



HERBERT  
SMITH  
FREEHILLS

**2020**  
**RESPONSIBLE  
BUSINESS  
REPORT**



# Welcome

This year has been an extraordinary year. The human cost and disruption caused by the Covid-19 global pandemic are difficult to overstate. In addition to the pandemic, in the last 12 months, we have also seen bushfires devastate large areas of Australia, widespread protests and calls for racial justice following the killing of George Floyd, as well as a mounting international movement pushing climate protection into the global consciousness in a way that we have not seen before.

I have been proud of our firm's response to these challenges, which has emphasised our passion for justice and deepened our commitment to our clients, our people and our communities.

We, like others in the legal profession, have adapted to a completely different way of working in response to the pandemic. We hope that we will continue to adapt and evolve and to come through this global crisis stronger than before in terms of how we serve our clients, how we engage with and motivate our people, and of our underlying business objectives and performance.

In the wake of the BLM movement, we've had deep conversations with our people about how we could do more to improve the ethnic diversity across the firm and build a supportive, respectful environment where everyone, regardless of race, can thrive. Despite working for

some time to further diversify the make-up of the firm, those conversations made it clear that more had to be done. In response to this, we unveiled our "10 Actions for Change", an ethnicity framework and measure of accountability for every region in our global network to create meaningful change, for our people and our communities. We know that progress against the Actions is only a step on our journey to address these challenges but that should not deter us from setting goals.

We have developed innovative ways of working to enable continued delivery of our pro-bono and citizenship programmes across the network. We also continue to build on our relationship with our global charity partner, Médecins Sans Frontières, who continue to work tirelessly around the world supporting the pandemic response.

Through our work with clients, we have observed an increasing focus on Environmental, Social and Governance initiatives across all sectors. As a leading global law firm, we are clear about our own 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.

Finally, 2020 saw the start of the 'Decade of Action', an initiative by the UN to accelerate delivery of the Sustainable Development Goals (SDGs), and I am delighted to share with you our fourth communication on progress, a report that not only demonstrates our commitment to the SDGs and the UN Global Compact (UNGC) Principles but also recognises the challenges we face. We still have a lot to do and will continue to embed the principles of the UNGC and SDGs in our day-to-day activities to support positive change in sustainable business practices, which we know is a key motivation for so many of our people.

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



**JAMES PALMER**  
CHAIR AND SENIOR PARTNER  
HERBERT SMITH FREEHILLS LLP

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# An extraordinary year



At Herbert Smith Freehills, we provide leading-edge legal expertise to many of the world’s biggest organisations. We have a reputation for being ground-breaking and distinctive, and combining in-depth knowledge and insights with a global perspective. We are immensely proud of our position and our achievements. But we also recognise that we have a chance to provide leadership that goes beyond our mere size or sphere of influence.

In May, we welcomed Justin D’Agostino to the Chief Executive Officer role. Formerly global head of the disputes practice and regional managing director for Asia and the US, Justin took office during the most turbulent of times. Under his leadership, we have adapted to completely new ways of working, of serving our clients, and of collaborating with our partners in the community. Our drive for innovation and the digital transformation has proved invaluable here, pushing through new technology with which we can better support all our stakeholders.

Now, more than ever, we are mindful that our success as a business depends on the wellbeing of our people and our communities. As we play our part in tackling some of society’s biggest

challenges, our commitment to integrity and justice will be even more important. These are the values which underpin our work, and which guide us as we help our clients to navigate today’s shifting environmental, social and governance landscape.

In this report, we reflect on our responsible business journey over the last 12 months, our response to key trends and advancement towards our own and broader global targets.

We are **immensely proud** of our position and our achievements. But we also recognise that **we have a chance to provide leadership that goes beyond our mere size or sphere of influence.**

Covering important recent developments, case studies, key indicators of performance and future plans, it also serves as our 2020 Communication on Progress, in line with our commitment to implementing the principles of the UN GC and contributing to the UN SDGs.





# Our people

We aim to instil a culture of engagement, ambition and high performance at Herbert Smith Freehills, by putting people and the client experience at the heart of our business. We want to attract and retain top talent from all backgrounds and enable them to perform to their full potential. That means fostering a diverse and inclusive workplace where difference is celebrated, development advanced and wellness prioritised. We believe it is also vital to provide regular opportunities for people to share their experiences, feedback and ideas.

In the last 12 months we have seen some significant improvements in the experience of our employees, particularly in the areas of leadership and communication. While the latest results from our employee survey have revealed much to be proud of, people have told us we can do more to enhance their career development opportunities, including creating greater awareness of the various career pathways that exist within and outside our business.

Amid widespread protests and calls for justice following the killing of George Floyd, we began a deeper conversation about improving ethnic diversity across our firm. And the challenges presented by the global pandemic have highlighted the importance of our continued support for the mental health and wellbeing of our people. As part of our new strategy under Justin's leadership, we have looked at these areas afresh, establishing clear expectations and support for further change. This is guided by our new People and Culture Advisory Board.

Our commitments here are fully consistent with our values and underpinned by our support for the UN SDGs. The most relevant of these are ensuring the good health and wellbeing of our people (in line with SDG 3), our contribution to SDG 5 through our work to promote gender equality, and our efforts to reduce all other types of inequality in line with SDG 10.



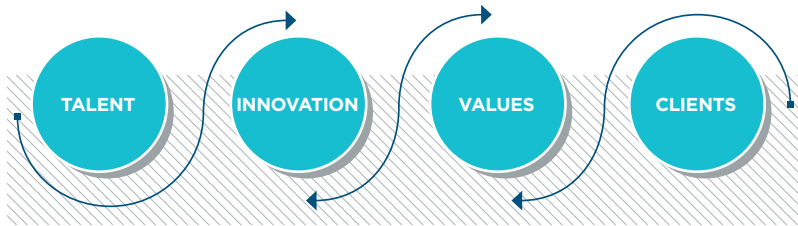
## Diversity and Inclusion

Our vision is to be the world's leading law firm for diversity and inclusion.

In line with SDG 5 and SDG 10, the principles of gender equality, equal opportunity and reduced inequalities are fundamental to our diversity and inclusion strategy: 'Leading for Inclusion'. This is integrally connected to our overarching business strategy, and is built around four key pillars: talent, clients, innovation and values.

We approach all our priorities and decision-making within this framework of inclusivity, to ensure that we constantly consider how we can leverage our diversity for the benefit of our people, our business and society more broadly.

Please visit [our website](#) to read more about our Leading for Inclusion 2018-2021: Global Diversity and Inclusion Strategy .



At Herbert Smith Freehills, we don't expect our people to be or think the same – indeed, diversity and inclusion drive our success and the innovative solutions we deliver with our clients. That's why fostering an inclusive culture where our people can be themselves, contribute their perspectives and perform roles which are meaningful and aligned to our shared values is a core business priority.



JUSTIN D'AGOSTINO, CHIEF EXECUTIVE

# Accelerating action on ethnicity

The firm has, for some time, been working to further diversify our make-up: for example, introducing ethnicity targets in some of our global offices. But we need to do more, and the growing prominence of the Black Lives Matter movement has, for many of us, served as a catalyst for deep reflection on the bias and racism that are rife within society. We've had meaningful discussions with people across the firm about how we can become an anti-racist organisation, committed to confronting the deep-seated inequities and injustices from which no country or business is exempt. We launched our '10 Actions for Change': a global set of commitments aimed at improving the representation, and experience, of Black, First Nations, Asian and minority ethnic colleagues throughout Herbert Smith Freehills.

Our new approach will also include the delivery of anti-racism workshops, reverse mentoring programmes and a continued focus on better data and measurement.

From our UK data, we know that the size of the Black and minority ethnic population is not reflected in our workforce, particularly at senior levels of the business. As part of our new action plan, we intend to improve and expand the data we collect on ethnicity across our network.

Address barriers to the recruitment of Black, First Nations, Asian and minority ethnic people

1

Improve retention of Black, First Nations, Asian and minority ethnic colleagues, and improve representation in more senior roles

2

Deliver anti-racism workshops in addition to global D&I programmes

3

Better inform and track our approach through robust data collection and analysis, and target-setting where appropriate

4

Invest in research and continue listening to our people (including leavers) and communities

5

## 10 ACTIONS FOR CHANGE

Engage meaningfully with our clients on anti-racism

6

Increase mentoring and work experience opportunities for young people from Black, First Nations, Asian and minority ethnic backgrounds

7

Support diversity within our supply chain and support businesses and social enterprises owned by Black, First Nations, Asian and minority ethnic people

8

Increase pro bono support for organisations that address racial inequality

9

Hold regional executives accountable for progress on ethnic diversity

10

Please visit [our website](#) to read more about our 10 Actions for Change.

### Results from our global diversity audit 2018



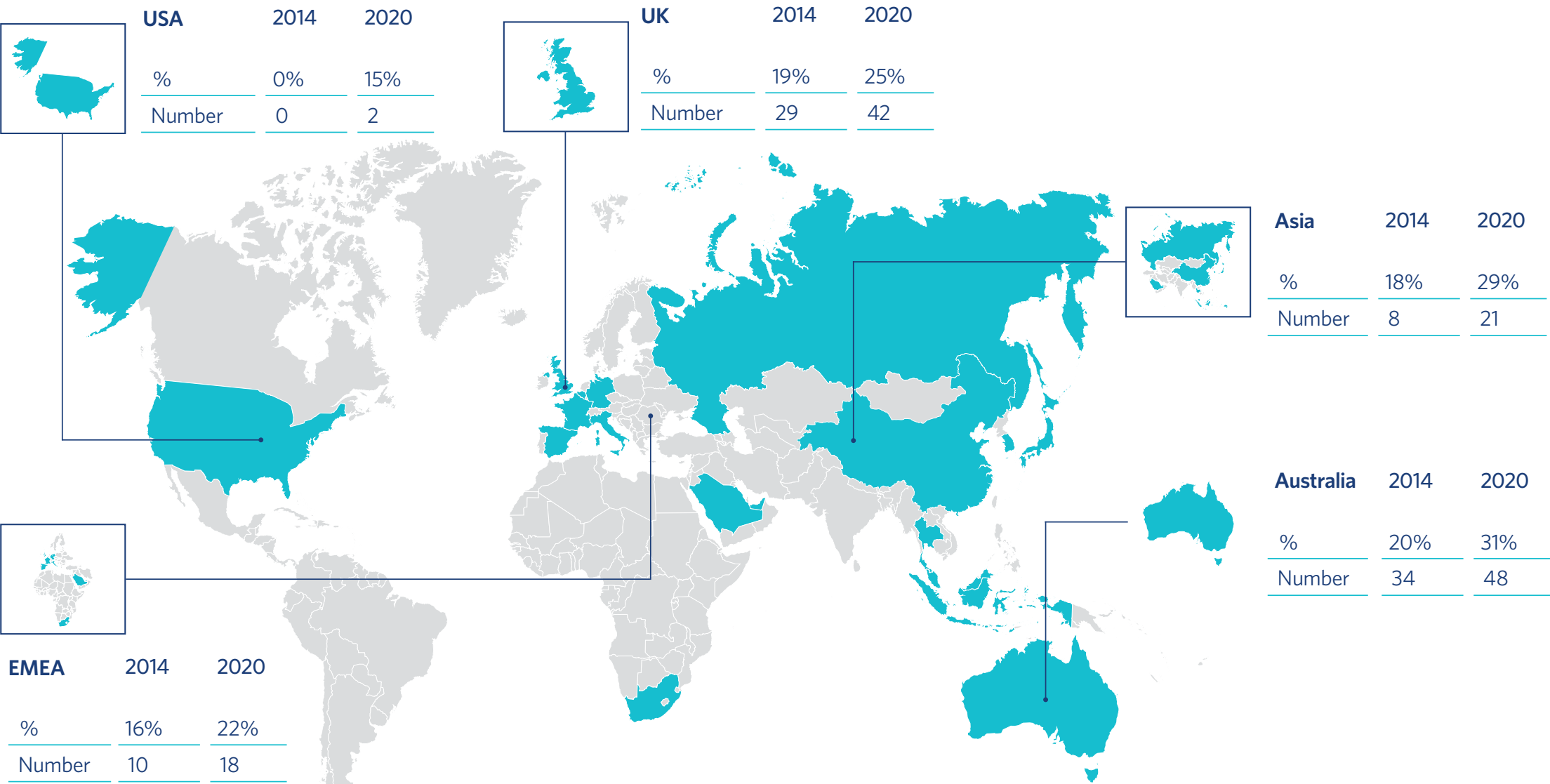
# Gender equality progress and performance

Gender equality remains a priority and we continue to make positive progress. We first set gender targets in 2014 to increase the proportion and number of women in our partnership. These were accompanied by a comprehensive set of actions to drive greater gender equality, such as unconscious bias training, a focus on parental support, and better access to quality sponsorship. Since first setting targets in 2014, the number of women in the partnership has more than doubled, and representation increased from 18%-27% globally.

In 2019 we promoted 26 lawyers to the partnership, in addition to eight lateral hire partners. Encouragingly, the gender balance of these new partners is equal. We have also made strides towards our aspirational target of women comprising 35% partners and partner leadership roles by 2023. As of 1 October 2020, 27% of our partnership, and 34% of partner leadership roles, are held by women. Additionally, women comprise 40% of all key global leadership positions.



## Women in the partnership

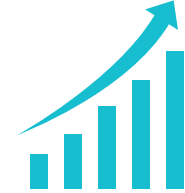


## Our current targets

By 1 May 2023  
women  
will comprise  
35% of:

- partners; and,
- partner leadership roles.

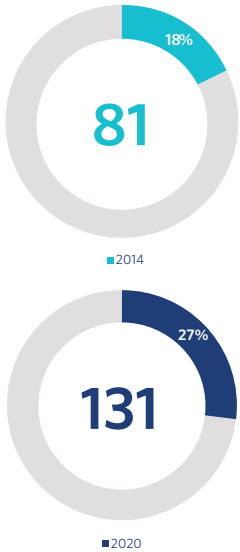
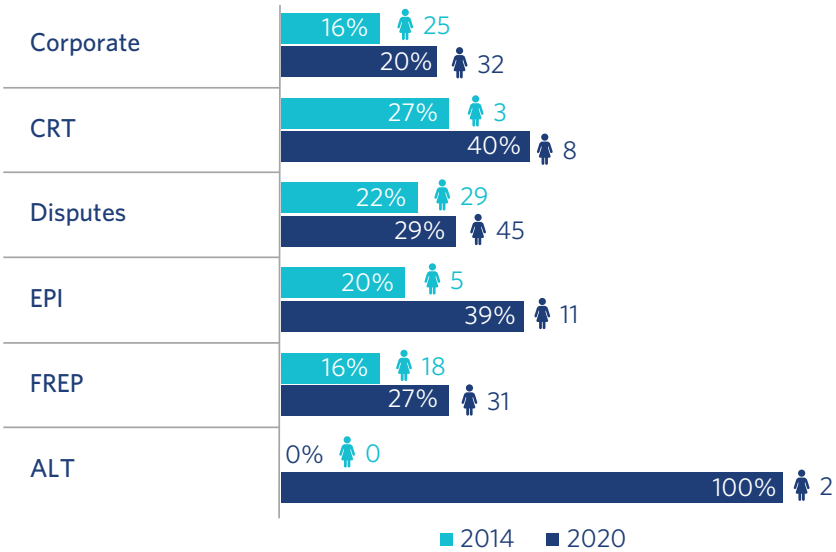
## Our current status



We have:

- 27% women partners; and,
- 34% women in partner leadership roles

## Global







## Working with Rare Recruitment to broaden our talent pool

We partner with some fantastic organisations in the UK to target ethnically diverse students and those from lower socio-economic backgrounds. Rare Recruitment is a great example. Rare’s pioneering recruitment software shows, at a glance, not only the achievements of candidates but also the context in which they were gained – with factors including postcode, school quality, eligibility for free school meals, refugee status and any time spent in care. Thanks to partnerships like these, we are addressing barriers to recruitment and starting to see positive results; this year, 48% of our UK training contract hires were from Black and minority ethnic backgrounds.



We continue to work closely with Herbert Smith Freehills on our diversity and inclusion and corporate social responsibility agendas. Having ongoing and open conversations on topics such as race equality, mental health, sustainable working, social mobility and access to justice and our joint programmes in the community are invaluable. By doing so, we can leverage best practice, share resource, develop innovative collaborations and accelerate change.



**DEBORAH SMITH**, EXECUTIVE DIRECTOR & SENIOR COUNSEL INVESTMENT BANKING DIVISION, AND CO-CHAIR OF GOLDMAN SACHS’ EMEA PRO BONO COMMITTEE

## Our global IRIS (LGBT+ and Ally) network

Our diversity networks are key to engaging our people in our diversity and inclusion programmes and delivering our objectives. Our global IRIS (LGBT+ and Ally) network, chaired by our CEO, aims to promote and advocate for LGBT+ diversity and inclusion within Herbert Smith Freehills by raising awareness, collaborating with other networks and clients, promoting visible role models and ensuring people across our network feel safe and supported. Over the last year, highlights include the relaunching of our Trans and Non-Binary Guidelines, continued pro bono work to support the decriminalisation of homosexuality and LGBT+ rights across the world, and a legal battle to win the right to a spousal visa for same-sex couples in Hong Kong.



Herbert Smith Freehills have demonstrated a real commitment to ensuring that all their lesbian, gay, bi and trans staff and stakeholders feel included at work and we’re delighted to name them as one of our Top Global Employers for 2020. Our Top Global Employers are at forefront of driving global LGBT inclusion in the workplace and inspiring positive social change. Their leadership is particularly important now, as we face unprecedented global challenges as well as attacks on LGBT rights and LGBT communities in many countries around the world.



**NANCY KELLEY**, CHIEF EXECUTIVE OF STONEWALL





# Mental health and wellbeing

We want to create an environment free from stigma, where people feel that they can discuss their mental health and easily access support – as well as practicing behaviours that proactively support optimal wellbeing.

Our work is demanding – from complex legal deals through to support functions – and it is important that we feel equipped to look after ourselves and each other. The Covid-19 pandemic has presented additional considerations, as people adapted to new ways of working and some experiencing greater anxiety, isolation and loss. We are mindful that these issues will not disappear when we return to 'normal'.

Our commitment in this area is reflected in our global mental health strategy, 'Thrive'. Building on previous efforts, the strategy is structured around culture, prevention and access to support. It takes a holistic view of health and wellbeing, with objectives aimed at global, regional and local levels, and covers subjects such as education, role-modelling, everyday conversations, brands, accountability, clients and data.

Our expanded Mental Health Champions programme lies at the heart of our approach, with over 500 people now trained. Together they provide peer support, signposting to further support, and work with their teams to move our culture in the direction of better wellbeing and mental health.

We have also been supporting our people to make a huge adjustment to their working patterns. While agile and flexible working opportunities have been in place in many of our offices for years, the arrival of Covid-19 saw almost all our partners and staff shift to remote working, practically overnight. To help us all adapt, and to stay connected and support one another through this change, we published a guide to working from home in early 2020. This was supported by a set of guidelines we developed some time ago entitled How We Work, which, influenced by the Mindful Business Charter promote dialogue and offer practical suggestions about healthy working practices.

We have learned a lot from this experience. A shift of such magnitude has brought inevitable challenges, but also some of our people have felt they've a better work-life balance. Our aim now is to enable and empower our people to carry forward more flexible working practices. Post-pandemic, we expect that our people will spend on average 60% of their time in the office.

Please visit our website to read more about our mental health strategy, [Thrive](#).



## Our Global Objectives include:

-  **Education** - providing resources and global training accessible to everyone, with a focus on those with people responsibilities.
-  **Champions and role modelling** - a network of people across each region, passionate about driving change, eliminating stigma and sign-posting to support.
-  **Accountability** - partners and leaders are encouraged to include an objective that focuses on building an inclusive team culture.
-  **Clients** - collaborating with our clients to share best practice, demonstrate our commitment and support an inclusive culture.
-  **Stigma** - reducing stigma associated with mental ill-health through effective awareness raising, role-modelling and leadership.
-  **Conversations** - building the language of mental health into everyday conversations, performance check-ins and career planning.
-  **Feedback** - to track the impact of our interventions and progress against the strategy, including ensuring feedback is regularly sought from our people.
-  **Brand** - positioning the firm as a market-leader in respect of its approach to, support for and culture surrounding mental health.

“ Seeing the passion, genuine interest, and senior leadership support for Thrive and the work which followed has been inspiring. The core principles that echo throughout are empathy, curiosity and empowering individuals to lead by example. Focusing on small changes and empowering individuals and teams has created a ripple effect that supports optimal mental health and a culture shift around wellbeing and sustainable ways of working.

” **PETRA VELZEBOER**, HEAD OF MENTAL HEALTH SERVICES, MEDIGOLD HEALTH

“ I want to encourage our people to adopt more agile working practices and to really think about the purpose of being in an office. It is about creating choices and empowering our people and their teams to make that choice. I am in no doubt that this will drive high performance and give our people a better work-life balance.

” **JUSTIN D'AGOSTINO**, CHIEF EXECUTIVE





# Our clients

Global trends and issues such as climate change, health, anti-racism, disruptive technology and social inequality are rapidly changing the environment for all businesses. There are many challenges and opportunities, alongside increasing stakeholder expectations.

As global legal experts and advisors to some of the world's biggest companies, we are increasingly seeing the rising importance of environmental, social and governance (ESG) factors, and being called upon to lead our clients through this tricky terrain.

The key to unlocking future value and building resilience lies in successfully managing the risks and opportunities stemming from ESG issues. At Herbert Smith Freehills, we combine in-depth knowledge of global political trends and the myriad of international and national laws, with wide-ranging sector expertise.

This breadth of experience allows us to be innovative and forward-thinking in our approach – from advising clients looking to issue bonds to fund the development of renewable energy projects, and raising debt that satisfies issuers’

environmental policies and investors’ ESG mandates, to helping clients to ensure their ESG compliance and diligence places them ahead of the pack in securing finance for new projects, to manage their operational and/or litigation risks and to retain high-calibre employees.

Through such work, we also make a uniquely important contribution to advancing the SDGs. In the past year, for example, we have advised our clients on matters that support the ambitions of SDG 7, affordable and clean energy, and SDG 11, sustainable cities and communities.



We recognise the challenges facing our clients in the energy sector, as they seek to provide more energy to a growing global population whilst dramatically reducing emissions. We see our role as providing leadership and support to our clients as they navigate this transition.



LEWIS MCDONALD, GLOBAL HEAD OF ENERGY



# Delivering on the SDGs: our contribution to climate action

The world faces a critical moment in tackling climate change. In line with SDG 13, we are committed to taking urgent action to combat climate change and its impacts. As a leading international law firm, we have a key role to play as enablers towards a low-carbon economy – and by far the most important way in which we can do this is through the advice and expertise we give our clients.

There is a huge global need for financial solutions that help businesses invest in areas that progress the aims of the Paris Agreement, to keep temperature rise well below two degrees Celsius. Across our network, we are bringing such solutions to fruition – for example, helping our clients to access new sources of capital for environmentally positive activities, from renewable energy projects to sustainable transportation. Through actions such as these, we are directly contributing to Targets 13.1, 13.2 and 13.3 of SDG 13.

We are also using our expertise to level the playing field between developed and developing countries in the fight against climate change, contributing to the meeting of Targets 13.a and 13.b. Our environmental pro bono work is key here – most notably our involvement with the Legal Response Initiative (LRI), which provides 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 conducted. Teams from industrialised countries include specialist experts, lawyers and numerous support staff, while developing countries – who have hardly contributed to the problems at hand – can rarely rely on similar backing.





SDG 13 – Climate Action

The overall goal is to combat climate change and its impacts through urgent action. These are the global targets that we contribute to:

- 13.1:



Strengthen resilience and adaptive capacity to climate related hazards and natural disasters in all countries
- 13.2:



Integrate climate change measures into national policies, strategies and planning
- 13.3:



Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning
- 13.a:



Implement the commitment undertaken by developed-country parties to the United Nations Framework Convention on Climate Change to a goal of mobilising jointly \$100 billion annually by 2020 from all sources to address the needs of developing countries in the context of meaningful mitigation actions and transparency on implementation and fully operationalise the Green Climate Fund through its capitalisation as soon as possible
- 13.b:



Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalised communities



ESG: Building a resilient future

Corporate purpose and ESG issues dominated headlines in the months leading up to the Covid-19 outbreak, and intense public scrutiny during the pandemic has accelerated the conversation. Far from being eclipsed by Covid-19, these issues have risen in significance as the impacts have become clearer.

Now more than ever, ESG is recognised as a core strategic issue for businesses, as companies seek to understand and respond to critical environmental and societal challenges, ensure business resilience, protect access to capital in a changing market, and provide greater levels of corporate accountability and transparency.

We help businesses to navigate these risks and opportunities across a broad range of subject areas including governance, human rights, climate and environment, corporate crime and investigations.

We also have a rich pool of knowledge which allows us to keep our clients abreast of developments in this area. For instance, our recently launched ‘Catalyst’ campaign explores how Covid-19 is impacting key ESG considerations, and how businesses can respond. We also publish a fortnightly tracker of ESG-related publications and developments, with a focus on those likely to impact most on our clients, be they corporates, asset managers or asset owners. Our ESG here can be found [here](#).



Case study: advising HSBC GAM on the launch of its flagship green bond fund

In May, we advised HSBC Global Asset Management (GAM) on the launch of its flagship green bond fund: HSBC Real Economy Green Investment Opportunity GEM Bond Fund. This fund will use both public and private capital to build climate change mitigation capacity in emerging market economies. The aim is to enable investors to achieve real economic impact to deliver against the Paris Agreement, the UN Sustainable Development Goals, and the Green Impact Framework which has been issued by HSBC GAM.

So far, HSBC GAM has raised US\$474 million for the fund, including a US\$75 million commitment by anchor investor the IFC, a member of the World Bank Group, and a US\$75 million commitment by HSBC. Seven private investors have joined HSBC and IFC, with others expected to commit later this year.

“

We are delighted to have worked with HSBC GAM on this important new fund, which will provide much-needed capital to develop the sustainable finance markets of emerging economies. The success of the fundraising is testament not only to HSBC's vision and team, but also to the continuing demand from LPs for sustainable products, notwithstanding the more general uncertainty created by the Covid-19 pandemic.

”

STEPHEN NEWBY, PARTNER



We have **cemented our position as the Australian market's leading legal advisor for renewable energy projects**, retaining our **No. 1 league tables ranking** for the **fifth consecutive year**

## The transition to a low-carbon future

The shift to a lower-carbon economy is gathering pace, and the race is on for businesses to understand their environmental impact and to manage the legal risks to success in a low-carbon future.

Stakeholders are increasingly judging businesses by both their perceived contribution to climate change and their efforts to mitigate its effects. Areas such as financing, contracts, human rights, adequate disclosures and government inaction are also under greater scrutiny than ever before.

Our global climate change practice has a long-standing history in supporting clients across the full range of regulatory, transactional, project and contentious legal issues arising from climate change. We ensure our clients' risk management practices measure up to the challenge, while also highlighting the benefits in all sectors for businesses that take steps to lead the transformation.

We work with companies across all economic sectors, including many large clients in energy and mining. While we continue to provide advice to our clients on all legal matters related to their business and operations, we are also increasingly supporting them to transform their business model in line with the energy transition. Already, nearly one-third of transactions in our energy practice are in the renewables space – either working with alternative energy clients or helping businesses with the transition. This is an area that is continuing to grow.

As many of our upstream oil and gas clients embark on ambitious decarbonisation journeys, we have developed a comprehensive model which should serve as a basis to a successful approach, both in terms of financial viability and achieving emission reduction targets. This model was developed by our experts alongside clients and in close collaboration with GaffneyCline. See our latest thinking [here](#).

Over the past year, we have continued reaching out to our clients to discuss how climate change will affect them. To accompany these conversations, we published a report last year entitled [Climate Change: Succeed in a Lower Carbon Future](#). This explores the impacts, risks and opportunities of climate change across different sectors. The report has had a great response with over 1,200 downloads to date, and we will be using it as a platform for further engagement going forward.



Crucially, the campaign also has an internal focus. In September 2019, we launched our first internal climate change campaign, involving a series of workshops for our associates to highlight the risks and opportunities of climate change and ESG issues, and relevance to their day-to-day roles. Feedback from these sessions has been very positive, with hundreds of lawyers turning up to learn more. We are now developing a wider internal training series on ESG, with plans to roll it out to all our lawyers next year.

## Case Study: advising BP on its first move into offshore wind

We are delighted to be working with bp as it pursues its new strategy to transform from an international oil company into an integrated energy company.

We recently advised bp on its first move into offshore wind, through a new strategic partnership with Equinor. As part of the deal, bp will purchase a 50% interest in Equinor's Empire Wind and Beacon Wind assets for US\$1.1 billion, with Equinor remaining as the operator.

Empire Wind is located offshore New York City, with a total area of 80,000 acres, and is expected to have an installed capacity of 2 gigawatts. Beacon Wind is located offshore Massachusetts state with a total area of 128,000 acres, and is expected to have an installed capacity of 2.4 gigawatts. Both will provide clean and reliable energy to more than one million households.

“

We are proud to have been able to support bp on this strategic move. Energy transition is a core part of our practice, using our extensive experience in renewable and upstream transactions. We look forward to working with bp and others to move towards net zero.

”

SARAH POLLOCK, PARTNER

## Case study: advising AGL Energy on its A\$600 million sustainability-linked loan

In December we advised AGL Energy, the Australian gas and electricity supplier, on its innovative A\$600 million syndicated sustainability-linked loan – the first of its kind issued by an Australian energy company in the Asia-Pacific region. The deal was awarded Most Innovative Deal at FinanceAsia's Achievement Awards in 2019 in Australia and New Zealand.

With the support of Australia and New Zealand Banking Corporation, BNP Paribas and Herbert Smith Freehills as sustainability co-ordinators, AGL was able to issue a product that incentivises efficiency and improvement in AGL's emissions performance

“

We are proud to have supported AGL in this landmark transaction. This was an innovative deal and the great result showcases AGL's commitment to managing the risks associated with the transition of the energy sector away from high carbon emissions which are placed on AGL's lenders, investors and the economy.

”

JOHN ANGUS, PARTNER





HSF Impact: investing in sustainable solutions

All over the globe, entrepreneurs are devising innovative commercial solutions to social and environmental challenges. The growth of the sustainable investment market has been buoyed by a revolution in the use of technology to tackle the world’s greatest problems. In this diverse, fast-growing market, we are committed to using our knowledge and connections to steer clients through the legal and commercial issues that flow from their financial and impact objectives. We value the opportunity to support entrepreneurs, and those investing in their businesses, in this way; to ‘do well by doing good’.

Our market-leading social finance and sustainable investment practice, [HSF Impact](#), supports founders, investors, asset managers and social finance intermediaries to build global connections, maximise their positive social and environmental impact, and realise their growth potential. HSF Impact operates across a range of sectors, on issues relating to education, energy, agribusiness, financial inclusion, climate change, consumer products, housing and healthcare.

We regularly leverage our pro bono practice to deliver free legal support to socially responsible investors, investees and intermediaries. HSF Impact is also complemented by our award-winning private wealth and charities practice, which acts for a wide range of national and international charities, NGOs, foundations, major donors and social enterprises, on a full range of areas from data protection and pensions to trusts, real estate and employment.



The team’s interest in, and passion about, my social enterprise and the impact I am trying to create is clear, and this is of utmost importance to any social entrepreneur. If your lawyers care about what you are trying to do, and share in the journey with you, it becomes an incredibly powerful relationship and this is what I have with the HSF team.



LEGAL 500 UK 2020

Case study: supporting the growth of social impact firms with Zamo Capital

Zamo Capital was created to catalyse the impact investment industry in the UK, with a funding vehicle that provides equity and debt investments in social impact firms, as well as providing expertise and support as they grow.

This year we have been thrilled to work alongside Zamo Capital on its partnership with Big Society Capital. Uniting capital, expertise and ideas, they are creating opportunities for investors and enterprises, and ultimately, better lives for individuals.

Our London office advised on all aspects of the partnership structure, including: the establishment of Zamo Capital and the funding vehicle; negotiating the ongoing relationship between Zamo Capital and Big Society Capital; and completing detailed regulatory and tax analysis of the funding vehicle and management entity. Among other things, the partnership has enabled Zamo Capital to support enterprises that address issues such as quality affordable care for the elderly, critical health care challenges and homelessness.







# Social impact

Across our business, our teams are passionate about making a difference to today biggest social challenges. We have achieved much through our pro bono legal advice, NGO partnerships and community programmes which focus on building rule of law, social inclusion and capacity building.

With our expertise, resources and global network, we are well placed to respond to the needs that exist in the communities and regions in which we do business – whether that be supporting Aboriginal and Torres Strait Islander peoples in Australia, those from a lower socio-economic background in the UK or migrant workers in Hong Kong, Singapore and Indonesia.

This year has been particularly challenging. The impact of Covid-19 has hit many of the world’s most vulnerable communities hardest. As events rapidly unfolded at the start of the pandemic, we swiftly adapted our programmes and focused our attention where it was needed most. We also worked collaboratively with our peers to ensure a large-scale, sector-wide response. It is testament to the quality of our partnerships that we have been able to support our communities with such speed and efficacy.

We are enormously proud of our culture of partnering for change and that we have made a difference to so many in difficult circumstances. Through our pro bono legal advice, volunteering and close partnerships with community organisations, we are also helping to meet the targets of the SGGs. This includes how we promote peaceful, just and inclusive societies (in line with SDG 16), how we work in partnership for greatest impact (in line with SDG 17), and our efforts to reduce inequality and promote social justice (in line with SDG 10).



## Delivering on the SDGs: our contribution to reducing inequalities

Much of our pro bono work, and many of our global and local community partnerships, are dedicated to reducing inequalities and helping to meet the ambitions of SDG 10.

Across our work with different NGO partners – and aligned to SDG targets 10.1, 10.2, 10.3 and 10.6 – we seek to empower and promote social, economic and political inclusion, ensure equal opportunity and reduced inequalities of outcome, enhance the representation and voice of developing countries, and progressively achieve sustained income growth for the bottom 40% of the population.

We do this by working with our partners to understand the needs of the communities they serve, and using our expertise, resources and global reach to eliminate discriminatory laws, policies and practices, provide critical support for vulnerable groups, and increase opportunities that promote inclusion and social mobility.



### SDG 10 – Reduced Inequalities

The overall goal is to reduce inequality within and among countries. The global targets that focus our work are:

10.1: By 2030, progressively achieve and sustain income growth of the bottom 40% of the population at a rate higher than the national average

10.2: By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status

10.3: Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard

10.6: Ensure enhanced representation and voice for developing countries in decision-making in global international economic and financial institutions in order to deliver more effective, credible, accountable and legitimate institutions





In Tefé, Brazil, Médecins Sans Frontières helped train staff at the regional hospital to manage patients with COVID-19. We also helped prepare a primary healthcare boat which travels to remote areas in the region. © Diego Baravelli/MSF, 2020.



Many refugees and asylum seekers in Greece have faced eviction from their homes in the economic fallout from the COVID-19 pandemic. Médecins Sans Frontières referred those in the gravest need to our care facility in Athens. © MSF, 2020



Nafisatou, a Médecins Sans Frontières team member, shows a group of young girls in the Segou region of Mali the proper handwashing technique to protect themselves from COVID-19. © MSF/Lamine Keita, 2020

# Case study: Médecins Sans Frontières

Across more than 70 countries – amid wars, natural disasters, medical emergencies and humanitarian crises – Médecins Sans Frontières (MSF) provides free medical care to some of the world's most vulnerable people. At the end of last year, we announced a new five-year commitment to increase the value of our support for MSF up to £2 million annually, by raising our direct donations to MSF, setting up a global fundraising target, and extending our pro bono support.

Our work with MSF started eight years ago in Australia and has since grown to include relationships with offices in London, Johannesburg, Paris, Belfast, Hong Kong, Dubai and Singapore. The financial assistance we provide allows MSF to react to emergencies as soon as they happen, and give high-quality care to those who need it most. Through pro bono and

volunteer support, we help MSF in a variety of ways – including providing legal training and hosting 'mapathons' to chart areas where humanitarian organisations are trying to reach people.

Since we announced our new commitment to MSF, the world has been profoundly impacted by Covid-19 and MSF has played a vital role working alongside global authorities and communities to provide essential medical assistance. We are proud to have supported MSF with an internal fundraising appeal and assisting on pro bono legal matters relating to new partnership opportunities. Our relationship with MSF is a hugely positive one, built on honesty and transparency. We work together to identify opportunities to strengthen our organisations. MSF shares the challenges it faces with us, and together we find solutions.

Fundraising in Dubai requires a time-specific permit from the Islamic Affairs & Charitable Activities Department, so we are particularly proud of our colleagues in Dubai who organised a number of events to raise AED 18,000 (US\$4,900) for MSF's Covid-19 appeal. This included a fancy-dress fundraiser and a cake-making competition which went viral, with London, Perth and Johannesburg all getting involved with fantastic creations.

MSF Australia has enjoyed a warm relationship with Freehills and then Herbert Smith Freehills since 2010. We share a deep and abiding understanding of the emergency medical humanitarian challenges faced by so many people who do not have access to medical care. HSF shares our commitment to independent access to medical treatment, regardless of race, gender, ethnicity, age or religion. In this spirit, we have been delighted to extend the friendship to MSF and HSF colleagues in many different countries in which we share offices. We are very grateful to all those at HSF who so generously support our work – together we really have a positive impact on the lives of so many – thank you.

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



Pro bono legal advice

Our pro bono clients include charities, NGOs, developing nations and vulnerable individuals. Work is directed towards five core thematic pillars: access to justice casework, NGO advisory services, human rights protections, international development and social impact investment.

We are proud to undertake all pro bono work with the same degree of competence, expertise and professionalism that we display in our fee-paying practice.

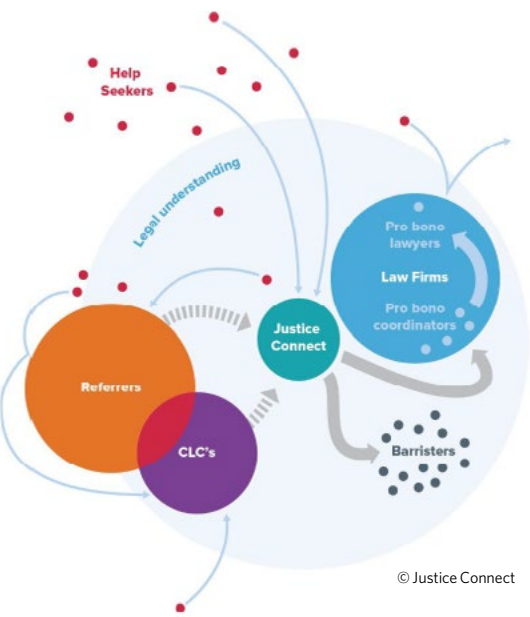
This year we contributed 75,000 hours of pro bono advice globally, an 11% increase on the previous year. Since the outbreak of Covid-19, the majority of our programmes have been delivered remotely and we are incredibly grateful to our IT colleagues who have enabled us to continue providing support at this critical time. The section below includes some examples of this work.



Case study: Justice Without Borders

We work closely with Justice Without Borders, a regional NGO which supports migrant worker victims in seeking compensation against abusers. Justice Without Borders creates transnational lifelines to legal aid for victims of labour exploitation and human trafficking – closing the gap in access to justice for migrant domestic workers who have returned home.

Over the last year, we are proud to have worked with the organisation to successfully realise compensation for a migrant worker. We have also conducted comparative research on laws relating to illegal deployment of migrant workers in select Asian jurisdictions, and engaged in interview training and evidence collection for migrant workers in Singapore.



Case study: coalition of pro bono clearing houses

‘Clearing houses’ around the world traditionally match people who need lawyers, with lawyers wanting to contribute to public interest cases. As the scale of need is increasing, public interest legal issues are arising with continued frequency, and firms are becoming more technologically sophisticated, the time has come to rethink these operations.

Australian clearing house Justice Connect has developed a technology-driven online pro bono portal, to match those with unmet legal need with their growing network of pro bono lawyers. This platform is revolutionising the pro bono landscape, by building critical infrastructure that gives regional and remote communities equal opportunity to access free legal support. It has also enabled a rapid, coherent and sector-wide pro bono response in emergency contexts such as the Australian bushfires and Covid-19.

Over the past year we have supported the proposed expansion of this portal through a coalition of pro bono clearing houses including Justice Connect, Law Works and Law Centres UK, PILA (Ireland) and PILnet (US, Asia, Europe).

Case study: family reunification in Italy

‘A new, collaborative initiative that our Milan office has become involved with, alongside Coalizione Italiana per le Libertà e Diritti civili (CILD) and global law firm, Orrick, family reunification relates to the right of families to maintain or regain family unity.

At present, our colleagues in Milan are providing pro bono legal advice to a Bengali citizen under threat of deportation. Our lawyers are supporting him to obtain a residence permit so he can remain

in Italy with his wife, who is five months pregnant and holds an EU long-term residence permit.

We are assigned one family reunification case every month, involving approximately 20-30 hours of work dedicated to tasks such as obtaining evidence, drafting statements and completing applications. We are hopeful that, in future, this type of project can be replicated with other firms and in other areas of the law.

“We are delighted to be involved in this project – it is increasingly important for firms to be able to offer pro bono legal advice to individuals and not just NGOs or other organisations, especially when individuals are more vulnerable. This is why we believe that this project is particularly important at this point in history.”

**LAURA ORLANDO**, PARTNER AND SPARTAK KODRA, ASSOCIATE

Case study: environmental pro bono, Earth Doctors

We provide pro bono work for a number of leading NGOs to promote environmental sustainability. Recently, this has included work for Earth Doctors, a social enterprise developing sustainable food initiatives in communities.

Earth Doctors was recently selected as one of the first enterprises for UnLtd’s new Thrive Accelerator, an initiative for social ventures

offering support for six months and potential financial investments to help them grow. We were appointed to UnLtd’s global legal panel last year, and our work has included supporting Earth Doctors to identify and optimise investments from third parties, to draft constitutional documents, and on matters related to corporate governance.





## Community programmes

In line with our values, and the SDGs, we prioritise long-term partnerships and projects which promote equality and social inclusion. We're committed to helping our communities thrive, by using our expertise and resources to make a valuable contribution. Across our network, our people have many opportunities to actively engage with community organisations and programmes.

We aim to balance global initiatives that can achieve scale with a focus on driving change at a local level. Priorities can vary greatly among our different regions and communities, so

local office-based community committees have been set up and are empowered to support those around them. After all, they are the ones best placed to understand and respond to the needs of the communities in which they live and work.



## Case study: increasing social mobility in the UK

Our social mobility programmes aim to provide skills and experiences that will level the playing field for young people from lower socio-economic backgrounds when entering employment, not only in the legal sector but for professional roles generally.

In the UK, we have been active in this arena for some time. Key initiatives include our Networked Scholarship Scheme, City Solicitor Horizons and our commitment to PRIME. Over the years, many people from across Herbert Smith Freehills have put their hands up to offer support as mentors, as work experience hosts, or to speak at insight events.

This year, thanks to the hard work of our IT colleagues, we have been able to continue delivering the majority of our programmes, virtually. While this has presented challenges, it has also enabled us to involve a broader range of students outside our traditional catchment area, including harder-to-reach individuals. As the Covid-19 crisis subsides and we resume in-person programmes, we will be exploring how to build on our connection with this cohort through greater use of virtual platforms.

UK	2017	2018	2019
	Number of young people participating in our employment programmes (% of these young people who are eligible for free school meals and/or pupil premium where known)		
School outreach	160	260	270
Mentoring	90 (80%)	110+ (80%)	127 (81%)
Work experience	87 (70%)	92 (70%)	73 (70%)

“The last three days have involved networking, personal development and professional and employability skill sessions. It has been great to develop my networking skills from the fantastic volunteers from Herbert Smith Freehills and JP Morgan. What really stood out to me about this internship is the personal development sessions that have changed my mindset in a very positive way. In all, having finished this internship, I feel much better equipped to research careers and different pathways to success. I am very motivated after months of lockdown unpredictability. Thank you to everyone at Herbert Smith Freehills, JP Morgan and 2-3 Degrees for making this possible.

”  
BRIGITA, NETWORKED SCHOLAR





Parliament Delegates at the historic Uluru Convention – May 2019 - © Jimmy Widders

## Case study: constitutional reform and truth-telling – working with the Indigenous Law Centre UNSW and the Public Interest Advocacy Centre

The Uluru Statement from the Heart is an invitation from First Nations people to ‘walk with us in a movement for a better future’. It was issued to the Australian people on 26 May 2017 and calls for a constitutionally enshrined First Nations Voice to Parliament, and a Makarrata Commission to oversee a process of agreement-making and truth-telling.

In 2019, along with other law firms, we published a response to the Uluru Statement from the Heart. In it, we stated: “We recognise the Uluru Statement from the Heart as an historic mandate to create a fuller expression of Australia’s nationhood. We hear and support the call for the establishment of a First Nations

Voice enshrined in the Constitution and for a referendum as a national priority.”

As legal professionals, we are in a unique position to assist in distilling the complexity of the debate around constitutional reform so it is readily understood. This enables our colleagues, families, clients and networks to better understand and consider the issues at stake.

In the past year, we have supported the work of the Indigenous Law Centre UNSW (The University of New South Wales) which has continued to work with First Nations communities to progress thinking around the design of the Voice and the structural change needed to embed this

into the Australian Constitution. We have provided pro bono legal assistance and in-kind support, and worked with Professor Megan Davis and her teams on all aspects of the Uluru Dialogue. As part of this support, senior associate Emma Maple-Brown worked on secondment at the Indigenous Law Centre NSW.

We have also provided pro bono legal support to a project called ‘Towards Truth’. A collaborative partnership of the Public Interest Advocacy Centre and the Indigenous Law Centre UNSW, the project provides practical foundational support for the truth-telling process called for in the Uluru Statement from the Heart.



I would be bold enough to say that the issue is important to all Australians who care about the future of our country. The declaration of the Uluru Statement from the Heart was a watershed moment. In the Uluru Statement, First Nations people came together and invited all Australian people to walk together towards a better future. Lawyers play a key role in this because the first step along the path towards a better future is constitutional reform. Lawyers are best placed to explain how a Voice to Parliament can and should be enshrined in our Constitution. Our role is therefore important.



EMMA MAPLE-BROWN, SENIOR ASSOCIATE – PRO BONO (PROJECTS)



## Reconciliation Action Plan, Australia

At Herbert Smith Freehills, we seek to foster a culture of friendship and partnership between ourselves and Aboriginal and Torres Strait Islander peoples. We have been a partner of Reconciliation Australia since 2011, and through this framework we assist Aboriginal and Torres Strait Islander individuals and organisations on a wide range of legal issues. We were proud to be the first law firm to receive an ‘Elevate RAP’ (Reconciliation Action Plan) in 2015, and we are committed to continue leading in this area.

Aboriginal and Torres Strait Islander people are considered to be the most vulnerable to Covid-19, particularly

elders aged 50 years and older, and those who have one or more chronic medical conditions. Also, due to the recent travel restrictions, many communities are facing their limited supplies being disrupted. As these impacts have unfolded, we have sought to adapt our programmes and refocus our support. This has included pro bono legal work, financial contributions participating in Jawun secondments, tutoring Indigenous students and hosting interns remotely.

Please visit our website to read more about our RAP ‘Year in Review’.



## Case study: increasing employment opportunities through CareerTrackers

In 2011 we became the first law firm to partner with the CareerTrackers Indigenous Internship programme, which places Indigenous university students with corporate partner organisations for 12 weeks each year to help build skills and confidence for a career in the private sector. We have since hosted 43 interns across our offices nationally.

In 2019/2020 we hosted nine interns across our Australian offices over the winter and summer internship periods. Six of our interns have successfully completed the Herbert Smith Freehills summer clerkship programmes and have commenced, or have been offered, a graduate position. At least seven of our interns have also gained

employment in other legal, corporate or government roles.

The CareerTrackers Annual Gala Dinner was a particularly special occasion as Kishaya Delaney, who has been an intern and a paralegal within various practice groups across our firm, was announced as the 2020 CareerTrackers Intern of the Year. This award recognises an individual’s achievement in three domains – study, work and community, while highlighting academic excellence.



43

Interns since 2011



6

HSF graduate roles



8

Other legal/ corporate roles



# Sustainability

We are profoundly concerned about the impact of climate change, both on a local and global scale. As a global business, we are conscious of our own environmental impacts, and strive to address them by developing sustainable business practices and reporting our most significant environmental impacts to internal and external audiences. It is important to our people, our clients and our communities that we take this seriously.

This year marks the end of our current sustainability strategy, and as we look to the future and the launch of our new strategy, we will ensure that our ambitions are aligned to global reduction targets such as the Paris Agreement to keep a global temperature rise well below two degrees Celsius. The SDGs are a key guiding force as we develop this strategy – in particular our efforts to procure renewable energy in line with SDG 7; promote sustainable cities in line with SDG 11; encourage responsible resource use and recycling in line with SDG 12; and reduce our impact on climate change in line with SDG 13.

No company can tackle these issues alone, they demand collaboration. We actively participate in business networks seeking to address the challenges of climate change and sustainable development. For instance, in 2014 we joined the Australian Legal Sustainability Alliance, a collaborative industry effort to address climate change by reducing members’ carbon footprint and adopting environmentally sustainable practices.



-   
Environmental impact
-   
People engagement
-   
Leadership
-   
Pro bono and community



## Our global sustainability strategy

Launched in 2016, our five-year strategy focused on four key areas: environmental impact, people engagement, leadership, and pro bono and community.

Over the last few years, we have worked hard to apply these principles across our global operations to ensure that our interactions with the environment are carefully managed and that we minimise and mitigate any negative impacts from our activities.

We developed an action plan and set some challenging global targets to achieve by 2020: to reduce our carbon footprint by an average of 15% per person, our energy use by 10% per person and our paper consumption by 30% per person. We are pleased to report that in 2019, prior to the onset of Covid-19, we met all three targets a year ahead of schedule: we reduced our carbon footprint per person by 27%, our

energy use per person by 13% and paper consumption by 43% per person. Despite this overall success, we are conscious that 2019 saw a slight increase in emissions per person, and recognise this as an area which needs further scrutiny.


With this strategy coming to an end, we partnered with a specialist consultancy towards the end of 2019 to develop a new strategy and goals in line with the global climate and environmental agenda. Over the last few years, we have worked hard to improve the quality of our operational data

and systems and ensure we have the right processes in place to ensure continual improvement year on year. Our priority now is to ensure we have a clear understanding of our global carbon footprint – with the initial focus of this work on verifying the carbon footprint of our extended operations including our supply chain. Using this data, we are working together to set meaningful reduction targets for our scopes 1, 2 and 3 emissions aligned to what the world needs. We look forward to sharing our new strategy and complete carbon footprint in next year’s report.

	% change on previous year	% change on baseline (2016)
Emissions per person (tonnes of CO2e)	+9.61%	-27.24%
Energy use per person (kWh)	-13.30%	-12.87%

## Commitment

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

**10%**  **reduction in energy use by 2020**

 By 2020, we will reduce our **paper consumption** by **30%**

2016  
vs.  
2019

REDUCED BY  
**27%**

REDUCED BY  
**13%**

REDUCED BY  
**43%**





We have been certified to **Energy Management System ISO 50001** in the UK since November 2015.

# Reducing our emissions

The most significant environmental impact from our operations comes from energy use in our offices. As such, the single biggest saving we can make is through the procurement of renewable electricity. We’re making real progress on this front, with our London, Belfast, Brussels and Madrid offices currently supplied with 100% green electricity. This accounts for 54% of our global electricity consumption, and we are working hard to grow this across our global network.

The recent increase in remote and agile working patterns has enabled a significant emissions reduction from our offices, which will be reported next year as part of our 2020 data set. We hope to continue some of these savings after the Covid-19 crisis subsides. For instance, the increase in virtual meetings will be a permanent change to the way we work, with our leadership teams dedicated to supporting and enabling agile working habits. The move to more online meetups will mean that senior leaders and partners will no longer be flying so frequently to attend meetings, and we also anticipate a reduction in the need for, and a change in the way we use, our office spaces.

Where we do travel, and in particular with regards to the Global Partners Conference, we have committed to offset the associated CO<sub>2</sub> emissions through the [Sichuan Household Biogas Programme](#), which gives low-income households in rural China access to clean, convenient and free biogas for cooking, heating and lighting.

In fact, many of our practice leaders and partners have committed to go further by offsetting all of their flights. Through the programme, we have already supported over 1800 impoverished families and intend to grow this to support 5,000 families by 2026.



## Case study: towards greener arbitrations – striving for sustainability in the way we work

We are constantly looking for innovative ways to work in a more environmentally-friendly way, and to assist our clients in doing the same. The sustainable arbitration initiative forms part of our global push to encourage the spread of these values.

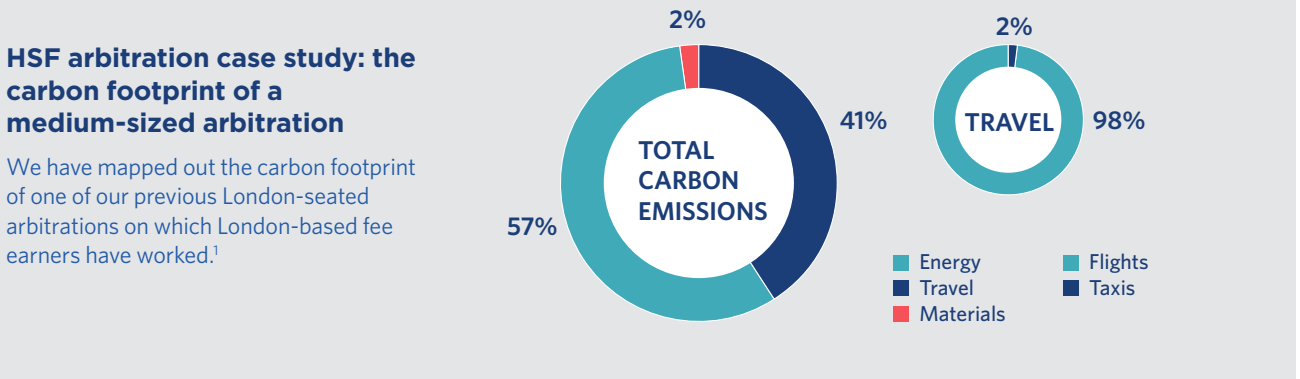
In our client relationships, we are now offering alternative ways of working that directly reduce the carbon footprint of proceedings, from the first procedural conference through to the hearing stage.

These include exploring video alternative meetings with our clients, corresponding electronically unless a hard copy is expressly required, enabling witnesses to give evidence via video link, addressing e-waste (for instance by arranging for use of secure SharePoint sites rather than USB sticks), and offsetting any travel emissions.

We have calculated that a medium-sized arbitration on average requires just under 20,000 trees to offset the carbon

emissions created – a number equivalent to four times the number of trees in Hyde Park or all of the trees in Central Park. Implementing our alternative ways of working throughout the arbitration process can reduce these emissions to zero.

Please visit our website to read more about [greener arbitrations](#).



“Sustainability is a very important objective for the firm across our global network. This project reflects our commitment to seeking new ways, or better leveraging existing ways, of operating and delivering first-class arbitration services to our clients in a smarter, greener and more sustainable manner.”

**PAULA HODGES**, PARTNER AND GLOBAL HEAD OF INTERNATIONAL ARBITRATION

1. Details of these data calculations are available separately on demand.  
2. Data published by Lucy Greenwood, founder of the Pledge for Greener Arbitration.





# Waste and resource use

We are making considerable improvements in the way we reuse, recycle and dispose of waste. Across our network, our people take an active role in identifying improvements, and we recycle as many materials as we can, including paper, card, cans, plastic and glass.

The phasing out of single-use plastics in all our offices has been a key focus over the last few years, and we are pleased that after a coordinated effort, 80% of our network is now single-use plastics free. We aim to achieve 100% in 2021; unfortunately, we face new challenges in this area as we return to our offices, especially with the additional Covid-19 safety measures we are bringing in to protect our people, necessitating the use of disposable items such as gloves and masks. We are actively exploring the sourcing of non-plastic alternatives and hope to remain single-use plastics free across the majority of our network.

Paper consumption has reduced dramatically. We have already exceeded our 2020 target to reduce paper usage by 30%, achieving a 43% reduction since 2016. This is a testament to the dedication of our people, as well as the use of new technologies to minimise waste. As part of our new sustainability strategy, we will continue to focus on making reductions and further explore the use of recycled paper where possible and electronic innovations.



## Third Clean City award for our London office

In our London office we are proud to have been recognised with a platinum Clean City award for the third year running. The Clean City award recognises and rewards businesses in the City of London that prioritise the reduction, reuse and recycling of waste. In the past year, we have removed all plastic bottles of water; installed a zip tap for still and sparkling water; introduced a 30p extra charge for disposable paper coffee cups which reduced their use by 50% in six months; and removed single-use plastic items and replaced them with plant-based or aluminum products when necessary.



Brendan Harkin, Belfast - The famous starlings of Belfast's Albertbridge

## Engaging our people

We run a range of initiatives around the world to bring our sustainability strategy to life and raise awareness of our responsibilities. We have two sustainability action groups, the Asia Pacific and Australian action group, and the UK, US & EMEA action group. These are led by partners, senior management and office managers and ensure that we operate consistently across our network. We also have 'Green Teams' across our network who are responsible for local engagement and running local events. As of October 2020, we had six active Green Teams in place, and we have plans to launch an additional two this year. These have made great progress in driving engagement and progress towards our global sustainability goals. Every year we celebrate World Environment Day with a series of awareness-raising initiatives over the course of a week. This year we ran the event entirely remotely. A highlight of the week was our global photography competition, 'Nature on your Doorstep'. The focus was on appreciating local environments, and we encouraged all our employees to get outdoors and submit their entries for a chance to win a prize.

“ I love this year’s theme. It wasn’t until I travelled around the world that I truly appreciated the beautiful nature in Perth, WA and Australia. ” MICHELLE KO, PERTH





# Responsible procurement

As a firm we recognise that our impact includes our supply chain of goods and services that enable us to support our clients. Our approach is centred around ensuring we work with suppliers who share our values and responsibility commitments. Our Responsible Procurement Policy underpins this approach. In addition, our suppliers are required to conform with our Procurement Compliance Standards and have their own policies and procedures in place to ensure they share our commitment to the areas set out within it.

As well as ensuring compliance with all local laws relating to environmental protection, occupational health and safety, non-discrimination and the protection of internationally recognised human rights, proactive engagement means we use our influence to advocate for wider change on certain issues and collaborate to share knowledge and develop solutions.

Striving for greater diversity and inclusion within our supply chain is a good example. We survey key suppliers annually to monitor their efforts, including whether they have policies and practices in place to support diversity and inclusion among their employees. If we have any concerns, we engage with them to ensure their commitment to inclusion is lived in practice. For instance, this year we worked with one of our local medical providers to ensure that their policies, processes and services were LGBT+ inclusive and that they understood the additional barriers that may be faced by LGBT+ people when accessing healthcare.

Over the next year, we are planning further engagement with key suppliers on diversity and inclusion topics. We will also be launching a new guide for contract managers – those responsible for procurement across the firm – to educate them on this important topic, and further embed diversity and inclusion into all our procurement decisions. Elsewhere, our work to understand the carbon impacts of our supply chain will enable us to work more closely with our suppliers to reduce these.

## Paying the real Living Wage

We were an early adopter of the UK Living Wage, becoming accredited as a Living Wage Employer in 2012. This extends to working with third-party contractors such as our caterers and cleaners to ensure their staff are paid the real Living Wage too. Speaking to some of the employees from our onsite contractors, we

have heard directly how this gives them a better quality of life compared to friends and family who are not paid the Living Wage. Knowing the difference this makes, we will continue to champion this movement and influence those both inside and outside our network where we can.



## Addressing the risks of modern slavery

Respect for and protection of internationally recognised human rights is integral to our approach to responsible procurement. This includes eradicating the risks of modern slavery and human trafficking in our extended operations, with our policies and procedures designed to identify and address any such risks.

We carry out a regular risk assessment of our global supply chain. Based on our most recent assessment, we consider that the risk of modern slavery and human trafficking in our business and supply chain is low. We also conduct an annual analysis of our spend with global suppliers so that we can understand the full extent of our global supply chain; inform our risk assessment approach with updated accurate information; identify potential emergent risks outside our 'core' offices; and engage further with our suppliers on issues relating to modern slavery and human trafficking risks.

We are also taking further steps internally to mitigate the risk of modern slavery, with particular emphasis on educating our people around the risks faced by our businesses and how these can be reduced. During the last 12 months, 118 of our colleagues who are involved in procurement and supplier management activities completed dedicated training on modern slavery and human trafficking via a bespoke online training course focused on preventing exploitation.

Please visit [our website](#) to read our Modern Slavery Statement in full.





# About this report

This report serves as our 2020 Communication on Progress, in line with our commitment to implementing the principles of the United Nations (UN) Global Compact and contributing to the UN Sustainable Development Goals..

### UN Global Compact

We became a signatory to the United Nations Global Compact 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.



### UN Sustainable Development Goals

We work with major organisations in almost every economic sector, in almost every corner of the globe. We recognise that our main contribution towards the achievement of the UN SDGs is through the way we manage and influence these relationships.

We reflect regularly on the goals in the context of our responsibilities as a global citizen, and use them as a lens through which to focus our efforts as a responsible business. Earlier this year our CEO, Justin D’Agostino, joined over 1,000 CEOs to endorse United Nations’ Statement on Renewed Global Cooperation and pledge to unite in the business of a better world.

Due to the diverse nature of our operations and jurisdictions, we deliberately take a broad approach to our advancement of the SDGs. Throughout this report, we have introduced the actions we are taking. This year we have also shone a spotlight goals which are integral to our ambitions as a responsible business, where we believe we can have a uniquely positive impact.





For a full list of our global offices visit [HERBERTSMITHFREEHILLS.COM](https://www.herbertsmithfreehills.com)