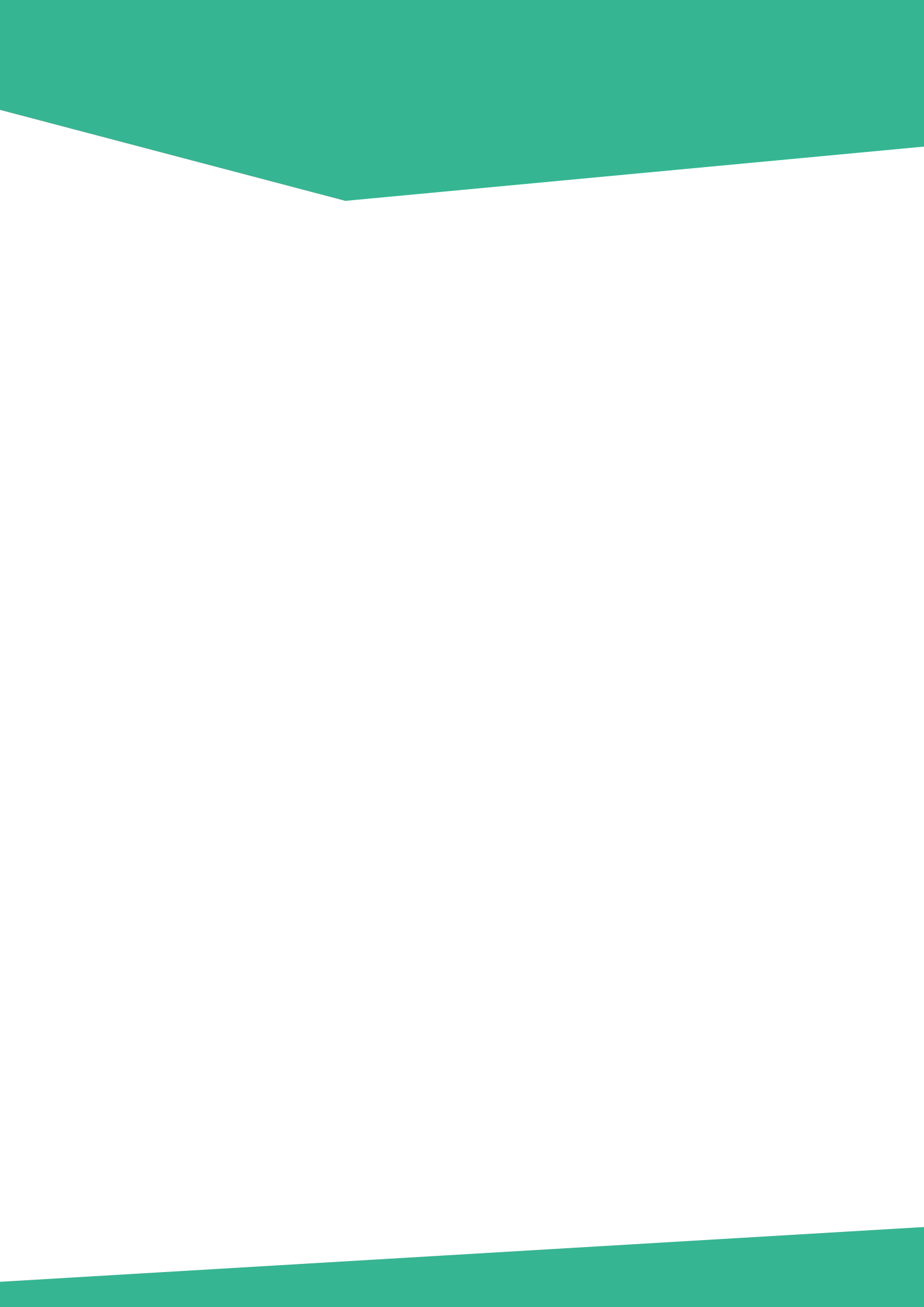


Corporate social responsibility report 2010



FRESHFIELDS BRUCKHAUS DERINGER



More to life...

We are a law firm, of course.

People join us to become involved with some of the most complex, testing and innovative legal work.

Giving the very best advice and service to clients is our primary motivation.

But there is more to our life here...

Contents



Welcome

We are a leading international law firm providing business law advice of the highest quality throughout Europe, the Middle East, Asia and the US.

We are committed to being a responsible business. For us, corporate social responsibility (CSR) means the work we do, beyond simply complying with our legal obligations, to:

- minimise our negative impacts on the environment;
- create a positive impact on the communities in which we operate (and beyond);
- use our professional skills for the greater good (ie pro bono); and
- be an excellent employer, promoting diversity and inclusion.

Our vision, which is integral to our business strategy, is to become the leading international law firm in this field.

We hope our CSR report will give you an insight into our progress over the period 1 May 2008 to 30 April 2010.



Our firm

5,237
people

28
offices

33%
reduction in CO₂
since 2007/08

56,326
hours contributed
through volunteering
and pro bono 2009/10

£1,150m
turnover to 30 April 2010

A message from our outgoing senior partners



Guy Morton



Konstantin Mettenheimer

Despite the challenging global economic conditions that have prevailed since our last assured report, we have maintained a strong commitment to our CSR programmes and we are encouraged by the results.

Engagement with our communities, through our various volunteering programmes, has flourished with our pro bono hours up nearly 160 per cent since our last assured report.

We have also made progress in reducing our carbon footprint; achieving an absolute reduction of 33 per cent and voluntarily offsetting the remainder to retain our CarbonNeutral® status.

In addition, we have begun a focused effort to broaden the firm's diversity. We recognise that this is an area in which we need to improve, and the creation of our global diversity team reflects the importance we attach to this issue.

Our CSR commitments form a core part of our business strategy. To embed them further, the firm took the decision in March 2009 to join the UN Global Compact. We are proud to embrace the principles of the Compact and the worldwide values it represents.

This is our last report as senior partners and we would like to take the opportunity to thank all those whose hard work has helped to make our CSR programme such a great success and to wish the new management team all the best for the future.



Guy Morton and Konstantin Mettenheimer

A message from our incoming senior partner



Will Lawes

The new leadership team is committed to continuing the firm's CSR journey and building on our achievements to date. We would like to extend our thanks to Guy and Konstantin for their excellent work in developing and expanding the firm's CSR programmes over the past four years; creating a truly integrated and international approach.

We have made great progress, but there is always more we can do. Over the next two years our biggest challenge will be to embed CSR further into our business operations, with all our people sharing responsibility for achieving our goals.

The European Commission has designated 2011 as the European Year of Volunteering (EYV 2011). The firm was heavily involved in this development, sitting on the EYV 2011 Alliance steering group and helping to develop the European Employee Volunteering Awards with Business in the Community.

In recognition of EYV 2011, we will be launching a number of exciting new volunteering opportunities to maximise the value and impact of our CSR programmes in Europe and beyond.

I welcome any feedback you may have on this report or our approach to CSR more generally. Please email your thoughts to csrfeedback@freshfields.com

A handwritten signature in black ink that reads "Will Lawes". The signature is written in a cursive, flowing style.

Will Lawes

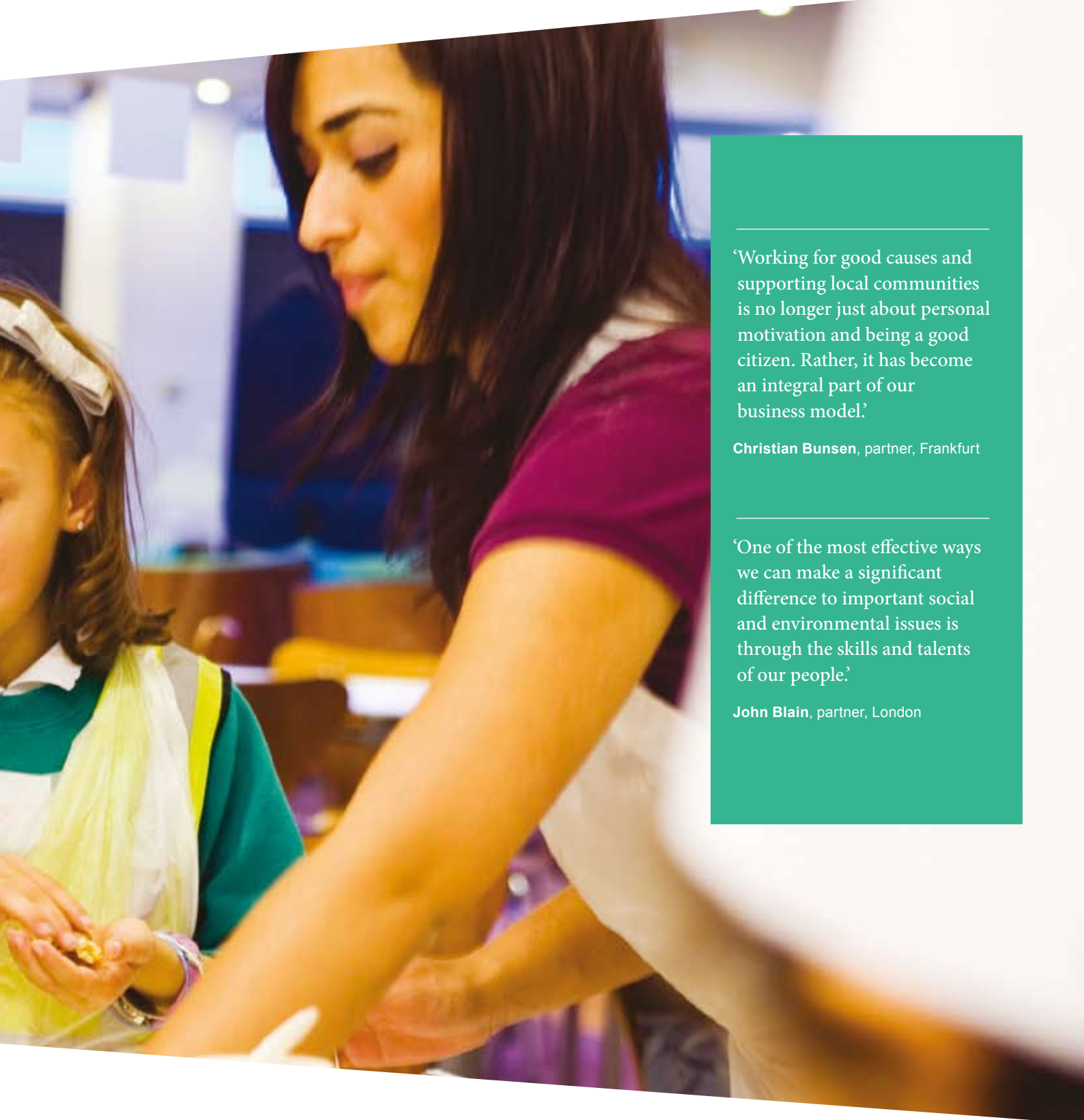
01

More to life here

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our approach to CSR
- 9 More about us
- 9 Legal structure
- 9 Recent developments
- 10 CSR strategy and
governance
- 10 CSR management
- 10 An international approach

Providing the very best client advice and service is our primary objective, but there is more to us than that. We are committed to being a responsible business, improving our social and environmental performance and looking after our people.



‘Working for good causes and supporting local communities is no longer just about personal motivation and being a good citizen. Rather, it has become an integral part of our business model.’

Christian Bunsen, partner, Frankfurt

‘One of the most effective ways we can make a significant difference to important social and environmental issues is through the skills and talents of our people.’

John Blain, partner, London

‘We work with partners and suppliers who share our values in CSR. Sustainability, responsibility and citizenship are integral to business. Targets are important too. Ours – to be the Best Beer Company in a Better World – helps guide us in our efforts towards improvement for our people, our communities, our consumers and the environment.’

Mike Kelly, senior corporate affairs director, ABInBev

**Some of our key
mandates since our
last report include:**

- being appointed official law firm to assist the London Organising Committee of the Olympic Games and Paralympic Games (LOCOG);
- advising the German federal government on groundbreaking legislation to stabilise its financial markets; and
- providing pro bono support to Save the Children to help with their Child Survival campaign.

More to life here... our approach to CSR

Providing the very best client advice and service is our primary objective, but there is more to us than that. We are committed to being a responsible business, improving our social and environmental performance and looking after our people. Our approach to CSR, and the way we conduct our business in general, is founded on our values of integrity, excellence, understanding of our clients and our communities, teamwork and imagination. We recognise our own long-term success is dependent on the health of the economy, the environment and society, and on a succession of talented and diverse people.

We seek in a number of ways to give something back to our local communities and address some of the wider issues that affect us as global citizens, including the provision of pro bono legal advice, charitable donations, community volunteering projects and matched giving.

We are also working hard to reduce our environmental impact; increased energy efficiency, more effective waste management and efficient use of resources being key areas of focus. We also use our skills commercially to help address key environmental issues – the work of our low carbon energy team being a good example.

Being conscious of our social and environmental impacts helps to keep us aware of related issues at local and international level, improving our understanding of our clients, their needs and the risks they face.

A key part of being a responsible business is looking after the people who make that business possible. We want to ensure that everyone who works here feels valued, engaged and encouraged to make the most of their talents. Our people work extremely hard and we are running numerous initiatives to help them better manage their time and career development to ensure that, at all levels across the firm, people have a better work–life balance.

At the same time, more and more of our people are getting involved in our CSR programmes. Not only is this commendable, but it also provides opportunities for development, brings personal satisfaction to those involved and makes a genuine difference to issues of local, and sometimes global, concern. As a business, we benefit from having skilled and motivated staff, and our CSR programmes help us to achieve this.

More about us

We are a leading international law firm. We provide business law advice to national and multinational corporations, financial institutions and governments. Our clients, new and old, look to the firm for support within an increasingly complex and fast-moving legal framework. Our practice groups have legal expertise in specialist areas including: antitrust, competition and trade; corporate; dispute resolution; employment, pensions and benefits; finance; intellectual property (IP); information technology (IT); real estate; and tax.

We also have sector-based groups focusing on the following industries: automotive; chemicals; consumer products; energy and natural resources; family-owned business; financial institutions; general industries; healthcare; infrastructure and transport; leisure; private equity; real estate; and telecommunications, media and technology.

Legal structure

On 1 May 2008, Freshfields Bruckhaus Deringer converted most of its business to an English limited liability partnership (LLP). The conversion has affected all our offices except three, where, as appropriate, clients continue to deal with our existing Hong Kong, Japanese or US entities.

We have over

5,000

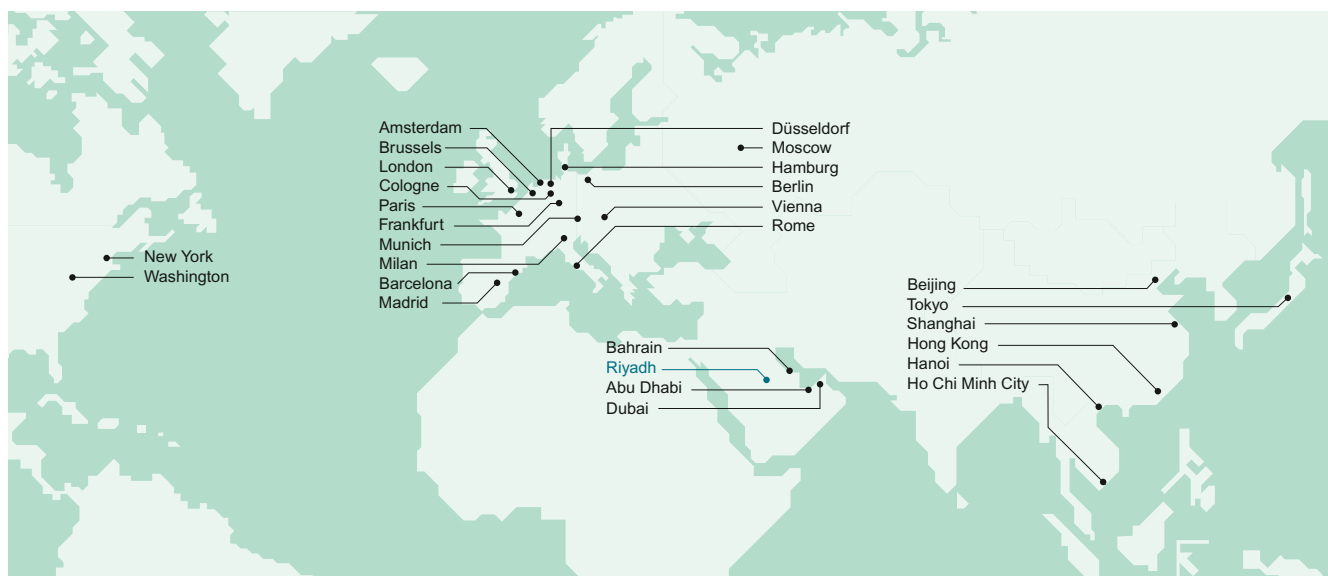
employees in 28 offices
around the world

Recent developments

Our firm is continuing to grow and develop. In 2008, we opened offices in Abu Dhabi and Bahrain, and in 2010, we established an exclusive association with the Law Firm of Salah Al-Hejailan in Riyadh (one of the largest and oldest firms in Saudi Arabia), further strengthening our presence in the Middle East.

Also in 2010, we elected three new litigation partners to expand the firm's growing presence in the US and launched our global investigations practice. This new practice will help multinational businesses to manage the mounting risks posed by aggressive cross-border investigations from regulators and prosecution authorities covering accounting, anti-trust, bribery and corruption, financial reporting, market manipulation and other related issues.

Our offices around the world



CSR strategy and governance

CSR is integral to our business strategy, enabling us to continue to succeed while also behaving responsibly. Our stakeholders have a strong influence on our CSR activity and for more information on the role they play, please see section 5, 'Stakeholder engagement'. For further information on our governance, please see section 8, 'Performance and reference'.

CSR management

The firm's principal policy body is the partnership council, which oversees our approach to CSR as a core part of our firmwide strategy. The partnership council currently meets on an ad hoc basis to assess our sustainability performance, but we intend to meet more regularly in future.

A number of committees and groups operate under the supervision of the partnership council:

- our CSR strategy group shapes our general strategy (taking into account our CSR principles and feedback from our stakeholder engagement activities); and
- our community and pro bono committee, diversity group and environmental working group agree the detailed strategic direction for those respective elements of our overall CSR programme.

CSR partners in our offices around the network are responsible for implementing our global CSR 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 and pro bono and environmental co-ordinators in each office.

An international approach

Over the past few years, we have focused on making our CSR programmes more international, within a framework shaped by both local considerations and international priorities such as climate change.

The process has been challenging, as different offices and regions have different priorities and needs, but we have sought to establish a balance between centralised activity and local autonomy to overcome these issues. We have made good progress, but naturally there is more to do to achieve a more consistent engagement and activity firmwide.

The guiding principles we are implementing to achieve our CSR vision

To be an excellent employer

To encourage and promote greater diversity and inclusivity

To behave in a responsible way everywhere we operate

To mobilise our people's skills and commitment to effect change

To invest in our local communities and help address key global issues

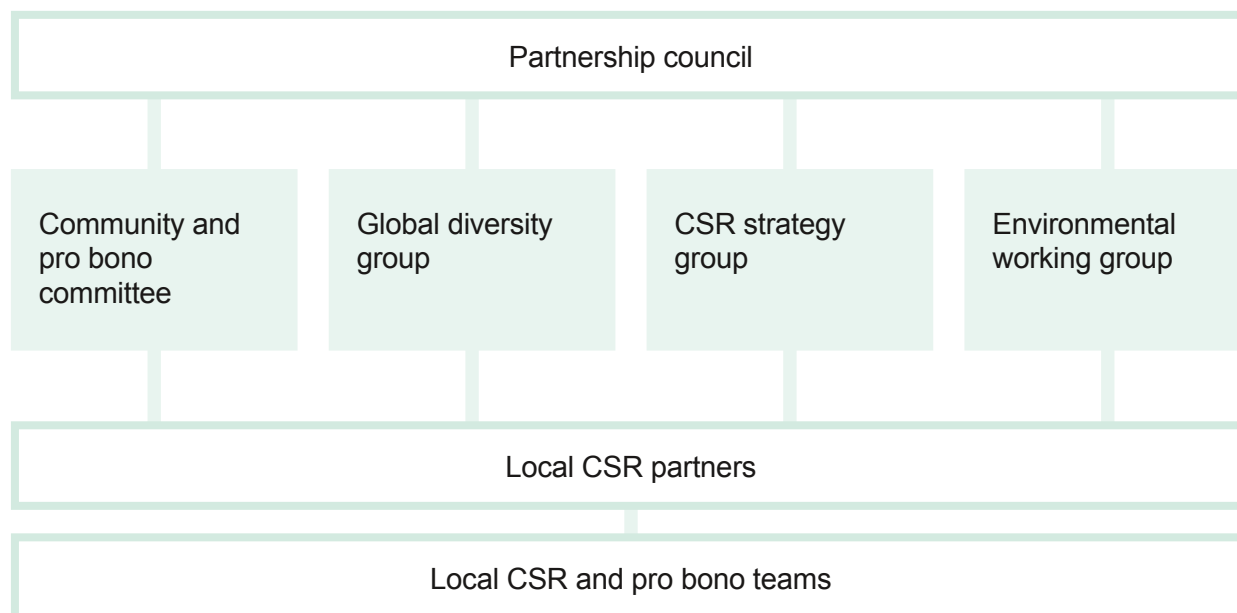
To minimise our impact on the environment and promote low carbon technologies

To work in collaboration with other businesses, NGOs and community groups and governments

Our vision

To be the leading socially and environmentally responsible international law firm

Our CSR management and reporting structure



The numbers

Across the firm	2007/08	2008/09	2009/10	Per cent change**
Involvement in our community and pro bono activities	28%	35%	39%	Up 11%
Hours contributed to volunteering and pro bono	30,044	40,008 (up 33%)	56,326.70 (up 41%)	Up 87%
Value of pro bono and community programme*	£4.45m	£6.47m (up 45%)	£9.53m (up 47%)	Up 114%
Carbon footprint (tonnes CO ₂ e)	34,386	27,463 (down 20%)	23,115 (down 16%)	Down 33%
Turnover	N/A (pre-LLP)	£1,191m	£1,150m	Down 3%

* The value of our contribution is calculated under the London Benchmarking Group standard. This in part explains why the value of our contribution (by reference to hours recorded) differs significantly from the reported value of the contribution of some other firms.

** Per cent change since our last assured report 2007/08.

02

Our people and diversity

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We believe that our success is dependent on recruiting and retaining the best people. Attracting the best people also means getting our approach to diversity and inclusion right. Subsequently, by providing training and development, we can give our people the tools to deliver client service of the highest quality and progress their careers. A diverse workforce offers a more stimulating working environment, promoting innovation and creativity – attributes that keep our clients coming back to us.



Over
25%

of our future London trainees
are from black, Asian and
minority ethnic backgrounds

80%

of our London employees
completed equal opportunity
monitoring

6th

place in the legal sector in the
Stonewall Workplace Equality
index and the highest placed
Magic Circle firm

‘We aim to attract and retain the very best people. To do so, we have to create an environment where people get exceptional opportunities to develop, feel valued and able to work in a collaborative, collegiate environment with people whom they like and respect.’

Kevin Hogarth, global HR director

Recruitment

We rigorously apply objective selection criteria to ensure that we appoint on merit, and we seek to recruit from as wide a pool of talent as possible. For example, in London our current trainees come from 44 different universities. We have also increased the list of UK universities where we hold recruitment events (recent additions include Essex, Reading, Sussex and universities in Ireland). These range from formal evening presentations, law fairs and skills sessions through to more informal networking events, sponsored events, open days and workshops. We also liaise with university law departments, careers services and student law societies.

UK memberships

- Employers' Forum on Disability
- Race for Opportunity
- Opportunity Now
- Stonewall
- InterLaw



We actively encourage people from under-represented groups to think of applying to the legal sector in general and to our firm in particular. We have worked with Sponsorship for Educational Opportunities and Legal Chances to increase awareness among black, Asian and minority ethnic (BAME) students of career opportunities in the legal profession. The firm's rate of recruitment of BAME students in the past eight years has increased significantly as a result. Currently, over 25 per cent of our future London trainees are from BAME backgrounds. The Law Society's target is 10 per cent.

Other programmes to increase awareness of the profession include the City Solicitors' Education Trust Summer School for undergraduates, and Pure Potential and Sutton Trust Pathways to Law, both of which are aimed at Year 12 students. We have hosted a number of students from these programmes on formal work placements.

Youth Network Award

In March 2010, we received an award from Baroness Scotland, the former attorney general for England and Wales, for our outstanding contribution to her Partnership for Young People. The award is in recognition of our support of The Attorney General's Youth Network, which includes programmes on debating, citizenship and law in schools, and focuses on the presentation of law and debate as a means of resolving conflict and as a career option for children in inner city communities.

Learning and development

Legal technical training is fundamental to ensuring we meet our clients' increasingly complex needs. We use an 'apprenticeship model', which incorporates coaching and mentoring along with formal training modules.

We recognise the need for development throughout an individual's career, both for our lawyers and our business services staff. This is delivered through traditional classroom approaches, online training and innovative combinations of technical and development training such as our award-winning Real Deal programme for mid-level associates and Virtual Office foundation course for junior dispute resolution lawyers.

We also encourage secondments as part of career progression. They are a unique opportunity to experience a client's business first-hand and provide a greater insight into client needs and expectations. Internal secondments, between offices and/or departments, also help our people to broaden their knowledge and skills, develop working relationships and promote integration.

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. Partners support career development, pastoral care and professional development of our people. A mentoring guide, produced to highlight best practice, is being rolled out firmwide.

Performance management

Formal appraisals are held at least once a year. Many offices now conduct half-year reviews to discuss objectives and development needs. Feedback from peers, subordinates and others form an essential aspect of the appraisal system to give a broader perspective on performance.

The partner leadership framework provides an international framework intended to motivate partners, maximise their individual contribution and help the firm to achieve its strategic aims more efficiently. The framework allows partners to assess their own career aspirations, identify the skills they need to develop further and set relevant goals.

Recognition and reward

We recognise and reward our people in most offices with a base salary supplemented by a benefits package and a performance-related bonus. All three aspects of the total reward offered are locally determined within firmwide guidelines.

In 2009/10, in most offices, we froze salaries and reduced the level of bonuses from the previous year. This step was necessary to help the firm to manage its costs at a time of unprecedented volatility in the external financial landscape.

Over

60%

of our people participated in
our 2009 employee engagement
survey

Employee engagement

In 2009, we undertook an employee engagement survey. The results indicate that areas for improvement include work-life balance, using people's talents more fully and developing new skills. Our global HR team is meeting with managing partners across the network, offering support as they develop local plans to address the issues identified in the feedback. We hope that an annual global engagement survey will become a regular channel for employee feedback.

Associate engagement groups around the firm play an active role in generating ideas and reviewing concepts, and are often consulted by senior management. Their recommendations have led to tangible changes to:

- the appraisal process;
- the new career milestones;
- a review of work allocation processes to avoid excessive periods of high workload;
- greater clarification on the role of counsel;
- input into a review of smart working; and
- more transparency in terms of career progression.

Flexible working

Our formal flexible working policy in London includes part-time working, fixed hours and remote working, with some people combining options to find a solution that best suits their needs.

Although we have established flexible working policies in Germany and London, we are currently in the process of firmwide consultation about flexible working arrangements to agree guiding principles for any request. Informal flexible working arrangements are common, enabling our people to deal with one-off issues. Formal flexible working arrangements are smaller in number (currently less than 1 per cent in London), but are increasing.

We acknowledge that, challenging as it may be for the type of work we do and the clients we represent, better engagement with flexible working will be key to securing and retaining the best talent in the future.

Health, safety and wellbeing

Promoting and protecting the health, safety and wellbeing of our employees is a focal point on the firm's agenda. Practices are in place to ensure workloads are managed properly and we run regular seminars on 'performance under pressure'. Supporting material is available and guidance provided to all new employees.

Several of our offices also offer private healthcare and free gym membership. Staff in the US and UK have access to an employee assistance programme, while in Germany, occupational doctors (*Betriebsärzte*) visit the offices periodically and are available to everyone. The London office offers private healthcare, free gym membership and on-site doctors, together with physiotherapy, massage therapy and alternative therapies such as Reiki.

We are pleased to see a continued reduction in reportable accidents in London as this generally indicates a reduction in the severity of incidents. To make further reductions, we are looking into how we can better integrate health and safety awareness into staff training, particularly for manual handling activities, which are the most common source of injury in the London office.

Human rights and collective bargaining

We are committed to complying with the UN Global Compact's principles on human rights and labour. We support and respect The Universal Declaration of Human Rights and The International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and strive to ensure we are not complicit in any human rights abuses within our own firm. We also offer human rights training to our clients.

'Our vision is simple to articulate, but challenging to achieve. We would like to know that neither the firm nor any individual working for it is held back by anything beyond their collective control. This means working to ensure that neither external factors such as background, belief or gender nor internal factors such as firm structures or unconscious bias can act as real or perceived barriers to development and promotion.'

'We are realistic about the length of time it will take to be able to say confidently that we have reached such a point, but optimistic about the goodwill everyone here demonstrates to make the journey.'

Caroline Stroud, global HR partner

We are committed to upholding freedom of association and the effective recognition of the right to collective bargaining, and we look to work with like-minded suppliers. The same is true of our commitment to the elimination of all forms of forced and compulsory labour and child labour.

Once our new responsible procurement process has been fully implemented, we will manage these issues more consistently and formally in our supply chain.

Outsourcing

As a firm, we continue to explore innovative ways of meeting client needs. Partnering with world-class suppliers with specialist expertise is, and will continue to be, a part of the way we manage our business. Whether it be on-shoring, near-shoring or off-shoring, we will outsource where it makes good business sense.

Diversity

Embedding good diversity practice calls for strong leadership and the engagement of senior management. Our structure ensures that diversity and inclusion are considered at the most senior levels across the firm.

The global diversity committee agreed gender diversity to be a priority for the firm in late 2009. Despite recruiting roughly even numbers of men and women at entry level for many years, women are not adequately reflected at a senior level in the business. Our employee engagement survey also highlighted the need to promote and retain more women.

Diversity governance



A London-based diversity leadership team provides advice to the global HR partner and the diversity team.

In response, we launched a range of measures designed to address the imbalance between the number of female lawyers we train and the number being promoted to partnership. Some of these measures include supporting the development of networking and communication skills, reviewing maternity support and looking at gender-tailored provision of development opportunities. This is a long-term strategy and although we do not expect to see results overnight, we do hope we are on our way to addressing this issue.

Other initiatives we have taken to promote diversity and inclusion since our last report include:

- working groups on gender; ethnicity; disability; and lesbian, gay, bisexual and transgender (LGBT) issues, to discuss initiatives and advise the London diversity committee;
- launching a new diversity and inclusion 'wiki' site for UK employees, supported by a toolkit for managers;
- matching time off for people who observe religious holidays on days when the office is open, and opening a new purpose-built contemplation room in our London office for people of all religions and faiths to use;
- running events on campus in the UK for gay students in a joint effort by our trainee recruitment department and LGBT network;
- as official legal services provider to London 2012, belonging to the LOCOG diversity and inclusion forum; hosting the opening events of their diversity weeks in March 2009 and March 2010, and supporting a number of other similar LOCOG initiatives; and
- holding a series of talks by key clients on the importance of diversity and inclusion in their organisations and how they want their professional services advisers to work in partnership with them in this context.

'We are finding working with Freshfields immensely fulfilling. It is refreshing to work with a law firm of this size and significance that is taking action on advancing women within the global workplace. Rather than talking about the issues, we are actually helping to make change happen.'

Dr Samantha Collins,
CEO Aspire Companies and founder
of The Aspire Foundation



Worldwide gender split (percentage)

■ Female
■ Male

Partner

09/10	11	89
08/09	11	89
07/08	11	89

Associate

09/10	41	59
08/09	41	59
07/08	41	59

Trainee lawyer

09/10	51	49
08/09	55	45
07/08	56	44

Other fee earners

09/10	68	32
08/09	63	37
07/08	62	38

Business services

09/10	76	24
08/09	77	23
07/08	78	22

Worldwide gender split

09/10	56	44
08/09	57	43
07/08	57	43



Equality

Clients

We aim to accommodate any specific client needs arising from gender, race, disability, religion or belief, age or sexual orientation. We will not refuse to act for a client for discriminatory reasons.

Our dealings with others

We are committed to promoting equality and diversity where we have the power to influence, including in our dealings with third parties such as other members of the legal profession and suppliers (for more information on how we engage with our suppliers, please see section 5, 'Stakeholder engagement'). Any discrimination or harassment by those acting on our behalf will lead to corrective steps being taken, including termination of services where appropriate.

Local compliance

We are obligated to comply with local law in the jurisdictions in which we are located. Some offices therefore require their own equal opportunities policies but, as far as possible, these are consistent with our overall policy. If there's conflict, local policy and regulations override our overall equal opportunities policy.

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 HR partner. We take allegations of discrimination or harassment seriously and take appropriate action.

'Diversity and inclusion are central to our mission of using the power of the Games to inspire lasting change. We are breaking new ground ourselves through our recruitment, procurement and service delivery work, and we expect our suppliers and partners to help us achieve great things.'

Terry Miller, general counsel, LOCOG

Our progress

... and goals

Diversity and inclusion

Launched our three-year people strategy and new global structure to take it forward.	Improve demographic data collection firmwide.
Reviewed our induction programme to ensure firmwide consistency of provision on diversity and inclusion.	
Focused on gender diversity with initial research and piloted women's development programmes.	Pilot other development programmes and incorporate into mainstream learning and development offering.
Piloted a maternity coaching programme, checklists for line managers when dealing with maternity announcements and requests for flexible working, and working groups set up to devise 'top tips' for expectant parents.	Continue to improve maternity and flexible working options.
Established a formal Women's Network in Brussels.	Extend these formal groups across the network.
Launched a programme of lunchtime events including diversity talks open to all employees in the London office. Discussions were also held in several German offices, Brussels and New York.	Continue with a programme of events to raise awareness.
Participated in benchmarking exercises with Race for Opportunity, Employers' Forum on Disability and Stonewall.	Improve positioning in benchmarking exercises and strive for awards.
Eighty per cent of employees completed equal opportunities monitoring in London.	Ninety per cent of all London employees to complete equal opportunities monitoring by 2011 and clear and robust monitoring and reporting systems to be established.

Recruitment

Launched our new global careers website: careers.freshfields.com	Maintain and monitor success of website.
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Learning and development

Implemented associate career milestones (to chart an individual's career progress) into learning and development and performance management.	Continue to build learning and development curriculum and improve the personal planning process. Introduce changes to the partner business planning process. Have a partner leadership programme in place to support its formal adoption by April 2011.
Reviewed work allocation procedures.	Roll out improvements to work allocation procedures across the network.

Health and safety

Did not achieve target of firmwide data reporting on health and safety.	Report firmwide data and activities including 'time lost' accidents and sickness absence levels.
The London office accident rate has remained at around 2.3 accidents per 100 people (including all employees, temps and contractors who are predominantly based on-site).	Achieve an accident rate of fewer than 2 accidents per 100 people and maintain our target of fewer than 1.5 reportable incidents per 1,000 people over the next reporting period (2010/11).

Engagement

Improved staff engagement with two firmwide surveys conducted.	Review and improve approach to flexible work.
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03

Pro bono and
community investment**In this section**

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Our pro bono and community investment programmes are designed to benefit the communities in which we operate and address wider issues that affect us as global citizens by applying the skills and time of our people.



Oxfam
Collect
at Work



Oxfam
Be Humankind



Photo: Andy Hall/Oxfam

87%

increase in community and
pro bono hours since our
last assured report

56,326

volunteering and pro bono
hours 2009/10

£9.53m

total value of CSR
programmes 2009/10
(including management costs)

‘We hope that our approach of building multi-faceted relationships with community partners, which range from volunteering activities to financial support and pro bono advice, will prove to be the way to truly sustainable social investment.’

Christian Bunsen, partner, Frankfurt

Our pro bono and community investment programmes

Our pro bono and community investment programmes allow us to use our skills, expertise and commitment to work on some of the key issues that affect our communities and the wider world: homelessness, supporting disadvantaged young people, tackling poverty, supporting human rights and providing access to justice.

We use our legal skills in our pro bono work to help NGOs and charities to achieve the UN Millennium Development Goals (MDGs) for tackling the world's most pressing concerns on inequality, climate change and health. By offering pro bono advice, which requires skills linked to our core business, as well as more general community involvement programmes, we try to ensure that as many of our people as possible are able to participate in our programmes.

In addition, we offer payroll giving, which allows our people in London to make charitable donations directly from their pre-tax salaries, thereby diverting the money that would normally go to tax to the charity instead. We also encourage our people to fundraise through our matched giving programme and, in 2011, we will be launching a new matched time scheme supporting those who volunteer in the community in their own time.

Our 2009 firmwide CSR survey showed that participation in our CSR programme provides our people with job satisfaction, motivation and a sense of achievement. It is also a good way to meet colleagues and can help to develop skills such as adaptability, communication and leadership.

The involvement of our people is vital to the success of our pro bono and community programmes. We encourage everyone to contribute at least one working day a year to general volunteering within the local community and, in addition, our lawyers and those with other professional skills are encouraged to get involved in our pro bono programme.

‘It is the people who make the place we live in. We want to give back to the community by inspiring and building foundations for the people of tomorrow.’

Joseph Huse, partner, UAE



Percentage of people involved in pro bono and community programmes firmwide



Involvement can vary according to office size, and the nature and scale of local opportunities to participate.

Our approach has come a long way over the past couple of years, moving from business philanthropy to more strategic activities and carefully selected partnerships. Our community and pro bono committee provides the strategic direction for our firmwide activities. The committee generally meets twice a year, and its conclusions are implemented via the pro bono and community investment teams, pro bono partners throughout our network and CSR co-ordinators.

Giving something back to the communities in which we operate is a priority, not only because it is the right thing to do but also because it is good for business. Informal feedback suggests that our community investment programmes have helped us to engage and retain our people; increase our ability to attract high-calibre recruits; interact and engage with our clients in new positive ways; and in some instances, reduce our operating costs.

Awards

Business in the Community (BITC) Big Tick accreditation in 2010 for our pro bono work in helping to achieve the UN Millennium Development Goals (MDGs).



BITC Big Tick re-accreditation in 2009 for our Ready for Work programme, which provides work experience placements for homeless people.



More than
350
students have
benefited from
the ENGAGE
programme
to date

Helping disadvantaged young people

Children and young people's rights are a pivotal part of our pro bono and community programmes because they are often the most marginalised and vulnerable section of our society. All our offices support programmes that impact on this issue.

In 2009, we were proud to begin supporting Save the Children UK with pro bono support. Our first piece of work culminated in a report, *Legal frameworks for child survival*, in support of Save the Children's signature Child Survival campaign. The report analyses the gaps and best practice in legislation and enforcement relating to child survival across 15 countries.

Our work with Half the Sky, a charity supporting orphaned children in China, effectively illustrates the international strength our firm can lend to pro bono activities. Our relationship spans a number of jurisdictions and practice areas: although the majority of our work with Half the Sky is led by our Beijing office, since our last report our Amsterdam, Hong Kong, London, New York and Paris offices have also become involved. Our ongoing work includes advice on corporate establishment and charitable status registration in different jurisdictions, assisting with long-term funding agreements and establishing an operational partnership. We also advise on intellectual property and tax issues.

Many of our offices also have long-standing partnerships with local schools and community organisations, where our people volunteer in multiple activities including coaching and mentoring, literacy and numeracy programmes, and work experience. These activities help to broaden horizons and improve confidence, motivation, communication and social skills.

In Germany, volunteers from several offices provide job coaching and help students with their CVs, application letters and interview preparation. In Frankfurt, this project is run through the international ENGAGE programme, which brings together local schools, businesses and community organisations to increase students' employment prospects. The project was included as a best practice case study in skills for employability enhanced through employee engagement laboratory presented to the European Commission in 2008.

London 2012 Olympic and Paralympic Games

Our strong CSR credentials played an important role in our appointment as the official legal services provider to the London 2012 Olympic and Paralympic Games. The sheer scale of the 2012 Games makes this an immense legal task, involving thousands of suppliers, billions of viewers and the contracts that bind everything together.

Given the importance of sustainability to London's bid for the 2012 Games, this is an ideal opportunity to accelerate many of our own community and environmental activities, and to promote social inclusion. Our 2010 annual community team challenge month adopted the London 2012 theme of 'changing places', and our London office will continue to focus its activities on the five host boroughs in the lead-up to the 2012 Games.

We hope to work closely with the other stakeholders to help bring about sustainable change in one of London's most deprived areas, and more widely.



Reducing homelessness

We first decided to target homelessness in 2000 because it was something that many of our people saw on a daily basis going to and from work, and because we believe, as a firm, that we can make a positive contribution towards tackling the issue.

Our approach is multi-faceted and supports various initiatives to help break the cycle of homelessness. We provide pro bono advice to charities and NGOs in the sector, give financial support to homeless organisations and get involved in numerous team challenges at hostels and centres for homeless people.

In 2009/10, we decided to stop sending our people on international Habitat for Humanity house builds. We did so because many of our people felt that we should be concentrating our volunteering efforts within our local communities; they also thought that the international travel associated with the projects was incompatible with our efforts to reduce our carbon footprint. We continue to work with the charity where it is actively involved with the communities in which we operate.

We also provide work experience to homeless people. Our longest-running programme is Ready for Work, which we run with Business Action on Homelessness. The scheme helps to equip homeless people with the skills to gain and sustain employment by providing two, four-week work placements within the firm. Having hosted 160 placements over 10 years, 15 people have found permanent work here as a result. When on placement with the firm, each homeless client not only gets involved in challenging work but is given advice on their CV, interview technique and success in the workplace.

‘We greatly appreciate the advice we receive from Freshfields on a variety of legal matters. This is always highly professional and responsive, and supports Crisis in its mission to provide a range of much-needed services to homeless people.’

Keith Felton, finance director, Crisis

Justice Osei-Gyamfi

After participating in the Ready for Work programme, Justice Osei-Gyamfi was employed by Freshfields and has now been with the firm for over three years. The programme helped him to build confidence, learn new skills, network, move out of temporary accommodation and start a new life for himself.

‘I left feeling confident and good about myself. I stayed in touch with my job coach and volunteered at the Central London Law Centre where I applied the skills I had learned from Freshfields as well as learning other office skills. I applied for a vacancy at their business centre, I got the job and as a result I now have a great deal of stability in my life.’

Justice Osei-Gyamfi,
business centre administrator



Securing access to justice

The idea of a society governed fairly through the rule of law is meaningless unless everyone has effective access to their rights, through advice they can understand and, if necessary, representation before a court or tribunal to enforce them. Our lawyers work on representation projects around the world and help individuals via advice centres, which can often be the last hope for those in need.

Many of our offices provide volunteers for projects that offer free advice or representation. For example:

- we have established pro bono asylum programmes in Belgium and the Netherlands;
- in New York, we support Human Rights First in representing asylum seekers before the US Immigration Court;
- in Hong Kong, we advise and represent individuals at the Hong Kong Refugee Advice Centre; and
- in London, our lawyers support the Asylum Support Appeals Project by representing asylum seekers in their appeals at the asylum support tribunal. Most clients are destitute and many are homeless – after a successful appeal they leave with an immediate right to food and shelter.



Photo: Anna Kari

Promoting human rights and the rule of law

The rule of law is one of the most fundamental pillars of a free and democratic society. We believe that lawyers should play their part in furthering the rule of law and within it, respect for human rights. We work on some of the most important issues in the human rights field around the world, for clients ranging from large NGOs to individuals on death row.

We have been working for Reprieve, a charity that uses the law to enforce the human rights of prisoners, on its European Commission project. This aims to identify individuals with a legitimate claim to European nationality who are on death row in the US, thereby offering a new source of legal leverage on their behalf. Several of our European offices have contributed research memos to help Reprieve identify nationals from their jurisdiction (including Spain, Germany, Italy, France and the Netherlands). Meanwhile, a team of trainees from the London office, who have previously worked as interns with death row not-for-profit organisations in the US, is helping Reprieve to review the case histories of death row prisoners and identify those with a potential European connection.

‘The quality of your work, the professionalism of everyone on the team and the support given to me personally in dealing with a challenging issue exceeded all my expectations.’

James Banks, chief executive, Royal Courts of Justice
Citizens Advice Bureau

Achieving the UN Millennium Development Goals (MDGs)

In conceiving the MDGs, the UN member states tasked themselves with tackling the world's most pressing issues of inequality, climate change and health. With the 2015 deadline fast approaching, there are concerns as to whether these targets will be achieved. Increasingly, the business community has become more engaged with the MDGs, recognising that they can be achieved sooner through core business practices and increasing corporate responsibility engagement.

A law firm's pro bono programme can help to achieve the MDGs: our legal skills can assist NGOs and charities that deliver front-line services to achieve key advancements in areas such as child mortality, poverty and health. To maximise impact, part of our pro bono programme is now aligned to the MDGs covering poverty, the environment and health.

For MDG Goal 6 (combat HIV/AIDS, malaria and other diseases), we recently advised (RED) on FLOWE(RED), its online ethically sourced flower service. This is operated in collaboration with Flamingo Flowers and all profits go to another pro bono client, The Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund), to fund work on HIV in Africa. The work itself was complex, involving expertise from our IP/IT, Tax and Employment, Pension and Benefits (EPB) departments. Although only launched in early February 2010, FLOWE(RED) generated a lot of press coverage and achieved 15 per cent of the sales volume of a leading retailer in the lead-up to the Valentine's Day peak.

As well as our main relationship with Oxfam UK, we have built local relationships with Oxfam offices across our network. From microfinance in Moscow to competition in Brussels, and from constitutional advice in Amsterdam to employment advice in Paris, we are helping Oxfam help others more efficiently.

The charity has recently begun its Global Integration Project, which involves reorganising the way in which 14 different Oxfams work in over 85 countries. Freshfields is integral to this complex process, creating efficient legal structures and guiding the charity around potential pitfalls.

We were involved with the recent launch of the Global Fund's new collaboration with Dow Jones: a new index to track the share prices of companies whose businesses involve or are related to improving health, particularly in developing countries. The index will be used by tracker funds, some of which will have a direct association with the Global Fund, in which 'socially responsible' investors will invest. The Global Fund gets a share of the fee earned by Dow Jones when the index is used, and will also be paid a social return by the entities that set up the funds.

Our pro bono clients include:

LIBERTY
PROTECTING CIVIL LIBERTIES
PROMOTING HUMAN RIGHTS

Oxfam

Shelter

(RED)TM

REDRESS
Ending Torture. Seeking Justice for Survivors

Crisis

**TOWER
HAMMETS
LAW
CENTRE**



Investing in our future
The Global Fund
To Fight AIDS, Tuberculosis and Malaria

**FAIR TRIALS
INTERNATIONAL**

**Half the Sky
Foundation**
半边天基金会



Save the Children

REPRIEVE

‘We have been working with Freshfields since they kindly offered their services to us on a pro bono basis in late 2008. Their support has been invaluable on the diverse range of issues I have presented to them. They have always responded quickly to our requests and provided expert, specialised staff to work with us. Their advice has always been relevant and correct. Our charity has benefited significantly from our association with Freshfields and I would have no hesitation in recommending them to any potential client.’

Roy Wilson, financial director, Carbon Disclosure Project

We have contributed over

1,600

professional skills pro bono
hours in London in 2009/10

Professional skills pro bono

We have developed a professional skills pro bono programme that links the core skills of our non-legal professionals with our pro bono clients. We believe that harnessing our non-legal professional skills will help us deliver a first-class service to our clients.

This year, we have provided support in areas such as HR, communications, IT, recruitment, knowledge management, finance and legal-secretarial to clients including Save the Children, Oxfam, Fair Trials International, Tower Hamlets Law Centre, Reprieve and South West London Law Centres.

Our matched giving programme

In 2008, people in our offices in China and Hong Kong raised funds in response to the Sichuan earthquake and the cyclone in Myanmar, which the firm then matched. In 2009, our Italian offices collected funds for the earthquake in Abruzzo, while several of our Australian lawyers got together to fundraise after the Australian bush fires; both benefited from our matched funding programme.

Our offices choose the charities that receive donations from the firm, and in 2009/10 these ranged from the Disasters Emergency Committee in London to Habitat for Humanity, Plan International and Save the Children in Germany. Several offices donated via the Red Cross.

We generated over

£95,000

including the firm's
matched funding, for the
Haiti earthquake appeal

New York has the highest pro bono
participation rate firmwide at

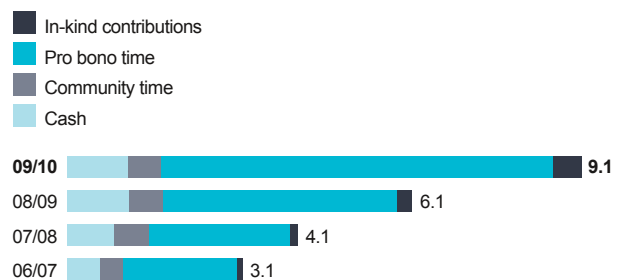
69%

in 2009/10

Pro bono and community statistics

Overall, there has been an impressive increase in our pro bono and community programmes in terms of value, participation and hours contributed since our last report. Our programme is now valued at more than 1 per cent of global pre-tax profits using the London Benchmarking Group (LBG) model for measuring community contributions.

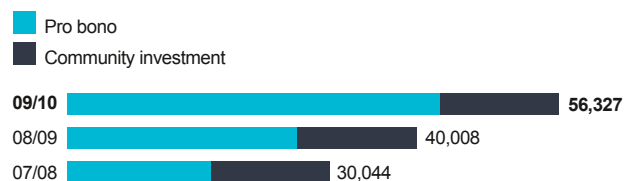
What we gave firmwide* (£m)



* Excluding management costs.

Following the strategy agreed in 2008, we have seen a rise in the time contributed to community and especially pro bono activities across most offices. More offices and practice groups are getting involved by identifying sources of work and treating pro bono time in the same way as fee-earning time regarding work allocation, appraisals and bonuses. Every office saw a rise in pro bono hours.

Hours contributed firmwide pro bono and community investment



International pro bono hours up nearly 160 per cent since 2007/08.

Our progress

... and goals

Pro bono and community participation

Thirty-nine per cent participation rate in our pro bono and community programmes in 2009/10. This is a 10 per cent increase on 2007/08 figures.

Reached our target of doubling our 2007/08 global pro bono hours by 2011 a year early (from 16,409 in 2007/08 to 42,559 in 2009/10). We are in the process of developing new targets to 2015.

Global community investment hours increased slightly from 13,635 in 2007/08 to 13,768 in 2009/10.

We joined Oxfam's pro bono panel. We advise them across a broad range of our practice groups and send a trainee on secondment for six months each year.

Increase firmwide participation to at least 42 per cent by 2010/11 and achieve a more consistent spread across the global network.

Increase global community investment hours by 5 per cent to 14,500 hours by 2011/12.

Supporting our community partners

As a member of the Number Partners Consortium, we helped to launch numberpartners.org. This free resource provides games, training and advice to volunteers and schools involved in Number Partner Schemes around the country.

Continue to develop numberpartners.org and encourage more people to volunteer their time towards developing a young person's numeracy skills.

Engagement

Participated in the City of London Corporation study: *Volunteering – The Business Case*, which evaluated the benefits of corporate volunteering programmes in education.

Measure the impact of our programmes in more detail across the firm, and include our community partners in more formalised impact surveys.

Undertake a pilot Social Return on Investment (SROI) study with one of our key community partners.

Introduce a new database across the network to capture more effectively the investment our people are making in their communities.

Carried out internal Seeing is Believing visits to increase awareness and engagement among senior leadership.

Continue to improve internal awareness and engagement.

Pro bono partners responsible for developing the programme were appointed in each practice group in London and in each country across our global network.

Commissioned research and led a campaign to encourage more business people to fill the 40,000 vacancies in school governing bodies in the UK. The research was presented to the Department for Children, Schools and Families.

Participate in the European Year of Volunteering 2011 (EYV 2011), and use this as an opportunity to raise awareness of the benefits of employee volunteering.

Charitable fundraising

Launched matched fundraising initiative in 2008, helping to support a range of charity fundraising initiatives across the firm.

Launch a volunteer support scheme to enable our people to spend working time on their own community volunteering initiatives in 2010/11.

Participation in our UK payroll giving scheme reached 4 per cent in 2009/10.

Increase participation to at least 5 per cent and be awarded with a silver payroll giving quality mark.

04

Climate change and
the environment

In this section

- 33 Environmental governance
- 33 Use of resources and waste management
- 33 Reducing our carbon footprint
- 34 Environmental management
- 34 Offsetting our greenhouse gas emissions
- 34 Using our legal skills
- 34 Involving our people
- 34 Advocacy and collaboration
- 35 Our progress and goals

As a responsible international business, we are committed to effectively managing our environmental impact. By adapting working practices, investing in energy-efficiency measures and minimising waste and use of resources, our offices around the world are working to improve our environmental performance. We are also working with other businesses and NGOs to help tackle issues such as climate change on a wider scale.



80%

of respondents to our 2009 firmwide CSR survey said climate change was one of the right issues to be focusing on, and 65% rated our progress on this issue as either good or excellent.

33%

reduction in our carbon footprint in three years

‘Climate change is one of the most important issues facing the planet and we believe we have a responsibility to act now for future generations. Reducing our impact is not easy, so we are delighted that we have seen a significant reduction in our carbon footprint over the past three years.’

John Blain, partner, London

Reducing our environmental impact not only benefits the world around us, but also has tangible business benefits. It can save us money through improved energy efficiency, waste management and use of resources, and understanding our own environmental risks and responsibilities helps us to better understand and anticipate those of our clients.

In line with our participation with the UN Global Compact, we take a precautionary approach to environmental issues. This means we believe that where there are threats of serious or irreversible damage to the environment, a lack of scientific certainty should not be a reason for postponing cost-effective measures to prevent environmental harm.

Global issues such as climate change cannot be tackled solely at a local level, which is why we have adopted a firmwide approach. In May 2007, we became the first major international law firm to become CarbonNeutral® – offsetting to zero our net carbon emissions firmwide. As part of this development, we committed ourselves to cutting our carbon footprint and, to this end, invested in various technologies and developed carbon reduction plans for our offices globally.

Memberships

- Founding member of the Legal Sector Alliance on sustainability and climate change.
- Signatory of the Copenhagen Communiqué on Climate Change.
- Signatory of the UN Global Compact, the world's largest corporate citizenship and sustainability initiative.
- Participant in BITC's May Day Network of businesses committed to taking action on climate change.



Environmental governance

Our environmental working group is tasked with ensuring that we meet, if not exceed, our environmental commitments. The group, made up of partners and managers from multiple offices, meets on an ad hoc basis to provide strategic management of our environmental efforts. Our local CSR partners, green teams and environmental co-ordinators help us to achieve our goals at grass-roots level.

Use of resources and waste management

The results of our 2009 firmwide CSR survey indicate this is a high priority for our people, with greater use of double-sided printing and recycled paper being prominent themes. We have made some progress in these areas since our last report, but more can, and will, be done.

Our 2009 CSR survey indicated that we should also look to improve our waste management and water consumption performance. We aim to introduce internal targets for improving waste minimisation, recycling and reuse, and reducing our water consumption in London over the next reporting period.

Reducing our carbon footprint

We have reduced our electricity use by investing in technology such as our new PC energy management system. In addition, several offices have now switched to low carbon electricity supplies and we hope that more will follow.

One area where we are seeking to make changes to our working practices is business travel. Our current travel policy states that air travel should only be used where there is a clear business and/or client need, and advises consideration of different modes or technological solutions as an alternative.

However, reducing emissions from business travel is challenging, partly due to business growth in certain areas where we do not have offices or where a lack of infrastructure favours flying, and partly because some cultures strongly favour face-to-face meetings. Despite the challenges, we believe we are making good progress in this area: carbon emissions associated with air travel have fallen by 35 per cent since our last assured report, while those associated with rail travel have increased by 34 per cent.

Since April 2010, our London office has been part of the Carbon Reduction Commitment (CRC) Energy Efficiency Scheme: the UK's mandatory climate change and energy-saving programme. The CRC is a new regulatory incentive for large public and private sector organisations to improve energy efficiency and thereby reduce the UK's carbon emissions. The CRC's aims complement our pre-existing efforts to reduce our carbon footprint.

Awards



We have been certified CarbonNeutral® by The CarbonNeutral Company since 2007.



We have won successive Clean City Awards since 1997 for our London office.



We have won a 2010 National Recycling Award for our unique closed-loop office paper recycling partnership, whereby the London office's waste paper is recycled and returned to us as fresh office paper.

Offsetting our greenhouse gas emissions

We have been CarbonNeutral® since 2007 and offset our carbon emissions annually through clean technology projects. We largely offset our 2008/09 emissions by supporting two Voluntary Carbon Standard (VCS) projects: a coal methane capture project in China and a wind farm project in India.

In 2008/09, 20 per cent of our emissions were offset via the Uchindile-Mapanda VCS sustainable reforestation project in Tanzania, selected by a firmwide vote, with the remainder again being offset by a coal methane capture project in China. We were very pleased to be involved in the Tanzanian project as it was the first Agriculture, Forestry and Other Land Use (AFOLU) VCS project in Africa to be validated and registered – a guarantee of quality, credibility and permanence to the use of forestry in the carbon markets.

Environmental management

We hope to achieve certification of our London environmental management system to ISO 14001 in 2010/11. This initiative complements our firmwide CSR objectives and helps to provide structure to the work already underway in London to reduce our environmental impact. A number of other offices have also expressed an interest in becoming certified in the future.

Using our legal skills

Our low carbon energy team continues to make good progress in this area. It is currently advising the UK Department of Energy and Climate Change in a competitive tender to demonstrate a commercially viable method of capturing, transporting and storing carbon – the first time these technologies have been linked on that scale.

In 2009, our German offices advised the DESERTEC Foundation, a new international energy initiative and proponent of desert-based solar and wind technology, on the formation of a joint venture with a number of industrial entities to develop concentrated solar power generation plants in the Middle East and Northern Africa (MENA) region.

The project is the largest of its kind but poses equally sizeable legal challenges. If the financial, political, regulatory, economic and technical questions can be overcome, the prize could be renewable energy for Europe and the MENA region by 2050.

Involving our people

We try to engage our people and raise awareness of environmental issues in a variety of ways, such as our 2009 firmwide CSR survey, votes on offsetting, our wiki and our festive e-card initiative.

Advocacy and collaboration

In 2009, we collaborated with other members of the Legal Sector Alliance to develop a bespoke carbon footprinting tool for the sector. We continue to host and participate in open debates on sustainability and the impact of UK policy and regulation on voluntary responses to climate change to help raise awareness.

'Africa contributes less than one per cent of the CO₂ emissions that are threatening our planet; however it is one of the regions most at risk from the effects of global warming. The Uchindile-Mapanda forest project presents an ideal opportunity for the local community to benefit from the combination of sustainable harvesting and carbon finance. Not only will the project reduce carbon emissions of companies but it also enables the development of local employment, income, knowledge and expertise.'

Caroline Kitana Chipeta,
head of chancery, Tanzania High Commission

The numbers

Carbon footprint (tonnes CO₂e)



Total reduction: 33%

2007/08 figures are not available for our Middle East offices.

Carbon footprint per capita (tonnes CO₂e)



Total reduction: 29%

2007/08 figures are not available for our Middle East offices.

Business travel (tonnes CO₂e)

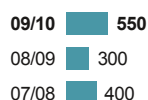
Air



Road



Rail



Our progress

... and goals

Reducing our carbon footprint

Our carbon footprint is down 33 per cent per capita since our last report (despite significant changes to how we calculate this, which are explained in more detail in section 9).

We have significantly improved the accuracy of our carbon data collection following investment in a dedicated data management system.

Eight offices now use low carbon electricity supplies (Paris is considered to be low carbon because nuclear energy makes up much of the national grid).

Completed our firmwide roll-out of high-definition videoconferencing equipment.

We did not launch our new global travel policy in 2009 as planned.

Continue our centralised activities to reduce our firmwide carbon footprint and set a firmwide reduction target of 6.8 per cent for 2010/11.

Investigate how we can make practice groups and business services teams more responsible for the carbon they generate.

Continue to reduce energy use by: increased metering and monitoring; adapting working practices; and continued investment in energy-efficient technology.

Encourage more of our offices to switch to low carbon energy supplies.

Launch our new global travel policy in 2010/11.

Environmental management

We did not pilot ISO 14001 in London in 2009 as planned, and have scaled back our objective of achieving this in every office.

Achieve ISO 14001 certification for our London office by 2012.

Reducing our use of resources

Reduced paper consumption: in London from 440 tonnes in 2004 to 320 tonnes in 2009; in Germany and Austria by 53.8 tonnes between 2007 and 2009; and in Paris by 22 tonnes from 2008. Brussels has also seen a significant reduction.

Five of our offices now use recycled paper.

Twelve offices have now switched to double-sided printing.

We did not carry out a review of our water usage in 2009 as planned.

Continue to reduce the amount of paper we use, promote double-sided printing and encourage the use of recycled paper.

Conduct a staged review of water usage and waste production in London by 2012.

Engagement

We signed the Copenhagen Communiqué on Climate Change.

Continue to engage in industry and multi-sector initiatives to tackle issues such as climate change.

Several offices participated in UN World Environment Day.

Three offices participated in Earth Hour in 2009, and eight participated in 2010.

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

Promote environmental awareness in our partner schools.

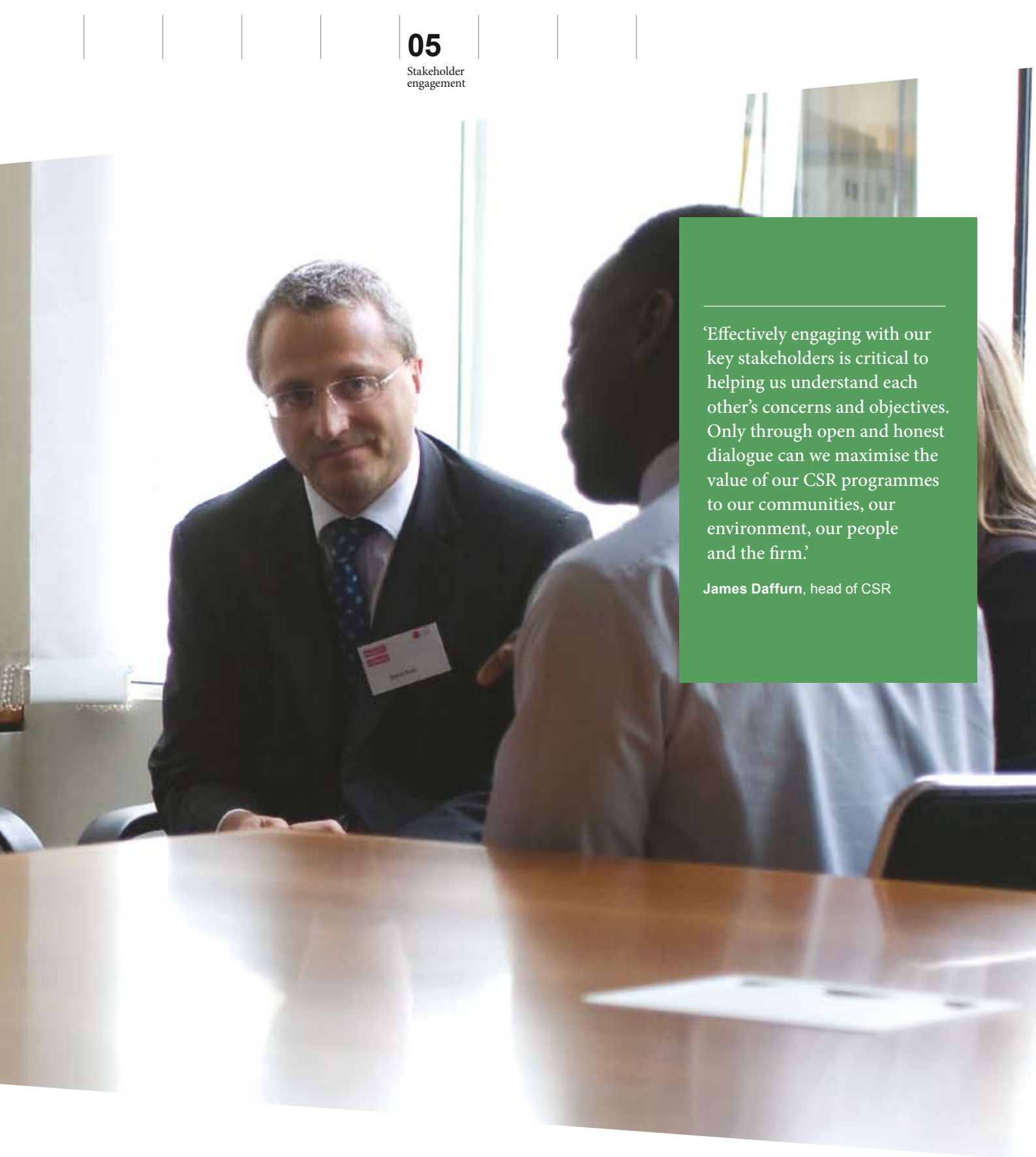
Increase firmwide participation in Earth Hour and UN World Environment Day.

05

Stakeholder
engagement**In this section**

- 38 Our people
- 38 Alumni
- 38 Our clients
- 38 Suppliers
- 38 Our profession
- 38 Governments
- 39 Our progress and goals

The key stakeholders that influence our CSR programmes are our people, clients, suppliers, local communities and the CSR organisations with which we are affiliated. We seek to actively engage these groups as they have the greatest interest in, and influence over, our activities and vice versa. We also routinely engage with other members of our profession.

A photograph of James Daffurn, head of CSR, sitting at a conference table. He is a middle-aged man with glasses, wearing a dark suit, white shirt, and patterned tie. He is looking towards the right side of the frame. In the foreground, the back of a person's head and shoulders are visible, looking towards James. The table is a light-colored wood. The background is a bright, out-of-focus interior space with large windows.

‘Effectively engaging with our key stakeholders is critical to helping us understand each other’s concerns and objectives. Only through open and honest dialogue can we maximise the value of our CSR programmes to our communities, our environment, our people and the firm.’

James Daffurn, head of CSR

More than

1,200

people participated in our
first CSR survey in 2009

Our people

The involvement of our people in our CSR programmes is critical to our success, which is why, in 2009, we undertook our first firmwide CSR survey to sense-check our programme and develop our strategy for 2011/12. The results were very encouraging; our people generally think we are focusing on the right issues and making good progress overall. This is particularly true regarding our client relationships, our efforts to tackle climate change and our community and pro bono programmes, but feedback suggests we need to focus more on workplace issues.

Our 2009 HR and employee engagement survey also identified areas for improvement that we are currently working to address. For more information, please refer to section 2, 'Our people and diversity'.

Alumni

We communicate with our alumni through The Freshfields Network, a programme designed to build and strengthen relationships with former employees. The centrepiece of the programme is an online social networking tool, which is the 'face' of The Freshfields Network. It facilitates the integration of the wider Freshfields community through information-sharing within forums, groups and news. The network also provides professional and social benefits, and we will use it to update alumni and current employees about CSR developments within the firm.

Our clients

Many of our clients have sophisticated CSR programmes. As a result, we are increasingly asked about our CSR performance by clients seeking to evaluate the social, ethical and environmental performance of their supply chains.

However, when giving legal advice, our approach to CSR must be tempered by the needs of the client. Our clients come to us for first-class legal advice. They want us to help them achieve an outcome that they could not have achieved on their own or with another law firm. As a general rule, our clients do not expect the advice they receive to be coloured by the firm's approach to CSR.

Ninety-three per cent of respondents to our CSR survey agreed that we should maintain standards of integrity and responsibility in advising clients, in their best interests, within the standards set by the law and the legal profession. To quote one respondent to our firmwide CSR survey:

'We have a right to choose clients after considering whether they fit within our commitments to CSR, but once they are clients we must give advice on the basis of the law and not our own views about CSR. We might drop them as a client based on CSR considerations, but our advice is legal advice and must be calibrated solely to the interests of the client and its legitimate and legal business objectives.'

There are some exceptions to this rule, such as when we are expressly asked for CSR advice or when the matters on which we are asked to advise are directly linked to CSR issues that could lead to legal or reputational risk to the client.

Suppliers

Sustainable procurement processes are an integral part of being a socially and environmentally responsible business. We buy a wide range of goods and services – from paper and IT equipment to HR services – from suppliers of all sizes around the world. By making informed purchasing decisions, we can have a positive environmental and social impact. We already incorporate CSR matters into some purchasing decisions, for example in IT, but the process is not yet comprehensive across our global supply chain. We are currently seeking to formalise our approach and roll out a firmwide supply chain management process, reflecting both our firmwide and our local CSR commitments and policies.

Our aim is to work with our suppliers to manage and improve practices within our supply chain and to make positive procurement decisions taking CSR into account. To this end, we have developed a draft sustainable procurement policy setting out the expectations we have of all our suppliers in respect of their social and environmental performance. Once finalised, the policy will be sent to all our suppliers firmwide, with each supplier being informed of the importance of compliance. We will then actively engage with our significant suppliers (determined by annual spend or perceived risk) to ensure that our CSR requirements are being met.

Key suppliers will be required to provide detailed CSR information, against which we will be able to determine their performance. Where any issues or areas of concern are identified, we will work with our suppliers to resolve them where possible. The ultimate sanction for failing to comply with our procurement principles will be termination of the supply agreement.

Our profession

In the past three CSR reports, we have explored what being socially and environmentally responsible means to us and our profession. During this period, we have started to collaborate actively with other law firms to make the profession more aware of its wider social and environmental responsibilities. It is fair to say, both collectively and in the case of our firm, we have come a long way.

Governments

Many of our clients are governments, but we also have a relationship with governments as the architects of the legal landscape in which we and our clients operate. We actively respond to government consultations and prepare and review consultation submissions for our clients to help inform decisions about new policy and legislation. We also lobby government in conjunction with associations and industry bodies and are involved in drafting law.

Our progress

... and goals

Collaborating with our profession

Adopted the Council of Bars and Law Societies of Europe (CCBE) charter of core principles of the European legal profession.

Collaborated with other law firms on issues such as climate change (through the Legal Sector Alliance) and pro bono (via several round tables).

Became signatories of the Law Society for England and Wales' diversity charter.

Continue to participate in activities and initiatives that encourage and promote CSR within and beyond the legal profession.

Suppliers

Piloted a new responsible supply chain management process with several suppliers in London in late 2009.

Roll out the process in London and report on the results.

Alumni

Launched a global alumni network.

Build on the alumni network to use as an opportunity for expanding our CSR programmes.

Employees

Improved employee engagement through a firmwide CSR survey and various other awareness-raising activities.

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



06

Risk management

As a leading international law firm, we face a diverse range of financial, legal and reputational risks that must be effectively managed if we are to continue to thrive. Beyond the multitude of regulatory and ethical requirements that we must meet, we have a responsibility to maintain the high standards expected not only by our clients, but also by wider society.



Risk management

Our dedicated risk and compliance team continually monitors the risks we face with respect to issues such as client acceptance, money laundering, conflicts of interest, insider dealing, confidential information and economic sanctions. We have also set detailed policies, procedures and guidance notes to help our lawyers understand these issues and manage the risks.

In our 2007/08 CSR report, we reported in detail about our risk management processes and whistle-blowing policy. We have not duplicated that information here, but all our previous CSR reports are available from our website: www.freshfields.com

Anti-bribery and corruption

As a regulated business, we have obligations under the UK Proceeds of Crime Act 2002 to report any knowledge or suspicion of money laundering (including bribery) to the authorities. We take these obligations extremely seriously and our internal policies and procedures reflect this. Beyond our legal obligations, we respect and support the UN Convention against Corruption and Organisation for Economic Co-operation and Development (OECD) Convention on Combating Bribery.

Further, as a signatory to the UN Global Compact we are committed to working against corruption in all its forms, including extortion and bribery. We will be implementing new firmwide policies and procedures on bribery and corruption as part of a new internal code of business practice when the UK Bribery Act 2010 enters into force.

07

Regional highlights

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Our commitment to CSR is a global one and all our offices around the world have a part to play. By actively sharing CSR knowledge and experience across the network, we are able to further embed CSR into our business strategy, meet our objectives and maximise our impact.



‘As a global NGO, called on to respond at short notice to crises all over the world, we value the ability to call on a global law firm that can see the big picture and bring in legal expertise where it is most needed.’

Joss Saunders, company secretary and general counsel, Oxfam UK

‘Choosing how to contribute to the wider community is fundamentally something for the individual. But working as a team we can concentrate our efforts and look for ways to make a greater difference. Every Freshfields office now plays its part, and our work for good causes has the additional benefit of bringing us closer together as a firm.’

Our charitable work is growing quickly in the Middle East. Importantly, such efforts allow our people – especially ex-pats – to get closely involved with the local community and learn more about ethical and moral views in the region.’

Shanel Hassan, personal assistant, Dubai.

‘Working with the Legal Outreach programme in New York – which helps students from middle school through college to provide them with legal skills and knowledge – has been both challenging and gratifying. It has also been a lot of fun.’

Shellka Arora, associate, New York.

Asia



Almost

400

people working
in six offices

Emissions of

1.9

tonnes CO₂e per employee

Over

2,730

hours contributed to
volunteering and pro bono
in 2009/10



Our offices in Asia are building the foundations of strong pro bono relationships and are raising awareness of our impacts and responsibility to the environment.

Pro bono and community

In China, we provide pro bono advice to Global Hand, an initiative of the Crossroads Foundation that links commercial and non-commercial organisations in partnerships to address global issues. We advised on an agreement with the UN to make Global Hand's service available via the UN website. We have also supported the Crossroads Foundation through community volunteering days. Further pro bono relationships have been developed with the Hong Kong Refugee Advice Centre, Half the Sky Foundation and Accion International, a provider of microfinance.

In Tokyo, our recent community and charitable activities include a charity soccer competition in aid of a women's shelter and orphanage in Japan, a child welfare scheme in Nepal, volunteering with the Wheelchair Access Map Project and a charity run.

In Vietnam, we have continued to work with Operation Smile (helping children with facial deformities) and the Blue Dragon Children's Foundation (providing accommodation, healthcare and food for street children) by offering pro bono advice, volunteering and donations. Pro bono relationships have also been developed with the Red Cross, Save the Children and the Clinton Foundation.

Environment and climate change

Our Tokyo office has stepped up its environmental efforts since our last report. To create a more energy and resource-efficient office, it has replaced plastic cups with mugs, discontinued the use of bottled water, improved waste management, increased double-sided printing and reduced office temperature.

In Vietnam, our efforts to reduce local energy and resource consumption have included switching off electrical equipment and lights in the evening, turning off air conditioning on Saturdays, avoiding the use of bottled water, increased double-sided printing and encouraging telephone conferencing in place of travel.

In China we have been promoting low carbon technology, for example through our work on China's largest merger and acquisition deal of 2009: GCL-Poly Energy's acquisition of solar cell parts manufacturer Jiangsu Zhongneng Polysilicon Technology Development.

Middle East



Over

40

people working
in three offices

Emissions of

4.8

tonnes CO₂e per employee

Over

462

hours contributed
to volunteering and
pro bono in 2009/10



Despite their relative youth, our offices in the region are making good progress in their pro bono and community activity, and are working hard to reduce their carbon footprint.

Pro bono and community

Our UAE offices have recently started an internship aimed at widening participation in the law by providing work experience opportunities for UAE citizens. This type of initiative is essential because the involvement of UAE citizens in the private sector is currently very low and the Gulf Cooperation Council has recognised that higher levels of involvement are key to future development. Our Bahrain office has forged links with the University of Bahrain and the Crown Prince International Scholarship Programme to set up a similar scheme there.

In Dubai, Freshfields has been approved as a Volunteer Law Firm on the recently established pro bono scheme run by the Dubai International Financial Centre (DIFC) courts. This is the first scheme of its kind in the region and allows individuals who cannot afford a lawyer to get free advice and representation.

Fundraising is a strong theme for our Middle East offices, with Habitat for Humanity being the main beneficiary in 2009. Following the success of this campaign, a new initiative has now been launched in which a different charity will be chosen each quarter, with projects being suggested by each office in rotation. The timing of the launch was co-ordinated with the month of Ramadan, in which charity is an important element. Other projects to benefit from our fundraising efforts and volunteering include Care Packages for Labourers, Helping Hands and Friends of Cancer Patients.

Environment and climate change

Our Middle East offices currently have the highest carbon footprints per capita in our network, but have been striving to tackle this through raising awareness and encouraging our people to save energy. They have also been promoting the use of conference calls in place of meetings to reduce unnecessary travel.

Our offices in the UAE have signed up to the Emirates Environment Group, which promotes recycling and gives people the opportunity to volunteer for 'Beach Clean' days.

Europe



Over

4,600

people working
in 16 offices

Emissions of

4.6

tonnes CO₂e per employee

Over

44,498

hours contributed
to volunteering and
pro bono in 2009/10



With a significant number of offices in Europe, we have seen considerable success across a number of CSR areas, notably in community and pro bono activity, environmental awareness and practices to promote diversity.

Pro bono and community

Two of our Viennese associates are representing Lawyers Without Borders at the UN in Vienna. This initiative includes giving legal training to judges and lawyers in Liberia to combat human trafficking, improve prosecution efforts and generally overcome barriers related to the topic.

Since becoming a pro bono legal adviser to European Citizen Action Service in 2005, our Brussels office has worked on a number of mandates. One of the most recent of these has been supporting the preparation of a report, *Mind the gap – towards better enforcement of European citizens' rights of free movement*, which addresses the gap between the legal framework providing the right of free movement and the way it is applied.

Our Paris office has seen a 6.5 per cent increase in participation in community and pro bono activities since our last assured report. We have established partnerships with a number of local community organisations such as Unis-Cité and IMS-Entreprendre pour la cité, enabling them to offer a range of volunteering opportunities for both legal and non-legal staff. We have also developed relationships with Oxfam, The Alliance of Lawyers for Human Rights and Droits d'Urgence through our pro bono work.

Our German offices have developed a multi-faceted relationship with the START Foundation, a scholarship programme for students from a migrational background. This included job orientation workshops at our offices, financial support and pro bono work for the Foundation and its alumni organisation. Examples of our pro bono work include helping UNICEF claim an inheritance due to them, advising streetfootballworld, an organisation that uses football to effect social change, on its corporate structure, and Resist to Exist, the organisers of Berlin's biggest music festival against right wing violence, to successfully run the event.

Our Amsterdam office has been advising various charity organisations on the establishment of corporate structures as well as on issues of corporate governance, including Stichting Leerorkest, which helps disadvantaged children to learn a musical instrument, and Stichting Coach4You, which supports teenagers moving from primary to secondary schools.

Our Spanish offices were among the first to develop a relationship with Oxfam. Most recently they have been advising Intermon Oxfam Spain on legal and contractual aspects of their service agreements with companies organising their Trailwalker event.

In London, we have piloted a new and highly innovative scheme to enable workplace donations of clothing, books, music and more. Oxfam Collects is designed to overcome the main problem people have when donating such items - getting to the shop when it's open. Oxfam collects, sorts and sells the donations and then reports back to donors via e-mail every few months to let them know how much their donations have raised. Oxfam Collects also allows Oxfam to claim Gift Aid on donations, increasing their value by 28 per cent. The Freshfields pilot was so successful that it raised over £15,000 and has now been made permanent. The scheme is currently being rolled out to other workplaces across the UK by Oxfam.

Climate change and the environment

Our Brussels, Milan, Rome, Amsterdam, Düsseldorf, Hamburg and Frankfurt offices have all switched to renewable energy sources.

The London office has been working hard to reduce its environmental impact in a number of ways, including: reducing paper consumption; recycling food waste to make compost; dispensing with bottled water; using bio-degradable cutlery for staff catering; and increasing our recycling of old equipment such as BlackBerry's, toners, carpets and furniture.

Rome recently produced its own office green guide detailing some of the measures taken locally to reduce our environmental impact, such as increasing waste recycling, switching to double-sided printing, using energy-saving light bulbs, reducing water use and reducing travel.

Barcelona and Madrid have been raising awareness of environmental issues and encouraging changes to working practices. Barcelona has launched its own green guide and on UN Environment Day distributed reusable shopping bags. Other practical initiatives in Spain include the introduction of double-sided printing, switching off network printers and PC monitors overnight and reducing paper use.

In 2008, Paris trialled biodegradable cups and recycled paper (although a combination of issues, including high costs, ultimately made these initiatives unviable). The office continues to use FSC-certified paper and has switched from bottled water to filtered still and sparkling tap water for meetings – saving an estimated 15,000 waste plastic bottles and cans a year. A new low-energy lighting system was recently installed throughout the office, which we anticipate will result in significant energy savings going forward.

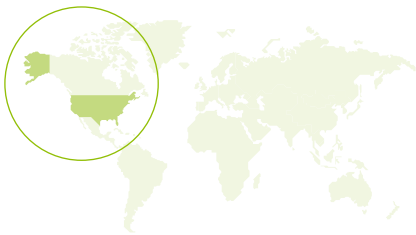
People and diversity

In November 2008, our German offices signed the Charter of Diversity, a German government project led by the chancellor. It represents a fundamental commitment to treating people fairly in business organisations. All our people in Germany take part in online anti-discrimination training. We have also introduced tailored training programmes for lawyers to increase breadth of skills including: Law and Business (which includes risk management and CSR); Personality and Expertise; and Management and Leadership. Improvements have also been made in the training for Business Services with the launch of IT skills and compliance training.

In our London office, we have had active LGBT and parents' networks for several years. We are members of InterLaw, an inter-organisational forum created in 2008 for the LGBT networks in law firms and all personnel in the legal sector, including in-house counsel. We are also trying to encourage people from under-represented groups to think of a career in the legal sector through our work with a number of organisations. Activities include: sponsorship of programmes to increase awareness among black, Asian and minority ethnic students of career opportunities in the legal profession; co-hosting a programme of events to launch the Attorney General's Youth Network; The City Solicitors' Education Trust Summer School; Sutton Trust Pathways to Law programme and Lawyer2B Year 12 Careers Day; and, in 2010, we are taking part in the Legal Launch Pad programme run by the Black Lawyers' Director.

Our Brussels office established a Women's Network in 2009, which will be extended to Paris by the end of 2010.

US



Almost

180

people working
in two offices

Emissions of

2.7

tonnes CO₂e per employee

Over

8,637

hours contributed to
volunteering and pro bono
in 2009/10

The US traditionally has a high level of involvement in pro bono activity and has experienced a significant increase in hours contributed since our last assured report. This is primarily thanks to increased promotion of pro bono work and the expansion of our US litigation team. Our people there are continuing to actively participate in the promotion of diversity, inclusion and engagement in our environmental efforts.

Pro bono and community

Our lawyers in New York and Washington, DC have been advising the Special Court for Sierra Leone (SCSL), a hybrid criminal court created by a treaty agreement between the UN and the Sierra Leone government. Our international arbitration team prepared a report for the SCSL and UN addressing issues on how this model of transitional justice should come to an end, and how any residual issues that might arise following the court's closure in 2010 will be addressed. Another project involved interpreting Kosovan microfinance laws to allow further growth of the sector, and working with Human Rights First to defend a Guinean asylum seeker.

Community investment activities in the US have focused on helping young people overcome inequality of opportunity and helping the hungry and homeless. Relationships to further these aims have included NY Cares, the DC Central Kitchen and Habitat for Humanity.

People and diversity

Our New York and Washington, DC offices actively participate in a number of hiring, recruitment and developmental programmes promoting diversity and support outreach to under-represented communities. These include:

- working with organisations aiming to increase opportunities in law for young people from diverse backgrounds such as Legal Outreach, the Thurgood Marshall Legal internship programme and PALS (Practicing Attorneys for Law Students) mentoring programme;
- participating in the Women's Infrastructure Network (WIN), co-founded by a partner from our New York office and KPMG, which acts as a forum for women in the infrastructure sector to network, exchange ideas, and shape the US agenda in this field;
- participating in the Minority Corporate Counsel Association (MCCA), which advocates the expanded hiring, retention and promotion of minority lawyers in corporate law departments and the law firms that serve them; and
- acting as counsel to Greenwell Foundation, an organisation dedicated to providing universally accessible and inclusive programmes, services and facilities for all community members, with and without disabilities.

For 2011, we will look to participate in programmes focused on the lesbian, gay, bisexual and transgender (LGBT) community. A US diversity committee has been established to promote greater inclusivity and diversity and co-ordinate initiatives to achieve this end.

The US offices have access to the firm's employee assistance programme, which provides confidential counselling services for employees and their immediate family members, to help them deal with personal and/or work-related problems. It also offers a host of concierge-type services, all of which are voluntary, confidential, and free of charge.

Environment and climate change

Our New York and Washington, DC offices have seen a significant decrease in their CO₂ emissions since our last assured report, which may partly be related to a decrease in travel as a result of improved videoconferencing capabilities.

Both offices have established green teams to raise local awareness, promote engagement and lead efforts to reduce paper, waste and electricity consumption. Initiatives in Washington, DC include introducing china mugs rather than paper cups and using recycled paper for all internal printing. Members of the New York green team recently co-operated with our landlord on obtaining Leadership in Energy & Environmental Design (LEED) certification (an internationally recognised green building certification system) for our office building.

Our US human resources department is encouraging job applicants to submit applications via our US recruiting website to reduce paper submissions. They are also participating in a programme sponsored by Harvard Law School that seeks to reduce waste in the on-campus interviewing process and to offset the carbon emissions attributable to Harvard law students visiting our offices for interviews.



08

Performance
and reference**In this section**

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Our CSR report is intended to illustrate how the firm is meeting its CSR principles and objectives to new and existing clients, our employees, those considering a career at Freshfields and other interested parties. It demonstrates our continuing commitment to responsible business practice and helps us to identify areas for improvement. Reporting also allows us to communicate our progress against the Ten Principles of the UN Global Compact (as we are required to do).



Our report is independently assured by Corporate Citizenship in accordance with the AA1000 assurance standard

We value our pro bono and community contribution in strict accordance with the London Benchmarking Group standard

Our carbon data has been independently checked by Greenstone and The CarbonNeutral Company

‘In our opinion, the Freshfields Bruckhaus Deringer LLP corporate social responsibility report 2010 reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness.’

Corporate Citizenship, November 2010

About this report

Our report focuses on the topics we have identified as most material to our business. We define materiality by assessing the degree to which an issue is relevant to our business, taking into account our geography, the extent of our influence on the issue and its potential impact on our operations or key stakeholders. This enables us to develop appropriate strategies based on both current and emerging trends.

We usually report on our CSR performance annually, but due to recent changes to our CSR structure and strategy we did not produce an annual report for 2008/09. The data in this report therefore covers the financial years 2008/09 and 2009/10. Unless otherwise indicated, the scope of this report includes all firmwide operations and we have sought to address the full range of our material economic, environmental and social impacts.

We continue to be guided by the Global Reporting Initiative (GRI) principles, to the extent that they are relevant to our business, and have used AA1000 international assurance standard as a reference point to ensure that we provide information on our social and environmental impact in a systematic way.

Our community and pro bono data has been reviewed by the London Benchmarking Group. Corporate Citizenship has again independently assured our report.

Carbon footprint assurance

Our total carbon emissions for the period May 2005 to April 2010 were calculated using the Greenhouse Gas Protocol (GGP) conversion factors. Our data has been independently checked by Greenstone and The CarbonNeutral Company. For the purposes of calculating our carbon footprint per capita, we have included contractors, self-employed individuals and agency staff who work in our offices.

The way in which we calculate our carbon emissions has changed since our last report in 2007/08.

In June 2008, the UK Department for Environment, Food and Rural Affairs (Defra) announced that, with effect from the 2008/09 financial year, green electricity must be treated in the same way as average grid electricity for CO₂ reporting purposes in the UK. All UK data in this report has been backdated to reflect this rule change and make the data comparable.

Before the rule change, green electricity was treated as having zero CO₂ emissions for reporting purposes. This meant that 85 per cent of our electricity use in London was rated zero CO₂ for reporting purposes (with the other 15 per cent being treated as average grid electricity). The new rule means that 100 per cent of our London electricity use must be treated as average grid electricity (even though we now use 100 per cent green electricity).

This development results in a significant increase in our UK recorded absolute tonnes of CO₂ and transforms the firmwide profile of our carbon footprint. Previously, emissions from firmwide business travel and electricity use were approximately equal, but as a result of the new UK rules, electricity use is now by far our largest impact firmwide.

To illustrate the impact of the rule change, in our 2006/07 CSR report (which predates the rule change and the changes to our reporting methodology) our firmwide carbon footprint was 19,273 tonnes of CO₂e. Taking into account the effect of the rule change, and the changes to our reporting methodology, our 2006/07 footprint increases to 33,402 tonnes of CO₂e firmwide.

As we are part of the Legal Sector Alliance (LSA) on climate change, we report our London office figures separately using the bespoke LSA methodology we helped to develop. LSA membership varies from large international firms such as ours to small regional firms, so to make things accessible for all members the LSA tool is less complex than the internationally recognised GGP method we have used for this report. Therefore, there are differences in the reported data as shown in the table opposite.



	2007/08 Tonnes of CO ₂ e reported	2008/09 Tonnes of CO ₂ e reported	2009/10 Tonnes of CO ₂ e reported
Carbon footprint for our London office (GGP)	15,961	15,890	14,398
Carbon footprint for our London office per capita (GGP)	6.72	6.61	6.33
Carbon footprint for our London office (LSA)	16,270	15,904	14,790
Carbon footprint for our London office per capita (LSA)	6.82	6.79	6.5

Assurance statement

Freshfields Bruckhaus Deringer LLP (Freshfields) has commissioned Corporate Citizenship to provide external assurance and a commentary on its corporate social responsibility report 2010.

The scope of our assurance

The assurance provides the reader with an independent, external assessment of the report and, in particular, with how it corresponds with the AA1000 standard.

Freshfields has chosen to use the AA1000 assurance standard (AA1000AS) 2008. Our assurance is a Type 2 assurance as defined by the standard, in that it evaluates the nature and extent of adherence to the AA1000AS principles of inclusivity, materiality and responsiveness and assures the behaviour of the organisation as reported here. Our assurance used disclosed information as its starting point and then investigated the underlying systems, processes and sustainability performance information to arrive at its conclusions.

The level of assurance offered is moderate as defined by AA1000AS (2008). That is to say, our work obtained sufficient evidence to support the statement that the risk of our conclusion being in error is reduced.

In conducting the assurance, we have had consideration to the Global Reporting Initiative Principles for Defining Report Content and Ensuring Report Quality.

Freshfields is responsible for the contents of the report, Corporate Citizenship for its assurance.

Opinion and conclusions

In our opinion, the Freshfields Bruckhaus Deringer LLP corporate social responsibility report 2010 reflects the principles of AA1000 (2008): inclusivity, materiality and responsiveness. Where there are exceptions, we reflect on these in our commentary below. We also provide feedback that can help the company and its stakeholders identify where its reporting can be strengthened in future.

Commentary

A corporate social responsibility report is an opportunity for a business to demonstrate how it manages its impact on society and how it takes account of, and engages with, a range of different stakeholders to inform its management of core issues. Open about any shortcomings, it should show how the business is listening, learning and improving.

The Freshfields corporate social responsibility report 2010 sets out a vision to be the leading socially and environmentally responsible international law firm. In 2009, Freshfields became the first law firm to participate in the United Nations Global Compact, committing the firm to live out and report on the Compact's ten principles.

This report provides an account of progress over 2009/2010 on the firm's CSR commitments worldwide. Readers will find an update on performance for each of the issues it has identified as material to its business – people and diversity, environment and climate change, community and pro bono and risk management in client work – as well as further actions Freshfields will take in 2011 and beyond. The report also provides a more in-depth picture of how social and environmental issues are managed through a structure of senior-level oversight and issue-specific working groups.

Our specific comments in relation to the three principles of AA1000 are as follows:

Inclusivity: Does the firm accept a responsibility to those on whom it has an impact, and does it enable their participation in identifying issues and finding solutions?

Through its own vision and principles, and its commitment to the United Nations Global Compact, Freshfields accepts a responsibility to conduct itself with regard to the impact its activities have on its stakeholders.

The report provides evidence that Freshfields is active in seeking the participation of its stakeholders. It is an active member in organisations, such as the Legal Sector Alliance, that seek to drive forward the social and environmental performance of the sector as a whole. With employees in particular, the firm has proactively sought feedback through the employee engagement survey and the tailored corporate social responsibility survey it conducted.

The firm also obtains feedback and requests from its clients on social and environmental performance. Individual client managers respond to these through their ongoing client relationships and when new mandates are sought and obtained.

In future years, we encourage the firm to develop a more structured approach to seeking feedback and participation of stakeholder groups such as clients, local communities and suppliers in the formulation of their strategy and activities, and to use the CSR report to demonstrate how this has been acted on.

Materiality: What are the issues that really matter to the firm's sustainability performance?

Freshfields has clearly identified the issues that it regards as material to its social and environmental performance.

The report provides a discussion on the actions it is taking to address the key issues relevant to its business and its industry. For example we have found evidence of a clear strategy on diversity in the workplace, with structures and systems in place to review and prioritise the various facets of diversity and implement activities to improve the firm's performance.

The firm has demonstrated a clear strategy and successful approach to increasing the engagement of its employees in pro bono activity, a crucial way in which the firm contributes to enhanced social and environmental impact through its core competencies.

On environment and climate change, the firm also demonstrates a commitment to measuring and managing its carbon footprint, and has achieved a significant reduction in carbon emissions over the past three years.

In mapping the impacts of a law firm, one critical aspect must be the core work of business in providing legal advice. We look to future reports to provide more disclosure of how its approach to accepting client mandates ensures they are compatible with its values and principles and the external CSR commitments it has made.

We encourage the firm to develop a more structured and formally integrated process to identify the issues that are material to the firm.

Responsiveness: has the firm put in place the policies, targets, management processes, engagement, measuring and reporting needed to address material issues?

Freshfields demonstrates responsiveness through the engagement activities it has undertaken as well as the policies it has in place on key issues such as flexible working. The report provides a clear picture of the progress it has made, areas where commitments were not achieved and future commitments on each key topic. The report is open about areas where more robust measurement and targets are required, such as health, safety and wellbeing and some aspects of environmental performance. We look forward to future reports demonstrating progress on these.



Corporate Citizenship
London
29 November 2010



AA1000
Licensed Assurance Provider
000-16

To understand more about the methodology behind this assurance statement, please go to www.freshfields.com/aboutus/csr

UN Global Compact Principles table

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



Issue areas	GC Principle	Reference
Human rights	Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights.	Human rights and collective bargaining (page 16). Promoting human rights and the rule of law (page 26).
	Principle 2 – Businesses should make sure that they are not complicit in human rights abuses.	Human rights and collective bargaining (page 16).
Labour	Principle 3 – Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Human rights and collective bargaining (page 16).
	Principle 4 – Businesses should uphold the elimination of all forms of forced and compulsory labour.	Human rights and collective bargaining (page 16).
	Principle 5 – Businesses should uphold the effective abolition of child labour.	Human rights and collective bargaining (page 16).
	Principle 6 – Businesses should uphold the elimination of discrimination in respect of employment and occupation.	Equality (page 18).
Environment	Principle 7 – Businesses should support a precautionary approach to environmental challenges.	Climate change and the environment (page 32).
	Principle 8 – Businesses should undertake initiatives to promote greater environmental responsibility.	Using our legal skills (page 34). Involving our people (page 34). Advocacy and collaboration (page 34).
	Principle 9 – Businesses should encourage the development and diffusion of environmentally friendly technologies.	Using our legal skills (page 34).
Anti-corruption	Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.	Anti-bribery and corruption (page 41).

Read more about our approach to CSR at
www.freshfields.com/aboutus/csr



More to life...

We are a law firm, of course. People join us to become involved with some of the most complex, testing and innovative legal work. Giving the very best advice and service to clients is our primary motivation. **But there is more to our life here...**

Our lawyers and business services staff work hard and often put in long hours. They enjoy the excitement of working on big projects with other professionals who are experts in their fields. They are also interested in ensuring that they can develop their careers in the long term and that the work environment is supportive, collegiate and fun. That's why initiatives are being rolled out that aim to ensure we get the balance right between meeting the needs of our clients and ensuring that people are taking care of themselves and their colleagues.

Elsewhere we are making concrete plans to increase the diversity of our staff. Our priority this year is gender diversity and a firmwide programme in this area has been launched with the full support of the partnership.

Freshfields has grown its commitment to pro bono legal advice and charity work. On top of the hours and financial support the firm allots, our people use their time to help others. Not only is helping others the right thing to do, but work in this area improves us as a law firm. More and more among us are taking part – and those involved speak highly of the personal satisfaction gained from their efforts.

Behind these windows you can see just some of the things we are doing to improve life at our firm and contribute to the communities and causes around us.

»

 FRESHFIELDS BRUCKHAUS DERINGER

We welcome feedback on our approach to CSR. If you have any comments or questions about our CSR report, please email us at csrfeedback@freshfields.com

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