



Freshfields Bruckhaus Deringer

Responsible business in action

Freshfields' UN Global Compact 2017 report



WE SUPPORT

Edward Braham

Senior Partner

Being a responsible business means delivering value to society through the way we manage our business and by making a lasting positive contribution to our communities.

It lies at the heart of who we are as a firm; we don't just want to work with the world's most iconic organisations, we want to do so in a responsible and sustainable way.



Responsible *business*

In September 2016 we launched an ambitious new responsible business strategy designed to harness our collective energy and effort to deliver maximum impact. This report outlines some of the progress we have made in three key areas:

- **engaging with our clients** – our role as trusted adviser to many of the world’s multinational enterprises means we can help our clients navigate this rapidly changing operating environment;
- **positive impact on society** – through promoting access to justice and access to opportunity, from law-changing, world-leading pro bono to making a positive difference to our communities; and

- **responsible working** – adopting responsible business and environmental working practices, and building a culture that encourages diversity and inclusion, where everyone has the opportunity to reach their potential.

Since we became signatories in 2009 we have been committed supporters of the United Nations Global Compact (UNGC), which has provided both guidance and inspiration. Article 1 of the Universal Declaration of Human Rights, one of the cornerstones of the UNGC, now forms the foundations of our responsible business strategy. This report outlines our recent progress in further embedding the UNGC principles.

We are supporters of the United Nations’ Sustainable Development Goals (SDGs). In 2017 Freshfields, together with [a coalition of leading multinational businesses](#), highlighted to the British prime minister the importance of the SDGs as a framework for helping business to help resolve some of the world’s greatest challenges.

We believe responsibility is much more than supporting social initiatives – making a difference means putting the responsibility agenda at the core of our operations. Our responsible business strategy articulates our commitment to doing just that.



Edward Braham, Senior Partner



United Nations Global Compact

The UNCC 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:

1

Businesses should support and respect the protection of internationally proclaimed human rights.

2

Businesses should make sure that they are not complicit in human rights abuses.

3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.

4

Businesses should uphold the elimination of all forms of forced and compulsory labour.

5

Businesses should uphold the effective abolition of child labour.

THE 10 PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT

6

Businesses should uphold the elimination of discrimination in respect of employment.

7

Businesses should support a precautionary approach to environmental challenges.

8

Businesses should undertake initiatives to promote greater environmental responsibility.

9

Businesses should encourage the development and diffusion of environmentally friendly technologies.

10

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

Responsible | *business*

Responsible business and clients

**Being a responsible business is no longer just a 'nice to have';
it is a prerequisite for sustainable success.**

Wider environmental, social and governance agendas present new risks and opportunities to global businesses, including many of our clients. Global corporations need to ensure their supply chains are free from human rights abuses, manage the transition to a low-carbon future and ensure security of supply of raw materials, among other considerations. They are also focused on their own access to opportunity, diversity and inclusion agendas.

Our role as trusted adviser to many of the world's multinational enterprises means we can help our clients navigate this rapidly changing operating environment.

United Nations Global Compact Principles

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Responsible business and clients

Integrating sustainability

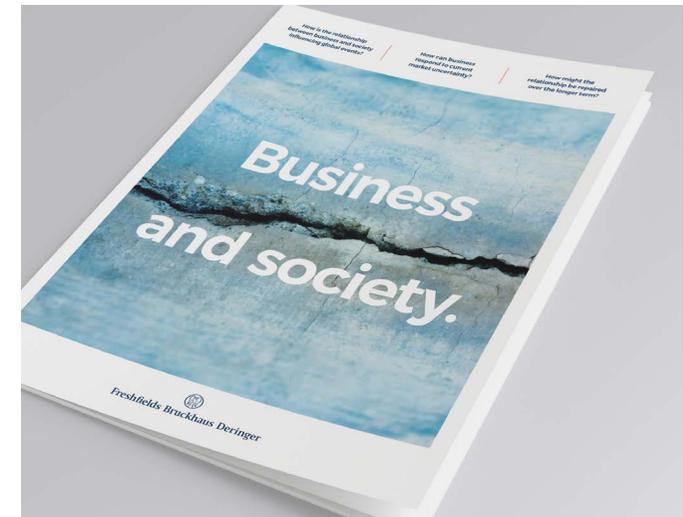
We integrate sustainability into our own core services and provide as much support as clients need to meet their own sustainability aims. This includes providing legal advice and due diligence services on low-carbon transactions and supporting the growing impact investing market.

Highlighting the changing role of business in society

In 2017 we launched our 'Business in society' thought leadership series, which scrutinises our business through a responsible business lens, examining the changing relationship between [business and society](#) and the resulting opportunities and risks. We are actively engaging with clients on this topic.

Aligning with clients for greater impact

Our clients' responsible business activities are often aligned with our own: seeking to provide access to justice and opportunity to individuals from disadvantaged backgrounds. For example, in the UK, we have collaborated with Prudential to take part in the Citizenship Foundation's Lawyers in Schools programme, which places lawyers in the classroom to run interactive and engaging lessons on specific legal topics relevant to young people's daily lives. We collaborate with clients such as Goldman Sachs and the Bank of England on our award-winning Freshfields Stephen Lawrence Scholarship Scheme, to provide access to the City for exceptionally talented black men from less privileged backgrounds. In Hong Kong, Freshfields and Nomura have hosted a joint event to highlight the importance of being LGBT+ allies in the workplace.



NOMURA
Connecting Markets East & West


PRUDENTIAL

Responsible business and clients

Supporting clients in their sustainability journey

As long-term advisers we share an interest in our clients' success, which includes helping them manage environmental, social and governance challenges and opportunities.

- We advise on 'hard law' matters, such as anti-bribery and corruption laws on a domestic and international basis.
- We offer guidance on best practice, such as the implementation of the UN Guiding Principles on Business and Human Rights, and help anticipate future legislative change.
- To tackle human rights and environmental issues, we help clients design appropriate transactional and supply chain due diligence procedures and mitigation measures, as well as advising on ongoing compliance.
- We help our clients be responsible corporate players in the global economy through updates and analysis that provide insight on commercial, social and environmental issues, current legal requirements and emerging expectations, including integrating the aims of the UN's SDGs within their operations.



Everyone's human rights policies should be realistic - based on a clear understanding of their business, their value chains and developing trends in national laws - to effectively address human rights risks and meet the rising expectations of governments, civil society, customers and investors.

Paul Bowden, Partner



Responsible business and clients

Impact investment

Impact investments are investments made into companies, organisations and funds that aim to generate social and environmental impact and help deliver the UN's SDGs alongside delivering a financial return. Impact investing is a growing area of interest for many of our banking and corporate clients as well as our international investor client base, who see this as an important part of their own responsible business agendas. We provide legal and regulatory advice to a number of our financial services and other clients on their impact investments in areas as diverse as climate change, food security, telecommunication, ecosystems, power, water and sanitation, health and education.

Last year we were instructed on our first social impact investing project in the US around immigrant vocational education. In Germany, we advised PHINEO on the setup and structuring of the first 'Tech for Impact' investment fund, which focuses on channelling impact capital into technology organisations to promote responsible living, healthcare and education in Germany, Austria and Switzerland.

In November 2017 we sponsored the FT's Investing for Good conference in New York and were part of the panel on 'Innovative lawyering: structuring new financial mechanisms'.



A positive impact on society

We focus on two areas that align with our skills and experience: **access to justice** and **access to opportunity**.

Our pro bono and community efforts focus on minorities, refugees, women, children, people identifying as LGBT+, and the underprivileged and underrepresented.

United Nations Global Compact Principles

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A positive impact on society

Access to justice

Justice and the rule of law underpin our business, the legal profession and the society in which we operate. We are committed to helping our target groups achieve effective access to their legal rights.

Promoting fair trials

Plea bargaining, where defendants are incentivised to plead guilty in exchange for a reduced sentence and/or charges to avoid trial, is becoming common practice around the world. But it is open to abuse. We conducted a major piece of research for our client Fair Trials on the global use of plea bargains, collecting information on the existence and operation of plea bargaining from 90 countries spanning six continents, with input from many of our own offices, as well as StrongerTogether partner firms in over 70 countries.

The research was used as the basis of Fair Trials' report on the global use of plea bargains, *The Disappearing Trial*, which aims to highlight potential shortcomings in the use of plea bargaining for individuals and calls for the adoption of human rights-based safeguards in its application. The report was launched in Washington DC in April 2017.

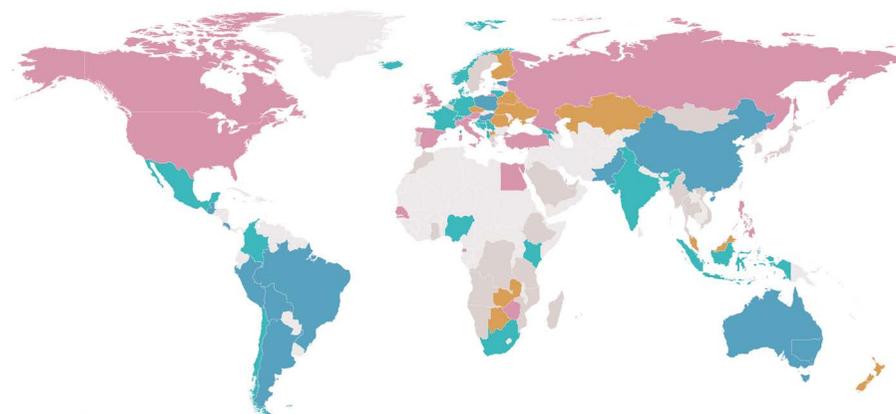


We collected research for **Fair Trials** on the global use of plea bargains from

90 countries | **6** continents

Date of introduction of trial waiver systems

2010 to 2016



12
countries

BELARUS
BOTSWANA
CZECH REPUBLIC
FINLAND
KAZAKHSTAN
LUXEMBOURG

MACEDONIA
MALAYSIA
NEW ZEALAND
ROMANIA
UKRAINE
ZAMBIA

A positive impact on society

Promoting LGBT+ rights globally

Our Munich office has been working with LGBT+ charity Stonewall and StrongerTogether firms on a cross-border legal research project on the rights of the LGBT+ community. These country reports cover various areas including freedom of expression, association and assembly and equality in employment in 28 different jurisdictions, including Argentina, Belgium, Germany, Japan, Mexico and Nigeria. The first 11 country reports were published in late 2016 and we are now working on a further 17 jurisdictions, which are due to be published in early 2018.

Our Tokyo office co-founded Lawyers for LGBT and Allies Network (LLAN), a platform for the international and domestic legal community in Japan to support LGBT+ rights. LLAN published *Foreign Law Report on Equal Marriage*, drafted the Ally Toolkit for Japanese companies and continues to carry out numerous awareness-raising events.

We have been working on the rights of the **LGBT+ community in**

28

jurisdictions



The Freshfields team were great to work with and their legal country reports have helped us to support employers in creating equal and inclusive workplace environments for their lesbian, bi, gay and trans staff around the world.

Lynn Pasterny,
Global Workplace Programmes Officer,
Stonewall



A positive impact on society

Helping asylum seekers access their rights

Our lawyers have helped individual asylum seekers across the world, including in Asia, the UK and the US, in some cases with their applications for refugee status. In Tokyo and New York we act pro bono for asylum applicants and represent them in their asylum hearings. In the UK we work on asylum support cases, enabling asylum seekers to secure their rights to basic food and shelter. In Manchester this is through our work with Asylum Support Housing Advice (ASHA). In London our lawyers staff a duty scheme at the Asylum Support Tribunal, working with the Asylum Support Appeals Project (ASAP).

Our German offices are helping to educate refugees throughout Germany about their rights and obligations. Working closely with our national refugee community partner, Arbeiterwohlfahrt (AWO), we conduct legal reviews of workshop materials on different aspects of democracy and human rights.

Anti-trafficking

Our London work combating human trafficking won the Law Society's Excellence Award for pro bono. We proactively identified a gap in legal services provision for trafficking victims then worked closely with legal aid lawyers and frontline charities to help close it. We use our employment and litigation expertise to bring and enforce civil claims for victims against those who have exploited them in the UK. We also use the expertise and contacts gained from these individual cases to act in strategic challenges and to represent NGOs intervening in important test cases.



A positive impact on society

Access to opportunity

We seek to raise the aspirations of our target groups, and increase the opportunities available to them, so that they can fulfil their potential.

Providing opportunities for school children and students to experience our work and working environment.

In 2017 over 800 young people gained a greater understanding of professional careers as a result of participating in one of the programmes we run in Asia, the US, the UK and Europe.

One such programme is our award-winning Freshfields Stephen Lawrence Scholarship Scheme, which aims to address the disproportionate underrepresentation in large commercial firms of black men from less privileged backgrounds. 2017 saw the launch of a pilot programme to expand the scholarship programme to include some non-law students and give scholars access to professions outside of the legal services sector.



57%

of Freshfields Stephen
Lawrence Scholars have
begun careers with
**City law firms
and banks**

A positive impact on society

Providing access to work

We support individuals who, because of personal circumstances, including criminal convictions or homelessness, are excluded from employment. Last year we improved 496 people's prospects through employability programmes such as the award-winning Ready for Work.

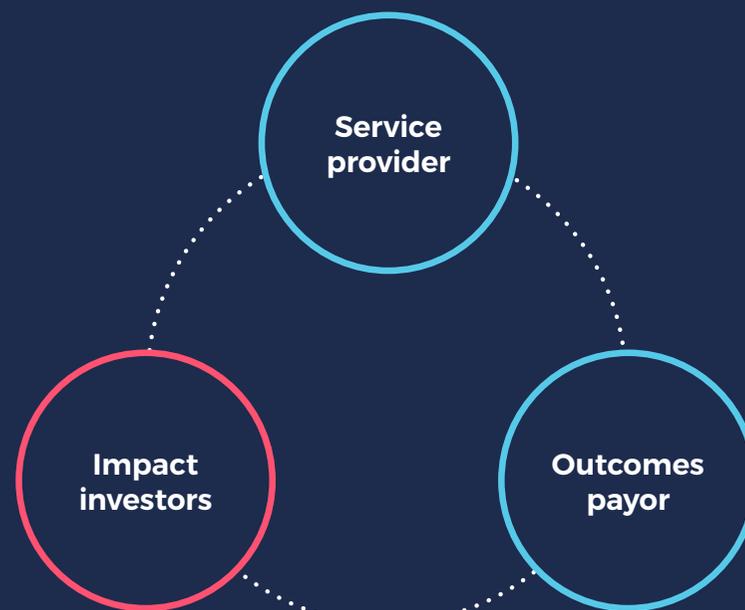
Social impact bonds

We provide pro bono legal advice to fund access to opportunity projects through social impact bonds (SIBs). We do this for a number of organisations, including Social Finance and Bridges Fund Management, which have been at the forefront of developing this market in the UK. SIBs bring together private finance, public investment and the expertise of the charity sector or other specialist organisations to fund and deliver programmes that create measurable social impacts. SIBs represent an innovative way of providing funding to support new services that provide access to opportunities to our target groups. We have been at the forefront of their legal development, advising on their structure and drafting the relevant contractual documentation, and have been involved in about 20 per cent of the world's SIBs to date in areas such as children's services and youth homelessness. For example, we have advised on several SIBs to fund foster placements for children in residential care in the UK to help them achieve better life outcomes within more stable family environments.



Social impact bonds

are public-private partnerships that drive resources towards effective social programmes that measurably improve lives



Graphic provided by Social Finance, one of our pro bono clients

A positive impact on society

Our global refugee programme

In the wake of the 2015 refugee crisis, many people from across the firm felt moved to help the hundreds of thousands of displaced people fleeing persecution and war.

We already have a long history of promoting access to justice and opportunity for refugees, ranging from representing individuals in asylum claims in the US and Japan, to supporting access to the legal profession for young refugees through the Start Foundation in Germany. As part of the development of our refugee programme, which we formally launched to coincide with World Refugee Day on 20 June 2017, we have committed to further promote access to justice and access to opportunity for refugees as one of our target groups, and include some examples of our recent work in this section.

Helping refugees to start a new life

As part of the development of our global refugee programme, we run a global online mentoring programme for refugees in Germany in partnership with the Munich-based organisation Volunteer Vision. We will roll out the programme to a further 50 volunteers in 2018.

See also our access to justice work on refugees



Image provided by the Red Cross, one of our global pro bono clients, whom we advise from many of our offices.



I enjoy mentoring my mentee because she's very much involved not just with her language studies and Kiron studies but also with personal development and societal projects. She is also planning to 'pay it forward' if she could by mentoring other refugees in the future. All in all, I'm having a blast mentoring so far.

Anna Leah Tabios-Hillebrecht, Munich Associate

We will roll out our **global online refugee mentoring programme** to

50

more volunteers
in 2018

A positive impact on society



Winner of the Law Society of England and Wales' **Excellence in Pro Bono Award 2017** for our efforts to combat human trafficking in the UK



RESPONSIBLE BUSINESS
AND CLIENTS

A POSITIVE IMPACT
ON SOCIETY

RESPONSIBLE
WORKING

Responsible working

Being a responsible business starts within our own organisation – how we work, who we work with, the working practices we promote and the impact we have on the environment.

United Nations Global Compact Principles

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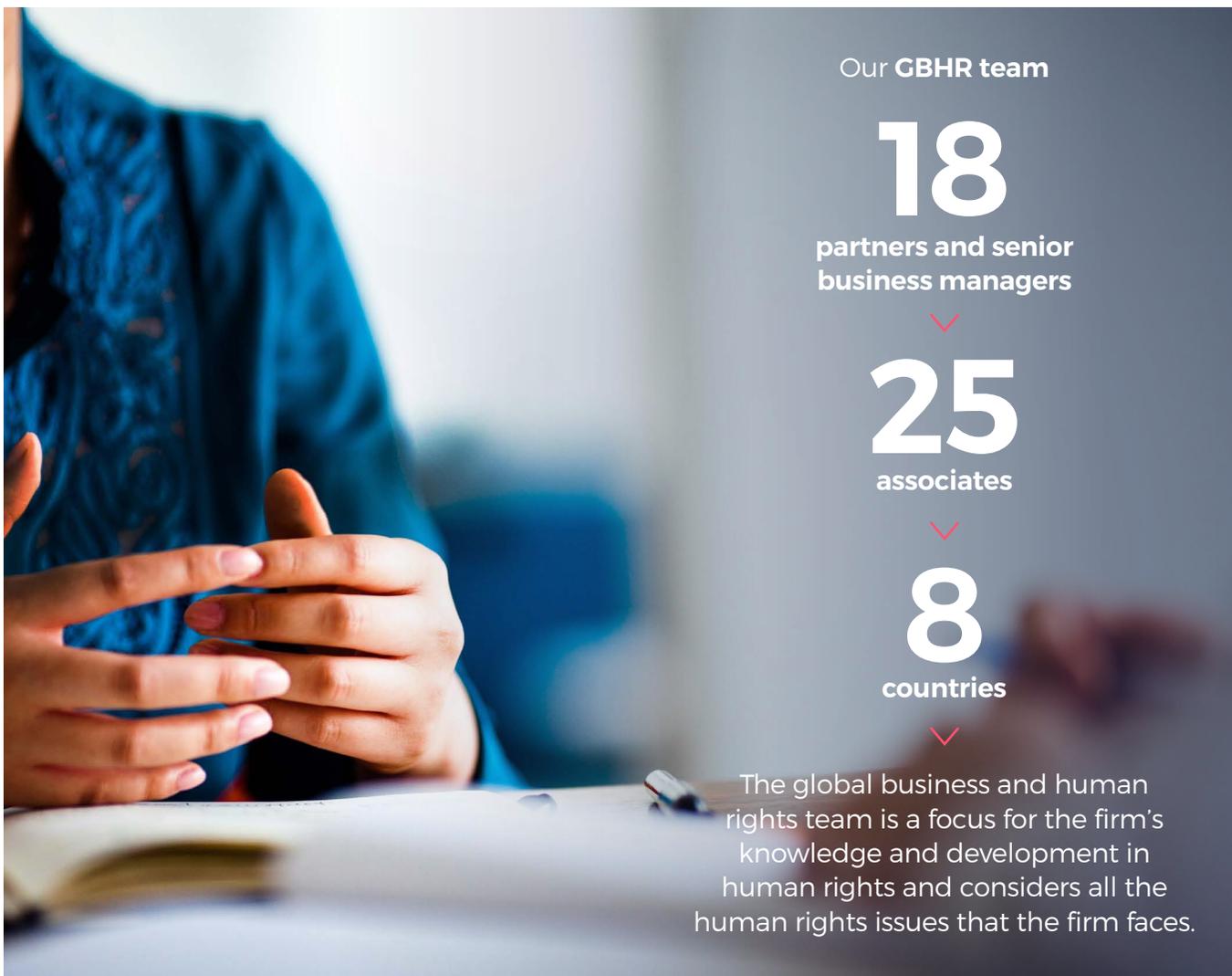
Responsible working

How we work

We want to ensure that our behaviour does not contribute to human rights abuses or unacceptable working practices, that we conduct our business in an environmentally friendly way and that we create a respectful, diverse and inclusive workplace. To achieve this we have robust policies and processes in place around:

Global business and human rights

- As part of our risk-based approach to business acceptance, we have procedures to evaluate new clients 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).
- Our global business and human rights (GBHR) team has developed a global business and human rights toolkit so our transactional lawyers can help clients address human rights issues in commercial and financial mandates. Internal training on the toolkit has been undertaken across our offices.
- Our international client engagement letters refer to the principles of the UNGC.
- Our [business and human rights](#) blog has so far featured 40 human rights topics.



Responsible working

Combating modern slavery in all its forms

- Our modern slavery working group reports to our senior partner and includes two external members from the NGO community to challenge us and ensure transparency.
- Over the last year this group has reviewed our global business and supply chains, conducting a 'heat-mapping' review to identify priority areas for further scrutiny, and has recommended appropriate changes (for example to supplier questionnaires and codes of conduct).
- In 2017 we introduced training for our employees to ensure awareness of modern slavery and of our policies and procedures.

Bribery and corruption

Bribery and corruption represent serious threats to economic growth, individual livelihoods and civil society across the world. We recognise our role in upholding the highest levels of integrity and ethical standards, and apply these to our own practices through our code of conduct and our anti-bribery policy and procedures.

Our procurement practices

Based upon the 10 UNGC principles, our responsible business procurement guidelines outline how we work with our suppliers and what we expect from them. If suppliers show persistent disregard for important elements of environmental, social and ethical performance, we will stop working with them.

Minimum wage

Our contractor contracts integrate the London Living Wage and Living Wage in our London and Manchester offices, and the Minimum Wage Law (MiLoG) in all our offices in Germany.

Responsible business governance

An internal working group of partners and senior business services leaders guides our responsible business strategic thinking. We also have an external advisory board made up of senior business and civil society leaders to ensure transparency and accountability.



Responsible working

A responsible approach to our culture and working environment

Our business is our people; we are committed to building a diverse and inclusive working environment, where everyone has the opportunity to tap into their strengths and excel.

We have strengthened our internal support networks

These help us to promote an inclusive culture and provide members with mentoring, networking and developmental opportunities. Over the last two years we have held global conferences for our Black Affinity Network, our LGBT+ members and Halo Champions, and our female partners.

We are enhancing an inclusive culture

Halo Champions, the firm's internal LGBT+ ally network, grew significantly this year with its launch in six further offices across Continental Europe. We also continue to run mentoring programmes, including taking part in the 30% Club cross-company scheme for women mentees.

Our recruitment focuses on talent and ability, not background

In the UK we have adopted a contextualised recruitment system that places candidates' academic grades in the context of their schooling and background. We continue to be a key supporter of Business in the Community's 'Ban the Box' campaign, which encourages employers to remove the tick box asking about criminal convictions from application forms.



We have updated our global policies

to facilitate speaking out, including those for individuals raising personal concerns and for whistleblowing. We issued a report, [Whistleblowing is on the rise](#), based on a global survey we commissioned in September 2017.

We promote agile working practices globally

For example, in 2017 senior leadership in Asia articulated their support for this through video content, sharing their own experiences and examples of best practices.



Responsible working

Our social mobility committee

In 2017 we set up a social mobility committee, bringing together our responsible business, HR, diversity and recruitment functions to take a holistic approach to the challenges of recruiting and retaining talent where people come from less socially mobile backgrounds. Initially focused on the UK, best practice will soon be shared across our network.

Wellness and mental health

Our focus on wellness and mental health has led to our first team of people from across our global network completing training to be mental health first aiders. The two-day course trains participants to spot the signs of mental health issues, offer initial help and guide people towards support. We marked World Mental Health Day, 10 October 2017, around the globe: there was restorative yoga in Manchester, 'Mindfulness and Law' sessions in Amsterdam and health fairs in our New York and Washington offices.



Mental Health
Foundation

World Mental Health Day



Every year a quarter of people in the UK suffer some kind of mental health issue.

According to research from MIND, mental health issues are particularly prevalent in the legal profession.

Responsible working



— 2017 —
Awarded wWP
(work with Pride)
PRIDE Index
**gold
medal**
for our workplace
inclusion in Japan

We launched our 3rd
**Global
Sponsorship
Programme**
for more than **30 women**
from across the world

“
**It challenged me to think
about who I am, what I want
to be, the work I want to do
and how to achieve that.**
*Global Sponsorship
Programme participant*



— 2017 —
Awarded
**Best Employers
for Race
listing 2017**
Business in the
Community

Responsible working

Managing our environmental impact

To protect the environment, we minimise our own impact and that of our supply chain, with a particular focus on energy, paper, travel and plastics.

We continued to innovate in offsetting through our award-winning carbon offsetting programme, the [Freshfields Reforestation in East Africa Programme \(REAP\)](#). To date, 4,000 farmers have been involved in planting trees on smallholder farms to offset our carbon footprint. Unlike other offsetting programmes, REAP creates a 'sustainability loop' that gives farmers the chance to improve their own and their communities' long-term prospects. Through tree planting and learning about sustainable agriculture, many of the farms also benefit from improved soils, increasing farm productivity and providing additional income from fruit and nuts from planted trees. The increased income has allowed farmers to fund school and university places for their children, or invest in solar lighting or improved irrigation systems. The programme also promotes women's empowerment as the local leadership of farming clusters rotates between men and women.

We've set new ambitious targets for 2020



Energy reduction

against 2015/16



Paper use

reduced by 30 per cent
to 20 reams of 500 sheets
per capita compared
with 2015/16



Travel reduction

against 2015/16



Plastics

work towards eliminating
the use of single-use
plastics



Responsible working

-10%

Energy reduction
in the London office

Our **London
office** is

ISO 14001
compliant

Our **Paris office**
reduced energy usage by

45,000
kWh

through improved
management of its lighting

-20%

Energy reduction
from LED lighting in our
Amsterdam, London
and **Vienna** offices

Our **London
office** is

ISO 50001
compliant

In summary



Make a positive impact through **pro bono** and **community volunteering** hours

Focusing our efforts on access to **justice** and access to **opportunity**

Protect the legal rights of our target groups

Provide our target groups access to the opportunities to reach their **potential**

Focus on mandates and projects where we make the most **difference**

Tackle systemic issues, working with and influencing others

Advance strategy in **all regions** and call on Freshfields **Alumni community** to provide support

Support clients in addressing responsible business challenges and opportunities

Use **pitches** to showcase strategic alignment with our clients' priorities

Build **centres of expertise** around RB issues

Provide **thought leadership**

Use our **insight and expertise** to have deeper client conversations about responsible business

Actively contribute and **join the debate** on business's role in society

Engage with clients on **joint responsible business activities**

Create a **diverse and respectful** environment where all people feel valued and have the opportunity to excel

Integrate **human rights and sustainability** considerations in our daily work

Build a **risk-aware** culture where people feel responsible for managing risk, our reputation and sustaining our business

Actively reduce our environmental footprint by 10 per cent and reinvest 25 per cent of green cost savings into new initiatives

A firm clients are proud to work with, people are proud to work for, valued by its communities and sustainable in the long term

Key performance indicators

Indicator	2012-13	2013-14	2014-15	2015-16	2016-17
Total number of employees	4,859	5,060	5,446	5,753	5,230 ¹
Female partners (per cent)	12	12	13	14	14
Gross carbon footprint per capita (tonnes CO ₂ e) ²	4.66	4.64	4.48	4.14	4.57 [†]
Gross direct and indirect greenhouse gas emissions – scope 1 and scope 2; fossil fuels and refrigerants; electricity (tonnes carbon dioxide equivalent – CO ₂ e)	15,672	15,105	15,638	14,525	12,302 [†]
Total gross indirect greenhouse gas emissions – scope 3; business travel (tonnes CO ₂ e)	11,324	13,438	12,972	11,723	15,781 [†]
Gross carbon footprint (tonnes CO ₂ e)	26,997	28,543	28,611	26,249	28,083 [†]
Global water use (m ³)	143,103	83,457	167,859	147,075	149,030 [†]
Global waste disposal (tonnes)	1,708	2,483	2,510	2,444	2,376 [†]
Global paper purchased (reams)	228,989	214,944	207,977	195,346	169,922 [†]
Employees involved in pro bono and community investment programmes (per cent)	37	39	44	36	50 [‡]
Hours contributed to pro bono and community programmes	60,878	79,105	74,336	67,969	66,092 [‡]
Total community contributions, including management costs (£m)	10.48	15.46	13.83	14.66	15.66 [‡]
Participation in UK payroll giving (per cent)	5	5	5	5	5
Turnover (£bn)	1,229	1,278	1,245	1,285	1,337
Profit per equity partner (PEP) (£m)	0.94	1.65	1.37	1.54	1.65

¹ Full-time employees includes maternity, client secondment, inactive and contingency staff but not external suppliers.
² Per capita footprint employees includes external suppliers.

Employee profile by gender (per cent)

Indicator	Male	Female
Partner	86	14
Associate	54	46
Legal trainee	46	54
Other fee-earners	41	59
Business services	31	69

Global workforce by region

Region	Employees
Asia	444
DACEE (Germany and Austria)	1,392
MENA	100
ROCE (rest of Central Europe)	883
UK	2,093
USA	318

[†] This data has been independently assured by Carbon Footprint Ltd.

[‡] This data has been independently assured by Corporate Citizenship.

All data in red has been restated due to more accurate data found through the assurance process.



Freshfields Bruckhaus Deringer

275
— YEARS —

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