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Dear Sir/Madam

## Freshfields UN Global Compact Communication on Progress 2021

#### Introduction

I am pleased to confirm that Freshfields reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Addressing the many social and environmental issues the global community is grappling with requires a concerted effort from everyone, including governments, citizens, civil society organisations and critically business and finance.

At Freshfields we take this responsibility seriously and have made a variety of commitments, detailed below, to ensure we contribute in the best way we can to supporting the transition to a sustainable future, through the way we run our business, the way we have a positive impact on communities and the way we advise our clients.

This year we rearticulated our <u>purpose and values</u> as a firm - with sustainability and responsible business playing a central part. Our focus is on creating a better future for our clients, our people, and the communities in which we live and work.

We are producing our Communication on Progress this year in interactive form, linking to more detailed content on our external website. Below we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

## **Human Rights**

We support and respect the protection of human rights as an essential component of the rule of law. Some examples of our work this year include the following.

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- We represented Kate Wilson in her challenge to <u>undercover policing practices</u> in the UK before the Investigatory Powers Tribunal. The landmark judgment found breaches of five articles of the European Convention on Human Rights.
- We continued to act alongside the International Refugee Assistance Project in an important <u>class action</u>, fighting for the swift processing of visa applications for Afghans and Iraqis facing mortal danger for helping US forces.
- We also <u>advise our clients</u> in how to integrate the management of human rights into their operations, as well as developing thought leadership to support the respect for human rights across the business community.
- We continue to undertake substantial pro bono work for survivors of human trafficking. For example, in the US, we secured immigration status for our client who had her passport and employment contract taken away from her, and was forced to work under difficult conditions, unable to return home. This allowed her to be <u>reunited</u> with her son after nearly 10 years of separation.

#### Labour

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. Some examples of our work this year include the following.

- In March 2021 we introduced 5 year global diversity and inclusion <u>commitments</u> including targets for gender, race and ethnicity and LGBTQ+ representation.
- We continue to invest in the development of people. We launched our new global Future Leaders Program in 2021, a development program specifically for Black and ethnically diverse colleagues. We have also launched the 6<sup>th</sup> cohort for our Global Sponsorship Program for women lawyers and 3<sup>rd</sup> cohort for our reverse mentoring program.
- We continue to focus on fairness and transparency using data to inform our diversity and inclusion strategy. One example is our UK pay gap report which we proactively expanded this year to include LBGTQ+ and disability pay gap data.
- We recognise the importance of wellbeing and have numerous initiatives focused on 3 pillars mind, body and balance. We have over 300 colleagues trained in mental health first aid skills and our global Wellbeing Hub provides information on benefits, resources and support available. In 2021 we also gave all colleagues two extra 'Freshfields Days' of paid leave to focus on their wellbeing.
- We look to combat modern slavery in all its forms and manage our supply chain responsibly. Our approach globally to modern slavery risk is overseen by a multidisciplinary Modern Slavery Working Group, which includes two external members. Our latest <u>Transparency in Supply Chains statement</u> sets out the steps we have taken during the year.



## **Environment**

As an international law firm, our operational environmental impact comes predominantly from 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. Some examples of our work this year include the following.

- We have <u>set global targets</u> to reduce our most material environmental footprint, with particular focus on operational energy use and flights, and have committed to <u>science-based targets</u> and will be publishing these in early 2022.
- We remain committed to carbon neutrality and have been so since 2007 and continue to offset through our award-winning <a href="Freshfields REAP project">Freshfields REAP project</a>.
- We joined with 600 other leading businesses in <u>signing an open letter</u> urging the G20 leaders to do all in their power to reduce global carbon emissions.
- We develop thought leadership to help our clients manage environmental and climate
  risk including the <u>Legal Framework for Impact</u> report commissioned by UNEPFI,
  UNPRI and the Generation Foundation and the <u>New York Circular City Initiative</u>.
- Critically, and perhaps most impactfully, we <u>support our clients</u> as they navigate the transition to a low-carbon future, by helping them minimise environmental and carbon risk in their business and supply-chains.

## **Anti-corruption**

Managing the global risks around corporate criminal liability is a priority for senior management. We recognise our role in upholding the highest levels of integrity and ethical standards and apply these to our own practices through our policies and business acceptance decision-making. We also support our clients to control those risks in whatever form they may intersect with their businesses, and in whatever legal form they may present themselves, be that in the context of ABC, AML, fraud, tax evasion, sanctions or other economic crime. Some examples of our work this year include the following.

- As part of our internal risk-based approach to business acceptance, we have wellestablished procedures to evaluate new client and review new mandate proposals for financial crime, sanctions or human rights concerns, and these form part of our riskbased decision-making around acceptance of new business.
- We continued to advise our clients across the full anti-money-laundering (AML) risk spectrum, helping them identify and reduce the opportunity for criminal activity to take place in the business environment. For example, we <u>advised MoneyGram</u> on how it and its more than 347,000 agent locations in 200 jurisdictions comply with AML and antifraud standards. MoneyGram handles more than 130m transactions worth over \$30bn per year.
- We continued to advise our clients on their <u>anti-bribery and corruption programmes</u>, including the dramatic effect an increased focus on corporate criminal liability has had on the role, responsibilities and authority of the compliance function within large corporations. Through this work we help clients to create environments aimed at



eliminating misconduct either within their organisations or by those associated with them, and where it does nevertheless arise, to spot it, stop it and put things right.

## **Measurement of outcomes**

Detailed data from this year, along with comparison data from previous years, are annexed below.

Yours faithfully

Georgia Dawson Senior Partner



# **Annex – UNGC Key Performance Indicators**

## **Environmental indicators**

All of our environmental data is captured and collated by our individual office coordinators and submitted to our environmental data platform. This ensures the data is consistent between offices and between the reporting years. This data is verified by an external auditor and all of our verification statements can be found on the reports section of our responsible business website. Our environmental data has been assured by Carbon Footprint Limited.

\*CO2 e= carbon dioxide equivalent

The numbers in bold are due to us obtaining more accurate data, particularly for our business travel. We have amended our figures and reported them for transparency.

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Gross carbon footprint per capita (Tonnes CO <sub>2</sub> e*)	4.66	4.64	4.48	4.14	6.01	6.08	5.94	4.21	1.47
Gross direct and indirect greenhouse gas emissions – scope 1 and scope 2; fossil fuels and refrigerants; electricity (tonnes CO <sub>2</sub> e*)	15,672	15,105	15,638	14,525	12,302	10,859	10,549	10,014	8,725
Total gross indirect greenhouse gas emissions- scope 3; business travel (tonnes CO <sub>2</sub> e*)	11,324 <b>15,091</b>	13,438 <b>12,986</b>	12,972 <b>13,645</b>	11,723 <b>17,120</b>	17,356 <b>16,443</b>	21,219 <b>18,400</b>	19,300 <b>16,371</b>	14,778	758
Gross carbon footprint (tonnes CO <sub>2</sub> e*)	26,997	28,543	28,611 <b>30,221</b>	26,249 <b>31,977</b>	28,083 <b>30,497</b>	33,569 <b>30,840</b>	31,655 <b>28,726</b>	25,956	10,245



Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Global water use (m <sup>3</sup> )	143,103	83,457	167,859	147,075	149,030	151,662	110,482	102,226	77,022
Global waste disposal (tonnes)	1,708	2,483	2,510	2,444	1,828	1,609	2,315	1,252	2,129
Global paper purchased (reams)**	228,989	214,944	207,977	195,346	169,922	149,409	128,042	121,198	34,205

## **Key performance indicators**

In the UK, we collect and monitor our diversity data including gender, ethnicity, sexual orientation, gender identity, disability and social mobility. An external report is published alongside, which can be found <a href="here">here</a>. This report is from 2020 so the numbers may have changed; we are in the process of collecting data for a new report to be published in spring 2022.

In the US, we report on gender, sexual orientation and gender identity, race and ethnicity and disability, in the form of our ABA Model Survey.

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Number of pro bono clients	253	292	281	283	287	286	264	254	231
Number of pro bono matters	431	483	496	531	518	500	485	466	429
Number of pro bono hours	43,212	56,368	49,249	47,689	49,850	51,625	52,364	61,708	83,976

# Freshfields Bruckhaus Deringer

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Percentage of lawyers involved in pro bono	41	42	49	48	47	44	51	46	47
Total hours contributed to pro bono and community programmes	60,878	79,105	74,336	67,969	66,092	63,149	62,598	69,487	91,481
Total community contributions, including management costs (£m)	10.48	15.46	13.83	14.66	15.66	17.46	17.87	20.86	43.22
Participation in UK payroll giving (per cent)	5	5	5	5	5	5	5	5	4
Turnover (£bn)	1.229	1.278	1.245	1.245	1.285	1.337	1.472	1.521	1.59
Profit per equity partner (PEP) (£m)	0.94	1.65	1.37	1.54	1.65	1.73	1.84	1.82	1.91
Total number of employees	4,859	5,060	5,446	5,753	5,230	5,220	5,325	4,913	5,624
Women partners (per cent)	12	12	13	14	14	15	16	19	19