



# Freshfields UN Global Compact Communication on Progress 2019



Freshfields Bruckhaus Deringer

# Message from Edward Braham

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As a global law firm, we believe we have a shared responsibility to support a sustainable future for all. This is true today more than ever, as the world grapples with COVID-19 and business increasingly acknowledges that it must be part of the solution to help our economies and citizens recover from this crisis.

We can contribute to society in several ways – we can improve the way we do things ourselves, by promoting integrity and ethics, and by being a diverse employer that manages its environmental footprint. We can have a positive impact in society by encouraging community investment and doing pro bono work. But we are also the oil that keeps the world's economies going: the rule of law, clear ownership of assets, supporting our client's transition to a sustainable future thus enabling business to be successful are all part of the ways in which we can contribute to the sustainability of the world.

Freshfields Bruckhaus Deringer is guided by the Ten Principles of the UN Global Compact – to which Freshfields was the first international law firm to sign up – and the UN's Sustainable Development Goals. These universal principles make responsibility a shared duty, encouraging all businesses to align strategies and operations, and provide a framework to advance societal goals. For Freshfields, these principles translate to a commitment to reducing our environmental impact, becoming a more diverse and inclusive workplace, and making a positive difference to the communities we touch, especially through our pro bono work and community investment activities.

We firmly believe that our privileged position as a trusted adviser to many of the world's most dynamic companies brings with it, responsibilities to society. To be successful in the long term we need to approach our commitment to being a responsible business with the same creativity and focus that we bring to our clients' most critical issues. Business will shape the future, but this will only be for good if companies take a long-term perspective. Change can be achieved if we can bring together corporations, governments and civil society. For our clients and our firm to thrive, we need the rule of law and healthy, growing and stable economies that value and respect nature and the resources it provides. In other words, sustainable economies.

This report is Freshfields Bruckhaus Deringer's Communication on Progress (COP) for the UN Global Compact (UNGC).



**Edward Braham**

Senior Partner



# The 10 principles of the United Nations Global Compact

The UNGC is a voluntary initiative based on CEO commitments to implement universal sustainability principles and taking steps to support UN goals. It is supported by a framework for businesses, stating 10 principles in the areas of human rights, labour, the environment and anti-corruption:

### Human Rights and Labour Principles Key areas

**Principle 1:** businesses should support and respect the protection of internationally proclaimed human rights

**Principle 2:** make sure that they are not complicit In human rights abuses

**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:** effective abolition child labour

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

### Environmental principles Key areas

**Principle 7:** businesses should support a precautionary approach to environmental challenges

**Principle 8:** undertake initiatives to promote greater environmental responsibility

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

### Anti-corruption Principles Key Areas

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

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## Human rights and labour principles – our approach

**As a people business, we are committed to ensuring the safety and wellbeing of all who work with us and ensuring we adopt and promote responsible working practices for our people and in our supply chains.**

We look to combat modern slavery in all its forms, uphold the protection of human rights and manage our supply chain responsibly.

Our working practices globally are overseen by a multidisciplinary Modern Slavery Working Group, which includes two external members to ensure transparency. Our 2019 [Modern Slavery Statement](#) can be found [here](#).

Through our [pro bono practice](#) we regularly act for charities and vulnerable individuals in important human rights cases, especially in the areas of refugee rights and modern slavery. Recent examples include [acting to assist Justice centre Hong Kong](#), helping asylum seekers, refugees, victims of torture and survivors of human trafficking and forced labour access their legal rights. In FY2018/19 we worked on over 100 pro bono mandates and projects to advance the protection of human rights.

We have a leading practice in [global business and human rights](#) and regularly advise large multinational companies and public authorities on the full suite of issues arising out of the UN Guiding Principles. For instance, we advise on the design and drafting of, and providing training on, human rights policies for various major financial institutions to balance the requirements of human rights law and business law, including in relation to whistleblowing, data protection and use of social media. Our dedicated Global Business and Human Rights Group monitors international human rights law developments in real-time and provides regular updates via our [sustainability and human rights blog](#).

Internally our [global procurement policy](#) and [responsible procurement guidelines](#) reinforce our commitment to ensuring the highest standards of behaviour in our suppliers, particularly in relation to labour and other forms of human rights.

# Human rights and labour principles – our approach

**We strive to be a diverse and inclusive workplace and are engaged, through our pro bono and community activity, in working to eliminate discrimination in the communities in which we operate.**

Our pro bono practice has as long track-record of acting for individuals and organisations in cases that seek to address discrimination, in line with our responsible business strategy to promote access to opportunity and access to justice. Over the course of the year:

- We continued to [partner with Stonewall](#) to assist with the drafting of its Global Workplace Briefings to help illuminate the situation for LGBT+ people in a number of different countries.
- In London we engaged in strategic litigation before the Court of Justice of the European Union to ensure that transgender women are allowed to draw their pensions at the same age as other women, without requiring them to obtain a Gender Recognition Certificate (and in particular not requiring them to divorce).
- We continue to support the LGBT+ Lawyers and Allies Network (LLAN) which we also founded, an LGBT+ not-for-profit organisation that aims to [promote LGBT+ equality in Japan](#), specifically focusing on same-sex marriage.
- In the US we support the New York City Bar Justice Center Veterans Assistance Project where we have successfully represented disabled, low income veterans on claims for service-connected disability compensation before the US Department of Veterans Affairs.

Through our [community impact activity](#) we continue to promote equal access to opportunities and seek to tackle the challenges of social mobility through our work experience and mentoring programmes, including the award-winning [Freshfields Stephen Lawrence Scholarship programme](#) and the US [Legal Outreach programme](#).

Internally, we continue to focus on promoting inclusive behaviours in our culture. We provide unconscious bias training and over 2,000 of our people are now signed up to our [Every Day Gender Equality \(EDGE\) Commitment](#). We are also focused on mental health, exceeding our global target in 2019 to train 1 in 25 of our people in [mental health first aid skills](#) with over 260 people trained globally.

In 2019 we carried out a comprehensive listening exercise with our people around culture and behaviour. [This resulted in a global framework to guide how we work together across the firm](#). We also updated our global policies around bullying, speaking out and sexual harassment, and introduced a [Conduct Committee and Conduct Protocol to ensure that we deal with disciplinary matters relating to partners in a robust, transparent and globally consistent way](#).

As part of our overall commitment to be a fair employer we are committed to ensuring fair pay and treatment for our people. For example, in the UK our [UK pay gap report](#) includes additional data to promote transparency and progress and we are accredited by the [Living Wage Foundation](#).

# Environmental principles – our approach

**As an international law firm, we have an operational environmental impact driven predominantly by the footprint of our offices and travel requirements. Though our footprint is not as large as businesses in other sectors, we take the responsibility to minimise it seriously.**

### Managing our environmental impact

We manage our firm's environmental impact, such as the energy we use in our buildings, our business travel, the waste we generate and the water and paper we use. To minimise our impact we have committed to 4 targets to be achieved by 2020:

- Reduce emissions from office energy use by 10%
- Reduce emissions from travel by 10%
- Reduce our paper use by 30%
- Phase out single-use plastics

In 2018-2019 we were on track to achieve three of the four targets (energy, paper and plastics) through internal engagement led by our environmental coordinators in each office, as well as investment in technology such as secure printing:

- 6% reduction in global carbon footprint
- 14% reduction in global paper use
- 27% reduction in global water use
- Our aim to phase-out single-use plastics is on track to be achieved by the end of 2020

We are working hard to reduce our travel footprint through significant investment in remote collaboration and behavioural change campaigns.

Our London office is certified to the ISO 14001 environmental management system. We also have a certified energy management system (ISO 50001). Other offices are implementing their own approaches to environmental management, following the recommendations of an internal Green Guide.

### An innovative approach to carbon neutrality

In 2015 we made a 10-year commitment to carbon-neutrality and launched an innovative award-winning community forestry project, Freshfields [REAP](#) (Reforestation in East Africa Programme). This scheme offsets our emissions and supports the livelihoods of up to 8,000 small-scale farmers while restoring the environment in Kenya and Uganda. Four years into the scheme, it has exceeded expectations, involving over 22,000 farmers who have planted over 2.8 Million trees, generating taking much carbon out of the atmosphere in the process.

Our UK employees can also choose to offset their own non-work carbon footprint by purchasing Freshfields carbon credits.

# Environmental principles – our approach

### Acting as agents for ESG change

We have a world-leading advisory practice in environmental law and advise our clients on their own carbon reduction and environmental management initiatives as well as sustainable financing and corporate governance through our client sustainability practice.

We help our clients seize the opportunities and manage the risks that flow from an increased focus on environmental, social and governance (ESG) performance, handling everything from advanced due diligence around corporate transactions to some of the highest-profile climate change-related lawsuits in the world.

### Impact collaborations

We also provide thought leadership and collaborate with clients on projects. In 2019 the firm brought together leading businesses, financial institutions, city authorities, think-tanks and academic institutions, in New York, to explore ways to tackle the City's sustainability challenges, including waste, resource scarcity, climate change and job creation. The Circular New York City Initiative convened by the firm will apply the principles of the circular economy – minimizing waste and making the best use of scarce resources – to identify the key levers for change.

## Anti-corruption principles – our approach

**Managing the global risks around corporate criminal liability is a priority for senior management. We support our clients to control those risks in whatever form they may intersect with their businesses, and in whatever form they may present themselves legally, be that in the context of ABC, AML, fraud, tax evasion, sanctions or other economic crime.**

This includes helping businesses to identify and mitigate risks in deal/commercial contexts; improving their own compliance programmes to ensure their people and those they interact with are aware of and take steps to avoid misconduct; conducting culture review and remediation work to help businesses raise their professional standards; and where improper conduct does arise, helping businesses to investigate, remediate and appropriately take responsibility for it. For more information please click [here](#) and [here](#).

As part of our internal risk-based approach to business acceptance, we have established procedures to evaluate new client and review new mandate proposals for financial crime, sanctions or human rights concerns. In respect of the latter we are guided by the UN Guiding Principles and the recommendations of the International Bar Association's Practical Guide on Business and Human Rights for Business Lawyers (2016).

We recognise our role in upholding the highest levels of integrity and ethical standards and apply these to our own practices through our behavioural framework and our anti-bribery policy and procedures.

Our Global Head of Financial Crime and Sanctions is a member of the Money Laundering Task Force of the Law Society of England and Wales, the scope of which was widened to cover sanctions compliance and other aspects of financial crime compliance, and the Law Society's delegate to the Money Laundering Committee of the Council of Bars and Law Society's of Europe. We continued our work on these committees as well as supporting the efforts of the International Bar Association on anti-money laundering issues. Through these fora, we were fully involved with advocacy and practice development concerning financial crime and sanctions, including, among other things, engaging with UK Treasury and the Home Office on matters relating to the implementation of the 5th EU Money Laundering Directive, proposals to change the current money laundering reporting regime in the UK as well as engagement with the Office of Financial Sanctions Implementation and regulatory aspects related to Brexit.



## Key performance indicators

# Environmental indicators

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Gross carbon footprint per capita (tonnes CO2e*)**	4.66	4.64	4.48	4.14	6.01	6.08	5.94
Gross direct and indirect greenhouse gas emissions – scope 1 and scope 2; fossil fuels and refrigerants; electricity (tonnes CO2e*)**	15,672	15,105	15,638	14,525	12,302	10,859	10,549
Total gross indirect greenhouse gas emissions – scope 3; business travel (tonnes CO2e*)**	11,324	13,438	12,972	11,723	17,356	21,219	19,300
Gross carbon footprint (tonnes CO2e*)**	26,997	28,543	28,611	26,249	28,083	33,569	31,655
Global water use (m3)**	143,103	83,457	167,859	147,075	149,030	151,662	110,482
Global waste disposal (tonnes)**	1,708	2,483	2,510	2,444	1,828	1,609	2,315
Global paper purchased (reams)**	228,989	214,944	207,977	195,346	169,922	149,409	128,042

\*CO2e= carbon dioxide equivalent

\*\*Our environmental data has been assured by Carbon Footprint Limited.

## Key performance indicators

# Pro bono and social contribution indicators

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Employees involved in pro bono and community investment programmes (per cent)*	37	39	44	36	50	49	32
Hours contributed to pro bono and community programmes*	60,878	79,105	74,336	67,969	66,092	63,149	62,598
Total number of employees	4,859	5,060	5,446	5,753	5,230	5,220	5,325
Women partners (per cent)	12	12	13	14	14	15	16
Total community contributions, including management costs (£m)'	10.48	15.46	13.83	14.66	15.66	17.46	17.87
Participation in UK payroll giving (per cent)	5	5	5	5	5	5	5
Turnover (£bn)	1,229	1,278	1,245	1,245	1,285	1,337	1,472
Profit per equity partner (PEP) (£m)	0.94	1.65	1.37	1.54	1.65	1.73	1,839

\*Our community investment and pro bono data has been assured by Corporate Citizenship.

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## Key performance indicators

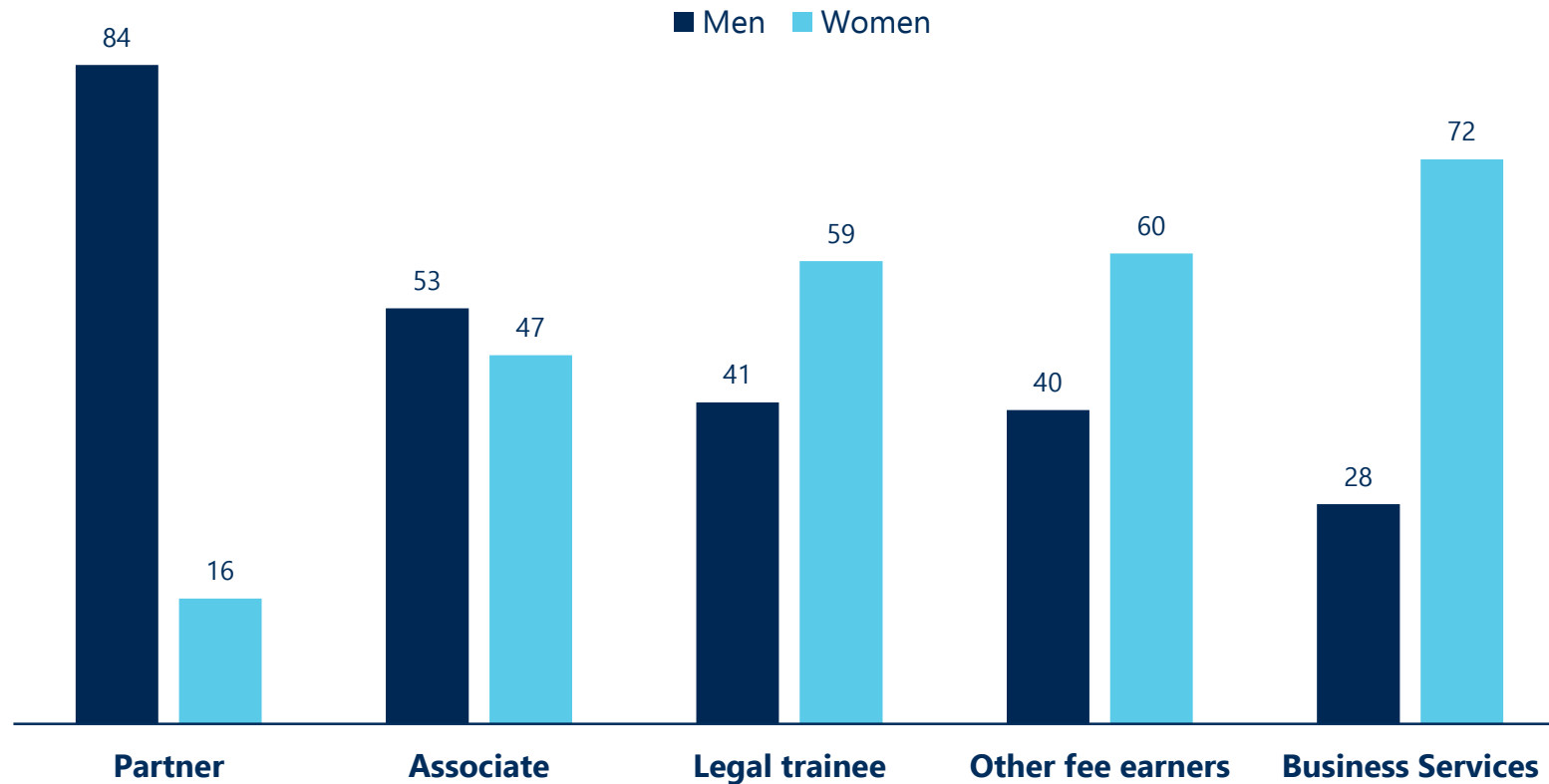
# Pro bono

**In our 2018-19 financial year, over 44% of our lawyers gave over 52,000 hours of free legal advice on 485 matters for 264 clients.**

Our pro bono hours have seen a steady increase in recent years as we have focused on developing deeper relationships with existing clients that align closely with our strategy and target groups.

	Percentage of lawyers involved	Number of hours	Number of matters	Number of clients
2016-17	47%	49,850	518	287
2017-18	44%	51,625	500	286
2018-19	51%	52,364	485	264

## Employee profile by gender in 2018-19 (per cent)



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