



HERBERT
SMITH
FREEHILLS

RESPONSIBLE BUSINESS REPORT

UN GLOBAL COMPACT 2019

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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

I am delighted to share with you our third communication on progress report, which describes some of the ways in which we have continued to pursue our commitment to the UN Global Compact ("**UNGC**") and to the Sustainable Development Goals ("**SDGs**") as part of our wider commitment to being a responsible business. Over the last three years, I have been proud to see the firm's commitment grow and I'm pleased that our responses to the challenges identified have developed positively.

As one of the world's leading law firms, we wholeheartedly believe in our responsibility to contribute to a sustainable future. By leveraging the skills, enthusiasm and insights of our people around the world, we continue to aim to make a sustained positive impact on many of today's social and environmental challenges.

Our approach to responsible business underpins our Beyond 2020 vision and strategy, directly supporting key work streams and objectives through four overarching pillars: People; Clients; Social Impact; and Sustainability. We continue to seek to foster a culture of responsible business which we know is a key motivation for so many of our people. Through that we continue to work at embedding these pillars in our day to day work and activities to support positive change in sustainable business practices.

There are three projects I am particularly pleased to report on from the last year. First, we continue to celebrate talent and merit rather than background and I was delighted our hard work in this area has been recognised. In 2019 we were ranked 19th in the UK Social Mobility Employer Index. However, there is still more work to do here, especially in our offices outside of the UK.

Second, we launched a major new focus behind our global commitment to health and wellbeing underlining our desire to help our people prioritise their health and wellbeing as well as reinforcing a supportive, respectful and inclusive culture. We are taking positive steps to raise awareness, promote greater health and wellbeing, including providing training and support. This involves recognising and seeking to address more openly some of the real challenges in managing the pressures and demands our work often involves.

Lastly I am particularly proud of the partnership we have developed with the National Centre of Excellence for Musculoskeletal ("**MSK**") Health and Work. The Director of the Centre, Dr Karen Walker-Bone, came to observe our people at work, reviewing the impact of prolonged periods of time spent working at desks. We are now working with her to engage our people globally, developing a campaign which focuses on physical mobility and the potential impact of our working environment on MSK health. We are proud of the work we have done for many years now on lending focus on mental health at work. Physical health is obviously also vital and interconnects with mental health, and we will continue to focus on both.

I hope you enjoy reading the case studies and updates which follow.



James Palmer
Chair and Senior Partner
Herbert Smith Freehills LLP



Beyond 2020: bring the best together

Realising our vision, responsibly

Our Vision is to be a world class professional services business bringing together the best people to achieve the best results for clients.

Herbert Smith Freehills ("HSF") is one of the world's leading law firms with approximately 5,000 people in 27 offices across Africa, Asia, Australia, Europe, the Middle East and the US.

We care deeply about the markets and communities we work in. Inspired by our clients, our people, and our professional responsibility as lawyers, a sense of justice underpins everything we aspire to achieve as a business, and we are proud to contribute to societal progress through our pro bono practice, employment and community programmes.

We are greatly concerned about climate change and other environmental issues at a local and global level, and continually strive to address our own impacts by the way we work and manage our facilities. At the heart of all of our best efforts, of course, are our people, and we know that valuing diversity and inclusion, promoting leadership and providing holistic support for wellbeing and personal development are not only the right things to do, but also essential for our long-term success.

As trusted advisors and legal experts to some of the world's leading organisations, we are acutely aware that we are in a unique position to support our clients as they navigate a rapidly changing environmental, social and governance landscape. Our work is adaptive, innovative and embraces today's pace of technological change, recognising and harnessing its potential to drive meaningful progress across our business and beyond.

This report is the most ambitious review of our responsible business efforts to date. It aims to accurately reflect our current performance and our personality as an organisation, weaving together some of the most important stories of the last 12 months with interviews, case studies and key data. By including a range of voices, we hope to give a flavour of the breadth and depth of our projects and commitments, which help make this such a special place to work.

UN Global Compact 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.

UN Sustainable Development Goals

We became a proud signatory to the United Nations Global Compact ("UNGC") in 2016, agreeing to align our strategies and operations with this set of universal principles on human rights, labour, environment and anti-corruption – and to respect and advance these principles through our supply chain and stakeholder relationships. This report fulfils our 2019 commitment to Communication on Progress in implementing these principles and supporting broader UN goals.

As a firm that operates globally and advises major businesses in almost every economic sector, we recognise our contribution towards the achievement of the UN Sustainable Development Goals ("SDGs").

We reflect regularly on the goals in the context of our responsibilities as a global citizen and within our sphere of influence, and we use them as a lens through which to focus our efforts as a responsible business. Due to the diverse nature of our operations and jurisdictions, we deliberately take a broad approach to the contributions that we strive to make.

Throughout this report, we show how our work incorporates the 10 principles of the UNGC and the actions we are taking to advance societal goals, with key SDGs highlighted where relevant.



People



We bring the best people together to deliver differentiating results for our clients. This happens in an extremely competitive marketplace, so it's crucial that we are able to attract and retain top talent and enable them to perform to their full potential.

The nature of today's workforce and their expectations are evolving and are very different to those of 10 or 20 years ago. In our high-pressured legal industry, our employer value proposition sets us apart; our values, our inclusive culture, our flexibility to differing life-needs, the emotional support we provide, and how empowered our people feel. In turn, our workstreams align with and contribute to the 2030 agenda for sustainable development ("SDGs") as we strive globally for good health and wellbeing, gender equality, decent work and reduced inequalities – directly in our own organisation and, more widely, because our people are empowered and enabled to have a positive influence through client work, our pro bono practice and community outreach.

Our sector has specific challenges. Broadening the talent pool is a key area of focus, so that individuals who have traditionally struggled to access the profession are given the opportunity to do so, and our business benefits from different demographics, perspectives and skills.

We must also recognise that legal work is often very demanding, with small teams working to tight deadlines. This can take its toll on people, mentally and physically. We must be open about this, provide the right support, and try to strike the right balance.

Through our **Leading for Inclusion** strategy, our aim is to create a global culture that values our uniqueness and differences. We also know that diversity – of backgrounds, characteristics and skillsets – drives innovation, because it encourages different ways of thinking and working. This is critical as we prepare our workforce for the future.

What our clients need, and our teams want, is ever-changing, requiring that we listen, stay open and curious, and are prepared to continually adapt. In the next 6-12 months we will begin a global future workforce project. This will mean consulting widely with our

business, clients and partners, looking at key demographic and macro-economic trends, and considering what all this might mean for our people. We're in a good position, but we know we must keep challenging ourselves and looking ahead.

Driving an innovation culture



As trusted advisors to many in a time of extraordinary change, we need to stay ahead of current thinking to ensure that we deliver the best outcomes for our clients and our people. A key part of our business strategy is to embed a culture of innovation across our business, fostering a more curious and creative mindset and the smarter use of people, processes and technology. This investment in innovation and, in turn, the pioneering solutions we can develop and scale for our clients, are a key part of our contribution to progressing global sustainable development goals.

In Melbourne and London, we have 'innovation leads' to encourage and facilitate new client, business, services or product ideas. Globally, our data architects and data scientists are capturing the potential of our pool of data, and artificial intelligence and machine learning are offering new insights and predictions. Our legal engineers combine legal and technological expertise to anticipate or diagnose solutions to client needs, and our automation experts focus on the implementation of tools such as automated documents and contracts and self-service offerings via apps.

As well as these specialist roles, we continually appeal to our global network to share and develop ideas, both hand in hand with clients and also internally. Some brilliant initiatives have emerged.

"If data is the new oil and a lot of deal activity and disputes on behalf of our clients will therefore relate to data, we think that having lawyers who understand science is going to be vital."

PETER CHATER, GLOBAL DIRECTOR OF RECRUITMENT

Our Decision Analysis tool, developed in-house, is a great example. Using modelling and applying existing legal analysis, it identifies possible outcomes at each decision-point of a case, attributing probabilities to each of them and evaluating the possible financial consequences. These are visually represented and adjusted in real time, enabling our clients to make more informed decisions. Our new predictive pricing tool leverages our extensive library of historic litigation cases to anticipate the costs, phase by phase, of new cases.

We're also really excited about our new Innovation 10 programme, which gives every employee the chance to spend up to 10 days per year working on innovation and technology initiatives. As part of the broader culture change initiatives, we hope this will give people the time and space to be inspired; to think more like entrepreneurs and to create lasting benefits for our clients and people.

“The legal industry is in an interesting place in terms of the interaction of technology in regards to what we do and how we do it. This has resulted in the need for new types of skill sets, a broader range of roles and different people to fill those roles. Some call this innovation, for us it's more a way of being, having adaption and change at the heart of everything we do.”

**ANDREW PIKE, EXECUTIVE PARTNER
AUSTRALIA**



Leading for Inclusion



Liz Poulos,
Diversity & Inclusion Partner, Australia



Can you tell us a bit about the firm's approach to Diversity and Inclusion ("D&I") and your new strategy?

We launched our new Leading for Inclusion strategy last year, directly tied to our Beyond 2020 business strategy. The aim is to simplify what has become a much more complex area over the last decade or so, building an inclusive culture for everyone at Herbert Smith Freehills. The strategy has four main pillars: talent, innovation, values and clients, with strategic objectives related to each area.

Where does your role as one of the firm's D&I partners fit in?

I sit on the Global Diversity and Inclusion Group, chaired by Alison Brown, an Executive Partner and a member of our Global Executive who reports into both the Global Executive and the Global Council.

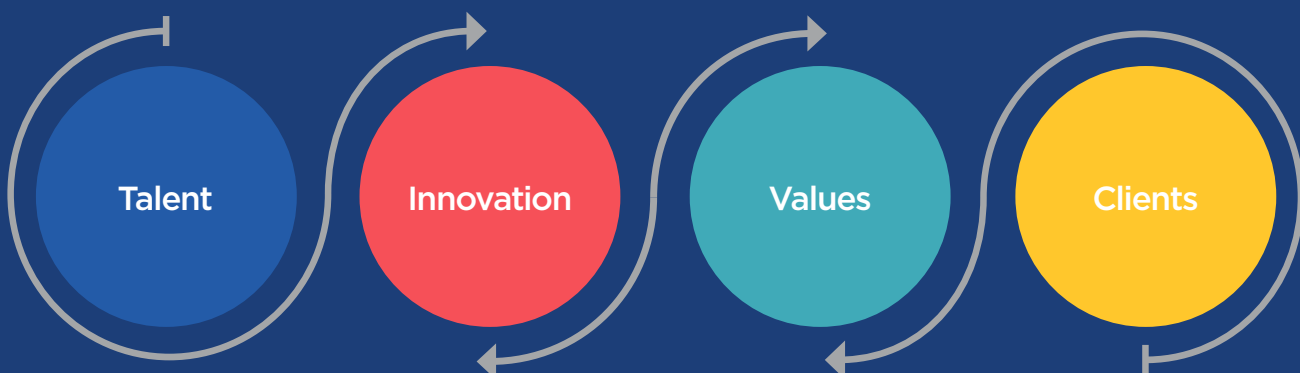
This ensures our D&I strategy ties in with the firm's broader goals. Regional Diversity and Inclusion Groups then meet quarterly, to drive local leadership and progress against the global strategy, and to ensure what we set at a global level, is being interpreted regionally and across offices. At an office and regional level we have various networks representing different D&I characteristics: gender, LGBTI, social mobility, ethnicity, ability, and those with families or caring responsibilities. Anyone can be part of our networks and we proactively encourage allies. To us, building an inclusive culture means everyone feels able to bring their authentic self to work because they feel psychologically safe and supported in their work and what they bring, whatever their background might be.

How has the firm's approach to D&I evolved and what are the trends driving those changes?

When I first started as a graduate at the firm, the extent of D&I activities was a women's network; the other lenses that we now look at D&I through were not even on the radar. But the world has become a more sophisticated place and quite rightly, businesses have been required by their people and society to be much more considered when putting together their workforce. There is also a strategic imperative, we need to attract great people to work for us.

What kind of challenges do you face integrating D&I across the business?

There are very different cultural perspectives in different regions. I'm based in Australia, but I've also worked in our Greater China offices. We have to recognise that there are regions where, culturally, the approach has to be quite different, and progress may be slower. But actually that's where it can also be most rewarding.



How are your clients involved in your strategy?

Clients have become a key part of our strategy over the last five years – and we know they are encouraged to see we share their values. By engaging with our clients through D&I programmes and initiatives, we aim to ensure we're best placed to meet their needs, but it also enables us to learn and share successes. For example, we're working with an analytics company to develop data around how we compile teams – including the diversity make-up of teams – and how our lawyers from different areas contribute to the service we provide. So it's not just a case of presenting a diverse team, we're also looking at the hours they spend on the matter and what kind of work they're doing. It's very rare that we would be asked to pitch for something now that doesn't include some kind of explanation of what we're doing in this space.

In your experience, what really works and has an effect?

Broadly there are two types of initiatives that I think work really well. Those that happen at a strategic level for the business, and then the things that impact people daily in the workplace. Strategically, for us, gender targets have been critical to changing the way we think about females in the workplace. We've just announced new stretch targets for 2023 which is absolutely fantastic, but they're not targets that we're naturally and easily going to achieve, so we're going to have to give a lot of thought to how we change what we currently do. Day to day, we have very friendly parental leave and flexible work policies, so we encourage people to work agilely, which is attractive to so many people. The D&I committees and networks also play a really important engagement role in each office, organising guest speakers, discussion groups and celebrating significant days culturally in each region – all sorts of things that ensure people feel that they're part of a network that supports them.

What kind of challenges does the legal sector face around D&I and how is it tackling them?

Access to the profession is something the sector as a whole needs to focus. We've made good progress in some regions, but there is still a lot of work to do globally. The second is around disruption to the profession, which requires us to have a diverse and inclusive workforce that can help us move with that disruption rather than resisting it. Clients increasingly see us as business partners and trusted advisors that add tangible value to their business. Technology means more of the process-based aspects of our work can be

automated, but we need deeper industry and sector knowledge. In Australia, for example, we've developed a blockchain group to lead the development of blockchain technology in the legal industry, and a digital law group focused on delivering legal services in the digital space to clients. This means we're having to identify and attract talent from our more junior ranks to lead these initiatives and recruit people with different and diverse skills from non-traditional sources.

How much can Herbert Smith Freehills push the boundaries of a sector issue like access to the profession?

The easy answer is to say we can't do anything, but when you consider that a large global commercial firm like ours traditionally recruits out of a small number of universities; we recognise that there are many other universities in each region where there are students from a more diverse range of backgrounds. We're also building initiatives specific to each market, for example, in Australia, providing indigenous law students opportunities to gain experience through an internship programme. We're also pushing things like contextualised recruitment, which has been incredibly successful in other offices

What are your plans for the future – what do you want to achieve?

We're seeing greater expectations in various regions around ethnic diversity. We face a real challenge around meeting our clients' and community expectations in this regard. There will be a lot of focus on achieving our gender leadership targets. Whilst we have established policies and processes in place to improve the proportion of women in the partnership, leadership is a harder proposition and we're going to need a really focused effort over the next three years to achieve our target. We're also going to be even more focused on proactively supporting the mental health and wellbeing of our people and looking at the way this interacts with diversity, there needs to be a greater appreciation of how important this is to achieving a high-performing culture.

[Click here to read our Leading for Inclusion 2018-2021: Global Diversity and Inclusion Strategy in full.](#)

Our gender targets

We set targets in 2014 in order to increase the proportion and number of women in our partnership and as part of our commitment to having a leading inclusive culture.

In the five years since our first targets the number of women in the partnership has increased by over 50%.

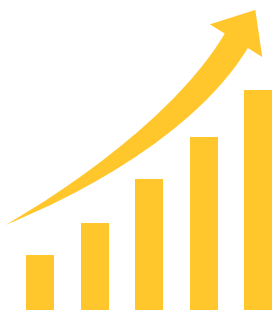
Our current targets



By 1 May 2023
women
will comprise
35% of:

- partners; and,
- partner leadership roles.

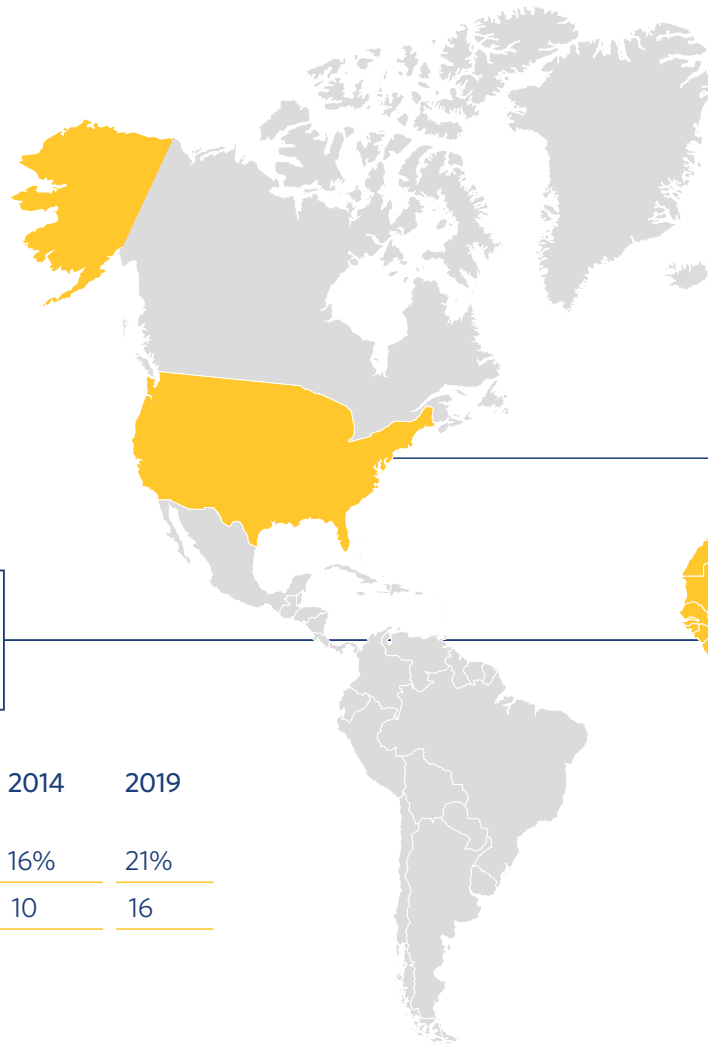
Our current status




We have:

- 23% women in partner leadership roles.

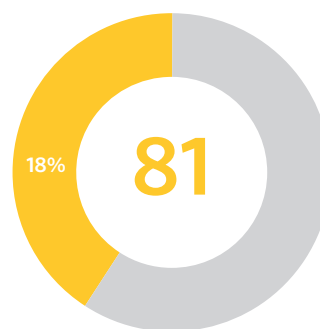
Women in the partnership



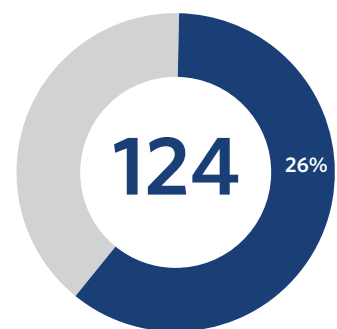
EMEA

	2014	2019
		
%	16%	21%
Number	10	16

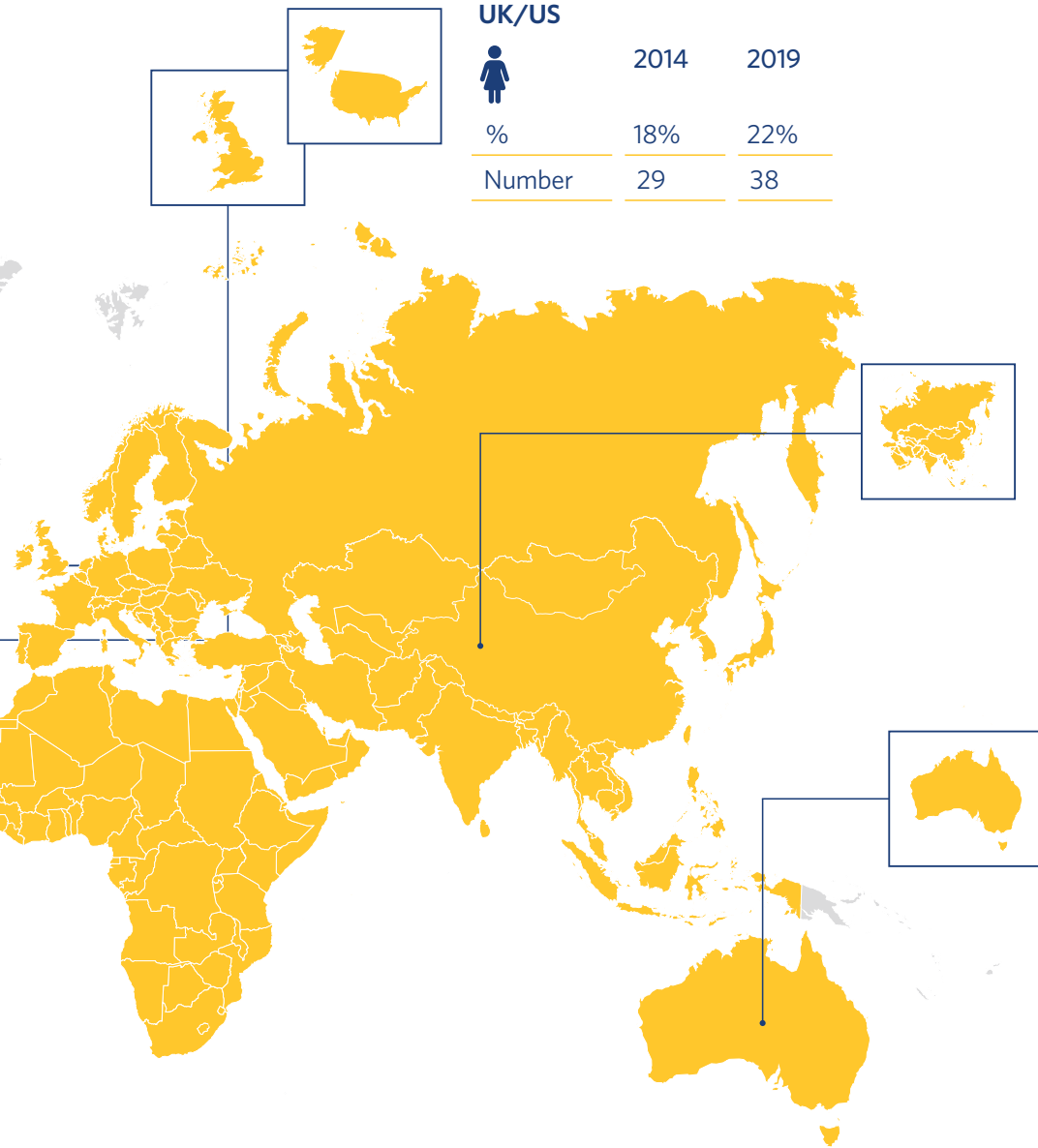
Global




■ 2014




■ 2019




UK/US

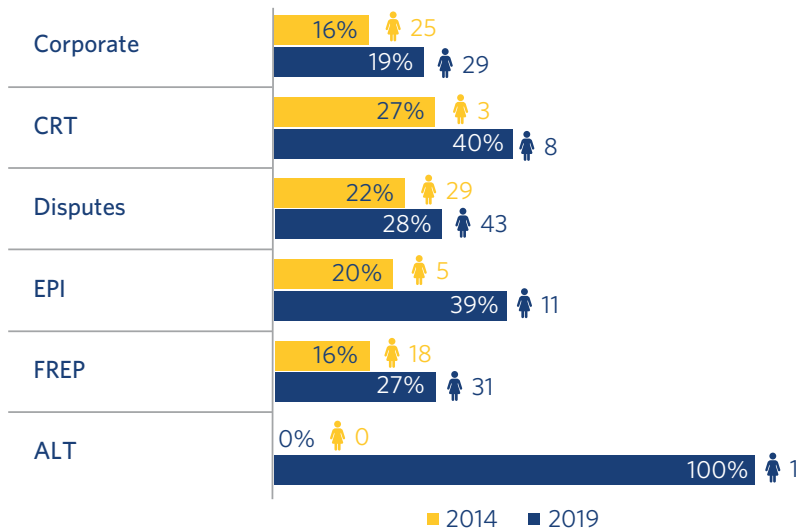
	2014	2019
 %	18%	22%
Number	29	38

Asia

	2014	2019
 %	18%	33%
Number	8	23

Australia

	2014	2019
 %	20%	30%
Number	34	47



D&I recognition 2018/19



FINANCIAL TIMES AWARD
FOR INNOVATION
IN DIVERSITY &
INCLUSION 2019



STONEWALL
TOP 100 EMPLOYERS 2018



PRIDE IN DIVERSITY
AUSTRALIAN WORKPLACE
EQUALITY INDEX SILVER
TIER EMPLOYER 2018



“Herbert Smith Freehills has demonstrated a real commitment to ensuring that all their lesbian, gay, bi and trans staff and stakeholders feel included at work and we are delighted to name them as one of our Top Global Employers for 2019. We are proud to work with Herbert Smith Freehills, who operate in some extremely difficult contexts, to create workplaces that are inclusive and supportive of LGBT people and equality.”

RUTH HUNT, CHIEF EXECUTIVE, STONEWALL

“Working for a Top Global Employer enables me to bring my whole self to work and feel supported and included at the firm. I'm proud that the commitment doesn't stop there and that Herbert Smith Freehills is committed to partnering with LGBT+ community groups to promote inclusivity and social change in communities across the world.”

GEORGIA NICKSON, TRAINEE

We recently launched our Asia Multicultural Network with a video series titled “Where are you from?”, celebrating cultural diversity. The network provides coaching, mentoring and training for our people as well as tackling hard issues such as unconscious bias and supporting diverse promotion and resourcing.

Watch the videos [here](#).



Case study: Standard Chartered Bank

We received a request for information about our approach to diversity and inclusion, including data relating to the client team who would be working with Standard Chartered Bank ("SCB"). We were subsequently asked to develop and present a proposal outlining how we might collaborate with them on diversity and inclusion.

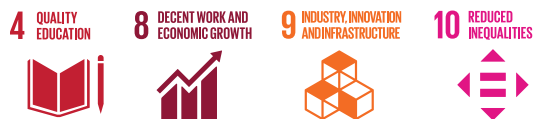
The bank's priorities included working across cultures throughout their global reach, building deeper knowledge of diversity and inclusion internally, and strengthening the relationship between the SCB legal team and our client team. We proposed a series of global inclusion workshops exploring diversity and inclusion, intersectionality and the link to innovation, to be delivered across six key locations.

The client was impressed by our proposal, and the leadership team has since approved an internal diversity audit to provide diversity data, a necessary component for the workshop series which will be delivered throughout 2020. We are looking forward to continuing our work together.

"In my role as CRP for Standard Chartered Bank, I am always looking for new ways to engage. As is the case for many of our clients, D&I is a topic high on SCB's agenda. It is also an area where the firm's thinking, in my view, is considerably more advanced than many of our competitors. Therefore, engaging with SCB on D&I provided a fantastic opportunity to deepen the firm's relationship. We have now opened up a whole new area of dialogue and engagement with a strategically important client."

**RUPERT LEWIS, CLIENT RELATIONSHIP
PARTNER FOR STANDARD
CHARTERED BANK**

Broadening our talent pool



We have traditionally recruited many of our lawyers from a select group of universities in each of our markets, which can mean that many of our candidates come from similar backgrounds. As we strive to build an inclusive culture, as the sector continues to be disrupted, as client expectations evolve and as we understand how we can contribute to global societal goals, it is imperative that we broaden the demographics of our talent pool across our network.

We have a longstanding commitment to social mobility and increasing access to the legal profession – particularly in markets such as the UK where it is recognised as a mainstream issue. Here, we are proud to partner with some fantastic organisations, such as Rare Recruitment, where we've been at the vanguard of some of the new programmes and initiatives they have developed and piloted, such as working to target ethnic minority students and students from lower socio-economic backgrounds, and the use of contextual recruitment data. This offers a much richer view of candidates' circumstances growing up, and how well someone has performed within their peer group at A-level. We have used contextual data in about a quarter of our interview decisions over the last year.

As far as possible, we seek to replicate successes and apply learnings from one market to others, but we also recognise that each market requires a unique perspective. In Australia for example, right now we're focused on building relationships with a wider group of universities and in Hong Kong, we're redoubling our efforts to target stellar students from the state school system. The results of a recent in-house data survey also revealed that retail work experience is a stronger indicator for high performance in-role as a graduate lawyer than legal work experience so we have now started to socialise this insight with partners all over the world.

Elsewhere, we are constantly examining the skills we need as a business to add tangible value to our clients. As technology transforms every sector, including our own, we have begun to recruit people with a broader range of skills, and in certain markets are now looking for 20% of our graduate cohorts to comprise STEM students.

We're also making lots of incremental improvements to the way we attract, recruit and retain talent from diverse backgrounds. These range from removing unconscious bias to working more closely with our recruitment partners; from using ambassadors to break down barriers, to the diversity of our recruitment panels and how we communicate at all stages of the process. Above all, we're trying to build a culture of open discussion.

While there is much still to do, our approach is starting to unlock some exciting talent, and we're beginning to see real changes. For example, in the UK around 10% of our cohorts were eligible to claim free school meals and our number of hires from BAME backgrounds has grown from 25% to almost 40% over a five-year period.

“As a first-generation student with a state school background, I wanted to join a firm with a genuine commitment to diversity and inclusion. To me, diversity means encouraging, supporting and inspiring the best and brightest people, irrespective of their background.”

DEMI JOANNIDES, TRAINEE



TOP 75

SOCIAL MOBILITY EMPLOYER INDEX 2019

SOCIAL
MOBILITY
FOUNDATION

“Thank you for the support and your involvement with the PRIME scheme, it was really instrumental in getting me to where I am today, with a training contract offer at Herbert Smith Freehills!”

MICHELLE NWAESEI, FUTURE TRAINEE

Case study: PRIME - improving access to quality work experience

We are a founding member of PRIME, a collaborative law firm initiative which aims to improve access to the legal profession through work experience. Each year we offer placements to more than 25 talented, motivated and ambitious young people from backgrounds currently under-represented in the legal profession. The programmes include a blend of learning and development, work shadowing, a client visit and time spent gaining an insight into life at an international law firm.

Most work experience opportunities for young people are based in London, putting those in the rest of the UK at a disadvantage. That's why every year we also host Summer PRIME, a residential programme for students living outside the capital. For every PRIME programme, we partner with one of our clients. It's an effective way of developing stronger relationships with our clients and supporting one another in the shared objective of ensuring fairer access to work experience.

The feedback from students who participated in our 2018 summer programme was overwhelmingly positive, with 80% of participants saying that it increased their desire to enter the profession, and 100% feeling that it exceeded their expectations, helped them to network and increased their confidence.



Mental health and wellbeing



Mental health is a big issue for us, just as it is for the entire legal profession. Legal work is demanding. A third of lawyers suffer from depression. So we must continue to do everything in our power to actively encourage our people to be aware of this and to look after their own and each other's mental health. We are determined to create a culture that is free from stigma, where people feel that they can say if they are struggling and easily access support – not only in times of greatest need, but for their optimal wellbeing.

As a firm, we've made considerable progress in supporting the mental health of our people. For several years, we have led the sector in raising awareness, reducing stigma and providing support. In 2018, our leaders made a global commitment to the health and wellbeing of our people, and this was followed by a new global wellbeing intranet hub to provide access to information and support in a more consistent and accessible way. But we can, and want, to achieve more.

Our global approach to mental health and wellbeing, Thrive, sets out our approach to being a firm that values optimal mental health, where our people can choose to discuss their mental health without fear of stigma, know how best to support others, and can easily access support. It is a series of objectives delivered at a global, regional and local level that will support our vision across areas including education, role-modelling, everyday conversations, brand, accountability, and data.

In London we signed up to the UK Mindful Business Charter. It is focused on simple and practical actions teams can take to reduce unnecessary stress at work and promote more efficient ways of working and makes the explicit link between a high performance culture and better ways of working. We've created global guidelines that incorporate the guidance of the charter whilst consolidating this with best practice already in place across the firm, including promoting a feedback culture and encouraging more flexible and agile ways of working. The guidelines are designed to be shared and implemented at a regional or office level so that teams can discuss and implement these in a way that best works for them.



In addition, we have developed a range of resources on coping with stress, anxiety, depression and other issues, tips for healthy living and wellbeing, access to help if needed, and guidance on how to help others. We see mental health as inextricably linked to both physical and social health, and we take a holistic view of the health and wellbeing of our people, with firm culture at the very centre. In addition to mental health, we provide support across a range of areas including physical, financial, occupational and social wellbeing.



This is Me

Our heartfelt campaign, This is Me, showcases a range of people from all levels in the business, including our Senior Partner, proudly opening up about the issue of mental health.

You can watch the videos [here](#)

Over the last year we have been developing a partnership with the National Centre of Musculoskeletal Health and Work. To better understand the impact of prolonged periods of desk work. This involved interviews and observations at our London offices, between November 2018 and March 2019. We are now working closely with the centre to develop a global survey for all our employees about mobility and the impact of the working environment on musculoskeletal health - the first of its kind to be attempted in a global law firm.

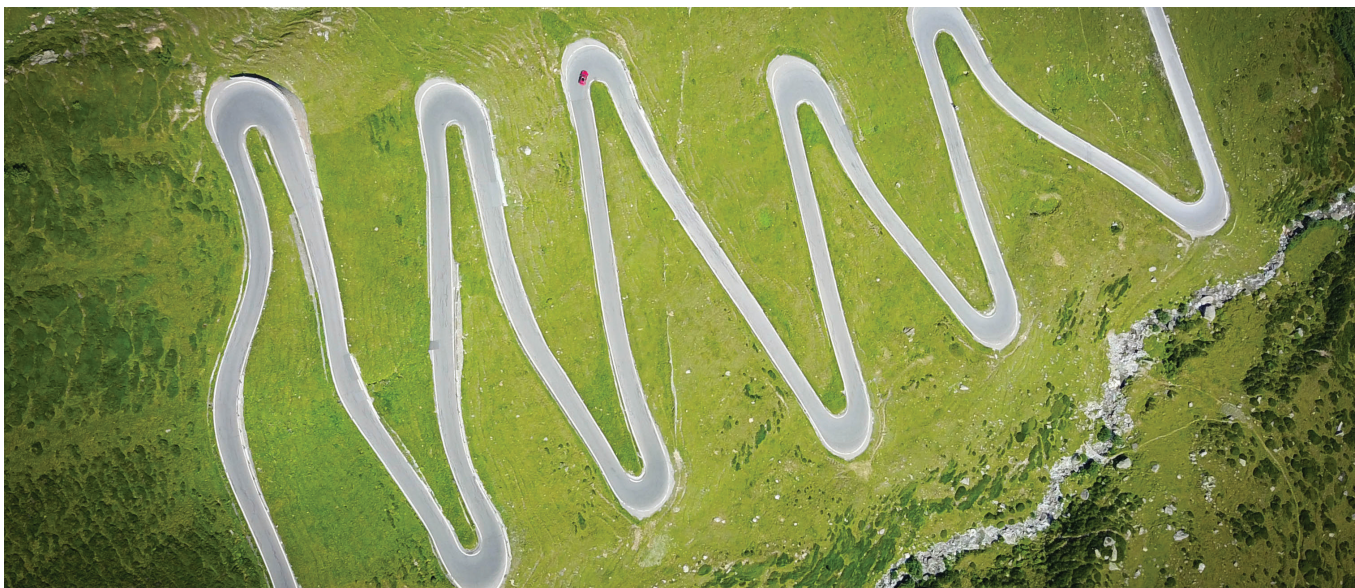
Clients

It is well understood that we are operating in a world that faces increasingly tough and complex challenges. From rapid urbanisation and digitisation to climate change and demographic and social shifts, this evolving landscape is bringing with it new standards, regulations and expectations. There is increasing public scrutiny around business practices that are responsible and understanding of how this drives more equitable progress in our global society. This is encapsulated in the UN Sustainable Development Goals which outline a blueprint for our world to develop sustainably through to 2030. Throughout our global practice and the advice that we give our clients, we play a very important role in this.

Commercial and regulated industries are faced with an increasingly complex landscape of public sector law and governance. The risks associated with bribery and corruption incidents and human rights abuses have dramatically increased in recent years. Meanwhile, high on the agenda for governments and companies across the globe, the renewables boom is seeing unprecedented levels of growth. Added to this, our clients are on their own sustainability journeys, and recognising the need to build resilience in their business by adapting to emerging challenges and risks, while realising the significant business opportunities that sustainability can offer.

We work with clients on some of the world's largest and most high-profile projects and disputes, to help them manage and resolve complex social and environmental challenges. We also work with businesses, investors, governments and regulators to unlock the opportunities of decarbonisation, decentralisation and digitisation, and on designing innovative legal structures necessary for the transformation to a low-carbon future. And more recently, through our market-leading social finance and sustainable investment practice, Herbert Smith Freehills Impact, we support entrepreneurs who have a social mission, and those that invest in their businesses, to maximise social and environmental impact.

Across our network we develop unrivalled expertise in understanding the complexities and implications of global trends at a sector level. Our sector-specific teams combine in-depth knowledge with an ability to manage and mitigate commercial, strategic, technical, geographical and political risks. Alongside this, our passion for shaping the future of these sectors positions us at the forefront of developing innovative but pragmatic solutions and advice that enables our clients to navigate this changing landscape.



Business and human rights



As one of the first global law firms to establish a business and human rights practice, we seek to respect and promote the protection of human rights, and to help our clients to do the same.

Our [Business and Human Rights Practice Group](#), established almost a decade ago, has advised some of the world's leading organisations on human rights issues. As due diligence, transparency and reporting requirements in this area become more prevalent, we help our clients to proactively identify and manage human rights risks as they evolve.

We believe that respect for human rights is an essential component of responsible and sustainable business models. As trusted advisors to some of the world's largest organisations, we are in a unique position to raise awareness of human rights risks, as well as evolving legal standards, policies and practices. In our own business and in the advice that we provide to clients, we seek to continually improve our human rights performance.

As we strive to embed this thinking across our practices and the markets in which we operate, we also maintain an open dialogue with our colleagues, alongside training and awareness-raising, so we can continue to increase the knowledge and engagement of our people year on year.

“Our approach at Herbert Smith Freehills is to embed human rights across every practice area of our firm.”

STÉPHANE BRABANT, PARTNER, CO-CHAIR OF BUSINESS & HUMAN RIGHTS

Climate change and the environment



As the issue of climate change becomes ever more critical and the world shifts to a low carbon future, we are increasingly engaged in, and passionate about, helping our clients to mitigate the risks while seizing the opportunities of this transition.

Although this is a global issue, its effects are not uniform across the world, with different threats and responses in different states and regions, contributing to a fragmented picture of climate and environmental law. Our practice has the advantage of being global, yet driven on the ground by local teams, who have the knowledge needed to support our clients in the most effective way.

Our global [environment team](#) handle the environmental aspects of corporate transactions across all sectors, providing cutting-edge, risk-focused, pragmatic advice on how to navigate this changing landscape. According to Colombia University, the number of environmental laws globally has increased from 12,000 in 2016 to over 16,000 today. This increase in legislation impacts on our clients from every sector, with environmental considerations playing a more prominent part in all our work. Environmental due diligence is already a part of every project and transaction, and we also advise clients more generally on their obligations to comply with environmental law, on requirements for transparency and permits, and on potential for liability as a result of non-compliance.

Our most exciting and impactful work lies beyond compliance, when we engage clients at the forefront of the transition to a low carbon world. We advise on high-profile projects and schemes spanning energy, infrastructure, automotive, disruptive technology, and cities of the future. These are new areas and cutting-edge technologies, where a regulatory framework does not always exist. Our particular strength lies in supporting clients through this uncharted regulatory environment to develop, implement, and scale-up the solutions necessary for a low carbon future.

Many of these projects have intrinsic positive environmental benefits, such as electric vehicles and charge points, sustainable feedstock, tidal energy power generation, solar and wind projects, and addressing the plastics challenge. We also have a leading financing practice in the energy sector, specialising in renewable energy, where we have advised on the financing of groundbreaking projects such as hydropower generation projects in Nepal.

We have taken active steps to further integrate environmental thinking throughout our firm. In September, we launched our first climate change campaign, aiming to raise awareness about the subject and our unique role as advisors in these matters to some

of the world's largest organisations. Internally, we are using this to highlight how climate change can be seen as both a risk and an opportunity, and how our people can apply this mindset to their everyday work. We are also connecting with our clients to discuss how climate change will affect them, and how they may need to adapt in the coming years. To accompany these conversations, we have produced a climate change report, [Climate Change: Succeed in a Lower Carbon Future](#), which explores the impacts, risks and opportunities of climate change across different sectors.



Challenges in the consumer sector

Moving towards sustainable plastic use

In these complex and fast-changing times for retail and consumer sector businesses, the regulation of plastics is evolving at pace, particularly within the UK and the EU. The focus on plastics also comes at a time when there is increased scrutiny of companies' wider environmental and sustainability performance from institutional investors and shareholders.

In this [report](#), Susan Black and Julie Vaughan of Herbert Smith Freehills LLP examine how the use of plastic is regulated in the UK and the EU, and the responsibilities of businesses in the retail and consumer sectors.



Case study: success for the Republic of Costa Rica in high-profile arbitration case

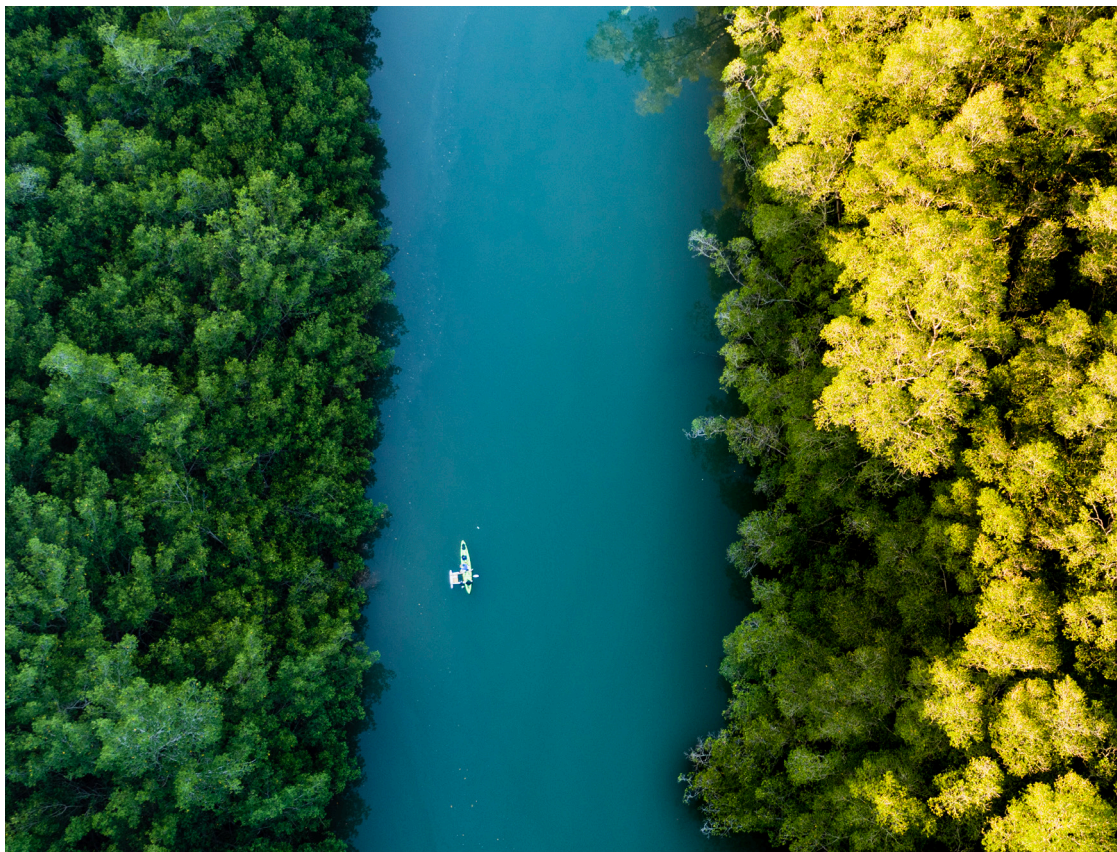
A team from our New York office, along with co-counsel from Costa Rica's Ministry of Foreign Trade, secured a major victory for the Republic of Costa Rica in arbitration proceedings concerning an investment in a tourism project in Costa Rica's Central Pacific Coast and a group of American investors.

The dispute arose from an investment on parcels of land and a concession site in Costa Rica's Central Pacific Coast: the 'Las Olas Project'. Claimants alleged they had received all permits and approvals from Costa Rica in order to commence the development of the project, sales and marketing activities. However, after conducting inspections in the project site, the Costa Rican authorities identified wetlands and forest in the site, triggering administrative and judicial actions that led to the shut-down of the project.

The applicants claimed that Costa Rica breached its obligations under Dominican Republic-Central America Free Trade Agreement ("**DR-CAFTA**") and requested damages in the amount of US\$95,400,000.

The tribunal concluded that there were wetlands and forests in the Las Olas Project which were adversely impacted by the claimants and that the reaction that Costa Rica took was merited according to its laws, which were consistent with international law. Therefore, it found that Costa Rica's actions were not arbitrary or in breach of the obligations under the DR-CAFTA.

Commenting on this result, Christian Leathley, Head of the Latin America Group and US Head of International Arbitration, said: "Given the significant dependency Costa Rica has for its unique environment, the protection of that is a key component of this award. We are very happy for Costa Rica in receiving a very clear and comprehensive award that helps it protect its environmental rights."



Case study: advising Total Eren on the largest solar farm in Victoria

In June we advised Total Eren on the equity sell-down, project financing and construction of Stage 1 of the Kiamal Solar Farm, located in Ouyen, Victoria with a generation capacity of 200MWac. Once completed, Stage 1 of the Kiamal Solar Farm will be the largest solar farm in Victoria.

During the project, it became evident that there were network system strength issues in north-western Victoria, which would have affected connection of the Kiamal Solar Farm. Total Eren resolved these by investing in a large synchronous condenser, a first in the market, which formed a key part of the unique and complex financing arrangements for the project.

The success of this project demonstrates the value of Total Eren's innovative approach and commitment to overcoming the challenges facing renewables projects in the current environment. It is an example of our market-leading work advising on the equity and financial arrangements of major and groundbreaking renewable projects.

“This has been a particularly unique and exciting transaction in the context of the current renewables landscape in Victoria and Australia. This is a significant milestone for Total Eren and we are pleased to have advised on the power purchase agreements and the complex financing arrangements, which extend to the construction and maintenance of the synchronous condenser.”

JON EVANS, PARTNER



Investing in the future: Herbert Smith Freehills Impact

All over the world, entrepreneurs are devising innovative commercial solutions to social and environmental challenges. Supporting them to 'do well by doing good' is something we get excited by.

Through our market-leading social finance and sustainable investment practice, Herbert Smith Freehills Impact, we support socially responsible founders, investors, asset managers and social finance intermediaries to build global connections, maximise positive social and environmental impact and realise their growth potential.

Our team operates across a variety of sectors, working on issues relating to education, energy, agribusiness, financial inclusion, climate change, consumer products, housing and healthcare. We cover the full range of legal issues, and regularly leverage our market-leading pro bono practice to deliver free legal support.

Case study: Sky Ocean Ventures

Plastic pollution is one of the biggest issues facing our planet, and we are keen to be part of the solution. In partnership with Sky, our longstanding client, we have played a significant role in Sky Ocean Ventures. This bold investment vehicle seeks to identify and invest in businesses and people who are developing innovative ways to tackle the crisis in our oceans, such as plastic packaging alternatives, new recycling technology for the home and alternative fibres for clothing.

We are proud to have assisted Sky Ocean Ventures across its full life cycle, from advising on the initial structure and formation to supporting investments in early stage companies. We were also pleased to advise on Sky's first two downstream investments in social enterprises: [Choose Water](#) and [Skipping Rocks Lab](#).



Social impact



Whether we're providing legal advice, partnering with community organisations, or developing our employment programmes, social impact is a common thread throughout our pro bono and community work. Meaningful change requires that all people and groups are enabled to actively participate and access support and opportunities that will improve their life chances; for example, access to justice and decent work.

As a global law firm, we are well placed to respond to the range of needs that exist in the communities and regions where we do business. The UNSDGs help to focus and guide our efforts in our pro bono and community work, in particular the goals of 'Peace, Justice, and Strong Institutions', 'Reduced Inequalities' and 'Partnerships for the Goals'.

We recognise that ending poverty must go hand in hand with strategies that promote the rule of law, improve education and reduce inequalities while at the same time tackling climate change. While local contexts differ, a level of consensus runs through our work to promote a foundation of human dignity and opportunity in everything we do.

Pro bono

We have a significant history of providing pro bono legal services to clients including charities, NGOs, developing nations and vulnerable individuals. We are extremely proud of the outcomes our clients achieve for the communities in which we live and work, and of the relationships and reputation we have built along the way.

We consistently exceed national pro bono targets, with staff this year contributing over 67,000 pro bono hours. From Kuala Lumpur to Kununurra, our people have been working to bring relief to some of the world's most disadvantaged individuals.

We undertake this work with the same high degree of competency, expertise and professionalism as all of our other projects. Our contribution would not be possible without the focus, skills and commitment of our people in every office across our network.





Number of pro bono hours



Case study: The Shopfront Youth Legal Centre

The Shopfront Youth Legal Centre (The Shopfront), a partnership between Herbert Smith Freehills, The Salvation Army and Mission Australia is our response to the Australian Human Rights Commission’s inquiry into youth homelessness in the late 1980s, which recognised that many Australian children were being denied fundamental human rights including the right to adequate legal representation.

Since 1993, The Shopfront has provided a free legal service to homeless and disadvantaged young people aged 25 and under. In addition to providing legal services with a strong focus on defending clients who are charged with criminal offences, The Shopfront also provides legal support to young people in their capacity as victims of crime. Staff provide community legal education and work collaboratively with other youth services to deliver a holistic response to employment, housing and education needs. In addition to assisting around 600 cases each year, the centre advocates for systemic change that will benefit all homeless young people.

The Shopfront is staffed by permanent employees including solicitors and support staff, as well as two mental health social workers employed by Mission Australia. We also second two lawyers to The Shopfront each year from our Sydney office.

Case study: Médecins Sans Frontières

We play a crucial role in assisting multinational organisations who work on the front line of human need, such as leading humanitarian aid charity Médecins Sans Frontières ("**MSF**"), with whom we have a longstanding partnership.

MSF is the world's leading independent organisation for medical humanitarian aid. Every day more than 24,000 of the charity's field staff provide assistance to people caught in crises around the world, including in conflict zones, refugee camps and natural disaster areas.

Since 2012, we have worked with MSF to provide pro bono legal assistance, annual financial contributions, information sessions for our staff, meeting and libel training, 'mapping' events, and other in-kind support - combining fundraising with legal advice in order to have the greatest impact.

Our relationship has always been characterised by trust and transparency. We work together to find solutions and ways of bringing positive experiences back into our organisations.

"MSF Australia is 100% supported by private donations and we are highly appreciative of the support we receive from our donors and the relationships we develop with them. [Ours is] a multifaceted partnership based on trust and mutual respect for professionalism, and a collaborative outward focus on facilitating resource-efficient activities that have a positive impact on people in need. I continue to be genuinely impressed by the breadth and depth of legal and other support offered by Herbert Smith Freehills."

RUTH MOLLOY, MAJOR DONOR MANAGER, MSF AUSTRALIA & MSF NEW ZEALAND

"Having spent more than a few days with the MSF team in their office, it is fair to say that the team loved delivering this service to a really great group of people and for a very worthy cause."

PAMELA FLETCHER, HEAD OF INTERNATIONAL MOBILITY, HERBERT SMITH FREEHILLS



Case study: MADE51

MADE51 is the United Nations Refugee Agency's ("UNHCR") groundbreaking initiative that empowers refugees by connecting them with global markets, enabling them to use their skills and heritage to earn a living by selling artisan goods in the countries in which they find themselves displaced.

MADE51 has already directly impacted, empowered and supported 1,000 refugees. By 2030 over 300,000 refugees will have benefited, with an estimated \$30 million earned by refugee artisans. Not only have refugees been empowered by working on MADE51 products, their increased earnings have allowed the UNHCR to reallocate funds currently required for livelihood projects to emergency situations.

Lawyers across our offices have worked closely with the UNHCR on the formation of this initiative. Our advice has enabled MADE51 to navigate the complex legal rights and obligations relating to refugees, and successfully develop the foundations for UNHCR's first commercially focused endeavour, to create a sustainable livelihood solution for refugees.

Case study: transitional justice and human rights in Sri Lanka

We are proud to have partnered with the Public Interest Advocacy Centre in Australia in relation to its Sri Lanka transitional justice work. Our lawyers assisted with a conflict-mapping project involving the review of secondary material including sources from NGOs, United Nations agencies and new agencies, and adding relevant details of conflict and human rights violations to a specially developed database for the Sri Lankan conflict.


Case study: Sanctuary for Families, New York

Sanctuary for Families is New York's leading service provider and advocate for survivors of domestic violence, sex trafficking and related forms of gender violence. Every year, the organisation empowers thousands of adults and children to move from fear and abuse to safety and stability, transforming lives through a range of comprehensive services and advocacy.

Our New York office has supported Sanctuary for Families for a number of years. We support the organisation by representing clients on a pro bono basis, through volunteer opportunities such as helping clients prepare for job interviews and document translation services, and through fundraising.

A highlight of the year came in July 2018, when a team from our New York office secured a victory in the US Immigration Court granting asylum to our pro bono client, an Indigenous woman from Ecuador. Our team received the case nearly two years ago from Sanctuary for Families, and over several months met periodically with the client to learn the details of her personal history. The team prepared the many submissions, identified and retained a superb country conditions expert, and obtained corroborating declarations from both expert and lay witnesses.

The focus of the hearing proved to be the compelling and poignant testimony of the client. At the close of her testimony, the government counsel declined the opportunity to cross-examine the client. The judge then granted the client's asylum application from the bench. The government waived appeal, rendering the judge's order the final decision on the client's asylum application. The client, the defence team, and others in the courtroom were visibly moved by the outcome.



Médecins Sans Frontières nursing activity manager at Médecins Sans Frontières Health Centre in Kario Camp, Sudan is helping the mother to feed her baby who is suffering from severe malnutrition, with therapeutic milk.
©Janine Saad/MSF, 2018



Number of young people participating in our programmes

UK	2017	2018
School Outreach	160+	260+
Mentoring	90+	110+
Work Experience	87	92

Community

We are a global firm but our focus is also local – addressing local issues and supporting local beneficiaries. Our 27 offices around the world serve communities and regions with varying social priorities. For that reason, our community programmes balance strategic global and regional initiatives with local office-based committees, who are best placed to understand and respond to the priorities of our communities in which they live and work.

Across our community work, and inspired by the Sustainable Development Goals, we prioritise long-term partnerships and projects that promote equality and social inclusion. Although the way our programmes address this varies according to specific local contexts and needs, a drive to reduce inequality runs through everything we seek to achieve.

In the UK for example, we have a longstanding commitment to social mobility, offering personal and professional development opportunities to young people furthest away from the workplace. In Australia, we focus on national reconciliation with Aboriginal and Torres Strait Islander peoples, seeking to foster a culture of friendship and partnership and increase their representation in the legal profession. Through a variety of programmes in Hong Kong we build relationships and support for domestic workers, and in New York we work with survivors of domestic violence. We are also very proud of our long-term global strategic partnership with Medecins Sans Frontieres, which blends pro-bono legal assistance with annual financial contributions and other in-kind support.

Across our network, it is our people who make our programmes happen and we aim to provide every opportunity for them to actively engage with community organisations that promote equality and social inclusion.

Case study: Sufiyaan Osman, Networked Scholar alumni

Our Networked Scholarship Programme is a five-year, holistic programme of support, with places offered to five students a year. It includes insight days, mentoring, networking, skills training, an internship and a financial bursary. Sufiyaan joined the scheme in the first year in 2010. Like most sixth-form students, his future career plans were not entirely clear.

“Before the programme I assumed that maybe I’d become a mechanic like my dad, or something similar. The programme really opened my eyes to the possibilities in the City and made me realise this is what I wanted to do. It made me more confident to back myself.”

“All of us who were on it had parents who were from lower socio-economic backgrounds, children of immigrants to a certain extent. None of us on the programme had ever seen what it was like inside a corporate environment, it all seemed so far away. I’d describe it as shattering the glass around the city and making it attainable.”

The programme also led to a unique mentor relationship. As Sufiyaan explains “the first memorable event of the programme was meeting my mentor, Chris. Our relationship got so good that whether it was job interviews or applications, he would always take the time and effort to help me.”

“There was a point when I was looking at banking, and I didn’t know too much about this world. Chris thought the best way he could help me was to get me really commercially aware, so I used to go in once every two weeks and speak for 10 minutes on a given topic. Chris would sit and listen, take notes, sometimes we’d do a Q&A or he’d film me. Other times it was just a case of catching up over lunch or dinner and talking about how things were going. He kept me on a very consistent basis, and I wouldn’t be where I am now had it not been for him.”

Following his studies, Sufiyaan trained as an accountant with EY and today works as a Senior Associate at PwC. He credits this to the programme. “For sure, the programme changed my perspective and path in life. I’ve always had determination and a desire for self-improvement, but the programme really helped to hone these skills and provided me with the opportunity to get where I am now.”



Reconciliation Action Plan, Australia

The Reconciliation Action Plan ("RAP") programme provides a framework for organisations to support Australia's national reconciliation movement, supporting them to develop respectful relationships and create meaningful opportunities with Aboriginal and Torres Strait Islander peoples.

We seek to foster a culture of friendship and partnership between ourselves and Aboriginal and Torres Strait Islander peoples, organisations and communities. From our position as Australia's leading commercial law firm, we aim to increase their representation in the legal profession and reduce their over-representation in the criminal justice system.

We launched our first RAP in 2011 and have since developed internal protocols around acknowledgement of country, cultural competency training and supplier diversity.

In 2015, we were incredibly proud to be the first law firm to receive an 'Elevate' RAP, the highest level. We adopted our second [Elevate RAP 2018-2021](#) in September. This RAP formalises our flagship commitment to provide up to A\$5 million of pro bono legal advice to Indigenous clients over three years. In that time, we also commit to:

- taking a lead facilitation role in the development of an educational eco-system to nurture a pipeline of talent, to significantly increase employment outcomes for Aboriginal and Torres Strait Islander peoples in the legal and corporate sectors;
- providing access to justice through pro bono legal advice and representation, in particular for the most vulnerable young people at risk of incarceration; and
- advocating actively for justice reinvestment and constitutional reform.

This shows how great things happen when we work together, share our expertise, and strive to lead and empower others. By raising the bar of our RAP ambitions, we continue to lead national reconciliation action in the law and justice sector.

Case study: CareerSeekers internship programme

We provide pro bono legal support and in-kind support to CareerSeekers New Australian Internship Programme. CareerSeekers is a non-profit social enterprise that works with leading organisations to create employment opportunities for asylum seekers and refugees who aspire to obtain professional employment.

The programme supports two groups of participants, mid-career professionals and university students through a 12-week paid internship tailored to their specific needs. The programme for mid-career professionals focuses on providing work experience for qualified professionals struggling to break into the job market, where not having work experience in the country is often the biggest barrier. The programme for university students places them with corporate partner organisations, to help build skills and confidence for a career in the private sector.

It supports interns to develop the skills, experience and confidence to achieve their career aspirations in law. Both structured internships:

- improve academic performance and familiarity with the legal sector and thereby improve career prospects;

- improve prospects of graduating students by providing a context and 'sticking point' for their studies, and;
- improve financial independence.

At Herbert Smith Freehills, we are pleased to have hosted two CareerSeeker interns in our Melbourne and Sydney offices. Our first intern was placed with the Disputes Team in Melbourne and, since completing her internship, has joined the Federal Government Graduate Programme. Our second intern, who completed placements in both our Sydney and Melbourne offices, has recently applied for a clerkship at our Melbourne office.



Case Study: The Splash Foundation in Hong Kong

According to The World Health Organisation, there are an estimated 360,000 annual drowning deaths worldwide. It is the third leading cause of unintentional death, with low and middle-income countries disproportionately affected.

In response, Splash was started in Hong Kong in 2015. It is Hong Kong's only charity committed to teaching low-income communities how to swim, connecting people who know how to swim with those who want to learn through a large network of professional coaches and trained volunteers. Participants not only learn a skill which might one day save their life, but they also develop their confidence, enhance their mental and physical wellbeing, and become part of a supportive community. It has now taught over 2,200 people how to swim and be water safe.

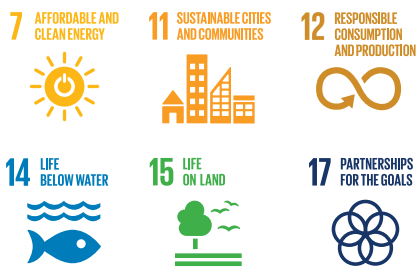
A large number of Splash's beneficiaries are migrant domestic workers, who under the terms of their employment contracts work six days a week and are required to live with their employer. Partially as a

result of this 'live-in' law, there have been many cases of inadequate rest periods, lack of proper sleeping accommodation and even physical abuse.

Through Herbert Smith Freehills Hong Kong office, we have been supporting Splash for the past three years through our annual fundraiser, the 'Splash Dash Relay'. Each year, two teams from the firm take part in the race, with many more employees volunteering on the day. All money raised goes towards growing Splash's domestic worker programmes. In addition, we support the charity with invaluable pro bono advice and guidance.

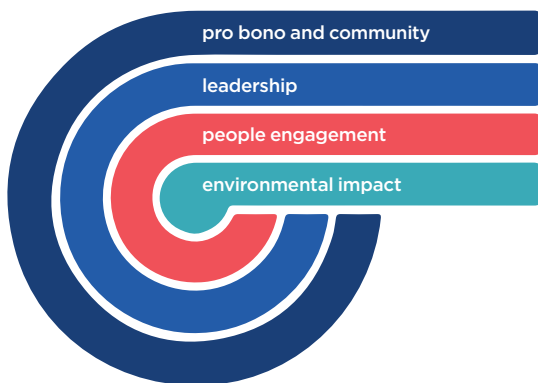


Sustainability



The impact of climate change at both a local and global level is deeply concerning, and we are committed to creating a business community that operates in an environmentally sustainable, economically feasible and socially responsible way.

We manage, and strive to reduce, our impacts by developing sustainable business practices, based on a comprehensive action plan with measurable goals and targets. It is ongoing work that we undertake with pride, care and diligence, and in a spirit of collaborative learning with our clients, our suppliers, our partners and employees, and across the legal sector.



Our global sustainability strategy

Our Global Sustainability Strategy, launched in 2016, focuses on four areas: environmental impact, people engagement, leadership, and pro bono and community. We apply these principles internally and externally, throughout our entire practice.

We already measure, manage and report on our most significant environmental impacts, such as our energy use and waste. We also recognise that our clients are on their own sustainability journeys and make the most of our unique and trusted position to support them in these.

As part of our Global Sustainability Strategy we developed headline targets for 2020, based on a 2016 baseline:

Over the next year, we will be evaluating our progress and performance over the last four years of consulting with our stakeholders and establishing our priorities and targets for the next phase of our journey.

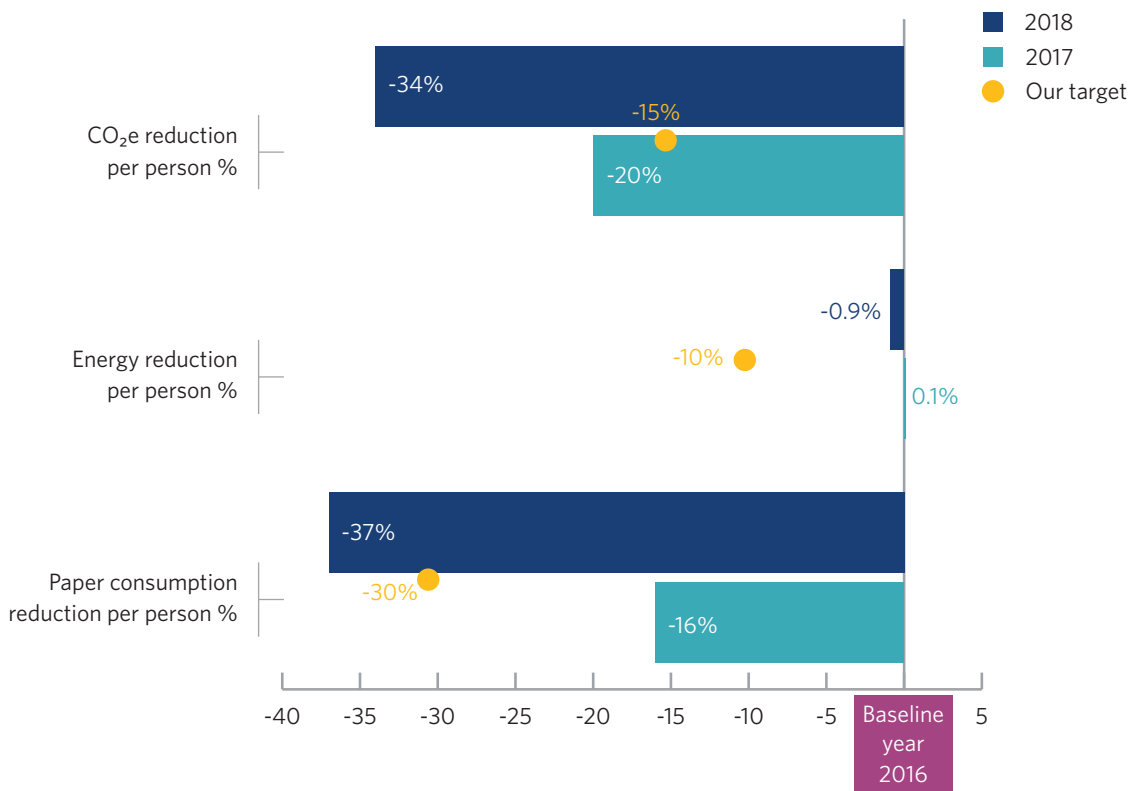
Reducing our emissions

Energy use in our offices is our biggest source of carbon emissions. From investment in new energy-efficient equipment to LED lighting upgrades, we know that every saving we can make is important. Our approach is three-pronged: we encourage energy-saving behaviours, we implement energy-saving projects, and we identify and implement energy-efficient products. We have been certified to Energy Management System ISO 50001 in the UK since November 2015.

It is disappointing for us to report that energy use in our offices has yet to see a downward trend. We face ongoing challenges here, but we know that it is something which needs further scrutiny and which may require changes to our current strategy. Despite this, we are encouraged by a fall in total emissions per person, reflecting the broader picture.

Technology has significantly changed the way we understand and manage many aspects of our day-to-day operations. A centralised online global management tool has allowed us to better monitor our travel and identify areas for improvement. Video conferencing has enabled a personal approach to our client work while reducing emissions associated with travel to meetings. Internally, we have implemented Skype for Business to cut non-essential inter-office travel.

We now use 100% renewable electricity in our offices in London, Belfast and Brussels, and we're making progress across our global network, with almost 50% of our electricity from renewable sources.



Waste and resource use

Eliminating waste and improving our recycling rates is an important area of focus, and we encourage our people to take an active role in identifying opportunities for ongoing improvements.

The phasing out of single-use plastic in all our offices has been a major priority, and after months of hard work we are pleased that 80% of our network have entirely removed single-use plastics from their offices. This has been achieved through a coordinated drive by all our staff and suppliers to identify opportunities for reduction and replacement with alternatives. For example, our dry cleaners in London have replaced disposable plastic suit covers with reusable ones, and in Bangkok we have introduced reusable food containers, glass straws and paper cotton buds.

Reducing our paper consumption is another commitment, with a current target to reduce usage by 30% by 2020 across our network. We have already met this target, thanks in large part to new technologies which have allowed us to minimise unnecessary use.

Engaging our people

We have two Sustainability Action Groups:

- the Asia Pacific and Australia Sustainability Action Group and
- the UK, US & EMEA Sustainability Action Group

They work together to ensure that we operate consistently and in a socially responsible and environmentally sustainable way across our entire global network. Members of the groups are partners, senior management and office managers.

In addition, we have Green Teams across our office network who are responsible for local engagement. We support events and use opportunities such as Earth Hour, UN World Environment Day and the UK's Cycle to Work Day to raise awareness of environmental issues and our responsibilities.

This year we used Environment Week to run a series of events and campaigns in Bangkok, Belfast, Brisbane, Germany, London, Madrid, Perth, Seoul and Sydney. A highlight of the week was a global photography competition 'The World I Want', which displayed photographs and murals across our offices reflecting the global climate emergency. Each office also led their own engagement initiatives, with our office in Belfast running a daily questionnaire with prizes such as KeepCups and Bamboo toothbrushes up for grabs, and our German office encouraged team members to walk or bike 5km to raise donations for OceanCare.

"One of the big challenges in Asia is that environmental issues are not necessarily on people's radar the way they are in Europe or Australia. Single-use plastics, paper waste, carbon footprint – these are already hot topics but in Asia you do sometimes get some push back, it is a different culture. The Asia Pacific and Australia Sustainability Action Group has been instrumental in highlighting the importance of environmental issues and positive work done elsewhere in our network, and encouraging our people here in Asia."

MIKE MCCLURE, HEAD OF DISPUTES KOREA AND PARTNER CHAMPION FOR THE APAC SUSTAINABILITY ACTION GROUP

Case study: Go Green! Hong Kong

This initiative came about through a discussion between three founding members (Nicole Schlaikier, Gigi Cheng and Michael Thillaivasan) about minimalism and the amount of rubbish people generate. The group felt passionately about doing something locally and wanted to learn more about the environmental issues affecting Hong Kong and do their part to help. They wondered whether their colleagues were having similar thoughts and conversations, and the idea to get together to share ideas, raise awareness and encourage actions came about.

Since first getting together, the group has grown rapidly and is constantly generating more ideas, interest and actions. Staff have taken part in documentary screenings, presentations, visits to rooftop gardens and more recently a beach clean-up day which removed over 50 bags of rubbish from Tung Wan Beach.

"The Green Team in the Hong Kong office was launched in June 2018 and since then their enthusiasm and passion about the environment has had a snowball effect, encouraging our people across the network to follow their example. The awareness and engagement in Asia has increased considerably thanks to the initiatives of the team."

JUSTIN D'AGOSTINO, EXECUTIVE PARTNER

Sustainability leadership

We play an active part in business networks seeking to address the challenges of climate change and sustainable development. In 2008, we became a founding member of the [Legal Sustainability Alliance \("LSA"\)](#), a collaborative industry effort to address climate change by reducing our carbon footprint and adopting environmentally sustainable practices. In 2014 we also joined the [Australian Legal Sustainability Alliance](#).

In addition to our own activities, we contribute to wider efforts to promote environmental sustainability by providing pro bono legal services on key initiatives and other forms of community investment. For example, we are a founding member of the [Legal Response Initiative \("LRI"\)](#), which provides free legal support to the least developed country delegations and NGOs in relation to the United Nations Framework Convention on Climate Change ("[UNFCCC](#)").

The international negotiations under the UNFCCC are among the most complex multilateral law and policy making processes ever undertaken. Industrialised nations can afford huge teams of dedicated, specialist lawyers, giving them an advantage over less developed countries who, in a double injustice, are often most at threat from climate change. Through our work with the LRI, we seek to create a more level playing field.

"The LRI provides vital legal support to the poorest countries in the UNFCCC negotiations at international level and more locally through assistance with national legislation and capacity building. I encourage anyone who has an interest in climate change to get involved - it is a fantastic opportunity for lawyers to be part of this amazing initiative and know that your advice will really make a difference."

SILKE GOLDBERG, PARTNER

Our suppliers

As a professional services business, our supply chain predominantly consists of goods and services that enable our people to deliver these services. Our global procurement team, based in London, supports responsible sourcing and purchasing across the firm. We know our social and environmental responsibility extends beyond our own business to all those we choose to work with, and we do everything in our power to minimise our indirect impacts through our Global Responsible Procurement Policy, developed in 2015.





The Living Wage and beyond



The Living Wage is an hourly rate of pay, set independently and updated annually, based on the real cost of living in the UK, versus the legal minimum. We were proud to be one of the first 90 employers to have been accredited in the initial wave of Living Wage Employers in 2012 (the total is now over 5,000). This applies to every member of staff in our organisation – including individuals who work on a regular basis at our premises, such as security staff. Additionally, our third-party contractors such as our caterers and cleaners ensure their own staff are paid the real Living Wage too.

In July, we spoke to employees from our third-party contractors about how the real Living Wage has impacted them. We were encouraged to hear that their quality of life is better, they are able to work fewer hours than friends to achieve an equivalent salary, and as a result they have increased the amount of time spent with loved ones.

Inspired by the success of the Living Wage campaign, and in response to the number of workers who face financial insecurity and in-work poverty, we are in the process of working with the account managers for our third-party contractors on any changes we need to make in order to support the Living Hours initiative. This initiative was launched in June 2019 and requires organisations to provide workers with at least four weeks' notice of shifts, a contract that accurately reflects hours worked, and a contract with a guaranteed minimum of 16 hours a week.

Modern slavery

We take our responsibility to respect internationally recognised human rights very seriously and we seek to conduct our activities in a manner that supports their protection. As a signatory to the United Nations Global Compact, we have explicitly committed to this, and to ensuring that we are not complicit in human rights abuses through our business operations, supply chain or stakeholder relationships.

We have conducted an initial assessment of the firm's own business and supply chain and consider that there is minimal risk of modern slavery or human trafficking. We have also introduced a procurement platform to ensure parties who work with us adhere to our high standards and policies. This uses a gated approach to assess the due diligence of our suppliers on an ongoing basis, in order to identify where modern slavery and trafficking risks lie. In the event that we become aware of a case of modern slavery or trafficking in our supply chain, we will work to remediate this through legitimate and proportionate processes as swiftly as possible.

Our Responsible Procurement Policy applies to all our suppliers. In the UK we have met with key suppliers to discuss the key concepts within the policy and to understand their approaches, while encouraging change and innovation initiatives which align with ours. In early 2016 we also began issuing all our major suppliers globally with Procurement Compliance Standards, setting out our expectations of them. We continue to analyse our global suppliers annually so that we can understand the extent of our supply chain and inform our risk-assessment with up-to-date, accurate information.

We hope this report gives a flavour of the breadth and depth of our passion for and commitment to responsible business. This commitment is ongoing and we welcome any comments and feedback from our stakeholders. Please contact our Head of Citizenship, Emma Cooke on emma.cooke@hsf.com



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