



HERBERT
SMITH
FREEHILLS

UN GLOBAL COMPACT COMMUNICATION ON PROGRESS 2018



COMMUNICATION ON
PROGRESS

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.

Statement

This is our second Communication on Progress report against the ten principles of the UN Global Compact ("**UNGC**"). Since becoming a signatory in October 2016, we have continued to increase focus and progress on our commitment and this report aims to inform that progress.

As our firm's Chair, I am extraordinarily proud of our people's efforts to contribute to and recognise the social context in which we work as a team, whether as lawyers or through other roles supporting our service to our clients and our own culture.

Like any other business, our firm can only succeed sustainably if our people feel motivated and proud of the work they do and the organisation they are part of. Specifically as a law firm and as professionals, we have wider responsibilities beyond the laws applicable to other businesses. In fact the values that being in a profession seeks to represent are part of the integrity and responsibility that motivate so many of our people.

We see our commitments to the UNGC principles and the Sustainable Development Goals ("**SDGs**") as aligned to our values and the sense of purpose our teams seek.

As for any complex group of people our culture is key in this regard, but it is neither static or as consistent as simple assertions or sweeping commitments can infer. If we are to take our social obligations seriously, as we are committed to doing, we need to be open about the challenges. We see compliance with the principles and a focus on the SDGs as something that we will continue to engage with, not as a new concept but building on the desire to contribute and to do the right thing, which we believe we must not lose sight of in competitive business environments. Combining the achievement of success which, will allow us to sustain a strong culture, with a values driven approach, is a continuous focus for us.

I hope you will enjoy reading about some of the ways in which we have pursued our commitment to the UNGC as part of that values driven goal.



James Palmer
Chair and Senior Partner
Herbert Smith Freehills LLP



Introduction

We operate from 27 offices around the world in most of the world's centres. We seek to provide outstanding service to our clients and at the same time a fulfilling place to work.

We believe that if we can be a good part of people's lives while they work for us, and support values driven activities, we will not only improve our own long term success, but also help our people to contribute to responsible activities in whatever else they do. Of course this is a challenge, but it is motivational and important for us, as a global law firm.

We hope to show with the following examples some of the ways in which we have pursued each of the principles.

Many of our staff become lawyers because of a sense of justice and social responsibility, and our extensive pro bono activities contribute to helping them pursue those purposes.

We understand that the principles are about how we conduct our core activities, and the values we seek to enshrine in our firm.

Principles



Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.



Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.



Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.



Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Sustainable Development Goals

We remain committed to aligning our work with the SDGs. Throughout this report, you will see examples of where our work incorporating the 10 principles of the UNGC aligns with the SDGs.



Human rights and labour

We recognise that we have a responsibility to respect internationally recognised human rights. We seek to conduct our activities in a manner that respects and supports the protection of human rights.

Our firm

We remain committed to educating our people about the risks our business faces in relation to modern slavery and human trafficking and about how these risks can be negated. In the last year, we continued to work with Anti-Slavery International to train our key people on these issues. We aim to provide further training on human rights to our people as appropriate.

In January, the firm signed the Fair Hiring Pledge, committing us to encourage our employees in Hong Kong to hire domestic workers fairly. Hong Kong's Fair Employment Agency is tackling forced labour at its roots by reinventing the typical agency hiring model and removing worker placement fees. Since its launch, the agency has placed over 1,800 workers and saved those workers US\$2.7 million in recruitment debt, the equivalent of 375 years of labour.

We have several policies that address our approach to identifying modern slavery risks and the steps to be taken to prevent modern slavery and human trafficking in our operations. These include:

- Responsible Procurement Policy
- Procurement Compliance Standards
- International Standards of Conduct
- Anti-Money Laundering Policy
- Whistleblowing Policy
- Anti-Bribery and Corruption Policy
- Human Rights Policy
- Diversity and Inclusion Policy



Our suppliers

As a professional services business, our supply chain predominantly consists of goods and services purchased to enable our people to deliver our services. The key categories we procure are property space, facilities management, HR, professional services and information technology. Our global procurement team based in London supports the sourcing and purchasing of goods and services across the firm.

We continue to consider that the risk of modern slavery and human trafficking being in our supply chain is low. Our evaluation of risk is based on the following:

- We place an emphasis on value rather than price alone in our procurement decisions.
- We do not typically have a policy of outsourcing. Where we buy outsourced services, the delivery locations are rated as low-risk, examples being London, Sydney, Melbourne and New York.
- Most of our offices are in low-risk locations.
- We have communicated our expectations to our key suppliers through our Procurement Compliance Standards.
- Our global procurement team is trained in modern slavery and human trafficking and has excellent knowledge of the global supply markets for each category of spend.
- We carry out a regular risk assessment of our global supply base, which confirms our view that the risk is low.

We analyse our spend with global suppliers annually so that we can:

- understand the extent of our global supply chain;
- inform our risk assessment approach with updated, accurate information; and

- identify potential risks outside our “core” offices and engage further with our suppliers outside the UK regarding modern slavery and human trafficking risks.

We have introduced a three-step process to assess and monitor the risks in our supply base. As part of this, we have implemented a third-party risk intelligence tool to identify risks such as modern slavery, human trafficking, and bribery and corruption. Through this information, we can identify high-risk suppliers and carry out further due diligence to decide what actions are needed to mitigate risk.

During the last 12 months, we have deployed a new global contract management system that enables us to view our supplier contracts in one place and more easily assess modern slavery and human trafficking risks. Alongside this, we have developed and introduced a new global Contract Management Policy and Framework for managing suppliers and contracts. We have trained our contract managers in the policy to help them to understand what actions they need to take to manage contractual and supplier risk.

We have continued to issue our Procurement Compliance Standards directly to many of our key suppliers, as well as to the balance of suppliers working with colleagues across our global network. If we discover a case of modern slavery within our supply chain, we will work with the supplier to implement corrective action or terminate our agreement with them.

We have also continued to seek agreement to our Master Services Agreement with key suppliers. Under this arrangement, the supplier warrants that it will comply with, and ensure that its agents, subcontractors and employees comply with, all applicable laws, enactments, orders, regulations and other similar instruments, including the Modern Slavery Act 2015.



Our clients

Our cross-disciplinary and global Business and Human Rights team has many years of experience advising clients in this field and includes both lawyers exclusively specialised in business and human rights and lawyers specialised in disputes, energy and infrastructure, mergers and acquisitions ("**M&A**"), crisis management, land rights and native title.

We advise and encourage our clients to:



Anticipate



Prevent



Mitigate and remedy



Communicate and monitor

human rights and labour rights risks in their businesses and supply chains.

For example, we have helped our clients:

- establish human rights policies and codes of conduct to ensure respect for human rights and labour rights in their activities and supply chains;
- perform due diligence on projects and target companies regarding potential human rights and labour rights impacts and their implications, supporting practical application of rights;
- understand and comply with best practices in supply chain management regarding human rights and labour rights, as well as comply with related reporting obligations (eg UK Modern Slavery Act, French law on the corporate duty of vigilance, California Transparency in Supply Chains Act, EU non-financial reporting);
- resolve disputes over alleged human rights and labour rights impacts through arbitration, litigation and non-judicial proceedings, including complaints before OECD National Contact Points;
- ensure operational-level grievance mechanisms are accessible and effective in delivering real and timely remediation to affected local stakeholders; and
- build knowledge among their executives, in-house lawyers and other employees.

"Internationally recognised
force in the developing
business and human rights
field"

CHAMBERS GLOBAL 2017

This year, we have provided business and human rights-related advice to clients across the following sectors:



The Business and Human Rights team also offers internal training, knowledge-sharing, communication and support across our practice areas and regions to help all of our lawyers encourage clients to respect human rights and labour rights in their activities and supply chains and identify, prevent and mitigate potential risks and impacts with which our work may be associated.

We have developed significant expertise in the field of business and human rights and operate at the forefront of ongoing dialogue in developing best practice.

We actively supported the development of the UN Guiding Principles on Business and Human Rights and regularly contribute to working groups and industry-led initiatives, including:

- participating in the International Bar Association ("IBA") Business and Human Rights Working Group (contributors to the IBA Practical Guide on Business and Human Rights for Business Lawyers and the IBA Business and Human Rights Guidance for Bar Associations);
- participating at the international and institutional level in debates and developments shaping the future directions of the field (through our involvement in OECD working groups and sectorial working groups, especially on banks and human rights, and mega-sporting events and human rights);
- raising the awareness to lawyers on business and human rights through active collaboration and conference with local bar associations, legal-sector roundtable discussion groups and partnerships on publications, surveys and training; and
- teaching about the theory and practice of business and human rights in universities in several jurisdictions.

We also recognise the necessity to attain the SDGs and will play our role in this when it falls within the scope of our assistance. For example, this year we engaged in the following activities.



Industry, Innovation and Infrastructure and Sustainable Cities and Communities

- We raised awareness about the main types of risks that investors and sponsors in an infrastructure project may face regarding businesses' responsibility to respect internationally recognised human rights and the rights of affected communities; and
- advised on national and international soft-law and hard-law risks and potential human rights implications of infrastructure projects in several jurisdictions.



Decent Work and Economic Growth

- We advised clients on issues of forced or bonded labour in the supply chain, including obligations and potential liability under national modern slavery legislation;
- led several pro bono initiatives on modern slavery and human trafficking, recruitment of migrant workers, licensing of third-party labour and base minimum standards for corporate conduct when hiring workers; and
- submitted an extensive response to the consultation paper released by the Australian minister for justice on a "Modern Slavery in Supply Chains Reporting Requirement."



Peace, Justice and Strong Institutions

- We participated in key legal thought leadership projects spanning:
 - a partnership with Thomson Reuters, contributing towards leading publications and knowledge-sharing on the French law on the corporate duty of vigilance;
 - roundtable groups convened by the British Institute of International and Comparative Law and UK Law Society's International Rule of Law Programme on Business and Human Rights (ongoing);
 - membership of the sounding board group for the development of The Hague Rules on Business and Human Rights Arbitration (ongoing); and
 - speaking engagements at universities and conferences, for example on protecting investors versus protecting human rights, including in international arbitration investment disputes.

"HSF has exceptional knowledge of the UNGP and its application for a range of clients in sectors including sports, infrastructure and banking"

CHAMBERS GLOBAL 2018

Diversity and inclusion

Inclusion refers to an environment that values diversity and enables people to be their authentic self in the workplace. Our inclusive workplace is the hallmark of a high-performance organisation and is characterised by openness, respect, equality and non-discrimination. We are not limited in our approach to diversity and have a range of initiatives across our organisation, including with respect to gender, race, age, religion and belief, sexual orientation, gender identity, disability and social mobility.

Our Leading for Inclusion strategy sits alongside the firm's Beyond 2020 strategy and is framed around the following four pillars:



Talent

We work to counteract unconscious bias in our recruitment processes and provide training for our people on overcoming unconscious bias, along with mandatory workplace behaviour training.



Clients

We have worked with clients to address current challenges that organisations face on topics including mental health and wellbeing, gender diversity, LGBT issues and disability.



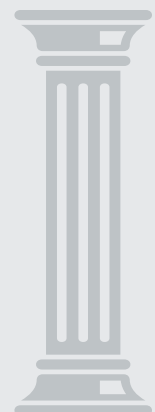
Innovation

We innovate for our clients and our business by contributing diverse perspectives.



Values

We are a values-driven organisation that aims to enable all our people to connect, collaborate, excel and lead within the context of our inclusive culture.



Pro bono

We are committed to using our expertise, resources and leadership to deliver social impact through our global pro bono practice. In this work, we prioritise vulnerable groups within society that may be at risk of marginalisation or systemic disadvantage. In the financial year 2018, we provided over 63,000 hours of legal support to our pro bono clients globally. We undertake all pro bono legal work with the same degree of competency, expertise and professionalism as we do any other legal work.



Access to justice

- We partner with The AIRE (Advice on Individual Rights in Europe) Centre to prepare written advice in response to queries from low-income EU migrants and their families on their residency rights under EU law. We also partner with the Prisoners' Advice Service to provide similar written responses to UK prisoners requesting advice on prison law.
- We assisted Women's Legal Service Victoria in collaboration with Lander & Rogers with a law reform project that aims to improve access to justice for women with small property claims in family law. Our lawyers provided research assistance, interviewed clients, and transcribed and analysed transcripts of client interviews.



International development

- In 2010, we established Fair Deal Sierra Leone, the first large-scale pro bono facility offered by a law firm in support of one country's development efforts. Through the initiative, we harness our international and cross-practice experience to deliver free expert legal support to the Government of Sierra Leone ("GoSL") in support of responsible inward investment and the rule of law. In particular:
 - In collaboration with Standard Chartered Bank and Prudential, and supported by the UN, we prepared and continue to update the Sierra Leone Investor Guide, an independent, private-sector view on the investment climate in Sierra Leone.

- In March 2017, we organised the first Sierra Leone Commercial Law Summit, involving 90 leaders from business, government, the judiciary, and legal and diplomatic sectors to map out reform priorities that promote responsible private-sector development in Sierra Leone.
- Four of our lawyers have been seconded to GoSL and, in the last year, the first GoSL employee undertook a secondment to our London office.



Labour rights

- Our lawyers provide written responses to requests for advice received by the charity Working Families, the UK's leading work-life balance organisation. The charity helps working parents and carers and their employers find a better balance between responsibilities at home and work, advising on employment rights such as maternity and paternity leave, rights to time off in an emergency and pregnancy discrimination cases.
- We helped NGO Focus on Labour Exploitation ("FLEX") to extend its labour exploitation accountability hub to Australia. In 2016, we advised on a research project looking at forced labour laws, policies and enforcement mechanisms across 15 jurisdictions. Our offices are continuing to assist FLEX with updates to the hub.



Human rights

Herbert Smith Freehills and Justice Connect Homeless Law have collaborated closely on an outreach legal clinic at the Melbourne City Library as part of the Women's Homelessness Prevention Project. Our lawyers and trainees represent and provide ongoing assistance to clients in relation to evictions and other tenancy legal issues such as housing debts that are barriers to safe housing.

- We have been partnering with the Public Interest Advocacy Centre in its Sri Lanka transitional justice work by providing solicitors to assist with a conflict-mapping project.
- We set up the Herbert Smith Freehills Asylum Seeker Clinic in Sydney in partnership with the Refugee Advice and Casework Service to respond to the urgent need for lawyers to assist asylum seekers with their statements.



Social impact investment

Through our social investment practice, HSF Impact, we advise a range of social enterprises, impact investors, social finance intermediaries and impact funds. This year alone, we have assisted over 20 sustainable investment clients. This included:

- assistance for Ghanaian agribusiness Yedent in transforming its corporate structure and, thereby, attracting international investment. Yedent produces and distributes healthy and affordable cereal foods for schools, hospitals and communities in Ghana, Africa and beyond. We continue to advise Yedent on its development as a business and social enterprise; and
- support for Beam, the world's first online crowdfunding platform to fund employment training and source stable paid employment for homeless people. In its first 10 weeks, Beam raised over £20,000 from more than 500 supporters and received start-up funding from the Mayor of London and innovation charity Nesta.



Our communities

Our community partnerships are driven by relationships. Across the Herbert Smith Freehills network, our people have many opportunities to actively engage with community organisations that promote access to justice and social inclusion.

In the same way that we respond to any client, we listen to and respect what our NGO partners tell us about the needs of the communities they serve. They are the experts. We support them using the resources of a global law firm.

Reconciliation

We launched our first Reconciliation Action Plan ("RAP") in 2011 in support of Aboriginal and Torres Strait Islander clients and communities. In May 2015, we became the first and only law firm to receive "Elevate," the highest possible level of endorsement from Reconciliation Australia, for our RAP. In September 2018, we launched our second Elevate RAP. Since 2011, we have contributed over 27,000 hours of pro bono legal support to Indigenous clients, to a value of over A\$9.5 million. We have also provided 33 CareerTrackers

internships across all of our Australian offices and 64 Jawun secondees, or 384 weeks of capacity building with Indigenous organisations in the East Kimberley region, including in relation to the Empowered Communities reform agenda.

Commitment:

We will continue to:

- assess and monitor the risks in our supply chain using our new systems and tools;
- issue our Procurement Compliance Standards to the remaining key suppliers in our supply chain;
- review our charitable relationships with orphanages worldwide;
- train our people on modern slavery and human trafficking as appropriate;
- consider ways in which we can further support the attainment of the SDGs through our work; and
- follow, contribute towards and raise awareness of national and international developments in business and human rights law and practice, including the proposed:
 - Australian modern slavery legislation;
 - Hong Kong modern slavery legislation; and
 - business and human rights arbitral tribunal.

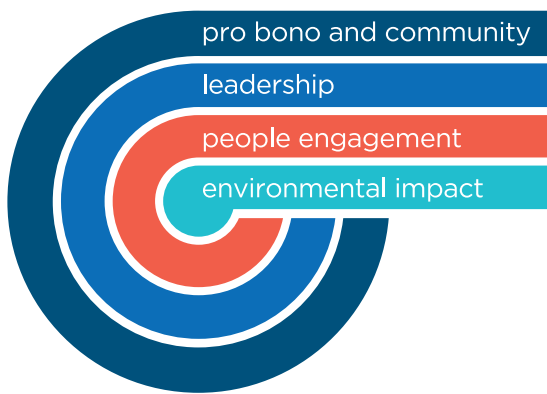
"...we prioritise vulnerable groups within society that may be at risk of marginalisation or systemic disadvantage"

Environment

We recognise that we all have a part to play in balancing our growth as a business with reducing our impact on the environment. As a leading global firm, we have a responsibility to align our approach to sustainability across all of the offices in our network. We wish to create a business community that operates in an environmentally sustainable, economically feasible and socially responsible way.

Our firm

Along with our Environment Policy, we launched our Global Environmental Sustainability strategy in 2016, which comprises four main areas of focus.



We operate in a consistent and uniform way across our network through two Sustainability Action Groups, one covering Europe, the Middle East, Africa and North America and the other covering Asia Pacific and Australia. Members of the groups are partners, senior management and office managers.

To ensure that our interactions with the environment are carefully managed and that we minimise and mitigate any negative impacts from our activities, we have developed an action plan and established some challenging global goals for 2020.

We understand that there is always some business travel with a substantial impact on our carbon footprint. In this case, we offset the carbon emissions associated with specific activities, by supporting projects not only with environmental but also with socioeconomic impacts on local communities.

Our Gold Standard-certified carbon-offset project is installing 1 million biogas digesters and smoke-free cook stoves in low-income households in rural Sichuan, China, providing households with clean, convenient and free biogas for cooking, heating and lighting.

As energy usage gives rise to most of our global carbon emissions, in 2015 we announced an Energy Policy for our UK offices. We are determined to develop energy-saving behaviours, implement energy-saving projects and

identify energy-efficient products across the network. Our offices in the UK and Brussels are supplied completely with electricity from renewable sources.

In the UK, electricity usage is responsible for more than 40% of our carbon footprint. In November 2015, we received the Energy Management Accreditation, ISO 50001, for our energy management system.

People engagement

Raising awareness, engaging with our people and changing behaviours is a necessary three-step process that can help us improve our environmental performance. We engage with our people to tackle plastic pollution through our operations, including raising awareness by screening relevant documentaries and banning single-use plastic cutlery in London and all single-use plastic items in some international offices. We celebrate Earth Hour, UK Cycle to Work Day and the UN World Environment Day, also holding a series of events and campaigns during Environment Week.

The legal sector has changed significantly in the past few years and technological advancements allow us to conduct many aspects of our operations far more efficiently, which translates to a smaller environmental impact.

For example, a centralised online global travel management tool helps us monitor our travel and identify areas where we can achieve reductions. New videoconferencing technologies enable a more personal approach with our clients and reduce emissions associated with travel for client meetings when possible.

For internal meetings, we have implemented Skype for Business, which reduces non-essential inter-office business travel. We also encourage collaboration between different departments. For instance, our document production team works very closely with the IT department to identify ways to digitise paper-based processes and reduce paper and ink consumption.

Reducing our paper consumption is a key goal and we rely heavily on new technologies to meet it. We have implemented a "Follow-me" printing regime to control copying and printing and minimise unnecessary printing and waste. This new printing regime has considerably reduced our paper consumption, helping us meet our paper reduction goal.



"Raising awareness,
engaging with our people
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performance"



Leadership

As a founding member of the Legal Sustainability Alliance, we report and publish our carbon emissions annually for the London and Belfast offices and through AUS Legal Sustainability Alliance for our offices in Australia. In the UK, we have reduced our carbon footprint by 14% and 20% per capita since 2014, taking into consideration our growth as a business.

We are regular contributors to thought leadership on environmental themes. Our lawyers speak and write on topics such as air quality, corporate governance responsibilities regarding environmental impacts and environmental class actions. We bring together our clients and contacts for influential seminars, including recently on the subject of the SDGs. We are also members of the UK Environmental Lawyers Association and relevant committees of the City of London Law Society in the UK. Some of our senior lawyers are visiting university lecturers on matters such as energy regulation and climate change.

Our suppliers

We consider the environmental impact of our supply chain and work with suppliers to ensure we do everything feasible to minimise it. Our global Responsible Procurement Policy addresses potential environmental risks in the purchasing process and encourages pro-environmental behaviour. We also engage with our suppliers to appraise the sustainability of goods and services received. We have developed strong relationships with our suppliers and work with them to minimise our environmental footprint. We expect all our suppliers to follow our Procurement Compliance Standards and to have their own internal policies and procedures in place to ensure they are able to share our commitment to the areas set out within it.

Our clients

We respond to climate change in various ways and one of these is through our legal advice to clients.

Environmental law practice

Our global environmental team acts in the environmental aspects of corporate transactions in all sectors, in environmental litigation and in high-profile, high-risk projects and schemes spanning energy, infrastructure, mining, urban development and urban regeneration, as well as in remediation of contamination

as part of the redevelopment of brownfield land. We also advise clients generally on their obligations to comply with environmental law, requirements for transparency and permits, and the potential for liability as a result of non-compliance.

Renewables

Many of the projects in which we are involved have intrinsic positive environmental benefits, such as biomass, sustainable feedstock, tidal energy power generation, and solar and wind projects. We have a leading financing practice in the energy sector, particularly in renewable energy, where we have advised on a number of ground-breaking project financings across the globe, including hydropower generation projects in Nepal.

We also advise on nuclear power projects with the potential to generate large amounts of low-carbon electricity and offset the need for fossil fuel generation.

Plastic pollution

We take plastic pollution seriously, through not only our operations but also our commercial work. A prime example is our work with Sky, where a cross-practice team in London advised on the structuring of the flagship Sky Ocean Ventures fund and on Sky's first two downstream investments in social enterprises tackling the global ocean plastics crisis.

Choose Water is an early-stage social enterprise focused on creating a replacement for the single-use plastic water bottle, while Skipping Rocks Lab has developed proprietary technology to use natural materials extracted from plants and seaweed to replace plastic packaging.

We also collaborated with Tideway and Thames21 to raise awareness of plastic pollution by cleaning the foreshore of the River Thames and conducting a survey that will be used for further research and campaign purposes.



Pro bono

Our flagship project in environmental pro bono work is the award-winning Legal Response Initiative ("LRI"). The LRI provides free legal advice on a rapid-response basis to delegations from less-developed countries and NGOs on negotiations under the United Nations Framework Convention on Climate Change.

In the renewable energy area, we have provided pro bono advice to the Government of Sierra Leone regarding a number of solar power projects and the Bumbuna Hydroelectric Plant, designed to raise access to electricity on a national scale.

Environmental peacebuilding is a growing area for us. This approach integrates natural resource management within conflict prevention, mitigation, resolution and recovery to build resilience in communities affected by conflict. In particular, we are working with EcoPeace Middle East, a unique organisation that brings together Jordanian, Palestinian and Israeli environmentalists with these aims.

We have assisted the Government of Rwanda in meeting its commitments to environmental sustainability and the SDGs, and increasing levels of recycling by introducing an electronic waste facility to collect, recycle and dispose of computers and other electronic items.

Through our work in the sustainability area, we currently contribute to six of the 17 SDGs. We are working with our Sustainability Action Groups at a global level to identify new opportunities to expand the spectrum of our work under these goals.



Commitment:



By 2020, we will reduce
our global carbon footprint by 15%



in energy use by 2020

By 2020, we will reduce our
paper consumption by



"The legal sector has changed significantly in the past few years and technological advancements allow us to conduct many aspects of our operations far more efficiently, which translates to a smaller environmental impact"

Anti-corruption

Our firm

Lawyers and legal advisors across the world have professional duties to the public and to the court, and duties to act honestly. Often, these duties also include an obligation to not bring the profession into disrepute. Our lawyers and legal advisors and other employees globally are subject to these rules due to their qualification(s) and regulation by any applicable Bar/Court, or by virtue of their employment relationship with the firm (or both). All of our employees are also subject to the policies and procedures described below.

Our policies

Individuals across our network are required to comply with the firm's International Standards of Conduct. These set out the behavioural and professional standards that the firm expects and requires, and include fundamental tenets on anti-bribery and corruption. These tenets are elaborated in the firm's Anti-Bribery and Corruption Policy and supplemented by the Gifts and Hospitality Policy.

- The Anti-Bribery and Corruption Policy sets out, among other things, the firm's policy obligations on all persons, including specific guidelines on high-risk recipients, facilitation payments and compliance by suppliers. It also lists "red-flag" situations of which to be aware.
- The firm's Gifts and Hospitality Policy requires all partners and employees to comply with any applicable client or supplier policies when offering or accepting gifts and hospitality. It also requires them to comply with the firm's own policy, which prohibits gifts and hospitality offered or accepted for the purpose of inducing someone to act improperly or that may be perceived as related to same. The policy provides helpful guidelines to determine what is (or may seem) inappropriate.

Prevention

Partners and employees are reminded and educated about anti-bribery and corruption issues during the induction process and with follow up training seminars and firm-wide bulletins. Last year, we ran a renewed targeted awareness programme. Lawyers in our offices must annually declare that they comply with a variety of legal and professional obligations, including anti-bribery legislation. The firm's General Counsel and Risk team is available and accessible for any anti-bribery queries.

We also employ a number of controls to monitor and restrict bribery and corruption risks. These include

restrictions on external payments and requirements to register certain gifts and hospitality given or received to certain higher-risk persons (for example, public officials).

Our suppliers

We provide key suppliers with our Procurement Compliance Standards, which set out, among other things, our expectations regarding anti-bribery and corruption commitments for our suppliers. Further, our standard terms for engaging suppliers include a requirement that our suppliers comply with applicable anti-bribery laws, including the extra-territorial UK Bribery Act 2010.

Our associations

In some countries where we do not have offices, we have close associations with local law firms with whom we work to provide clients with a seamless service. We provide our policy and programme to these associations and work with them on anti-bribery and corruption measures.

Commitment:

- Last year, we reworked our anti-corruption policies to ensure greater global application. These have been sent to clients and suppliers as part of our programme. We will continue to engage with clients and suppliers to raise awareness and standards.
- As a result of our previous year's targeted awareness programme, we have continued to see reporting of gifts and hospitality in accordance with our transparency and assurance requirements. We will continue to keep our partners and employees aware of anti-corruption measures in the year to come.

Our clients

We have a market-leading corporate crime and investigations practice with expertise in all areas of law connected with bribery and corruption, sanctions, fraud, money laundering, insider dealing, cartels and corporate manslaughter.

The team, based across our offices in Asia Pacific, Australia, Europe, the Middle East, Africa and North America, has managed numerous complex and sensitive national and international investigations, dealing with law enforcement agencies and regulators all over the world.

We also help clients review, develop and implement all aspects of global compliance programmes, developing systems that will reduce corruption risk. In addition, we conduct anti-corruption, money laundering and sanctions due diligence for M&A activity and other transactional work.

Recent highlights include representing global corporates, institutions and individuals in large, high-profile, multi-jurisdictional anti-corruption investigations and advising on the UK's first deferred prosecution agreement under the UK Bribery Act. We also produce and maintain the Overseas Corruption Project, a database of information on local anti-corruption laws, particularly with respect to gifts and entertainment for public officials, for 127 jurisdictions.

The team hosts major conferences across our network offices where speakers include representatives from regulators, law makers, enforcement agencies and our international partners.



"We also help clients review, develop and implement all aspects of global compliance programmes, developing systems that will reduce corruption risk"

Further information

[Business and Human Rights Practice Group](#)

[Environment, Planning and Communities Practice Group](#)

[Modern Slavery Act Statement](#)

[Diversity and Inclusion](#)

[Pro Bono and Citizenship \(including sustainability and responsible procurement\)](#)

[Reconciliation Action Plan](#)

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Herbert Smith Freehills

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