste

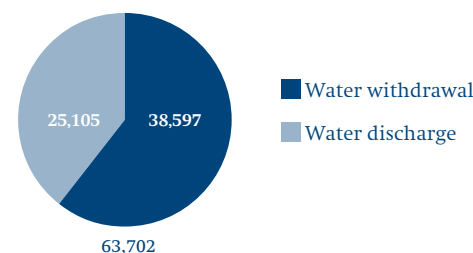
Our aim is to reduce water consumption where possible, and in London we have set ourselves a target of reducing water consumption by 10 per cent by 2014/15, against our 2011/12 baseline.

We currently report on waste data for our largest office in London. Over the last three years we generated more waste due to a complete refurbishment of two floors, a new gym and restaurant.

Waste generated – London (total in tonnes)



Water use – London (total in m³)



Employee engagement

We engage with our employees on environmental issues in a number of ways. We have participated in Earth Hour for the last four years. In 2012 each of our 27 offices switched off its lights and we encouraged employees to make personal pledges to mark the event.

During the year we launched a 'Green Ideas' portal to encourage more dialogue with our employees on environmental issues.

Helping children affected by climate change

We support UNICEF's Climate Positive initiative, helping communities in Mozambique become more resilient to the effects of climate change. Prolonged droughts and short rainy seasons mean only a third of primary schools have access to water and sanitation facilities. Our support has funded rainwater harvesting schemes benefiting around 18,000 students.

Legal Sector Alliance

We are founding members of the [Legal Sector Alliance](#), an industry-wide collaboration of law firms committed to taking action on climate change. Over the past year we have participated in working groups to address issues such as business travel and employee engagement.

London 2012: our story



Our CR credentials played an important part in our selection as the official legal services provider for the London 2012 Olympic and Paralympic Games. And we're proud of our contribution to such a positive and successful event.

Supporting our communities

By aligning our sponsorship of London 2012 and our community investment programme, we've enabled our local community to take advantage of this unique opportunity and inspired students to get involved.



We provided pro bono support for Sport England to enable small sports organisations in the UK to secure funding for new facilities and to help sports coaches and role models to inspire children. We have also worked with Fields in Trust, a charity that aims to safeguard 2,012 outdoor spaces, to negotiate land agreements and help protect the UK's national sporting infrastructure.

Working with Business in the Community and other Olympic sponsors, we helped launch arc, a centre for social enterprise, which encourages social entrepreneurs and young people to set up businesses. Through arc we are using the profile of the Games to support social enterprise, with the aim of creating 1,000 jobs in the host boroughs by 2015.

'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, London Organising Committee of the Olympic and Paralympic Games

Creating a legacy

Our work as part of the Games also involved helping on long-term projects and commercial opportunities that have helped regenerate east London, creating a legacy for future generations.

In June 2012, a group of Freshfields volunteers supported Groundwork London's Transform project, which aims to secure a legacy of lasting social and environmental benefits in London's host boroughs. One project aims to regenerate the derelict Cody Dock site in Canning Town, east London, opening up the last stretch of a walkway that runs from Hertfordshire to the Olympic Park and ends at the Thames. Our volunteers helped create community spaces and gardens, arts and heritage installations, wildlife habitats and an accessible footpath.

'Thanks to Freshfields' sponsorship, I was able to give up my job as a teacher to focus on training to run in the Paralympic Games.'

Richard Whitehead, Team GB, 200m Paralympic Sprint

Raising aspirations

In the run-up to the Games our two sponsored athletes, Richard Whitehead and Tim Brabants, talked to pupils at our partner secondary school, Haggerston, in Hackney. Tim also gave the students a special kayaking lesson at Eton Dorney, the venue for the rowing, Paralympic rowing and canoe sprint events.

As sponsors of the Games we were also given two torchbearer slots in the torch relay. Christine Egere, a year 10 student at Haggerston, and Joel Hodgson, one of our employees, won a competition to be torchbearers.

BP Target Neutral

We teamed up with BP Target Neutral to offset the travel emissions of all our employees and guests travelling to and from the Games. In total, over half a million journeys were offset for London 2012 – helping to make it the lowest carbon Games ever.



Performance and targets

Key

✓ Achieved ✗ Not achieved ➔ Ongoing

We want to be open and transparent in reporting our CR activities. Here you can see the targets we set ourselves, our progress against them and how we'll improve in the future.

Governance		
Our goals for 2011/12	Our performance in 2011/12	Our goals for 2012/13
Launch CR advisory board.	✓ To be launched early 2013.	
Participate in activities and initiatives that encourage and promote CR.	➔ Participated in Council of Bars and Law Societies of Europe (CCBE).	Participate in activities and initiatives that encourage and promote CR.
Offer training, roadshows and support to partners and staff.	➔ Training given to some offices but still ongoing.	Continue to deliver presentations and information sessions around the network.
Host a CR co-ordinators conference in 2011/12.	✓ The conference took place in November 2012.	Work with learning and development to include CR training in programmes for business services staff.
New targets		
		Clarify the role of our office managing partners to strengthen our CR programme internationally.
Valuing our people		
Our goals for 2011/12	Our performance in 2011/12	Our goals for 2012/13
Continue to improve maternity and flexible working options.	➔ Reviewed our maternity coaching and aligned this to our existing programme of back-up care and our Families network.	Continue to promote smart and flexible working, maternity coaching, back-up care and our Families network.
Continue with programme of events to raise awareness on diversity.	➔ Held a number of events and talks, e.g. <i>Doing Business in Japan and Bahrain</i> . Used The London 2012 Paralympic Games to help raise awareness of disability issues in London.	Continue with programme of diversity events including Demystifying Diwali and Black History Month.
Improve position in external benchmarks and strive for awards.	➔ Timeline delayed. Sponsored the 2012 Stonewall Equality Dinner and continued our broader partnership with Stonewall.	To be named as Top 100 employer in the Stonewall Workplace Equality Index in 2013/14.

Performance and targets

Key

✓ Achieved ✗ Not achieved → Ongoing

Achieve an accident rate of fewer than one accident per 100 people, and fewer than one reportable incident per 1,000 people by 2012/13.	✗	An average of one accident per 83 people. Achieved our aim of fewer than one reportable incident per 1,000 people.	Achieve zero reportable incidents. Continue to work to reduce the accident rate.
Alumni			
Strategically implement inclusion of alumni in our CR programmes.	→	Offered a number of opportunities to our alumni.	Continue with the programme in 2013.
Employees			
Conduct a second firmwide CR survey in 2011/12 to check our progress. Achieve response rate of at least 75 per cent.	→	CR survey developed and sent out in September 2012.	
New targets			
		Hosted our first global female partners conference.	Develop women's networks across the London office.
		Announced a partnership with University College London to help students financially, and provide them with work experience and a guaranteed interview for a training contract.	Continue to encourage more applications from people from under-represented backgrounds to broaden access to the profession.
		Created a global LGBT network, Halo.	Hold first global conference for our LGBT employees.
		Undertook a review of our work placement programme to create a consistent approach across the London office.	Continue to ensure a consistent approach to all work experience placements. Increase the number of work placements offered to students from less advantaged backgrounds.
Supporting our communities			
Our goals for 2011/12 Our performance in 2011/12 Our goals for 2012/13			
Community investment			
Increase global community investment hours by 5 per cent to 14,500 hours by 2011/12.	✓	Hours increased to over 14,500.	Increase global community investment hours by 5 per cent to 15,225 by 2013/14.
Introduce quarterly community investment reporting across the network.	→	Data is collated quarterly but is only accurate and fully complete on an annual basis.	Work towards bi-annual internal reporting of data. Improve accuracy of volunteer data.

Performance and targets

Key

✓ Achieved ✗ Not achieved → Ongoing

Introduce a global community investment and environment newsletter.	✗	Put on hold while approach is reviewed.	Review international communications plan for CR activities.
Introduce a matched time volunteering policy in 2011/12.	✗	Timeline delayed.	Policy in development.
Increase participation in payroll-giving to at least 5 per cent, to be awarded with a silver payroll-giving quality mark.	✓	Silver payroll-giving quality mark awarded.	Achieve payroll-giving participation of 10 per cent by year end 2014/15.
Introduce a firmwide matched funding policy in 2011/12.	✗	Timeline delayed.	Policy to be launched in 2012/13.
New targets			
			Work with learning and development to use volunteering opportunities as skills development tools.
			Ensure volunteering opportunities are recognised in appraisals.
Pro bono			
Our goals for 2011/12	Our performance in 2011/12		Our goals for 2012/13
Support projects involving combating sexual violence in DRC and create innovative ways to support legal clinics.	✓	Teamed up with Physicians for Human Rights on a project in the DRC. Also work with Finca on a specific micro-loan project to target women survivors of rape.	Further develop projects in this area.
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.	✓	Informed all offices that pro bono hours are to be treated the same as fee-earning hours for internal reporting.	We will work with the firm's central reporting team to implement consistent treatment of pro bono time in internal reporting.
Pilot civil enforcement project for victims of human trafficking.	✓	We are instructed in four cases.	Review progress and assess whether the project should be expanded.

Performance and targets

Key

✓ Achieved ✗ Not achieved ➔ Ongoing

Environment		
Our goals for 2011/12	Our performance in 2011/12	Our goals for 2012/13
Managing our environmental impact		
Continue to reduce energy use.	➔ Energy consumption in 2011/12 reduced by 8 per cent in our London office compared with figures from 2009/10 and 4 per cent compared with 2010/11.	Reduce energy consumption in the London office by 10 per cent by year end 2014/15 against 2011/12 baseline. Identify opportunities for energy reduction in our other offices.
Encourage remaining office to switch to low carbon energy supplies.	✗ Reviewed our position with regards to the purchase of low carbon energy supplies.	Identify offices for which it might be sensible to switch to green tariff energy and encourage them to do so.
Launch global travel policy.	✗ Embarked on a research programme to better understand our travel data.	Launch revised global travel policy by May 2013.
Environmental management		
Achieve ISO 14001 certification for our London office by 2012.	➔ Developed our environmental management system and set objectives and targets for the London office. Aim to achieve certification by December 2012.	Achieve ISO 14001 certification for our London office by December 2012.
Reducing our use of resources		
Reduce paper usage, promote double-sided printing and encourage use of recycled paper.	➔ Initiated paper reduction programmes.	Conduct a detailed review of our paper and printing, and set paper and printing reduction targets. Set all multi-functional device printers in the London office to print double-sided as default by 2012/13.
Review water use and waste generation in London by 2012.	➔ Reported water use, waste generation and paper purchased for our London office.	Increase collection of water and waste data across the network. Report on firmwide paper use, recycling, water use and waste generation by 2013/14.

Performance and targets

Key

✓ Achieved ✗ Not achieved ➔ Ongoing

Engagement		
Relaunch our green teams and introduce a series of training initiatives.	✗ Green teams not re-established. However, increased internal communications and engagement with our environment co-ordinators.	Relaunch our green teams and increase engagement with employees through internal communications and training initiatives.
Promote environmental awareness in our partner schools.	✗ Not achieved.	Investigate opportunities in this area.
Ensure all offices participate in Earth Hour and the UN World Environment Day.	✓ Asked employees to turn their lights off for Earth Hour. Pledges included dinner by candlelight, watching stars at night or reading to children by torchlight.	Ensure all offices participate in Earth Hour. Organise engagement activities around the network for UN World Environment Day or other environmental campaigns.
New targets		
		Reduce our global carbon footprint by 10 per cent by the end of 2014/15.

Key performance indicators

Indicator	2009	2010	2011	2012	2015 target
People					
Total number of employees	5,584	5,237	5,159	5,266	N/A
Female partners (%)	–	–	12	12	– ¹
Average hours of training per year per legal employee London (hours)	–	–	40.1	38.4	– ²
Environment					
Total gross carbon footprint per capita (tonnes CO ₂ e)	4.98	5.13	5.63	5.90*	–
Total gross direct and indirect GHG emissions – Scope 1 and 2, fossil fuels and refrigerants; electricity (tonnes CO ₂ e)	16,942	16,416	16,146	15,850	14,265
Total gross indirect GHG emissions – Scope 3 business travel (tonnes CO ₂ e)	10,859	10,449	12,917	15,232*	13,709
Total gross carbon footprint (tonnes CO ₂ e)	27,801	26,865	29,062	31,082*	27,974
Community investment (CI) and pro bono					
Percentage of employee involvement in pro bono and CI programmes (%)	35	39	39	39*	50
Total hours contributed to pro bono and CI programmes	40,008	56,739	49,743	51,498*	55,000
Total community contributions (£m) including management costs	6.47	9.55	8.79	8.96*	–
Participation in UK payroll giving (%)	–	–	4.2	5	10
Responsible business					
Turnover (£m)	1,191.2	1,158.0	1,115.7	1,177.0	–

¹ We're working hard to increase our number of female partners (see [Valuing our people](#)). However, we refrain from setting a target.

² We're working on developing systems to record training hours for all employees.

* This data has been assured by Deloitte LLP.

Assurance statement

Independent assurance statement by Deloitte LLP to Freshfields Bruckhaus Deringer LLP on the 2012 Corporate Responsibility Summary Report



What we looked at: scope of our work

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

Limited assurance:

1. Selected corporate responsibility performance data – for the year ended 30 April 2012.

The assured data appear in the 'Corporate Responsibility Summary Report 2012' on page 20 and are indicated by the * symbol and comprise the following:

• Environment

- Total gross and net carbon footprint (tonnes of CO₂e)
- Total gross and net carbon footprint from business travel (tonnes of CO₂e)
- Total gross carbon footprint per capita (tonnes of CO₂e)

• Community investment and pro bono

- Percentage of employee involvement in pro bono and CI programmes (%)

- Total hours contributed to pro bono and CI programmes
- Total community contributions including management costs (£m)

2. Freshfields' reporting on the implementation of the 10 United Nations Global Compact Principles – for the year ended 30 April 2011.

What we found: our assurance opinion

Limited assurance conclusion:

Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that:

1. The CR performance data, listed above and shown on page 20 of the Report, indicated by the * symbol are materially misstated.
2. Freshfields' reporting on the implementation of the 10 United Nations Global Compact Principles is materially misstated.

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.

Assurance statement

What we did: key assurance procedures

To form our conclusions, we undertook the following procedures:

- Interviewed managers at Freshfields' head office, including the Group CR team and those with operational responsibility for the issues covered in the report;
- Read and analysed public information relating to Freshfields and industry CR practices and performance during the year;
- Understood, analysed and tested on a non-statistical sample basis the Company's processes relating to:
 - the collation, aggregation, validation and reporting of selected CR performance data at Group level in accordance with Freshfields' definitions and basis for calculation which can be found in Freshfields' basis of reporting at www.freshfields.com/cr; and
 - the implementation of the 10 UN Global Compact Principles relating to environment, human rights and corruption.
- Reviewed the content of the Report against the findings of our work and made recommendations for improvement where necessary.

Responsibilities of Partners and independent assurance provider

Freshfields' responsibilities

The Partners are responsible for the preparation of the 2012 Report and for the information and statements contained within it. They are responsible 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

Our responsibility is 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.

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for 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.

Deloitte LLP
London, United Kingdom
14 December 2012

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 2012 CR report against which our progress on the 10 principles can be measured.



Issue areas	Global Compact 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 6) Pro bono (page 9)
	<i>Principle 2</i> – Businesses should make sure that they are not complicit in human rights abuses.	Human rights and labour standards (page 6)
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 6)
	<i>Principle 4</i> – Businesses should uphold the elimination of all forms of forced and compulsory labour.	Human rights and labour standards (page 6)
	<i>Principle 5</i> – Businesses should uphold the effective abolition of child labour.	Human rights and labour standards (page 6)
	<i>Principle 6</i> – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Equality (page 6)
Environment	<i>Principle 7</i> – Businesses should support a precautionary approach to environmental challenges.	Protecting our natural resources (page 12) Managing our environmental impact (page 11)
	<i>Principle 8</i> – Businesses should undertake initiatives to promote greater environmental responsibility.	Protecting our natural resources (page 12) Using our legal skills (page 11) Helping children affected by climate change (page 12) Legal Sector Alliance (page 12)
	<i>Principle 9</i> – Businesses should encourage the development and diffusion of environmentally friendly technologies.	Using our legal skills (page 11)
Anti-corruption	<i>Principle 10</i> – Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-bribery and corruption (page 6)

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