

UN Global Compact

Communication on Progress



“This is already our third Communication on Progress and I am delighted at how the pace of change has been maintained. On behalf of the firm, I reiterate the commitment of Linklaters LLP to the ten principles of the Global Compact. We remain committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our firm, not least through the lens of the Sustainable Development Goals which are now fundamental to how we recognise and address our responsibilities to the world around our business.”



Charlie Jacobs, Senior Partner and Chairman

This year, we have been working to share more of our policies and procedures online, appreciating the importance of public disclosure in building trust in our business. In so doing, we have also created new reference points which bring related but disparate material together for the first time. This has not only helped us to respond to client requests more fully but has also grown the understanding of our people as information becomes easier to find.

Clients remain a key influence on the communication of our activity and the questions we are asked in pitches, interviews or simply while doing our jobs provide us with a clear steer on where we should focus both our words and deeds.

Our adoption of the SDGs as a framework for our responsible business programme reflects a growing trend among clients and competitors which we see as a wholly good thing. The language of the SDGs, the clarity of their presentation and the focus of the targets and measures make this an attractive approach and we are pleased at how well-received this work has been among our people, many of whom had hitherto not appreciated how much our core business addresses many of the world's most pressing social, economic and environmental issues. Of course, there remains much more for us to do but within this “Communication on Progress”, we are delighted that there is so much progress to report.

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

Our [statement of intent on human rights](#) makes explicit our commitment and clarifies our ambition. The statement endorses the United Nations Guiding Principles on Business and Human Rights and supports the principles contained within the International Bill of Human Rights and the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. The statement is approved at the highest level, is publicly available and is communicated internally and externally. It remains under regular review, as does the extensive supporting material provided for additional internal guidance.

Our cross-practice [Operational Intelligence Group](#) continues to advise clients on developing human rights policies, due diligence, impact assessments and supply chain risk management. In particular, we advise many large multi-national corporations on the implementation of the Guiding Principles and on the non-financial disclosure requirements around human rights policies and considerations. Recent work includes assisting an energy company on human rights due diligence for the purposes of M&A transactions, advising a major ICT company on the design and implementation of a human rights compliance programme and designing a methodology for conducting human rights impact assessments in the defence sector.

We continue to provide pro bono advice on dozens of matters related to human rights every year. During 2016 these included:

- > through [A4ID](#), in-country training to commercial lawyers in Kenya to comply with, and advise their corporate clients on, the United Nations' Guiding Principles on Business and Human Rights. The training provided valuable networking and peer to peer learning opportunities between Kenyan and international lawyers and was successful in equipping lawyers with the knowledge and skills to improve corporate governance and enhance responsible business practices
- > collaboration with the Cambodian NGO [Hagar](#) to ensure child victims of trafficking, forced labour, sexual exploitation or other serious abuse are supported appropriately by court processes and not re-traumatised. Teams of lawyers across Bangkok, Hong Kong, Singapore and London and several alliance partner and "best friends" firms provided research on practical measures that best support children through legal processes against their abusers
- > seeking to promote the establishment of fair asylum policies and practices by contributing to the European Database of Asylum Law ("EDAL") across eight countries, to develop harmonised standards of protection across the EU and increase the consistency and quality of the interpretation of EU asylum law

Commitment: We will review our internal guidance to ensure it remains relevant and, in particular, the processes we have in place to monitor the firm's performance in addressing human rights risks. We are committed to sharing our commercial expertise pro bono and will continue to grow this aspect of our programme.

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

In line with the UN Guiding Principles, we strive to avoid causing or contributing to adverse human rights impacts on our people and, through the running of our offices, those who work for us through our supply chain. We also commit to addressing such impacts immediately should they occur.

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 as part of existing consideration of wider business risk and reputational issues, particularly for higher risk areas. Our Operational Intelligence Group has developed extensive expertise in articulating how multi-national corporations should address human rights in their operations, and we are asked increasingly to share this knowledge more widely through participation at conferences and through dedicated seminars.

This year we have raised the importance of human rights as an issue within our supply chain. To this end, we have published a [Sustainable Procurement Policy and Statement](#) which is available online. It sets out our commitment to responding to human rights concerns, not only in the selection of suppliers but also in their ongoing management. Though currently primarily focused on suppliers to our UK offices, we are exploring how best to make the approach global during 2017.

Commitment: We will maintain the momentum of recent work by establishing sustainable procurement as a norm across our office network and, with the help of internal experts, ensuring that our approach remains appropriate and effective.

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.

Commitment: We will continue to implement this policy across all of our operations.

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

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 forced, compulsory or child labour. We will engage our people on the basis of recognised partnership, employment, collaboration and consultancy arrangements established through national law and practice.

For several years, we have been advising clients on the implications of the UK Modern Slavery Act. Now in force, we have also been reviewing our own operations to ensure that we are complying with the new legislation, not only in setting out a policy, but also in monitoring our suppliers and by being prepared to take action where we have concerns. In 2016 we not only published our own [Modern Slavery Statement](#) (expanded, in fact, to cover broader human rights as well) but we also produced an [interactive guide](#) to the legislation which is freely available on our website. Our priority in this first year has been our highest risk supply chains in London, notably in catering (sourcing of food), merchandise and IT. We are extending the sectoral and geographic reach of this work in the coming year and will also consider tier 2 suppliers for the first time.

Again, pro bono activities support this principle:

- > lawyers in our Brussels office work with [Oasis Belgium](#), a non-profit organisation working on anti-human trafficking initiatives. It forms part of Stop The Traffik, an international NGO network involved in anti-human trafficking work. Our lawyers have compiled a legal toolkit relating to legal rights of Thai women who have been the victims of trafficking or are at risk of being trafficked on areas such as social and immigration rights
- > we led a cross-firm landscape analysis on behalf of NGO [Visayan Forum Foundation](#) of the rights of fishing industry workers across 14 jurisdictions, which will facilitate modern slavery conditions being addressed in the Philippines and elsewhere. Offices involved included Amsterdam, Dusseldorf, Madrid, London, Bangkok, Beijing, Shanghai, Singapore and Hong Kong
- > our report for Lawyers Without Borders on the legal and regulatory framework around [child labour in Nepal](#), was originally published in October 2015 and makes concrete recommendations for change to combat child trafficking, sexual exploitation and bonded labour. It has now been presented by Lawyers Without Borders to the Nepalese government

Commitment: We will continue to extend the reach of our modern slavery and human rights policy through our supply chain. We will maintain a commercial expertise in this principle and use that to inform our own practice as well as that of pro bono clients.

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

Diversity and Inclusion (D&I) is an ongoing strategic priority for the firm. Linklaters opposes all forms of unlawful discrimination. 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. We believe that individuals should be treated on their merits and that employment-related decisions should be based on objective job-related criteria such as aptitude and skills. Additionally, Linklaters is committed to ensuring that all professional dealings with third parties will be free from any discriminatory behaviours.

Our Global Diversity and Inclusion 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 Global Diversity Manager and Global Diversity Partners. It is designed to allow for greater visibility of local initiatives and, in so doing, encourages and supports offices in developing their own locally-appropriate responses.

We are committed to championing diversity. In 2015, we joined "Open For Business", a newly-formed coalition of nearly 20 international businesses partnering together to address the workplace discrimination experienced by people in the LGB&T community. We are proud to be one of the founding members of this initiative.

Within the firm, the Women's Leadership Programme "Leading Lights" has been developed in conjunction with Cranfield School of Management for our leading female senior lawyers (managing associates). The programme aims to increase the proportion of female partners who can act as role models in the firm. We are also pleased that almost all of our people have now received unconscious bias training, with bespoke sessions developed for specific jurisdictions and specific recruitment groups such as our Graduate Recruitment Panel and Partner Election Committee.

Naturally, the firm has an internal global whistle-blowing policy which is regularly reviewed to ensure that it provides the most effective means for employees to raise concerns in the public interest, while protecting them against suffering any detriment as a result of making a relevant disclosure.

In articulating our employee proposition, "Our Deal" highlights how individuals in the firm can give mutual support to one another and we provide a number of tangible ways of getting involved. In London, a range of groups foster an inclusive culture: the Allies Network, Black, Asian and Minority Ethnic (BAME) Network, Women@Linklaters, LGB&T Network, Christian Fellowship, Hindu Forum, Islamic Society, Jewish Forum and Family and Carers Network. We want to grow such networks elsewhere.

Raising awareness on the subject of disability and the workplace is important to us. In London, 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 also are founding members of the City Mental Health Alliance working with mental health NGOs MIND and SCOPE to bring visibility to this often invisible strand of diversity.

External benchmarking is a good indicator of progress, particularly in our larger offices. We were the first organisation to achieve the UK National Equality Standard and in the UK have also been recognised by the Times and Opportunity Now as one of the Top 50 Places for Women to Work. We want to retain such leadership and will use it to inspire similar success elsewhere.

Commitment: We want to reflect our recent D&I success in London with similar progress and recognition across our office network.

7. Linklaters supports a precautionary approach to environmental challenges.

Our firm-wide Global Environmental Policy commits us to minimising the potentially harmful effects our operations have on the environment and ensures we focus on a programme of continual improvement in our environmental performance. Our certified and globally implemented Environmental Management System (EMS) provides us with the framework to assess our environmental risk and manage those aspects which are of greatest significance.

By using the skill and expertise of our in-house environment and energy team, these issues are then addressed by setting objectives and targets against our most significant environmental impacts: climate change through energy use and business travel, our use of resources, specifically paper and water, and our generation and disposal of waste. By measuring and monitoring these impacts, we are able to report our progress publicly into the Carbon Disclosure Project (CDP), and our greenhouse gas emissions are externally assured against the CDP-recognised ISAE (3000) method. We have recently agreed to offset the unavoidable carbon emissions resulting from energy use, business travel and waste; recognising that while we will continue to reduce these emissions, immediate mitigation is required.

Commitment: We will maintain our commitment to global EMS certification as well as put in place carbon offsetting for our unavoidable emissions.

8. Linklaters undertakes initiatives to promote greater environmental responsibility.

We are one of only two global law firms to have achieved ISO 14001 certification of our Environmental Management System (EMS) comprehensively across our global operations. We aim to be early adopters and have pushed ahead with a number of energy efficiency initiatives (eg energy focussed maintenance rather than planned preventative maintenance) and implemented re-use programmes. We work with our staff and our suppliers to ensure the evolving green and circular economies prosper. Every year, we raise awareness by celebrating the UN Environment Programme's World Environment Day (WED), with the support of our global network of over 150 environmental champions. In 2016, 13 offices took part in a variety of ways ranging from meat-free and organic lunch options in Brussels to our daily media summary going paperless in Paris. A significant behavioural change initiative in London saw the implementation of a reusable take away scheme whereby staff are now charged for takeaway boxes. This scheme aims to reduce unnecessary waste resulting from the 148,500 such boxes consumed last year.

We share best practice, learn and exchange knowledge in being members of a number of industry groups. As executive members of the Legal Sustainability Alliance, we collaborate within the legal sector to reduce environmental impacts and promote a sustainable future. We supported and hosted the final of 2016's **LSA Student Debating Competition** in London.

Responding to our clients is critical to us and, through these relationships, we report both our environmental management and greenhouse gas performance. We achieved a B in the CDP supply chain module in 2016, are silver rated in the Ecovadis sustainability benchmarking platform (within the top 30% of 21,000 suppliers in 101 countries) and scored 100% for Environment within the CIPS Sustainability Index. We share our progress with our clients and use it to drive forward environmental responsibility within our own supply chain.

Commitment: We will continue to use World Environment Day to engage with our staff on environmental issues and promote local action. We will engage with our suppliers on the circular economy and be responsive to our clients' environment-related requests.

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

Linklaters' expertise in energy covers the full spectrum of renewables projects, including onshore and offshore wind, solar, biomass, biofuels, wave/tidal, geothermal, hydropower, waste and waste to energy. We support clients to achieve increasingly ambitious projects in the renewable energy sector, advising on the project financing of three biomass developments in the UK and on another seven biomass mandates in Europe. We also produced a guide to support our clients navigate the cross-border demands of the EU Energy Efficiency Directive 2012 energy audit requirements, where potential sanctions for non-compliance differ significantly across the EU Member States.

Our practice areas specialising in sustainable finance, climate change, product stewardship and environmental regulation and sustainable real estate support companies as they seek ever more innovative and practical advice from their lawyers.

Recent work includes:

- > advising the International Finance Corporation (IFC), a member of the World Bank Group on the issuance of its ground-breaking **Forest Bond**, a first-of-its-kind bond that gives investors the option of receiving their interest payment in either cash or carbon credits. The five-year bond raised US\$152m and will support IFC's private sector lending and help to prevent deforestation in developing countries by supporting the price of voluntary carbon credits
- > advising the sponsors on the construction and financing of the £2.6bn 588-megawatt, 84 turbine **Beatrice offshore windfarm**, a deal which represents the latest in a long line of offshore windfarms upon which Linklaters has advised. It follows hot on the heels of the £1.3bn project financing of the **Dudgeon offshore windfarm**. We are also currently advising on the UK's largest biomass transaction

We are committed to reducing our greenhouse gas emissions and improving our environmental performance through capital improvements in our premises, including incorporating low carbon technologies. One Silk Street, in the City of London, has undergone a number of retrofits over the years. Since 2005, the firm has invested almost £3.5m in a variety of energy efficiency upgrades, including: five new chillers; works to the boilers; new lighting and the associated controls; new air handling units; linking the building management system to both the lighting and comfort cooling systems (IQ controllers); and IT upgrades. These improvements have been recognised and shared, in a case study for the Mayor of London's Business Energy Challenge.

Telepresence facilities in our Frankfurt, London, Hong Kong and New York offices, combined with global video-conferencing facilities continue to provide an alternative to business travel. Over a period of three years, use of these facilities has increased by 60%, with further technology upgrades planned.

Commitment: We will continue to implement environmentally efficient technologies in our operations at every opportunity and willingly share our experience to encourage adoption of similar schemes by others.

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

Linklaters work in risk, regulation and governance addresses many of the most critical challenges faced by our clients. Our Operational Intelligence Group and the International Governance and Development Practices bring together a broad range of expertise, specialist knowledge, and innovative thinking to enable us to offer holistic advice to any given situation. Of particular note is the team's work advising on the application of anti-bribery frameworks in new and developing markets.

Recent matters have included:

- > undertaking a global compliance review for a multi-national heavy industrial company, including assessment of its compliance with anti-bribery and corruption laws and with safety, environmental and social regulations and permit requirements
- > advising a client in the defence sector in connection with UK Serious Fraud Office (SFO) and U.S. Department of Justice (DoJ) corruption investigations, and on Lord Woolf's review of compliance and ethics in the sector

We have further expertise in governance in international development and continue to run an **annual conference** on this theme. The 2016 seminar examined the many challenges, complexities, sensitivities, and ambiguities contained in SDG 16. It featured sessions on tackling illicit flows; on making progress with Goal 16 in contexts of conflict and protracted crisis; on balancing the Goal 16 themes of peace and security, on the one hand, and governance and development on the other; and on measuring progress with Goal 16. Over 100 policy experts, NGO leaders, government representatives and business people participated in the two days of debate and plans are underway not only to repeat the Oxford sessions once again in 2017 but also introduce other versions elsewhere.

In providing advice to clients on these themes, we must, of course, take steps to encourage our people to show leadership in every jurisdiction in which we operate. We have robust policies and procedures on anti-bribery and corruption and these are under regular review. Our people are encouraged to raise concerns quickly and confidentially, and our Risk function provides 24/7 support to our lawyers wherever they may be. In 2016 we brought together many of our policies into a single "Ethical Code" which included significant guidance on anti-bribery and corruption matters including whistle-blowing.

Commitment: We will use the recent uplift in internal awareness of "Our Ethical Code" to ensure that our advice to clients is reflected in our own response to bribery and corruption risk.