

Responsible business.

Linklaters



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

UN Global Compact – **Communication on Progress**



“In our first Communication on Progress, I am pleased to confirm Linklaters’ support for the ten principles of the UN Global Compact on human rights, labour, environment and anti-corruption. We are committed to making these principles part of the strategy, culture and day-to-day operations of our firm, and engaging in collaborative projects which advance the broader development goals of the United Nations.”

A handwritten signature in black ink that reads 'Robert J. Elliott'.

Robert Elliott, Senior Partner and Chairman

We recognise that virtually all activities in the legal sector have some impact on society and the environment. As a leading global law firm, we want our performance to be measured not only by our profitability as a business but also by our impact on the societies and environments in which we operate. As part of our commitment to be a responsible business, we launched our award-winning ‘Collective Responsibility’ strategy with the aim of embedding corporate responsibility in all that we do. This strategy is something that must be at the heart of our culture and underpins the spirit of the firm – who we are both individually and together. Examples of how we have embedded this strategy in the culture of the firm, across our global network of offices, can be found in our latest *Collective Responsibilities Report*.

Supporting the rule of law

The foundation of our work in this area comes from a belief that the rule of law is essential to human progress, underpinning economic activity and the development of societies across the globe. Our work is to enable the world of business – and through our pro bono activity, wider society – to benefit from the rule of law and the integrity, fairness and certainty that it brings. Linklaters is the proud sponsor of the British Library’s 2015 celebration of the 800th anniversary of the signing of Magna Carta. We are the sole sponsor of the unification of the four surviving original 1215 copies of the Magna Carta taking place at the British Library on 2 February 2015, and related activities during that week, and we are the lead sponsor of the British Library exhibition ‘*Magna Carta: Law, Liberty, Legacy*’ from March to September 2015, which explores the history and resonance of this globally recognised document, looking at its medieval origins through to what it has come to mean today.

Award successes

Lawyers at Linklaters are supported to develop their legal expertise through providing their specialist skills to not-for-profit organisations to enable them to innovate and expand. The firm won the Most Innovative Law Firm in the Social Responsibility category in the *European FT Innovative Awards 2014* for the launch of its International Governance and Development practice, for its commitment to good governance and pulling together expertise from across practices to improve governance standards, working on both a pro bono and a paid-for basis. In a pro bono engagement that has lasted for many years and involved many lawyers in a number of our offices, we have worked with B Lab developing new legal frameworks that help business to play a role in achieving positive social change and address environmental challenges. This pro bono project achieved recognition as ‘Standout’ in the category of social responsibility in the *North American FT Innovative Lawyers Awards 2014*.

Corporate responsibility at Linklaters

Corporate sustainability strategies and initiatives are governed at the highest level of our partnership by our global Corporate Responsibility Committee, which includes the Chairman and Senior Partner. This Communication on Progress has been approved at the highest level within the firm. We look forward to working further on these successes in the future as we continue to deliver on our commitment to be a responsible business.

Key contacts:

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Our progress in implementing the ten principles of the UN Global Compact

Human Rights

1. Linklaters supports and respects the protection of internationally proclaimed human rights.

As a leading global law firm, Linklaters is committed to excellence, aspiring to lead by example and conduct every aspect of our business with integrity. We aspire to apply the ten principles of the UN Global Compact and endorse the UN Guiding Principles on Business and Human Rights (the 'Guiding Principles'). We view this as an integral part of our collective responsibilities to our clients, our colleagues, the marketplace and society. We support the principles contained within the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. Linklaters' **human rights policy** is approved at the highest level, publicly available and communicated internally and externally. We will continue to implement this policy across the firm.

Advice to clients and training for lawyers

Linklaters has established a cross-practice Operational Intelligence Group which advises clients on issues such as the implementation of the Guiding Principles across large multi-national corporations and non-financial disclosure requirements in relation to human rights policies and considerations. We have provided legal training seminars to our lawyers in London. This training covered a number of topics including the practical steps required by businesses under the Guiding Principles, European and U.S. non-financial regulation on this topic as well as sectoral standards and voluntary principles. We have also provided legal training to our lawyers on key areas of international human rights law with a focus on understanding and application of human rights in practice, including international law human rights mechanisms. We will explore additional training and learning for our staff to increase their understanding of how human rights considerations are relevant to their work.

Pro bono matters

We are providing pro bono legal services for the United Nations and the UN Global Compact to support their long-term goals in the area of corporate sustainability including the role of business in supporting development objectives. Through our global pro bono practice, we support NGOs of all sizes who defend the rights and fundamental freedoms of vulnerable and marginalised groups. Linklaters supported the International Center for Advocates against Discrimination (ICAAD) on a pro bono project in relation to structural discrimination against women and minorities across ten countries. The objective was to create an interactive map to consolidate the legal analysis into a user-friendly and country-specific summary that can be used in conjunction with the UN Universal Periodic Review mechanism to identify and develop strategies for tackling structural discrimination globally. This project was 'Commended' in the category of Social Responsibility of the *European FT Innovative Lawyers Awards 2014* for its comprehensive support through research and analysis to help ICAAD in its fight against structural discrimination.

2. Linklaters makes sure that it is not complicit in human rights abuses.

Our firm

In line with the Guiding Principles, we strive to avoid causing or contributing to adverse human rights impacts on our people and in the running of our offices, including in supplier procurement, and to address such impacts when they occur. Our commitment extends to fostering a working environment that respects and protects internationally proclaimed human rights and avoids complicity in human rights abuses.

Our lawyers

We encourage our people to consider potential or actual adverse human rights impacts in their work. Our internal guidance on human rights at the firm provides for a proportionate discussion of actual and potential human rights impacts through our internal review processes as part of existing consideration of wider business risk and reputational issues, particularly for higher-risk areas.

Supply chain

Our suppliers are asked during a tender process to provide information and assurance across the topics of health and safety and labour. We will continue to trial methods of collecting and analysing human rights-related information from our suppliers.

Labour Rights

3. Linklaters upholds the freedom of association and the effective recognition of the right to collective bargaining.

We have a firm-wide policy in place that we maintain employment arrangements and agreements that do not prohibit or discourage freedom of association or collective bargaining. We will continue to implement their policy across the firm.

4. Linklaters upholds the elimination of all forms of compulsory or forced labour.

We have a firm-wide policy in place that we will not use, be complicit in, or knowingly benefit from forced or compulsory labour. We will engage our people on the basis of recognised partnership, employment, collaboration and consultancy arrangements established through national law and practice.

5. Linklaters upholds the effective abolition of child labour.

We have a firm-wide policy in place that we will not use, be complicit in, or knowingly benefit from child labour. In the UK, our Sustainable Procurement Policy integrates economic and social considerations into procurement, and recognises the importance of responsible supply chain management and being sensitive to the ability of responsible purchasing to effect positive change. We endeavour to work with suppliers who have due regard for social issues such as employment conditions and welfare, and who adopt approaches that are consistent with the firm's approach with respect to their operations, employees and supply chain.

6. Linklaters upholds the elimination of discrimination in respect of employment and occupation.

Diversity and inclusion (D&I) is a strategic priority for the firm. We are committed to providing equal opportunity to everyone in all aspects of work, including: recruitment, selection, training, promotion, redeployment, performance improvement measures, disciplinary and grievance procedures, redundancy situations and terms and conditions of employment. The firm opposes all forms of unlawful discrimination. We believe that individuals should be treated according to their merits and that employment-related decisions should be based on objective job-related criteria.

Global diversity and inclusion

Our Global D&I Strategy and Action Plan help us to give people an enhanced understanding of D&I through training and communications. Our strategy is developed by our Diversity Manager and partners from across the offices and is championed by leadership, our committees and our people. It helps us to develop locally relevant initiatives in offices around the globe.

- > The Women's Leadership Programme 'Leading Lights' has been developed in conjunction with Cranfield School of Management for our leading female senior lawyers. The programme aims to increase the proportion of female partners who can act as role models in the firm.
- > Unconscious bias training is available to all of our staff.
- > The firm has an internal global whistleblowing policy which provides an internal procedure for employees to raise concerns in the public interest and protects employees against suffering any detriment as a result of making a relevant disclosure.

We aim to further promote D&I initiatives more broadly across the firm.

Diversity and inclusion in our London office

We are committed to increasing the visibility of the actions the firm is taking on D&I and to focusing on gender diversity throughout the employment cycle. There are a number of policies in place that support our D&I initiatives in our largest office including a flexible working policy and our approach to shared parental leave in the UK.

Through our London diversity networks, Linklaters promotes a culture of inclusion. These include: Allies Network, Black, Asian and Minority Ethnic (BAME) Network, Women@Linklaters, LGB&T Network, Christian Fellowship, Hindu Forum, Islamic Society, Jewish Forum and Family & Carers Network.

The Ally programme was launched in 2014, to visibly champion D&I and allows Linklaters' employees to support their colleagues and clients to actively live their values. Allies are people in majority groups who champion the rights of those in a minority.

- > **Focus on Social Mobility:** The firm's global community investment programme seeks to raise the aspirations of disadvantaged young people and uses the skills and experience of our people to help them achieve their goals. We work with PRIME, which supports access to the legal profession in the UK for young people, regardless of their background. We were appointed as Social Mobility Champions of the Social Mobility Business Compact by the Deputy Prime Minister in 2014 for our efforts in addressing varying levels of disadvantage in the legal profession.
- > **Raising awareness on the subject of disability and the workplace:** We participate in OPEN careers events and are members of the Graduate Recruiters Disability Café Club. We are founding members of the Interlaw Forum on Disabilities, a group of law firms across the city working together to break down the stigma of disability. We are also founding members of the City Mental Health Alliance, through which we work with leading disability charities, MIND and SCOPE.
- > **External benchmarking:** The UK National Equality Standard is the first standard developed by businesses to bring clarity and consistency to their efforts to tackle inequality and promote inclusion. Linklaters has become the first organisation to achieve this certification.

Environment

7. Linklaters supports a precautionary approach to environmental challenges.

Our practice

We believe our greatest contribution to today's environmental challenges is supporting fee-paying and pro bono clients in both managing their own environmental impacts and assessing and responding to climate-related legal risks. Our clients rely on the team's cutting-edge expertise in the environmental issues that will affect global trade for years to come. Our Environment and Climate Change practice advises clients on the scope and application of the Equator Principles, as well as lender's liability, ethical investment and corporate governance.

Our operations

We have identified our significant environmental impacts as our contribution to climate change through energy use and business travel, our use of resources, specifically paper, and our generation and disposal of waste. We measure, monitor and report our most significant impacts (energy use and business travel resulting in carbon emissions, waste generated and recycled, paper consumption and water use) and set objectives to reduce these annually. We report these publically into the Carbon Disclosure Project and as a complement to this are externally audited against both the ISO 14001 and VeriSustain requirements.

Our systems

Our certified Environmental Management System (EMS) ensures we assess environmental risk and address those environmental aspects which are of greatest significance to our operations. This system provides us with the structure to identify the legislative requirements applicable to our operations globally and build upon these using the skill and expertise of our in-house environment and operations teams. We have a firm-wide Global Environmental Policy, the pillar of our EMS, in which we commit to minimising the potentially harmful effects our operations have on the environment and to maximising the benefits through a programme of continuous improvement in our environmental performance.

8. Linklaters undertakes initiatives to promote greater environmental responsibility.

We aim for best practice, and as a result, have been early adopters of a number of initiatives which reduce our impacts on the environment. Examples of these include being one of only two global law firms to have achieved ISO 14001 for our global operations and the development of our Energy Focused Maintenance for engineering teams we have influence over.

Raising awareness

We aim to raise awareness and staff engagement on environmental issues through effective internal communication. We celebrate the UN Environment Programme, World Environment Day, to engage our staff in all offices on pertinent environmental issues through our global network of over 125 environmental champions. We will continue to raise awareness about environmental responsibility across the firm. We are members of a number of industry groups in which we share best practice, co-operate and educate ourselves on areas we can improve. An example of this is our executive membership of the Legal Sector Alliance: Acting on Climate Change in which we collaborate with all those in the legal industry in reducing environmental impacts and promoting a sustainable future.

Collaboration with our clients

We collaborate with some of our clients and make transparent our carbon mitigation strategies, responding to sustainability benchmarking platforms, such as CDP and Ecovadis, and sharing progress. This ensures we are able to share our environmental responsibilities and also becomes an opportunity for us to drive forward sustainability in our own supply chain.

9. Linklaters encourages the development and diffusion of environmentally friendly technologies.

Our Environment and Climate Change practice advises clients on climate change, carbon capture and storage. The firm received the 2014 *FT European Most Innovative Law Firm in Finance Law Award* for its work on the Green Deal, Smart Metering and Thames Tideway projects, creating bespoke securitisation structures based on new regulatory frameworks to finance energy and infrastructure projects. The FT judges highlighted the Thames Tideway project for "its complicated and innovative financing structure".

We are committed to reducing our greenhouse gas emissions through improvements in the energy efficiency of our premises, including incorporating low-carbon technologies. We have invested in technologies which will reduce the energy we use in our operations. For example, in a bid to reduce business travel, we have implemented telepresence facilities in our Frankfurt, London, Hong Kong and New York offices. We have also enhanced our video conferencing facilities across our global network of offices. In recent times, we have measured that up to 54% of bookings in a 12-month period to use these facilities state that business air travel has been avoided as a result.

Anti-Bribery and Corruption

10. Linklaters works against corruption in all its forms, including extortion and bribery.

Operational Intelligence Group

The Operational Intelligence Group comprises a cross-practice team dedicated to addressing clients' regulation, risk and governance challenges in a holistic and a multi-disciplinary way. We advise multi-national clients, in the financial services sector and in the non-financial services sectors, on a range of issues such as anti-bribery, sanctions, anti-money laundering legislation and data privacy. We understand that our clients need us to be ahead of the game, so we work across practices and geographies to help clients track and assess trends, manage their 'licence to operate', mitigate risks to their business and demonstrate good governance.

International governance

Linklaters is a leader in governance and its particular challenges in emerging markets, having unique experience in navigating the relationships between public and private actors, and serving as fluent interpreters in complex environments. The firm's International Governance and Development practice hosts an annual seminar Advancing Good Governance in International Development, which brings together senior government officials, members of the not-for-profit community, academics and the private sector to discuss, and take steps toward solving, some of the greatest challenges facing the international development sector as part of the firm's Clinton Global Initiative Commitment to Action. On 5 September 2014, signatory organisers and delegates of the seminar urged the international community to make good governance a stand-alone goal in the post-2015 development agenda.

Rule of Law

Linklaters publicly supports rule of law and good governance. We were signatory to a letter to the UN Secretary General in relation to the post-2015 development agenda in which we expressed "our strong support for the continued inclusion of meaningful rule of law goals and targets. Improving access to justice, fighting corruption, combatting human trafficking, strengthening governance and promoting peaceful and inclusive societies are building blocks for both advancing and financing every aspect of the new development agenda". We will continue to engage with key stakeholders in working against corruption.

Another example of our support for the rule of law can be seen in an innovative and award-winning pro bono project. A team of over 200 lawyers completed the ambitious task of producing an indexed digest of the jurisprudence of Liberia from 1860 to 2012. Judges and lawyers in Liberia are now able to access, consider and build upon Liberian case precedent. This reinforces the rule of law which was severely disrupted during the political upheaval and civil wars. The digest marks the beginning of a new era in Liberian law by minimising the potential for inconsistent judicial decisions. The project serves as a replicable model of sustainability and best practice.

Global policies

We are committed to uphold the rule of law and to act with integrity in every jurisdiction in which we operate. Reports to a management committee of the firm contain an assessment of reputational risk including corruption risks. There are internal policies and processes in place where staff can raise anything they believe may have adverse reputational consequences for the firm in respect of anti-bribery and corruption.

Supply chain

Our suppliers are asked during a tender process to provide information and assurance on the topic of anti-bribery and corruption. Further, our standard terms and conditions with third party suppliers include prohibitions on bribery and requirements to comply with all national laws intended to prevent bribery and corruption. Linklaters will work towards including responsible purchasing principles in its global Sourcing Policy.

Our commitments for 2015

1. Linklaters will continue to implement its human rights policy and guidelines across the firm.
2. Linklaters will explore training and learning for its staff to increase their understanding of how human rights considerations are relevant to their day-to-day work.
3. Linklaters will continue to implement policies relating to labour rights across all our operations.
4. Linklaters will continue to trial methods of collecting and analysing human rights-related information from third party suppliers.
5. Linklaters will work towards including responsible purchasing principles in its global Sourcing Policy.
6. Linklaters will aim to further promote diversity and inclusion initiatives more broadly across our global network of offices.
7. Linklaters will improve its environmental management system following the revision of the Global ISO 14001 standard in 2015.
8. Linklaters will continue to raise awareness about environmental responsibility across the firm.
9. Linklaters will continue investing in environmentally efficient technologies and related improvements to our offices.
10. Linklaters will continue to engage with key stakeholders in working against corruption in different sectors.

Assurance: This Communication on Progress has been externally reviewed using independent proprietary methodology.

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