



HERBERT
SMITH
FREEHILLS

RESPONSIBLE BUSINESS REPORT 2023

OUR APPROACH

OUR PEOPLE

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SUSTAINABILITY

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Welcome

As one of the world's leading international law firms, we engage with the most important challenges and opportunities facing our clients. As a signatory to the United Nations Global Compact, we also work with our people, our clients and wider society to respond to the needs that exist in the communities in which we do business, and lead by example to make a positive impact on the most material issues facing us and our stakeholders.

Justin is the firm's global CEO, overseeing its people, practices, clients and growth strategies. A thought leader and skilled practitioner in international arbitration and dispute resolution, he has appeared before tribunals around the world and has sat regularly as arbitrator. Justin was the founder of the firm's first LGBT+ network in 2007, and is a strong advocate and active supporter of the firm's Diversity & Inclusion strategy and many responsible business initiatives. He has recently been elected to the Executive Board of the International Chamber of Commerce, which promotes international trade and responsible business conduct globally.



JUSTIN D'AGOSTINO
Chief Executive Officer and Partner



About us

Herbert Smith Freehills is a world-leading international law firm. We are located in 24 offices across Asia Pacific, UK, EMEA and North America, operating at the heart of the new global business landscape, providing premium, full-service legal advice for some of the world's biggest organisations. We provide our clients with legal expertise and insight, and trusted advice based on both global and local perspectives.



170+
years of history



24
offices



2,600+
lawyers



5,300+
talented people

Our vision: Ambition 2025

As a world-leading international law firm, we are known for our insight and diverse perspectives. We have 4 interconnected ambitions which together form our Ambition 2025 strategy. [Find out more](#) ▶



Clients & Markets

People & Culture

Digital & Legal Transformation

Financial Growth & Investment

Where we work

Offices:

- Bangkok
- Beijing
- Belfast
- Brisbane
- Brussels
- Dubai
- Düsseldorf
- Frankfurt
- Hong Kong
- Jakarta*
- Johannesburg
- Kuala Lumpur
- London
- Madrid
- Melbourne
- Milan
- New York
- Paris
- Perth
- Riyadh
- Shanghai
- Singapore
- Sydney
- Tokyo

Groups:

- Africa
 - India
 - Iran
 - Israel
 - Kazakhstan
 - Korea
 - Latin America
 - Nordic
 - Switzerland
 - Ukraine
- *Associated office



This report is evidence of the wide range of transformational work that we undertake as a responsible business.

But it's also important – and inspiring – to contemplate what is yet to come as we continue our efforts to improve the world around us."

Justin D'Agostino
Chief Executive Officer and Partner

Our expertise

We help our clients achieve their best results, realise opportunities and manage risk. We do so by combining our deep global sectoral knowledge with local market understanding and insight. We have expertise across all key sectors and offer legal services for every challenge.

[Find out more](#) ▶

Herbert Smith Freehills' Responsible Business Report is, for the first time, based on a double-materiality assessment. It walks you through our achievements and challenges in environmental, social and governance (ESG) matters, prioritised for both their impact on our firm and their importance to stakeholders.

[Find out more on pages 7-8](#) ▶

Rebecca Maslen-Stannage (Bec) is the first woman Chair and Senior Partner at Herbert Smith Freehills. Formerly a disputes lawyer, Bec is now recognised as one of Australia's top lawyers in mergers and acquisitions. Here, she reflects on the firm's progress as a responsible business and the opportunities yet to come.

Over the past year, we've made substantial strides in our responsible business journey. What are the highlights for you and why?

For me, the launch of our employee value proposition, Life@HSF, stands out. It recognises that every single person in our firm is important. It sets out the "HSF Deal": what we expect of our people; what we contribute in return, and how we can grow together. We encourage everyone to bring their true selves to work, to find purpose and be heard. We're taking a culture that is, I believe, already very good and making it excellent.

I'm very proud of our firm's response to the energy transition. On one level, we're helping clients, with roots in fossil fuels, as they navigate the complex shift to clean energy. On another, our team is shaping the transition itself, in constructive ways. We've invested pro bono hours to advance emerging green hydrogen technology, creating globally applicable standards and guidance for regulators and governments. Our team members bring vision and professional expertise and are, quite literally, changing the world.

Where will future sustainable growth come from for Herbert Smith Freehills?

Our 3 strategic priorities for sustainable growth: ESG, private capital and energy transition, are particularly relevant here. They not only intersect but allow us to pursue our own objectives as a responsible corporate citizen, while we help our clients to do the same.

ESG is woven into every area of our practice. Our clients increasingly consider everything they do through an ESG prism. So, given our firm's strong emphasis on ESG, both internally and in an advisory capacity, clients look to us for insights on market trends and future developments.

It's quite fascinating to see how private capital is emerging in the world of responsible business. Despite a historic reputation for acquiring companies and stripping out costs for profit, many of today's private capital investors are focused on the shifting global landscape and finding opportunities that align with a socially conscientious audience. We're helping private capital to engage in clean energy transactions; we're advising them as they clean up and revamp socially unacceptable businesses and return them to the public market.

What's next for the firm as a responsible business?

I want Herbert Smith Freehills to be the best place to work, where all members of our team feel valued and know that their ideas matter. Getting the environment right, making Life@HSF work, creating a place where people want to learn and grow and deliver their best efforts, keep clients happy, come up with wonderful ideas ... these are the things that matter most.

I don't need tangible "must-achieve" items on a responsible business checklist because, believe me, our people will come up with the ideas themselves. I am lucky enough to oversee an environment that is driven by talented people.

Which global issues do you believe will continue to influence the response of the firm, and its clients, as responsible businesses?

Geopolitical tensions, on top of the cost-of-living crisis, are front of mind for the world, leaving members of our team feeling very uncertain. Even high performing people need reassurance and a space to talk about what's on their minds. So, rather than just telling our people that we care about them, we show them, with programmes that support their physical, mental, occupational, financial and social wellbeing.

Extreme weather events, of course, are a constant reminder of the perils of global warming. It feels to me, in the past three years, that broader society has gone from not thinking too much about the energy transition to recognising it as a fundamental priority. Our people are fully on board with accelerating the transition, and using their expertise to help our clients navigate a path through it.



In conversation with
Rebecca Maslen-Stannage

01

OUR APPROACH

Prioritising the issues that matter most to us and our stakeholders for positive and lasting impact

Double materiality assessment: prioritising the issues that matter most

We report on our impact on society and the environment, and also the impact that society and the environment have on our firm.

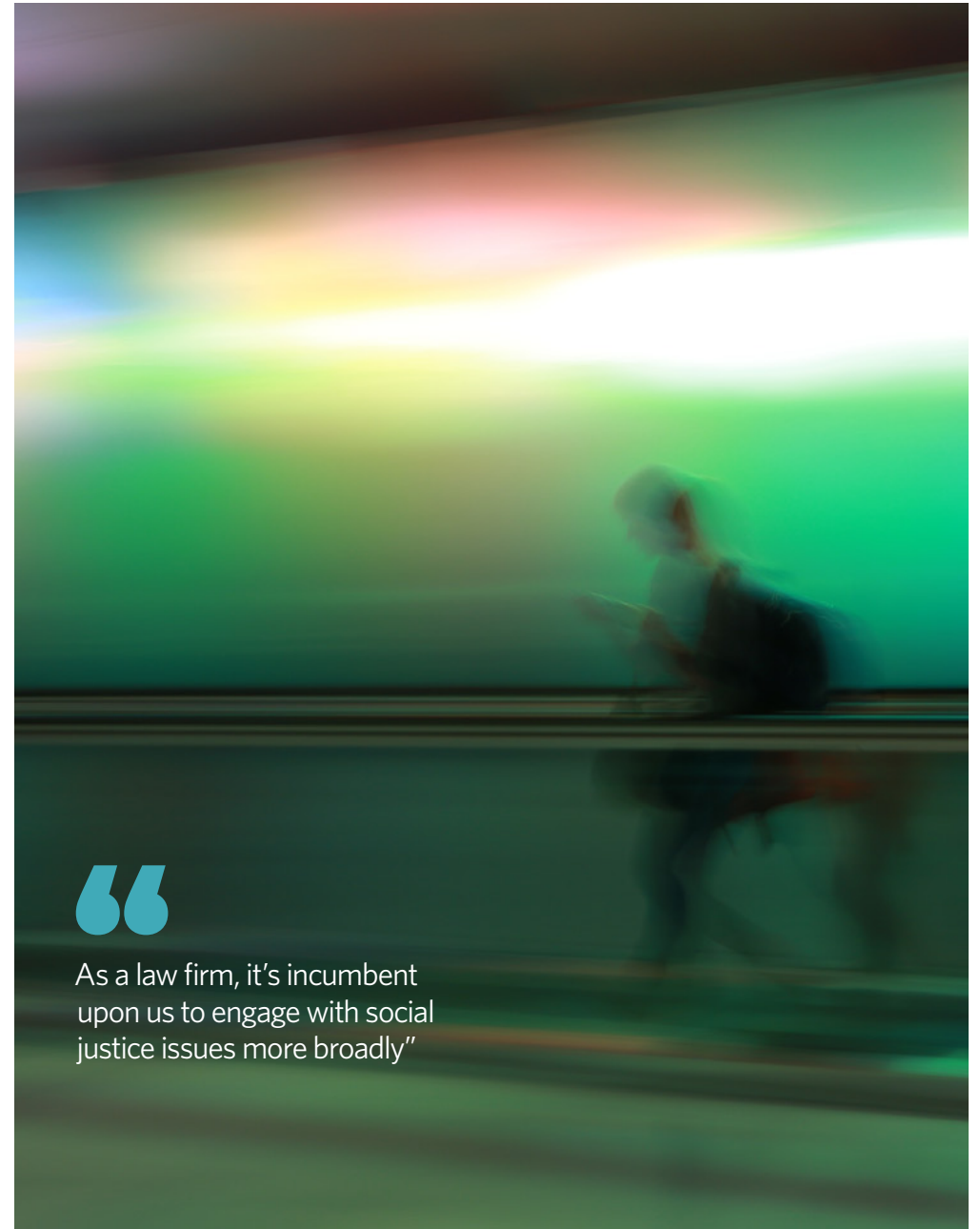
We want to make a lasting and positive impact on the environment, society and people. But there's so much more to being a responsible business in 2023 than ever before.

Double-materiality assessments are a requirement in the EU Corporate Sustainability Reporting Directive. Though we are not yet required to report, we are readying ourselves by aligning with emerging practice. To help us measure where we are and the direction in which we're heading, we have considered:

- **Business impact/inward issues:** The extent to which an issue, like climate change, has a material impact on our business or financial performance.
- **Social and environmental impact/outward issues:** The extent to which our business activities have a material impact on both us and our stakeholders.

What is a double materiality assessment?

- It identifies and prioritises the ESG issues that have the biggest impact on the business.
- It reflects a range of stakeholder views.
- It requires companies to report on inward ESG issues, which impact the business directly.
- It requires companies to report on their outward ESG impact on their stakeholders, and the wider world.



As a law firm, it's incumbent upon us to engage with social justice issues more broadly"



Lawyers should be modelling a high ethical profile, particularly to other businesses”

Double materiality: our approach

We’re one of a few professional services firms so far to publicly report on double materiality. With the help of external consultants who are very well respected in the field, here’s how we went about it.

- 1. Issues identification:** Desk research of key internal documents and insights, backed by a deep dive into the external landscape using an ESG media-scanning tool. We drew up a comprehensive list of current and emerging ESG issues relevant to our firm.
- 2. Stakeholder views:** These included the use of an ESG media scanning tool, to ensure that we reflected all relevant, current and emerging ESG issues for prioritisation; engagement with key internal stakeholders and proxies for external stakeholders. The latter was conducted via structured interviews and a survey.

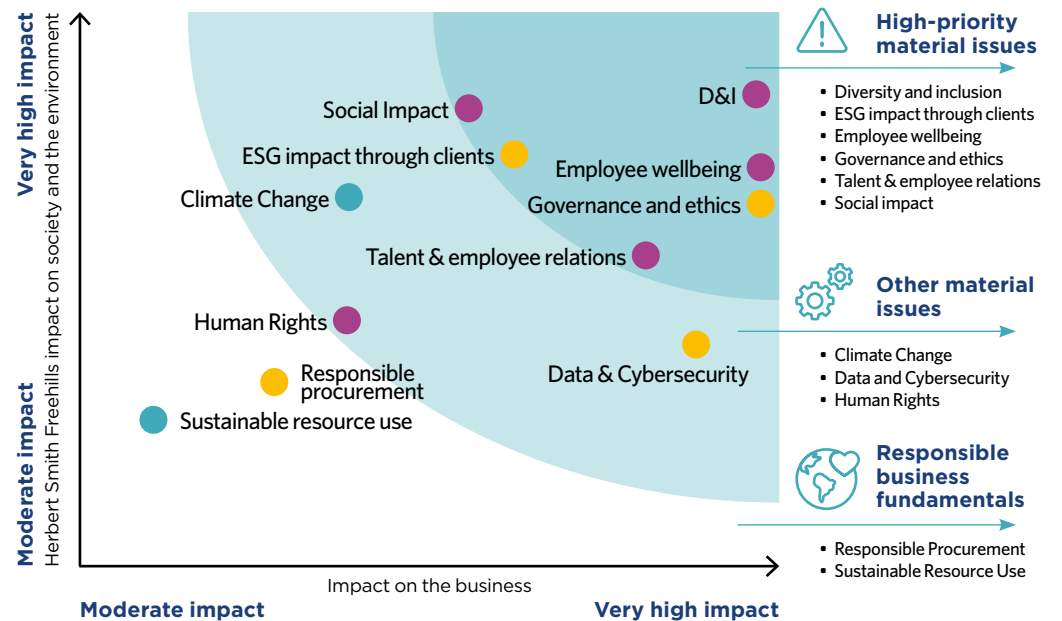
3. Prioritisation: We ranked and validated issues in terms of their relevance to our responsible business strategy and importance to external stakeholders.

Materiality Assessment Results

Our assessment pinpointed 11 material issues. Some directly impact our business performance, reputation and long-term success. Others are impact that we create on society and the environment by doing business. Of these 11, we deemed 6 issues to be top priorities:

- Diversity and inclusion;
- ESG impact through clients;
- Employee well-being;
- Governance and ethics;
- Talent and employee relations; and
- Social impact.

Materiality matrix



Our progress

On material issues with clearly defined goals and targets, it is relatively easy to measure and report. Success in other areas is more difficult to quantify.

We are aware that there are gaps. But we will continue to monitor, adopt best practices and challenge ourselves. We will report transparently on how far we've come, and hurdles yet to conquer, in order to actively influence our changing world.

Results and insights from our double materiality assessment will feed into the firm's Leading for Impact framework and our wider Ambition 2025 business strategy.

Discover more

Here, in our Responsible Business Report, you can find out more about what we're doing to mitigate any negative ESG impact and enhance our positive contributions.

Click on the relevant icon to discover more:



What our stakeholders say:



I see the firm as an enabler in the ESG space. We are helping our clients to go on the ESG journey and become better."



There's an expectation from young lawyers that they will have the opportunity to give back to society more broadly through pro bono work. That is part of talent attraction and retention, as it gives meaning and purpose to the role."



There is a clear correlation between a diverse team and an enhanced ability to solve complex problems. We deal with incredibly complex problems where a range of perspectives is beneficial."

02

OUR
PEOPLE

Helping our people
to grow personally
and professionally

Life@HSF

What it means to work at Herbert Smith Freehills and how shared values and ambition will take us and our people in new and exciting directions.



As a leading international law firm, we face stiff competition to attract a diverse range of talented people — and keep them. What we stand for; what we believe in and how we operate really matter.

We believe that there's a real opportunity to approach law — and all that comes with it — in fresh and better ways, both for ourselves and for our clients. As we steer our firm in an ambitious and exciting new direction, we want our people to come on the journey with us, helping us to reach our destination and to grow personally and professionally along the way.

So, in 2022, we launched Life@HSF, a strategic initiative to shape our firm's culture and working experience. It articulates what it means to work here.

Life@HSF is built around our three guiding values — **human, bold** and **outstanding** — which direct our ways of working and help us to achieve our ambitions.

These values underpin a unique contract between our firm and every individual who works here, no matter their role or their grade. They describe a mutually beneficial and supportive relationship, which embraces diversity and inclusion, agile working and well-being.

Our guiding values

HUMAN

We're genuine relationship builders. We're collaborative, generous and kind, respectful of the contributions of others, and we share credit for work done well.

BOLD

We embrace difference. We not only value it but benefit from the insight and diverse perspectives it brings.

OUTSTANDING

We're ambitious. We're proud of our past, excited about the future and think tomorrow can be better than today.

We're entrepreneurial. We're not afraid to do things differently to fulfil our goals. We ask, 'what if', 'why not' and believe anything is possible.

We strive to be leaders in all we do. We know individual and collective growth and success is a shared responsibility.

We are ethical, professional, client-centred and commercial. We're solutions-focused problem-solvers, known for our insight and expertise.

Our people tell us, candidly, that our approach is working:

“

The reason I've stayed at the firm is the people — inspiring leaders, who are not just technically brilliant, but also care about their people and are passionate about their work.”

“

What sets this firm apart is that we really value diversity and respect people's differences. I've always felt comfortable being my real self at work.”

“

As a graduate, I thought I wanted to do something very different from what I'm doing now. The experiences I've had have enabled a different but better career path for me.”

YOUR GROWTH. OUR AMBITION.

Diversity & Inclusion

Creating a culture where people feel respected, valued, and feel they belong

Diversity Champions' Summer Internships

Our Diversity Champions' Summer Internships, hosted by our Hong Kong office for their third year, were extended to include Singapore in 2023.

The internships expose university students from a number of diverse backgrounds to various dynamic industries, courtesy of our partners Hyatt Hotels, Manulife, UBS and Anglo American. The internships create opportunities for students to develop their personal and professional skills and to gain exposure to corporate and professional environments, an opportunity they otherwise may not have had.

Our Leading for Inclusion strategy sets out our vision to be the leading international law firm for diversity and inclusion (D&I).

Working with our clients for the benefit of the sector more widely. For a number of years our clients have been challenging us to improve diversity – particularly in regard to gender – in matter teams. We've made good strides in ensuring that teams better reflect the communities where we do business, often engaging directly with our clients on shifting working practices and collaborating with many of our clients to improve representation of

women in the broader sector as a Lead Partner Law Firm for the General Counsel for Diversity and Inclusion group.

Our culture is one where everyone can thrive, irrespective of gender, sexual orientation, cultural background, ethnicity, religion, ability, social background, or any other defining aspects which makes them who they truly are.

Inclusive teams are more likely to engage emphatically with our clients. And a diverse and inclusive culture correlates with higher levels of innovation and greater ability to solve complex challenges.



Progressing gender equity

We're as committed as ever to our [8 Drivers for Gender Equity](#) framework and to bringing greater transparency and consistency to our actions.

We've increased our global target for women in our partnership and leadership roles to 40% by 2030, with an interim goal of 35% by 2025. We're on track. Recent promotions saw 16 women become Herbert Smith Freehills partners. Women now make up 31% of our total partnership and 31% of global leadership roles, an increase of over 105% from when we first started tracking our data.

Sponsorship & networks

Whilst we're making good progress, there is still more to be done to ensure greater gender balance within our global partnership. We run programmes for high performing women Senior Associates in some of those practice groups and regions where representation is lowest. They focus on addressing the challenges and issues raised by women, including demystifying processes around promotion, as well as ensuring that high performing women know they are seen as top talent and creating greater links between women lawyers and those in leadership.



Programmes like this allow us to take a step forward and say to our clients and communities that we're committed to working together to achieve our vision for a more diverse and inclusive world. We are proud to have supported these future leaders to take the first steps in their careers."

Simon Chapman KC, Partner and Regional Head of Disputes at Herbert Smith Freehills

Our gender targets

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

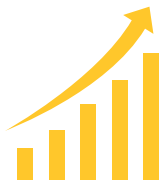
In the years since our first targets the number of women in the partnership has increased by over 105%.

Our current targets

By 1 May 2030
women
 will comprise
40% of:

- partners; and,
 - partner leadership roles
- with an interim target of **35%** by **2025**

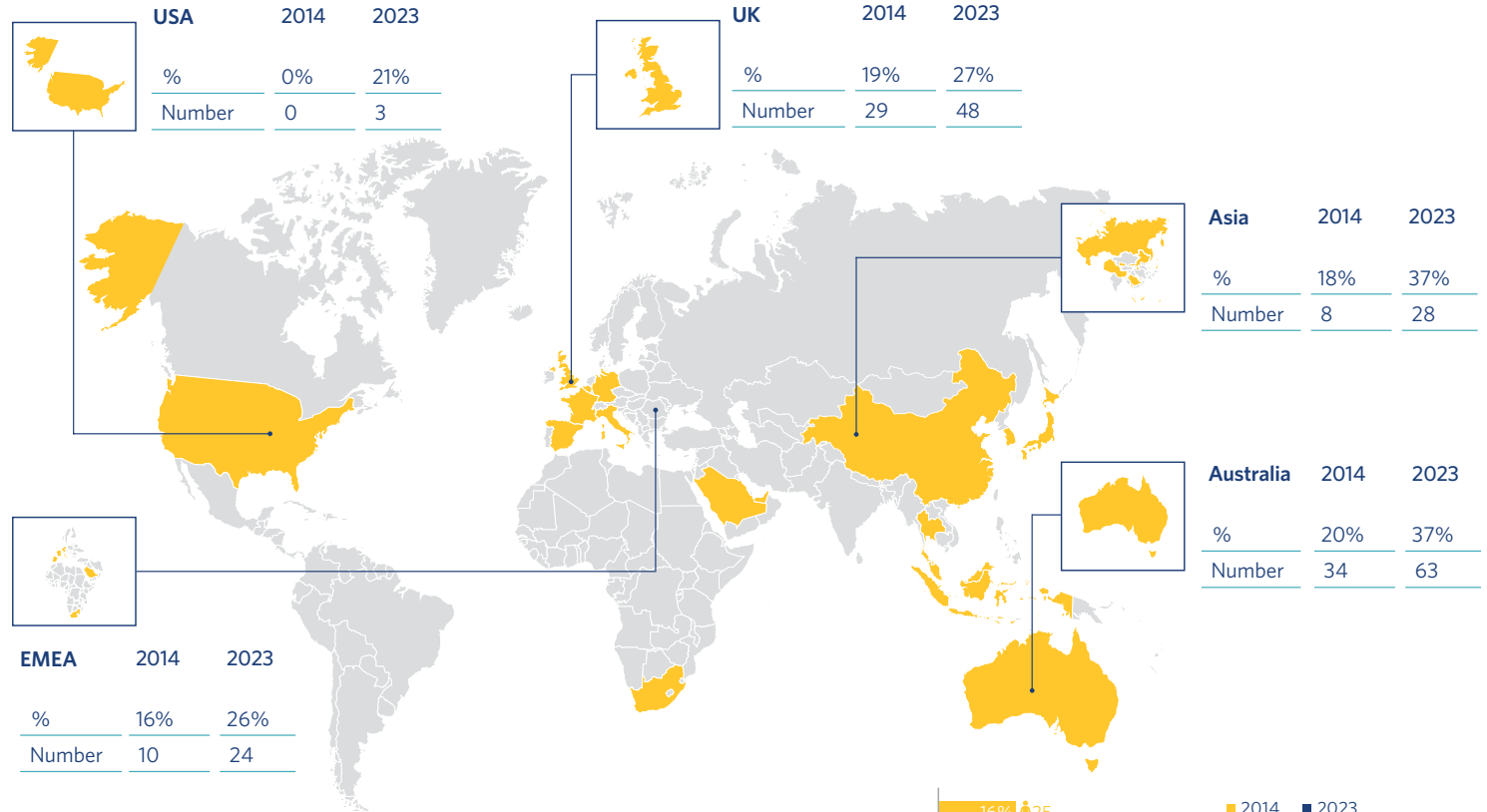
Our current status



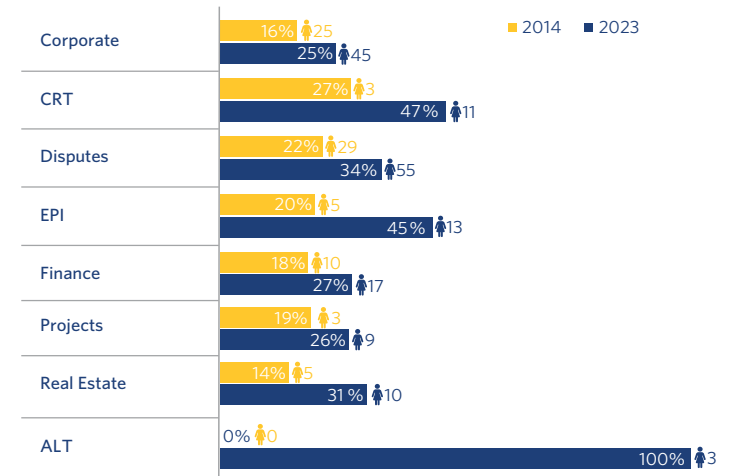
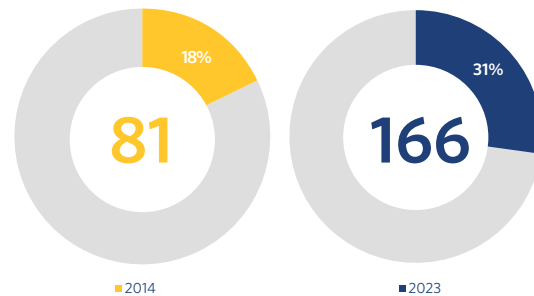
We have:

- 31% women partners; and,
- 31% women in partner leadership roles

Women in the partnership



Global



10 ACTIONS FOR CHANGE

Launched in 2020, our 10 Actions for Change is a framework and measure of accountability in order to improve the retention, representation and experience of our ethnic minority colleagues. It identifies 10 action areas to improve representation, support and experience for the firm's Black, First Nations, Asian and minority ethnic colleagues.

Three years on, we're as committed as ever, while recognising the work yet to be done. Here are some examples of our work this past year to progress towards our goal.

Action 2: Black Employee Network goes live in London

In July 2023, our London office launched the Black Employee Network (BEN) to advocate for and build community among Black lawyers and business professionals.

Alison Brown, Executive Partner, Herbert Smith Freehills West, says: "BEN will serve as a platform for our colleagues to connect, support one another and engage in meaningful dialogue to drive positive change. The collective efforts of our networks, and the UK Executive, continue to increase representation, improve understanding and generate new opportunities for our people to flourish."

Action 3: #MyNames: phonetic spelling campaign supports inclusion in Australia

In a recent poll by Race Equality Matters across more than 100 organisations, 73% of respondents said they had their names mispronounced. Some said it made them feel not valued or not important. Others were left feeling that they didn't belong.

To drive better appreciation and understanding of the significance of names, we have launched the #MyNames initiative in our Australian offices. #MyNames encourages people to consider incorporating the phonetic spelling of their names into their email signatures, something teams across the Firm have also been embracing.

Action 6: Reverse-mentoring in collaboration with our clients

Our London office teamed up with client Lloyds Banking Group to launch a reverse-mentoring programme in April 2023.

Designed to foster understanding across diverse ethnic backgrounds and bridge cultural gaps, it initially pairs 20 individuals drawn from both organisations. They are encouraged to discuss their backgrounds and share obstacles they've encountered in their professional and personal lives, and to learn from one another about how to navigate career obstacles.

- 1 Address barriers to the recruitment of Black, First Nations, Asian and minority ethnic people
- 2 Improve retention of Black, First Nations, Asian and minority ethnic colleagues, and improve representation in more senior roles
- 3 Deliver anti-racism workshops in addition to global D&I programmes
- 4 Better inform and track our approach through robust data collection and analysis, and target-setting where appropriate
- 5 Invest in research and continue listening to our people (including leavers) and communities
- 6 Engage meaningfully with our clients on anti-racism
- 7 Increase mentoring and work experience opportunities for young people from Black, First Nations, Asian and minority ethnic backgrounds
- 8 Support diversity within our supply chain and support businesses and social enterprises owned by Black, First Nations, Asian and minority ethnic people
- 9 Increase pro bono support for organisations that address racial inequality
- 10 Hold regional executives accountable for progress on ethnic diversity

The initiative, part of our commitment to build a supportive and respectful working environment, is designed to foster career opportunities and bolster retention rates.



Lorraine Gibson, BD Director, Herbert Smith Freehills

Action 9: The world reimagined: a sculptural perspective on racial justice

It's more than 200 years since Britain abolished the slave trade. Recently, an art and history project —The World Reimagined —ignited discussion about its lasting impact and what we can do to build a better future.

Launched at Westminster Abbey in August 2022, The World Reimagined saw trails of large globe sculptures rise up across UK cities. The purpose was to encourage people to follow the trails on a journey of discovery and to learn about the UK's history of racial injustice and its progress towards racial justice.

We sponsored the seventh globe, located between Leadenhall Street and St Mary Axe in the City of London.



Creating a safe space where people can dare to dream and simultaneously lay the foundation stones that transform their dreams into reality is central to any mentoring programme.

Learning from those at different levels of seniority is always helpful. But harnessing the perspectives of people from different backgrounds to your own, or those working in another organisation, is an invaluable opportunity, which could build bridges that stand the test of time."

Miriam Everett, Partner and sponsor of the Reverse Mentoring programme





Working with LUÜNA meant we could educate our people, clients, and the wider community on the need to destigmatise periods.”

Rachel Shek, Partner, Herbert Smith Freehills Hong Kong

Addressing non-inclusive behaviours

In building a more inclusive culture at our firm, we've created discussion forums that focus on:

- improved understanding of non-inclusive behaviour in the context of race;
- being an active bystander; and
- tools to facilitate open discussions.

Within teams, our people explored how they might address non-inclusive comments and how we can all be more open to learning. This exercise supports our commitment to building a more inclusive culture and finding ways for open and respectful conversation within a safe space.

Menstrual equity

In Hong Kong, we're providing free period-care products in our offices as part of the Better Period initiative. The initiative aligns with a similar initiative in our London office, and is, according to partner Rachel Shek, "transformational".

The firm launched a pilot with LUÜNA in June 2022. LUÜNA is a women-led social enterprise on a mission to eradicate stigma around menstrual health and to support those most impacted by period inequality. This partnership also aligns with our objective to increase spending with more [diverse suppliers](#).

Following positive feedback in Hong Kong, the initiative has been extended to all 12 offices in the Asia Pacific region.

IRIS network launches "Who We Are" campaign

Colleagues in our global LGBT+ community share their personal stories on our IRIS network. The initiative is part of our firm's commitment to promote more visible role models from diverse backgrounds.

The "Who We Are" campaign gives insight into challenges, fortitude and discovery:

Anne Eckenroth, associate in our Düsseldorf office, explores why awareness and representation matter, and how this shaped her coming out as asexual.

Pam Fletcher, London-based HR Director and fierce LGBT+ ally, reveals what makes her so passionate about being a proud ally.

Keisuke Sakamoto, receptionist in Tokyo, shares his experience of being LGBT+ in Japan and his professional journey which brought him to the firm.

Tim Stutt, Sydney-based ESG partner, reflects on becoming an accidental career lawyer, the wisdom of drag icons and how being a little different can go a long way at work.



HERBERT SMITH FREEHILLS
IRIS NETWORK

IRIS network

The firm's global IRIS network takes its name from Iris, the Greek goddess of the rainbow, which is the LGBT+ symbol worldwide.

The firm at Sydney WorldPride

It's not just what we do; it's who we are

In March 2023, WorldPride hit the streets of Sydney, with Herbert Smith Freehills on board as its principal legal partner. The impact will last much longer than the two action-packed weeks of what our CEO Justin D'Agostino called "a party with a purpose".

Our LGBT+ network

As proud advocates and allies of our LGBT+ community, Herbert Smith Freehills was one of the first law firms to establish an LGBT+ network 15 years ago, and the first to take the network global. It is this long history of firsts that reflects our firm's deep commitment to being the leading global law firm for diversity and inclusion.

We supported Sydney WorldPride on everything from commercial contracts to procurement, from intellectual property to employment, investing more than 1,000 hours over three years.

The event provided opportunities for networking and recognition. Winners of our Global IRIS Awards attended the event, sharing their experiences of being part of the LGBT+ communities in their respective countries. They spoke candidly about how far the community has come, and the challenges still to conquer.

Andrew Heinrich, who co-chairs the IRIS network in Sydney, said "It's been great to connect with other firms' LGBT+ networks and to hear some of the great work they've been doing, and to share that knowledge with our Herbert Smith Freehills team."



Like all Pride celebrations, which are rooted in protest, it's a time to celebrate who we are, while continuing to call for change. Sydney WorldPride is an opportunity for the firm to continue shaping the global conversation on LGBT+ inclusion."

Matthew Clements, D&I Manager for Asia and Australia

Removing the stigma from mental health

We continue to make Herbert Smith Freehills a place where our people can readily access support for themselves and for others, and discuss mental health openly, without fear of stigma.

Anxiety was the theme of this year's UK Mental Health Awareness Week. Although anxiety is a normal emotion in all of us, it can sometimes get out of control and escalate into mental health problems.

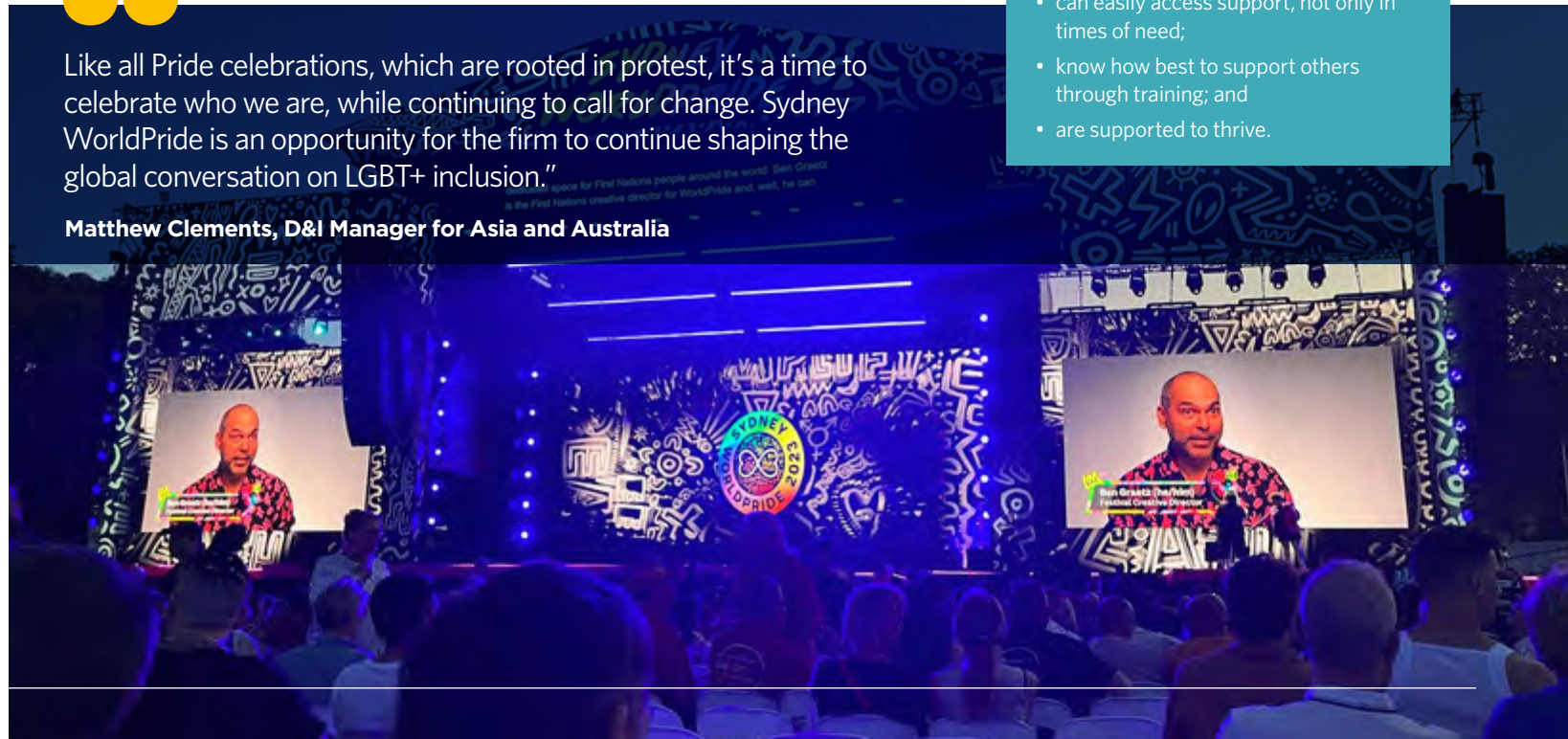
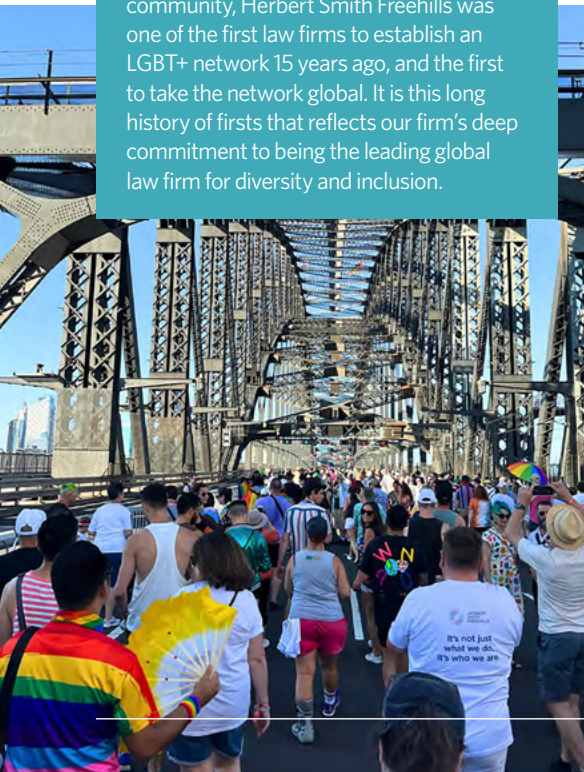
In May 2023, more than 100 people tuned into an online mental health session on anxiety, co-hosted by our firm's Mental Health Champions and Barclays Bank. In a raw and honest session, speakers shared their experiences and thoughts

about dealing with anxiety and mental health, at home and in the workplace. They made it clear that when it comes to managing anxiety, none of us is alone, and explored practical ways to take better care of ourselves and support others with mental health challenges.

Our global approach to mental health and well-being

We are committed to becoming a firm where we:

- work in ways that we feel are sustainable, rewarding and consistent with our values;
- can openly discuss mental health without fear of stigma;
- can easily access support, not only in times of need;
- know how best to support others through training; and
- are supported to thrive.



Disability inclusion

In 2020, we signed up to the Valuable 500, a global movement of leading organisations committed to putting an end to disability exclusion.

We are making progress:

- In Hong Kong, we partnered with Standard Chartered Bank in November 2022 for two workshops, with speaker Noelle Sinclair from Diverse Minds. We sought to improve understanding of neurodiversity and find ways to be supportive of neurodiverse colleagues.
- We published our first edition of *Infinite Possibilities*, a collection of personal stories. Written by employees, and friends of the firm, they explored the positive impact autism can have on people's lives, as well as on the organisations within which individuals with autism work. The publication outlines our ongoing efforts, and those of our partner organisations, in understanding and celebrating autistic people, and supporting them in finding and succeeding in employment.
- Jess Shek, Internal Communications Manager at a leading real estate investment fund, shared her life journey with us. Born blind, Jess describes how she navigates the corporate world and the adjustments that have supported her to excel.
- We marked International Day of People with Disabilities in December 2022 with Purple Light Up, a global movement that highlights the economic importance of 386 million disabled employees around the world.
- We conducted a global accessibility audit of our offices to identify where we need to improve.



Digitally inclusive

London-based disputes lawyer Nihar Lovell is hearing impaired. She says the Firm's use of an accessible version of Microsoft Teams has been a gamechanger for her sense of inclusion and independence. She now uses the live captions function, instead of asking her PAs to type notes when she's on calls with clients and colleagues. In fact, she finds that other people turn on captions too, to check that what they say is transcribed correctly.

"It's not perfect. There have been many humorous moments where some words or names have gotten lost in translation," Nihar says, "but it has made an enormous difference."

Post-COVID 19, Nihar is pleased that many meetings continue to be online. "It's especially useful for hearing-impaired people in large in-person meetings and lectures."

The artwork for *Infinite Possibilities* is the creation of Noah Buyukertas. Noah is autistic and has ADHD. Their mum, Mandy, is a practice executive at Herbert Smith Freehills. Noah says: "My painting expresses the diversity of the autistic experience, and the way our thoughts bring a colourfulness to a society that often seems grey with similarity."

Our people's well-being

Nurturing the health and well-being of our people creates an engaged, more productive and happier workforce.



Whether its mental, physical, occupational, financial or social health, our people know that we're committed to their overall welfare and that they'll get the support they need.

Here are some of the ways in which we're making health and well-being easier to manage for our people.

Health and well-being hub

Our online health and well-being hub is the go-to place for resources, guidance and support.

Our people can discover a range of useful information, such as managing working from home; education and entertainment resources for families; even virtual museum tours and online art and fitness classes.

We've also set up an innovative well-being fund to support our people's wellbeing. Access to the little things can make a big difference to our health and well-being.

Employees can claim back the costs of gym memberships, personal training, talking therapies, physiotherapy, health assessments, and so on.

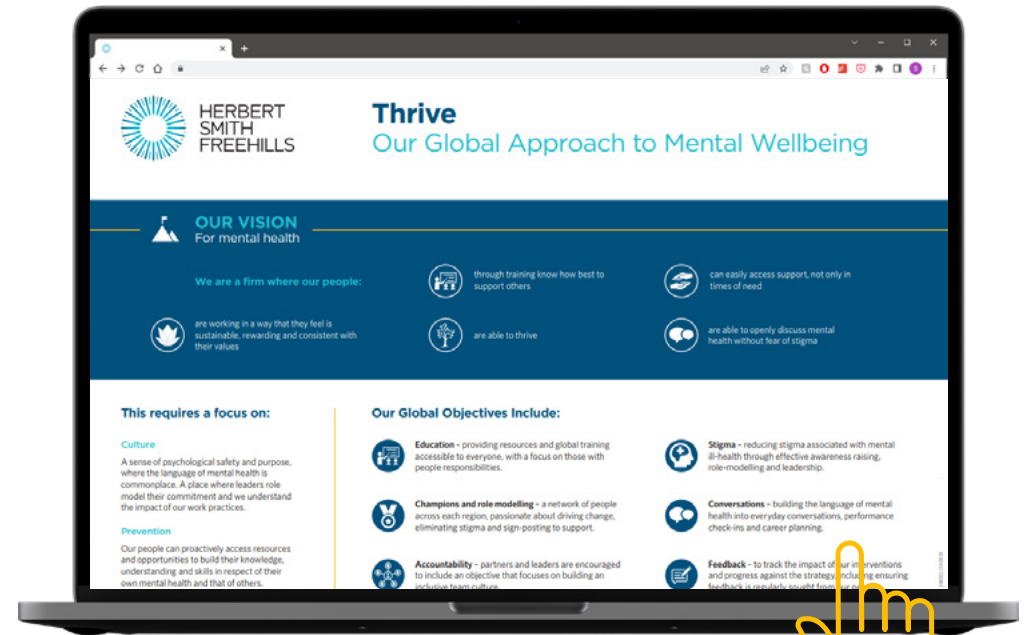
The fund is live in the UK, Asia and Australia so far, and will extend to other EMEA offices this year.

Financial well-being

In 2023, we were one of the first firms to become an accredited Living Pension employer in the UK. It means that all new employees are enrolled at a higher employer and member-contribution rate to help them build pensions and savings that will provide an adequate income in retirement.

Existing employees are encouraged to opt-up to save more and benefit from higher employer contributions. We're working with suppliers too, to ensure that every worker connected with the firm in the UK can benefit.

But we're not just an accredited employer. We have also provided technical advice to the Living Wage Foundation, on a pro bono basis, on the Living Pensions Standards and in drafting employer licence agreements.



The cost-of-living crisis has highlighted the stark difficulties faced by far too many individuals who struggle to manage financially on a daily basis. The problem is magnified with many potentially unable to save for their future. Being a responsible employer is about more than ensuring staff are looked after while they work for you; it's about recognising that providing employees with stability and security in retirement is just as important."

Alison Brown, Executive Partner, West, Herbert Smith Freehills.



Talent and employee relations

We recognise that our firm will change *with* our employees and be changed *by* them too.

When we recruit, we're looking to connect with individuals who are ready to embrace their potential. We want to attract people who offer diverse perspectives, share our values, have ambitions to grow personally and professionally and exhibit the qualities needed to engage fully in Life@HSF.

We cast our net wide, to ensure that we make a good match, and that we are as fair as we can be in our selection processes.

Graduate recruitment

We're mindful that some graduates don't demonstrate as much work experience as other candidates, or that their grades are not as high as we'd ordinarily expect. But we also recognise that there's often a story behind the numbers.

It might be, for instance, that a graduate is a carer for a family member, which leaves little time for work experience. Perhaps their school is in a low percentile for performance, which makes their achievements all the more commendable. Or perhaps they are a refugee, experiencing language barriers, housing-related issues or other social disadvantage.

We've introduced a contextual data tool into our graduate application process, to give context to an individual's circumstances and achievements.

This contextual tool helps us to unravel candidates' circumstances and determine whether they demonstrate the skills and attributes we're looking for in our future talent.

Fair and inclusive recruitment

- We run an adverse impact analysis annually to validate the integrity of our graduate assessment procedures and to rule out bias towards or against specific demographic groups.
- We use data from the Higher Education Statistics Agency to refine our approach to targeting universities. By analysing university rankings in the context of the proportion of lower socio-economic students, we gain insights into potential areas for outreach and can engage more effectively with that population.
- We have access to Rare Vantage, a database of candidates, which we filter by various categories such as ethnicity, gender and socio-economic status. It means we can let candidates know about our career opportunities and invite them to events.

Race Fairness Commitment

Herbert Smith Freehills was one of the first law firms to take proactive steps to ensuring that Black and ethnic-minority job seekers have the same opportunities to compete for roles as similarly qualified white job applicants.

We've united with 34 recruitment agencies across the UK to launch the Recruitment Agency Race Fairness Commitment.

Developed by diversity recruitment specialist Rare, the Commitment recognises the important role that external agencies play alongside internal recruitment and HR teams in ensuring equality of access for all.



Social inclusivity in recruitment

We're dedicated to being socially inclusive, running several initiatives to ensure equity of access to working at Herbert Smith Freehills.

Rare - Discuss:

Our Rare - Discuss programme is open to students from lower socio-economic groups, from any discipline in their first year of a three-year course or second year of a four-year course at any university. These students are invited to a full insight day to help prepare them for a successful career in law.

Aspiring Solicitors

Every year, we run two Aspiring Solicitor events, for up to 30 students or graduates. One is pitched at individuals from lower socio-economic backgrounds.

Rod Fletcher Social Mobility Initiative

An annual £3,000 scholarship is available to students from low socio-economic backgrounds, who qualify as PRIME alumni.

Non-Russell Group Open Day

We invite students from the Universities of Kent, Essex, Leicester and East Anglia to an open day at Herbert Smith Freehills.

Social Mobility Insight Day

We run an annual Social Mobility Insight Day for candidates from socially mobile backgrounds.

PRIME and SEO London Insight Day

We run an annual Insight Day, targeting students and graduates who are part of the PRIME alliance and Sponsors for Educational Opportunity London to find out more about Herbert Smith Freehills and successful careers in law.

Other social mobility societies and events

We sponsor university events hosted by the 93% Club, an organisation that represents the 93% of people who attended UK state schools but occupy disproportionately fewer top jobs.

We support university societies, such as First Generation and Law for All.

We run four free Virtual Internships to help candidates add legal work experience to their CVs. It provides students with an opportunity to build their skills and knowledge.

Learning on the job with apprenticeships

- We run school-leaver apprenticeships within our IT and Revenue functions, often leading to permanent contracts at the end of training.
- From September 2025, we will welcome our first solicitor apprentices. We've devised a six-year programme, alongside an alliance of other law firms, to bring talented people into the legal profession. Apprentices will gain paid experience while studying towards a law degree and undertaking the Solicitors Qualifying Examination.
- Our programme supports social mobility by enabling the best young talent to earn as they learn. It opens new pathways into the firm for individuals who might otherwise be held back by financial barriers.
- We support employees with development apprenticeships in career-specific competencies, like the Institute of Personnel and Development qualifications, or technical IT qualifications or, for senior leaders, MBA executive programmes.



Hammam Shinwari on seizing life's chances

Twenty-year-old Afghan refugee Hammam Shinwari is studying law at the University of Leicester and has a training contract at Herbert Smith Freehills for when he graduates. He got his start thanks to the PRIME programme but confesses to a lingering sense of impostor syndrome about the life chances that have come his way.

Aged just six, Hammam Shinwari, with his taxi-driver dad, housewife mum, and siblings, arrived in the UK from Afghanistan. It was 2008 and they were, he admits, "illiterate".

Hammam went through school and sixth-form college in Exeter and today is in his second year of a law degree at the University of Leicester. A career in law awaits.

Hammam's interest in law was piqued in high school when he got the chance to do a sponsored Pathways to Law programme. He followed it up with work experience in the corporate department of a regional law firm.



In all honesty, I still feel an element of impostor syndrome. How have I managed to get all of this? I am so grateful to the PRIME programme and to Herbert Smith Freehills, and especially my mentor Nic, for supporting me and making me believe that white-collar professions can be open to people from my background."

Hammam Shinwari

Then, via his elder brother, he heard about the Social Mobility Foundation (SMF) for high-achieving individuals from socially mobile backgrounds. "I put in an application. SMF assigned me to Herbert Smith Freehills via the PRIME programme, which got me to where I am now."

Laying the groundwork

Hammam describes the year-long PRIME programme as a "catalyst". With support from his mentor Nic Patmore, he gained insights into commercial law. It lay the groundwork for his personal and professional development, which included networking, vacation work and soft skills to back up his academic skills.

Once at university, the connection with the firm continued. He undertook work experience, albeit online due to the pandemic, and got the opportunity to shadow lawyers in various functions. He expresses a particular interest in transactional work or, possibly, disputes.

Fortunately, Hammam will soon get the chance to find out where his true interest lies, as he's been offered a training contract with the firm, starting in 2025, and aspires to become a partner in the next five to 10 years.

About PRIME

PRIME is an alliance of law firms and in-house legal teams across the UK and Republic of Ireland determined to improve access to, and socio-economic diversity within, the legal profession. Our Firm is a founding member.



Mentoring Hammam has been so rewarding for me personally. It has been great to watch Hammam develop. He was incredibly keen to learn all about commercial law and the role of the commercial lawyer. Hammam's got such a great future ahead of him and I'm delighted to have been a small part of it."

Nic Patmore, Senior Associate and PRIME mentor, Herbert Smith Freehills.

Social Mobility

Giving everyone the opportunity to reach their fullest potential, no matter where they start out.

Our firm has a long track record in supporting social mobility and inclusion. We believe that background should not shape future life chances. Every individual should have an equal chance to unlock their maximum potential, regardless of where they come from.

Our initiatives provide the skills and experiences that level the playing field for young people from low socio-economic backgrounds, who are seeking to enter the workplace. Here are just some of the ways in which we're giving people a chance to realise their ambitions.

Enhancing social mobility in Northern Ireland

We collaborate with the Social Mobility Business Partnership (SMBP) in Northern Ireland. It works with students who are seeking a career in business but may lack connections, confidence or support.

Our Belfast team opened the doors to 14 local students from low-income backgrounds. We devised a programme to introduce students to life in an international law firm, while helping them to develop skills that they will take into future employment.

The students participated in a mock business-pitching exercise and a networking lunch. They came away with a well-rounded understanding of our firm, as well as valuable new skillsets.

Our Belfast team is pledging its commitment to the SMBP partnership in 2024 and beyond.

Empowering youth in New York

In New York, we partner with law and education empowerment project, NJ Leap. It helps young people to excel by building academic, social and emotional skills and creating success-oriented behaviours. Moreover, it exposes students to the professional skills needed to take them through college and beyond.

Our volunteers shared their personal journeys into the legal sector. Their stories served as a source of encouragement and included tips on how to prepare for a career in law. The students pitched their business plans to our volunteers: excellent preparation for their future endeavours.

Fostering futures: 13 years of transformative scholarships

We've been running our five-year Networked Scholarship Scheme since 2010. During the scheme, a three-week summer internship introduces students to different competencies, including business development, pitching, strategic insight, arbitration, operations, digital transformation and pricing.

Students from underrepresented socio-economic backgrounds get the opportunity to delve into the work we do and its contribution to the firm. They even get the opportunity to make a business pitch to investment bank Goldman Sachs, supported by Herbert Smith Freehills' volunteers.

As one student puts it: "We learned about the pathways to volunteers' positions and had the



This experience opened us up to different careers that we could potentially go into in the future."

Student reflecting on the Networked Scholarship Scheme



Networked scholars (cohort 12): Adonay Temnewo, Tonislav Hristov, Brandon Chiwaza, Megan McCabe, Favour Ezeudogu and the Goldman Sachs team

chance to ask as many questions as we had. It was truly beneficial hearing how each directly had an impact on the functioning of the firm. This experience opened us to the different careers we could potentially go into in the future."

So far, the scheme has supported more than 65 scholars. Each student is supported by a mentor and receives a financial bursary, plus skill-enriching development workshops, work experience and tailored support.

Social mobility programme gets student approval

"Wonderful, helpful and positive staff that reflect a genuine enjoyment in their jobs at HSF."

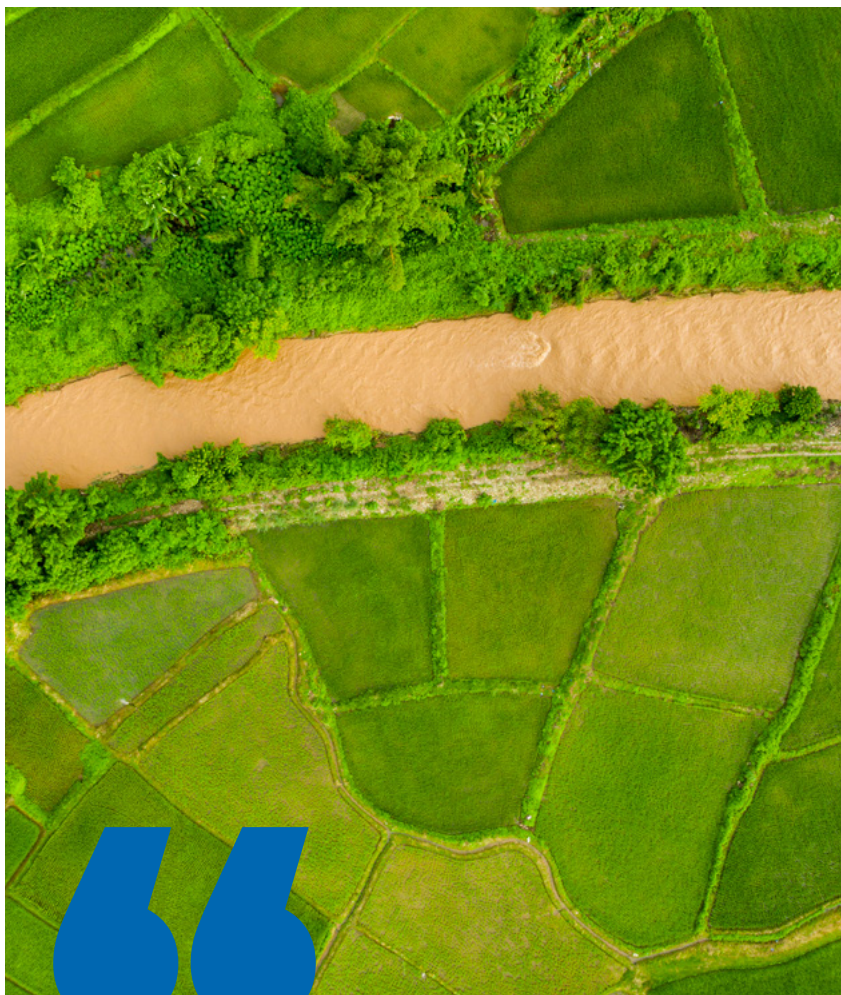
"It was a brilliant day; it was an amazing opportunity and I really enjoyed it."

03

OUR CLIENTS

Forming trusted partnerships with our clients





It is no exaggeration to say that ESG is one of the biggest challenges of modern times. However, if ambitions and promises are to turn into concrete action, greater regulatory and policy alignment across the full gambit of ESG is essential.”

Silke Goldberg, partner and global head of our ESG practice

ESG

Shaping impactful ESG strategy

We help our clients to manage risks and opportunities that stem from environmental, social or governance issues, to unlock business value, enhance resilience and contribute to a more sustainable world. ESG is fundamentally underpinned by legal obligations, and we therefore know how important it is for ESG frameworks and strategies to be developed with the shifting legal requirements in mind in order to be future-proofed.

Our guidance plays a pivotal role in how our clients manage ESG risks, devise strategies and establish policies and protocols. We advise on a range of ESG-related matters, from tackling shareholder activism to drawing up climate transition plans. And we horizon scan to help our clients take a view on what’s coming down the track in terms of new laws, regulations and corporate reporting obligations.

Our firm is frequently called on to advise governments, businesses, investors, lenders, civil society organisations and communities on ESG-related concerns.

- We are one of just two firms that is ranked consistently in Band 1 for ESG by Chambers Global.
- We are ranked as Band 1 Global Market Leaders in Business and Human Rights by Chambers Global.

- We are recognised consistently as a leading firm in the Legal 500 rankings for Europe, Middle East and Africa.

standards for sustainability and climate related reporting.

Supporting CDP worldwide

Herbert Smith Freehills assisted CDP by providing a “horizon-scan” of the policies and regulations applicable to climate data providers and ratings organisations in CDP’s core areas of operation being the UK, EU (CDP has registered entities in Germany and Belgium), USA, Brazil, India, Japan, China, Hong Kong and Singapore. This included consideration of the hard law regulations; guidance, legislative consultations; and litigation precedents in each jurisdiction.

As one of the biggest names in climate data provision, this work was important to enable CDP to stay abreast of the developments, regulation and policies in the climate data provider and ratings organisations space.

Climate Governance Initiative (CGI)

Herbert Smith Freehills is a partner organisation of the Australian chapter of the CGI, with partner Timothy Stutt representing the firm on the steering committee. We also sponsor the annual Climate Governance Forum, hosted by the Australian Institute of Company Directors. Directors connect and learn about climate-related issues affecting boards, like greenwashing, climate-transition plans and ever-evolving stakeholder expectations.

Sharing know-how

Working with the Australian Institute of Company Directors (AICD), we’ve developed thought leadership and guidance on a range of ESG-related topics. They include:

- A directors’ guide to modern slavery reporting;
- A guide to board structures and sustainability for effective ESG governance;
- Advice which formed the basis of AICD’s submissions to the International Sustainability Standards Board (ISSB) about the requirements of the proposed ISSB

CDP

CDP is a pioneering environmental not for profit that has developed one of the most widely adopted disclosure systems through which investors, companies, cities, states and regions disclose environmental information on climate change, water security and deforestation.

CDP holds the largest environmental database in the world. 18,700 companies, worth nearly half of global market capitalisation, disclosed environmental information through CDP in 2022.

Energy transition

Towards a more sustainable energy future

Climate change, and our booming global population, make the call for secure, affordable and sustainable energy more urgent. As the world shifts from fossil fuels to cleaner energy sources, we're navigating our energy clients along their own decarbonisation pathways and on their entry into new markets, as they supply the clean energy all areas of the global economy will need.

We're advising our clients on their provision of renewable energy including wind, solar, hydro and geothermal. We've guided them in greening carbon-intensive sectors, like steel making and heavy-duty transport, using nascent transition technologies including biofuels, carbon capture and storage, green hydrogen and ammonia. We've advised on the critical need to store surplus clean energy to meet peak demand using large-scale battery energy storage systems.

And, as the world moves forward, we advocate for progressive regulation and policy to smooth the transition to renewables and a sustainable energy future.

Case study

Largest-ever hydrogen electrolyser deal

Green hydrogen and ammonia are critical to the global energy transition and can be used in transport fuels and fertilisers and for power storage and generation.

Now, five billion cubic meters of natural gas could be displaced by green hydrogen and ammonia, eliminating 13 million tonnes of carbon-dioxide emissions every year.

Acting for client First Ammonia, Herbert Smith Freehills secured agreement for a first-of-its-kind industrial-scale electrolyser with Danish company Haldon Topsoe.

The first 500MW of capacity will be installed in the world's first commercial-scale green-ammonia plants in the US and Germany, which are expected to be fully operational by 2025. Capacity can be expanded to 5GW over the lifetime of the agreement.



This landmark agreement will equip the production of green hydrogen and ammonia on a huge industrial scale. Green hydrogen and ammonia are essential products for the global transition to renewable energy and a greener economy."

Alexander Currie, London Energy Partner



Case study

Boosting Taiwan's battery-storage capacity

Herbert Smith Freehills advised HSBC and Cathay United Bank on financing a 50MW standalone battery energy storage system in Taiwan.

Energy storage will be critical to Taiwan's green energy transition. It aims for renewable energy to make up 20% of its energy mix by 2025, backed by 590MW battery storage. This deal is the first in Taiwan not linked to a power-generation plant.



This project is a clear indication of the rapidly increasing inbound investment interest in Taiwan's renewables market."

Andrew McLean, Partner, Perth, Australia

Case study

Herbert Smith Freehills advises on 6GW South Korean offshore wind project

South Korea, which aims for almost 22% of its energy to come from renewable sources by 2030, is expected to become a leading offshore wind region.

In early 2023, Herbert Smith Freehills advised long-standing client bp on its joint venture with Deep Wind Offshore. It will see four projects set up across the Korean peninsula, generating up to 6GW of wind power.

Real estate



Legal advice is no longer about, 'what does the law require me to do.' It's now about, 'once I have satisfied the legal minimum, what do I have to do to achieve my objectives?' That's where good lawyers add value."

Matthew White, Head of Planning, Herbert Smith Freehills

The new brief

What we see, looking ahead, is lawyers morphing into broader industry roles, taking a commercial and risk-focused approach to engagements, providing real-time insights on financing and structuring strategies for decarbonised cities. It is, as Herbert Smith Freehills Corporate Partner Heike Schmitz, puts it, a "case of having to walk on the ice without knowing if it holds."

Why the legal profession must coalesce around the future city

Globally, cities are responsible for around three-quarters of all carbon-dioxide emissions. Now, some urban hubs are declaring climate emergencies; they're setting ambitious emission-reduction targets and partnering with private enterprises on large-scale decarbonisation initiatives. If new cities are to get off the ground, legal mechanisms must flex to support the transition.

Lawyers at the nexus

Social and political expectations on limiting global temperature rises are moving faster than regulatory frameworks. New urban decarbonisation projects, and traditional developments undergoing sustainability enhancements, are grappling with outdated legal and regulatory requirements. And, as a dynamic ecosystem of industry players enter the mix, lawyers find themselves at the nexus, shifting from "what's legally required" to "what's necessary to achieve the objectives."

So, we're seeing our lawyers work closely with clients to decipher complex frameworks governing sustainability in urban projects. They're involved in addressing schemes' green credentials, which are typically enforced through planning policy, as well as tax, investment regulation and contractual requirements in multi-stakeholder decarbonisation projects.

Lawyers are now advising on risk allocation in public-private partnerships. They're addressing the tax implications that may arise when an investor crosses the line from passive investor to active entrepreneur. They're thinking outside the box, coming up with repeatable but customisable legal templates for scalable funding models and they're suggesting green bonds for more sustainable financing solutions.

All interventions are geared around more legally straightforward, commercially viable and marketable models that will, by their simplicity, persuade other cities to adopt cleaner and more sustainable living.

Charities

How we help charities to maximise their social impact and deliver meaningful change

Our firm has a long history in supporting charities, non-government organisations, foundations and social enterprises on issues of charity law and governance.

Investment is a top priority for many charities. As charity law is continually evolving, we have continued to guide charities and their trustees on their investment decisions, helping them to maximise their returns, and make the biggest social impact in line with their goals.

We like to share our insights and expertise with charities, both large and small. That’s why we offer regular training sessions for trustees. We publish thought leadership to help them anticipate and navigate big challenges coming down the track and host podcasts to make content and knowledge more accessible to them.

We also sit on working groups to actively influence improvements in the Charity Commission’s guidance so that we can better meet our charity clients’ needs.

We help charities to unravel the complexities of tax, data protection, intellectual property, pensions, trusts, real estate and employment, freeing them up to make the biggest possible impact on the causes they support worldwide.



Will Turner, Matteo Yoon, Richard Norridge and John Mathew

Case study

Big Issue Group

Our relationship with **Big Issue Group** exemplifies this. Big Issue Group is a leading social enterprise providing homeless and vulnerably housed people with a “hand up, not a handout”, providing them with employment opportunities and recruitment support. This year, we advised Big Issue Group on a number of matters, including on the charity law aspects of a transaction to unite all aspects of its frontline support — its charity and trading operations — for the first time.

Case study

Kick It Out

Another example is our relationship with **Kick It Out**, a leading charity campaigning for over thirty years to end all forms of discrimination on and off the football pitch. Our work with Kick It Out this year has not only included charity law and governance advice, but also extended to include data protection and commercial contract support, helping the charity to operate responsibly whilst furthering its social mission.

Award winning practice

There’s nothing quite like enjoying the work we do and then receiving recognition for the difference we make.

STEP Private Client Awards:

Shortlisted for the Philanthropy/Charity Team of the Year for five consecutive years, we took away the award in 2022. Our Senior Associate, Matteo Yoon, won Young Practitioner of the Year in 2022, while Hussein Mithani was shortlisted in 2023.

Banking

Collaborating with banking clients for greater social impact

Financial institutions play a pivotal role in shaping a more responsible global economy. From leading on decarbonisation and making banking accessible to all, through to creating inclusive and diverse workplaces, the banking sector has a profound influence.

While we advise our banking clients on their own responsible business strategies, we also partner with them on initiatives and programmes where our values align. We believe that collaborations can deliver greater and more sustainable impact for communities and bring about societal change.



As we explore in this year's [Global Bank Review](#) trust will be stress-tested on many fronts, whether through combatting the escalating threat of online fraud, carving out credible positions on social and climate issues, creating new carbon offset markets which operate with integrity and transparency, or demonstrating resilience in the face of operational or market shocks.

Reverse mentoring programme: a collaboration with Lloyds Banking Group

Earlier this year we teamed up with Lloyds Banking Group to launch a reverse mentoring programme designed to foster greater understanding of cultural differences and help colleagues at all levels navigate their careers. This programme forms part of the firm's commitment to improving ethnic diversity and involves engaging meaningfully with clients on anti-racism work. Participants across both organisations are paired up with the aim to meet at least six times in the first 12 months of the programme, enabling individuals to learn from each other about how to navigate potential career obstacles. The mentees provide career advice, ensuring mentors can identify their best career path and most likely route to success. They will also provide professional and personal development support, helping mentors manage the integration of their job, career and personal goals.



Lloyds Banking Group is an inclusive and values led organisation where we embrace our differences and seek out diverse perspectives; we are delighted to see our Ethnicity Working Group collaborating with HSF on this new and important initiative. I believe it will be mutually beneficial for all participants and help to build a greater shared understanding of the lived experience of colleagues from different backgrounds."

Ajneet Jassey, General Counsel - Litigation and Contentious Regulatory, and sponsor of I&D workstreams in the Legal & Secretariat function at Lloyds Banking Group



(L-R): Jaclyn Booton, Stella; Professor Clare Wright OAM

International Women's Day: a collaboration with National Australia Bank and Stella

Teaming up with National Australia Bank and Stella, an organisation dedicated to gender equality and cultural change in Australian literature, we marked International Women's Day 2023. An in-conversation event featured historian and Stella prize-winning author Professor Clare Wright (OAM).

The evening explored the importance of truth-telling and bringing women's untold stories — some of which are included in Clare's historical book *The Forgotten Rebels of Eureka* — back into our history. The speakers revealed the tangible impact that the Stella prize has on women and non-binary writers.

Clare also spoke about her role with *A Monument of One's Own*. This initiative, backed by Herbert Smith Freehills on a pro bono basis, is designed to increase the representation of women in public statues.



04

SOCIAL IMPACT

Enabling more equitable outcomes for people and communities at risk of marginalisation, underrepresentation or disadvantage

24

25

Pro bono: How we make a positive difference

Across the world, the equity gap is growing wider. For many people it is getting harder to meet basic needs, such as access to safe housing, food, education and employment.

Meanwhile, the humanitarian impact of climate change; tectonic shifts in the geopolitical landscape; mass movement of people; modern slavery and the cost-of-living crisis touch marginalised and excluded communities disproportionately.

Our pro bono practice prioritises listening to and helping people and organisations living and working at the front line of these challenges. We believe the most impactful contribution we can make is to use our legal skills to create more equitable outcomes.

Our pro bono legal team supports:

- refugees, displaced persons and migrants;
- racial equity and First Nations reconciliation;
- access to housing, education and justice and
- gender equity and LGBT+ rights.

Help for refugees, displaced persons and migrants

We actively engage on a pro bono basis with organisations and charities working to protect the human rights of refugees and asylum seekers.

- Together with 7 other law firms, lawyers from across our London and European offices work with the Italian Coalition for Civil Liberties and Rights (CILD) and human rights lawyer Dr Daria Sartori in the **Rule 39 Initiative**. We help refugees with their Rule 39 requests and individual applications to the European Court of Human Rights by preparing legal arguments and collating evidence to substantiate their applications. This project is shortlisted for the FT Innovative Lawyers Award and the British Legal Awards.

- In Johannesburg, we set up a **Refugee Law Clinic** in collaboration with the UN High Commissioner for Refugees, Lawyers for Human Rights and the Nelson Mandela University Refugee Rights Centre. We aim to help refugees apply for certification of refugee status, or citizenship in South Africa by naturalisation.
- In Australia, we've continued to support our long-term pro bono partner, the **Refugee Advice and Casework Service (RACS)**, with its Afghanistan Crisis Clinic. We have helped more than 380 RACS' clients with onshore and offshore humanitarian visa applications.
- Our pro bono partner since 2017, **Justice Without Borders (JWB)** supports migrant workers seeking compensation for abuse of labour rights in Asia. In 2023:
 - We advised JWB on Indonesian employment law relating to parental-leave policies and stipends for internship programmes.
 - We launched a handbook, co-authored with JWB, entitled Just Compensation: A Toolkit for Cross-Border Access to Justice for Migrant Domestic Workers in Hong Kong.
 - We delivered a presentation on novel and untested legal issues in the foreign domestic-worker context.

Racial equality and First Nations reconciliation

We provide pro bono support to charities and social enterprises dedicated to combatting discrimination and advancing racial equality. This is central to our 10 Actions for Change framework.

- Our New York office has partnered with the **National Center for Law and Economic Justice** and the **American Civil Liberties Union (ACLU) of Oklahoma** to work with community leaders in Oklahoma City, Oklahoma to address systemic, racial discrimination in policing. One aspect of this work has been a landmark civil rights lawsuit filed on behalf of six individuals who were arrested and charged in connection with their peaceful protest activities in the wake of the murder of George Floyd. The lawsuit remains pending in the United States District Court for the Western District of Oklahoma.

In the UK, we advise racial justice organisations across a variety of areas to help them better understand risk, enhance their credibility, and ensure they contract with integrity. This includes advising:

- **Black Equity Organisation:** A national Black civil rights organisation fighting systemic racism in Britain, which we first supported in connection with its registration as a charitable incorporated organisation in England and Wales.
- **The Stephen Lawrence Day Foundation:** SLDF fosters opportunities for marginalised young people in the UK.

NGO advisory:

We supported The **Stephen Lawrence Day Foundation** to draft model clauses that encourage inclusive behaviour by suppliers and other counterparties.

- **Equally Ours**, as secretariat of the **Funders of Racial Equality Alliance:** A group of charitable foundations working together to advance race equality in the UK.
- Our Melbourne-based charity law team supported the **Racial Justice Centre** to become registered as a charity so that it can continue its work as the first Australian community legal service dedicated to addressing racial discrimination.
- We have a long history of providing advice and advocacy to survivors of the Stolen Generations. We continue to support **Kinchela Boys Home Aboriginal Corporation (KBHAC)**, a not-for-profit organisation dedicated to restoring and reconstructing the identity, dignity and integrity of Aboriginal men forcibly removed from their families and placed in the Kinchela Boys Home.
- **DeadlyScience**, Australia's leading Indigenous science, technology, engineering and maths (STEM) charity, provides resources and innovative learning experiences to more than 800 regional and remote schools and community organisations across Australia. DeadlyScience is creating STEM equity for Aboriginal and Torres Strait Islander learners.

We have provided DeadlyScience with pro bono legal assistance since its incorporation. In 2022, our Melbourne intellectual property team successfully took down unauthorised third-party websites selling counterfeit merchandise featuring the DeadlyScience logo.

Access to housing, education and justice

We help charities and not-for-profit organisations that work towards ensuring all members of society have access to housing, education and justice as basic human rights.



Connect Legal Advice Clinic: a partnership with Goldman Sachs and Centrepoint

The **Connect Legal Advice Clinic** is one of our long-standing pro bono partnerships. Created with global investment bank Goldman Sachs, and homelessness charity Centrepoint, it supports young people affected by homelessness in the UK. The weekly clinics see Herbert Smith Freehills and Goldman Sachs lawyers work together to provide free, confidential legal advice to young people supported by Centrepoint, on a range of everyday issues, including consumer, housing, benefits and employment. Recent successes for those seeking advice from Connect include challenging a fixed penalty notice and recovering unpaid wages and unlawful deductions. In both cases there were massive financial impacts on the young people who already had limited financial means.



Freehills is special to all of the KBH mob and your support of our work has always been wonderful for us.”

Tiffany McComsey, KBHAC, CEO



Thank you for all your advice and support ... It has made a big difference to protecting our revenue stream and has been greatly appreciated.”

Scott Machin, COO, DeadlyScience



Celebrating 30 years at the Shopfront

Young people facing homelessness are more likely to suffer human rights violations and experience disadvantage in the legal process than others. It's something that The Shopfront Youth Legal Centre, set up in inner-city Sydney, has been working to counter for three decades.

Jointly operated by Herbert Smith Freehills, Mission Australia and The Salvation Army, The Shopfront offers free legal assistance and court representation, including on criminal law matters, to homeless and disadvantaged young people aged 25 and under. A case worker helps clients with their non-legal needs too. The Shopfront also provides legal education and advocates for law reform on issues that commonly affect young and disadvantaged people.

2023 marks 30 years of The Shopfront and what a journey it has been. From just two people in the early days, to a multidisciplinary team today, The Shopfront is backed by several volunteers and led by Principal Solicitor Jane Sanders.

Over the years, Jane and the team at The Shopfront have been recognised with several awards and accolades, including the NSW Law and Justice Foundation's Pro Bono Partnerships Award and the Justice Medal.

Women's Homelessness Prevention Project blocks evictions

Established in 2014, the Women's Homelessness Prevention Project (WHPP) integrates legal services with social work support to stop women and men in Victoria being evicted into homelessness.

The project is jointly run by our Melbourne office and Justice Connect. Through a weekly clinic, WHPP provides legal assistance for housing and tenancy-related matters, and helps address challenges, including family violence and debt,



We are delighted to have participated in this transaction, further developing our market-leading impact investment practice and driving innovation in the outcomes-based finance space. More importantly, we hope that the structure we have helped to set up, will — over the life of the project and beyond — achieve improvements in participation and outcomes for school children in Sierra Leone.”

Joy Amis, Partner, Herbert Smith Freehills

which are often barriers to securing housing and keeping women and children together.

To date, WHPP has holistically kept 1,255 women and children safely housed.

Pro bono team secures finance for education in Sierra Leone

The Sierra Leone Education Innovation Challenge (SLEIC) is a US\$18m programme (US\$11m dedicated to delivery), co-financed by the government of Sierra Leone and international donors. As part of the SLEIC, the Government of Sierra Leone and the Education Outcomes Fund aims to help 43,500 children in 325 public primary schools in Sierra Leone improve their literacy and numeracy outcomes. The three-year programme focuses, in particular, on improving girls' educational outcomes in targeted state schools.

Bridges Outcomes Partnerships (“Bridges”) supports projects with potential to deliver transformative outcomes to underserved people and the planet. Bridges has supported SLEIC by providing working capital and delivery support to three education delivery partners across Sierra Leone, and agreeing social outcomes contracts with the Government of Sierra Leone and Education Outcomes Fund. These outcome payers will only pay delivery consortia (including Bridges) if delivery achieves measurable improvements in pupil attainment and attendance at school over a three-year period. We gave advice on drafting and negotiating contracts within the structure and on navigating the transaction.



Herbert Smith Freehills and the Towards Truth project:

We have contributed more than
8,736
hours of pro bono legal support.

We have uploaded more than
1,000
documents to the Towards Truth database.

More than
200
Herbert Smith Freehills' team members from across our national offices have been involved in the Towards Truth project.

Over
50
Herbert Smith Freehills team members have contributed 50+ hours each to the project.

Towards Truth launch event at HSF's Sydney office. Photo: Keith Saunders.

Gender equality and LGBT+ rights

We are committed to improving gender equity and promoting a culture of inclusion and respect for people identifying as LGBT+.

Throughout 2023, we continued to provide pro bono assistance to not-for-profit organisations focused on advancing gender equity and LGBT+ rights and inclusion.

- Our Australian employment lawyers are assisting with **Circle Green Community Legal's Workplace Respect Project**. We are working with Circle Green to present on sexual harassment, bullying and discrimination, and provided quarterly updates on changes to legislation.
- In 2023, we launched the firm's relationship with the **Center for Reproductive Rights**, a global legal advocacy organisation:
 - Our New York office is exploring legal pathways to seek redress for the family of a young woman who died in El Salvador due to doctors' failings to abort her ectopic pregnancy.

- Our Johannesburg office conducted research into the legislative landscape for access to abortion and aftercare service in Zambia, which the Center intends to use to identify potential strategic litigation issues.
- Our firm has a long history of providing pro bono support to individuals and organisations seeking to advance the rights of the LGBT+ community:
 - We continue to advise **Human Dignity Trust (HDT)** in its successful challenge to laws in countries that criminalise private, same-sex, consensual sexual activity. Lawyers from our London, Tokyo, Sydney, Brisbane and Johannesburg offices collaborated to produce cross-jurisdictional legal research into the landscape for Hate Crime legislation.
 - We support **LGBTQ+ Law Clinic**, a free Cardiff-based legal advice clinic. The clinic is run for the LGBT+ community by the LGBT+ community. Our pro bono lawyers have advised on multiple sexual orientation discrimination claims against schools; employment matter arising from support for trans rights; and acted for an organisation supporting LGBT+ fertility.

Towards Truth project

Towards Truth is a partnership between the **Indigenous Law Centre** at the University of New South Wales and the **Public Interest Advocacy Centre (PIAC)**. It is researching the vast body of laws and policies that have impacted First Nations people since 1788.

It supports truth-telling, as called for in the Uluru Statement from the Heart, and is now available via a publicly accessible website.

We have been a key pro bono partner for Towards Truth since 2019. More than 200 of our lawyers and researchers, from across Australia, have supported the project. They have provided legal research and analysis of legislation and policy that discriminates against or has otherwise impacted First Nations peoples' lives throughout Australian history.

We've covered topics including prohibition of alcohol, dispossession and appropriation of land, Aboriginal land rights, water rights, participation in democracy, forced removals and life on missions and stations. Meanwhile, our intellectual property and Alternative Legal Services lawyers provided pro bono assistance in relation to more

than 3,500 documents within the Towards Truth database.

The Towards Truth website launched at an event hosted by our firm in June 2023. A panel explored personal learnings from the project, the role of truth-telling, and the ways in which Towards Truth reinforces the importance of the First Nations voice.



Herbert Smith Freehills has been a true partner of Towards Truth since its inception, providing detailed legal research, legal advice and extensive support with quality review. Their contribution has been critical to the project's success."

Anna Harding, Project Director – Towards Truth



Our Indigenous Strategy

Over the past year, we've been working on our Indigenous Strategy to better serve the First Nations community and make Herbert Smith Freehills a place where they feel they truly belong.

Our new Strategy is informed by a decade's worth of our Indigenous Reconciliation Action Plans; an audit of our existing reconciliation activities; feedback from clients and partners and, most important of all, input from our First Nations employees and alumni.

We needed a vision anchored around what our First Nations colleagues expect from the firm going forward. And for that, at our Sydney office in October 2022, we brought together our First Nations Collective, to discuss what life at our firm currently looks like for a First Nations person, and what it might look like in the future.

Our Strategy, built on the Collective's vision, is to amplify First Nations voices. It reflects our commitment to support their self-determination and call for voice, as set out in the Uluru Statement from the Heart.

The Collective will continue to play a role in the ongoing governance of our Indigenous Strategy.

An annual gathering of the Collective will help to create a community and support network. It will be critical in fostering a stronger sense of belonging at our firm and, ultimately, help to grow our family of First Nations employees.

We're hosting seminars and learning events throughout the year, so that all employees can better relate to Indigenous perspectives and experiences. They will help everyone to understand our unwavering commitment to this work.

How we're backing Indigenous initiatives

Relationship building

- **JustReinvest NSW** : Just Reinvest NSW (JR NSW) supports Aboriginal communities in developing their own solutions for change, based on their experiences of the criminal justice system. We provide pro bono legal and financial support to JRNSW's team in Mt Druitt (Darug Country-Western Sydney), which works with Aboriginal youth in the community. JR Mt Druitt recently launched the Mouny Yarns report. Mouny Yarns is a youth-led project that the gathered stories, expertise, and knowledge of

Aboriginal young people with lived experience of the criminal justice system and the impact it has on them and their families.

The report provides a call to action and sets out what needs to change and practical recommendations to empower local youth to create a better future for their community.

- **Yalari**: Yalari supports the education of Indigenous children from remote and regional Australian communities with full-boarding scholarships at leading secondary schools. We work in partnership with Yalari, providing grants for technology, educational scholarships, hosting events, supporting its fundraising and tutoring students. We have also been providing pro bono legal assistance to Yalari since the organisation's establishment

Reconciliation champions

- **National Reconciliation Week and NAIDOC Week**

Reconciliation Week encouraged all Australians to be a voice for reconciliation in their day-to-day lives. We held cultural heritage walking tours near our offices, while our reconciliation champions sponsored and attended events at state-based reconciliation organisations.

Reconciliation Week also marked the launch of our Uluru Statement from the Heart and First Nations Voice to Parliament resource hub. This repository of information helped colleagues to build their knowledge about the Aboriginal and Torres Strait Islander Voice referendum held in October 2023

For Our Elders, the theme for National Aborigines' and Islanders' Day Observance Committee (NAIDOC) Week, gave us the opportunity to celebrate and pay respect to the roles that elders, past and present, play in the lives of Aboriginal and Torres Strait Islander peoples and communities. We sponsored the National Indigenous Art Fair, heard from stolen generations survivors, and showcased Indigenous products at social events in each office.

The Uluru Statement from the Heart

The Uluru Statement from the Heart is an invitation from a group of First Nations people to non-Indigenous Australians.

Shared in 2017, the Statement calls for substantive reform to help realise Indigenous rights, through the establishment of an Indigenous Voice to Parliament and a Makarrata Commission. 'Makarrata' is a multi-layered Yolŋu word, understood as the coming together after a struggle. The Statement specifies that the Makarrata Commission would undertake processes of agreement-making and truth-telling.

The three key pillars of substantive reform called for in the statement are:

- **Voice** - a constitutionally enshrined representative mechanism to provide expert advice to parliament about laws and policies that affect Aboriginal and Torres Strait Islander peoples.
- **Treaty** — a process of agreement-making between governments and First Nations people that acknowledges the historical and contemporary cultural rights and interests of First Peoples by formally recognising sovereignty, and that land was never ceded.
- **Truth** — a comprehensive process to expose the full extent of injustices experienced by Aboriginal and Torres Strait Islander peoples, to enable shared understanding of Australia's colonial history and its contemporary impact.

Source: Australian Human Rights Commission

Meet Gemma McKinnon

Lawyer, academic, technical adviser to the Referendum Council on constitutional recognition and, today, Responsible Business Manager for Herbert Smith Freehills in Australia and Asia, Gemma McKinnon is a First Nations woman.

Gemma McKinnon is a Barkindji woman from far western New South Wales. Her father, raised in a tin shack on the banks of the Darling River, or Barka, as the Barkindji people call it, met her mother when she was sent to teach in the remote community of Wilcannia.

Even now, it's uncommon for Aboriginal people, who make up just 3% of Australia's population, to work in the corporate space, and even fewer in law, but that's exactly what Gemma did.

Being part of the debate

Gemma graduated as a lawyer in 2011, initially practicing administrative law in community settings, with a special interest in public and First Nations housing. She returned to university in 2015, becoming an academic, when the opportunity to work on the Uluru Statement from the Heart caused her life to change track.

Appointed as technical adviser to the Referendum Council leading the consultation process with Aboriginal communities on constitutional recognition, Gemma attended every regional dialogue and was present when the statement was handed down at Uluru in 2017.

Gemma subsequently met some of the pro bono team from Herbert Smith Freehills in Sydney, who were working on law firms' responses to the Uluru

statement. Our firm, leading the endorsement process across leading corporates in Australia, endorsed the Uluru Statement in 2019. We publicly backed the "yes" vote in the referendum to enshrine a First Nations Voice in the Australian constitution.

Championing our Indigenous strategy

When Gemma joined the firm in 2022, fully aware of its commitment to a culture of partnership and reconciliation with Aboriginal and Torres Strait Islander peoples, there were familiar and welcoming faces. Even so, she admits, "as an Aboriginal lawyer in the corporate sector, it was very easy to feel out of place, but the firm has done a good job at providing support."

Today, Gemma is responsible for our Indigenous Strategy and for furthering work begun by the firm in 2011 around Reconciliation Action Plans (RAPs). RAPs provide a framework for businesses to weave reconciliation into their activities and mostly centre around employment, procurement and cultural awareness.

Among corporates, our firm stands out as progressive. The RAP framework calls for different levels of engagement: reflect, innovate, stretch, and the highest tier, elevate. Out of more than



1,000 RAPs set up so far in Australia, only 20 or so are at the elevate level. We can claim two of these, positioning us as a leader in reconciliation.

Gemma works with teams to set reconciliation priorities and make it part of business as usual. She also heads up community partnerships and charitable giving across the region.

It's clearly a job that Gemma loves. "I think the firm's role in reconciliation means people are well-informed about best practice in supporting First Nations' employees. I'm now playing a role in formalising the support that we've provided informally for a long time."

The work I do is inherently local, but the firm allows me to use its global resources to do good. Our thinking is a little bit outside the box; a little bit different to the way that other organisations approach these things. But we know that we're doing good, and we're doing it in a responsible way."

Gemma McKinnon, Responsible Business Manager, Australia and Asia

Community investment

We recognise that needs and priorities can differ greatly across the communities and regions in which we operate.

So, our community programmes balance our global initiatives with the work of our local office-based community committees and champions. We mostly focus on education, youth services and access to justice.

In the same way as we respond to our clients, we listen, and we respect what our community and charitable partners tell us

they need to best support the communities they serve.

We can help in many different ways, including financial support, donations in kind or by volunteering hours. Our charitable giving also includes use of our office spaces and facilities to host events. We source items for fundraiser auctions, winter food appeals and Christmas toy drives.

Médecins Sans Frontières

In 2019, we announced a five-year commitment to increase the value of our support to Médecins Sans Frontières (MSF) to £2 million, making it our global charity partner.

We planned to do this by raising our direct donations, setting a global fundraising target and extending our pro bono support. As we move closer to the final year of our commitment, we're making sure that we achieve what we set out to do.

Our financial assistance allows MSF to respond to emergencies as soon as they happen and to give high-quality care to those in need. War, violence, natural disasters, disease outbreaks, rising inflation and spiralling prices all contribute to overall demand. MSF continues to respond in more than 75

countries. This year, we supported MSF's response to crises around the world. They include the continuing violence, refugees fleeing conflict and people affected by extreme weather events, such as the floods in South Sudan and South Africa, drought in Somalia and cyclones in Madagascar and the Philippines.

Our relationship with MSF, which began in 2011 in Australia, is hugely positive. It is built on honesty and transparency. MSF shares the challenges it faces with us, and together we find solutions.



Earthquake Response - Sud
Copyright: Pierre Fromentin/MSF



Yellow Flower Room at MSF Hospital.
Copyright: Verity Kowal/MSF



Doctors on Rails - MSF Medicalised train in Ukraine
Copyright: Andrii Ovod



MSF UK has enjoyed an excellent relationship with Herbert Smith Freehills since 2015. We share a deep understanding of the humanitarian challenges faced by so many forgotten people who do not have access to medical care. Through their support, HSF helps us adhere to our core humanitarian principles - independence, neutrality and impartiality - that allow us to offer access to medical treatment to populations in distress across the world, regardless of race, gender, ethnicity, age or religion. We have been thrilled with this global partnership with HSF across numerous countries in which we share offices, and we are very grateful to all those at HSF who so generously support our work. Together we really make a positive impact on the lives of so many - thank you."

Natalie Roberts, MSF UK Executive Director



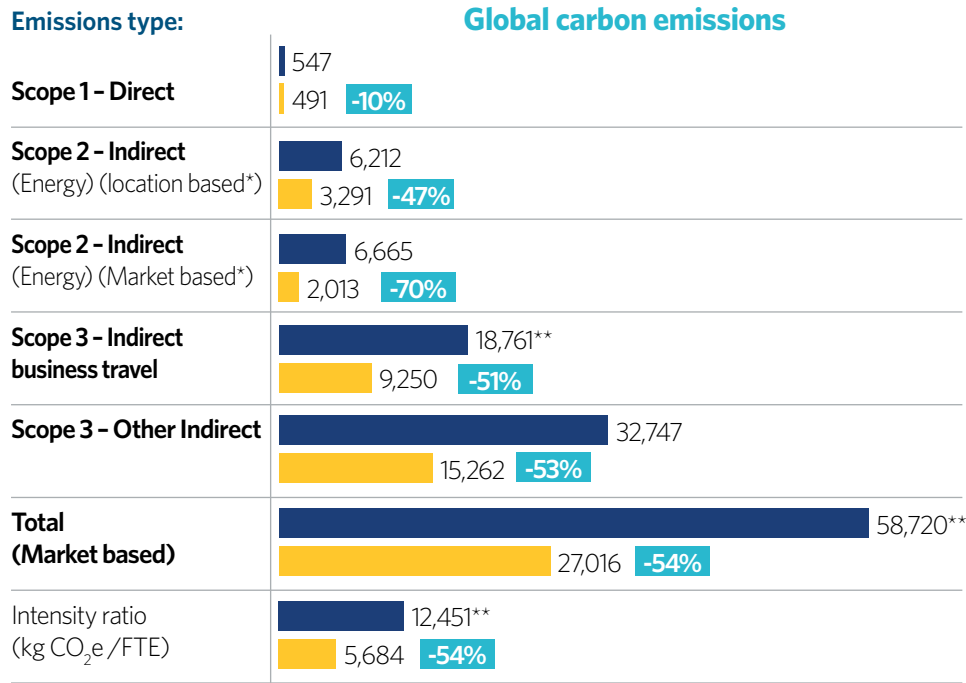
05

Tackling climate
change to save
the planet

SUSTAINABILITY

Climate consciousness: the path we're on

As the climate crisis intensifies, we witness how the planet's rising temperatures contribute to extreme weather events that affect millions of people globally. These events underscore the urgent worldwide need for a just transition — one that supports a more sustainable economy and that is fair to everyone — aligned to the 1.5°C pathway to halve all emissions by 2030.



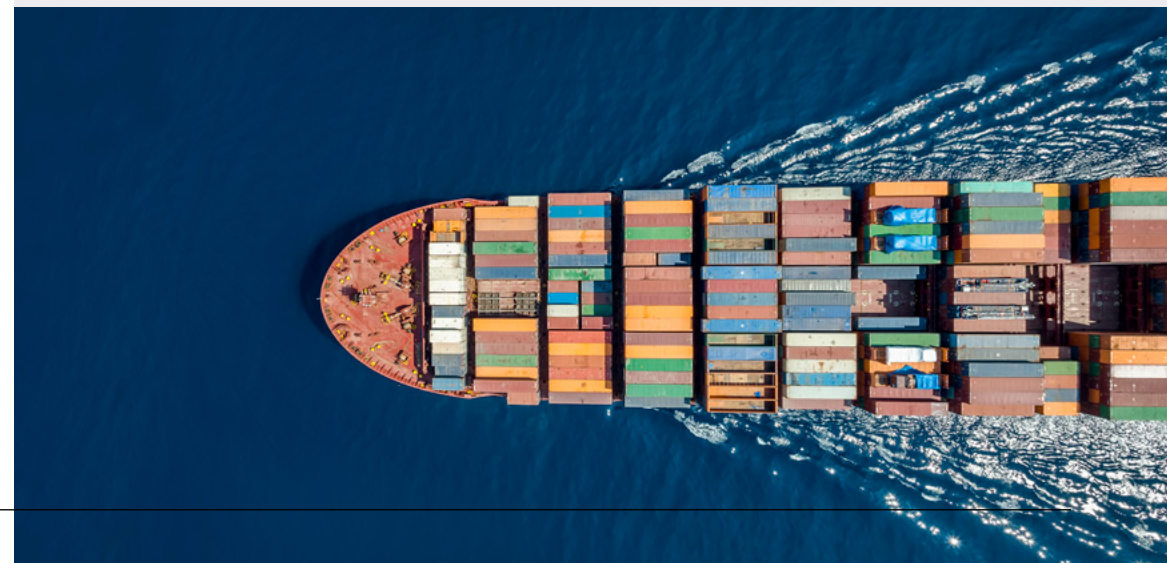
■ 2019/20 (baseline)** Tonnes carbon equivalent (tCO₂e)
 ■ 2022/23 Tonnes carbon equivalent (tCO₂e) ■ Reduction against baseline %.

*Emissions associated with electricity use are reported using both location based and market based emission factors

**Restated as additional travel related tCO₂ added to baseline emissions for scope 3 - Other Indirect

The table above includes carbon emissions for our global operations and has been calculated using the Greenhouse Gas Protocol methodology. It relies on a mixture of actual data and GHG Protocol recommended proxies where data is not available. Scope 1 and 2 data has been externally verified for accuracy and completeness in accordance with the ISO 14064-Part 3 standard.

Our Carbon Commitment Progress



Our governance and strategy

We remain committed to balancing the amount of greenhouse gases we produce with the amount we remove from the atmosphere. Before the end of this financial year, we aim to submit our long-term net-zero goals to the Science Based Targets Initiative (SBTi) for approval. We continue to work towards our short-term Science Based Targets, which include halving our emissions by 2030 and transitioning, where possible, to 100% renewable energy.

Given that we counsel our clients on internal climate-change governance, we believe it is only right that we hold ourselves to the same rigorous standards too. And so, this year, we have welcomed the appointment of an executive-level sponsor to keep climate change on our agenda at executive-level meetings.

Significantly, we've made our first disclosures, as defined by the Task Force of Climate-Related Financial Disclosures (TCFD), which has focused our attention on the climate risks and opportunities that we face.

How we're performing ... and what more is to be done

- We're making good progress towards our headline commitments under SBTi. And we've continued to grow our use of sourced renewable energy, as shown by our market-based emissions.
- In 2022, we signed three power purchase agreements — a mix of wind and solar — for our offices in Sydney and Melbourne, bringing our total energy procured directly from renewable generation to 13% globally.
- In reporting on externally produced **scope 3 emissions**, our priority is to reduce our dependency on proxy data. This year, we've increased the use of actual versus proxy data for Category 1 emissions, Purchased Goods and Services, using publicly available data. We are using a global employee survey to inform our category 7 Commute and Homeworking reporting.
- We achieved **ISO 50001 recertification** for our UK-based operations in 2021, confirming our ongoing improvement in performance and energy efficiency.
- We're reviewing our transition to **carbon-removal offsets** to meet the requirements of SBTi and our net zero goals. In the interim, we continue to support carbon-reduction projects. We have, for instance, pledged to help 5,000 families access the Sichuan Household Biogas Programme in China.

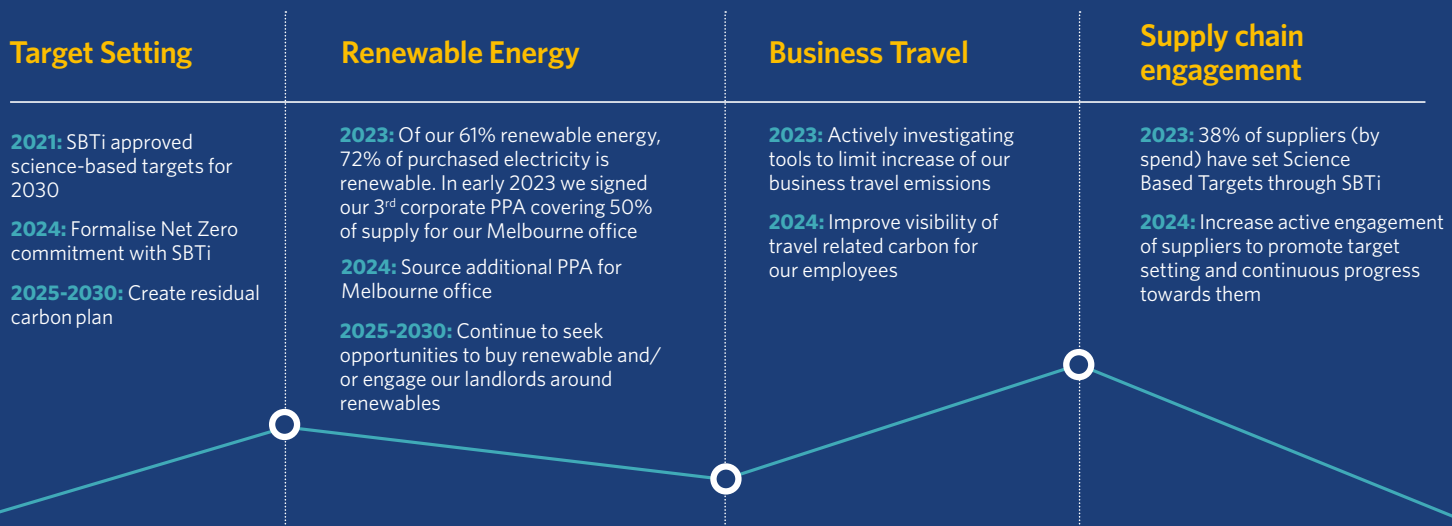
Enriching climate literacy

Climate change is a multifaceted issue that impacts us all. Improving climate literacy is an important tool in empowering our employees to take steps within their roles to ensure better climate outcomes, whether that is advice we give to clients or how we run our own firm.

To do this we have chosen to use Climate Fresk, an interactive workshop developed by an external NGO, which is scientific yet accessible and encourages a high level of participation. Summarising information from the Intergovernmental Panel on Climate Change into an accessible format, Climate Fresk ensures that only established scientific facts are presented. The Climate Fresk NGO has rolled out workshops to over one million people worldwide in over 45 languages, and we are proud to have contributed to this. To date over 100 of our employees have participated in the initial phase of the rollout, with excellent feedback received, and we plan to expand this more widely across the firm, starting with our London office in the second half of 2023 and 2024.

In April 2023, the Law Society of England & Wales released guidance setting out the impacts of climate change on solicitors' duties and solicitor practice management. In this context, the rollout of Climate Fresk workshops underscores our commitment to better understand how this important issue affects us as individuals and as professionals. Our planned workshops will empower participants to have a better understanding of the science behind climate change and the opportunities for action as individuals and within the legal profession. By grasping the complexity of the challenge, we position ourselves to elevate our response to the next level.

Action Plan



Disclosing progress

Disclosure is an important part of how we track progress and hold ourselves accountable. This year saw our third submission to the Carbon Disclosure Project (CDP) for our firm’s environmental impact. We made disclosures using the EcoVadis platform, which allows us to share our performance indicators with our stakeholders. We are currently ranked Silver by EcoVadis, in the top 25% of companies reviewed.



Partnerships

Partnerships are a critical tool in tackling climate change and the enormous environmental challenges we face. We work with organisations in the legal sector and beyond to advance environmental sustainability. And we participate in a number of cross-sector environmental initiatives:

- The Campaign for Greener Arbitrations raises awareness of the international arbitration community’s carbon footprint and promotes best practice in managing arbitrations sustainably.
- The Greener Litigation Pledge sets out practical changes for UK litigators to achieve net-zero carbon emissions.
- The United Nations Race to Zero is a global campaign to rally leadership and support from businesses, cities, regions and investors for a healthy, resilient, zero-carbon recovery.
- The Net Zero Lawyers Alliance seeks to mobilise law firms and lawyers to accelerate the transition to net zero.
- The Legal Sustainability Alliance, a not-for-profit sustainability network, has led on sustainability matters for UK-based law firms since its inception in 2007.

Understanding and addressing the impact of our client work

As an international law firm we are conscious that many projects that we advise on produce greenhouse gas emissions as a by-product. We are working to understand the impact created by our clients, the matters they engage us on and to assist our clients to implement their strategies to reduce and mitigate emissions. A number of methodologies are in the early stages of development to enable professional services firms to track “advised emissions” – that is, the emissions arising from the projects on which they work. We are keeping abreast of these developments and are working to support the development of a methodology for how advised emissions should be calculated. In our view, the key to success lies in accurate data and consistent methodologies. In addition to our emissions calculations work this data will be essential in improving our risk/opportunity quantification along with various elements of transition planning.

Cleaning up with reusables

In Australia, reusable takeaway containers and cups are replacing single-use plastics. Returnr, one of the providers, is proving a big hit with David Burchett, Client Services Manager in Perth, and his Sydney-based counterpart David Smit.

In the Sydney office, which introduced Returnr two years ago, close to 45,000 throwaway coffee cups and more than 6,000 single-use plastic containers, such as salad bowls, fruit and granola cups, have been saved.

David Burchett explains: “We encourage everyone to put them into the dishwashers in the staff kitchens or to drop them back to us at the café. We collect and wash them, and the cycle starts again.”



Setting new standards in green hydrogen

How our lawyers helped to progress adoption of green hydrogen

Our lawyers, led by Ernst Muller, joined a working group to help the Green Hydrogen Organisation (GH2) develop the Green Hydrogen Standard and the Green Hydrogen Contracting initiative.

Our remit was to combat regulatory uncertainty with transparent and universally accessible standards to fast-track the development of the global green hydrogen sector.

The standards, in turn, will provide certainty to investors, while evidencing that the hydrogen produced is as green as it claims to be. Guidance notes will support the development of legal regimes to regulate its production and consumption.

Herbert Smith Freehills now acts as principal legal advisers to the Africa Green Hydrogen Alliance (AGHA), helping it to further green hydrogen adoption across the continent.

Why green hydrogen matters

Green hydrogen is a game-changing carbon-neutral fuel, with unique storage and transport capabilities.

It is pivotal to many global economies’ decarbonisation strategies, with potential for large-scale adoption.

The sector is in its infancy, needing legal frameworks and industry standards.

Lack of guidance created uncertainties and investment risk, which could impede development at speed and scale to meet ambitious net-zero targets.

Q&A with Ernst Muller

Ernst Muller, environmental scientist turned regulatory lawyer, is one of the principal architects of the green hydrogen contracting and standards initiative. Based in Johannesburg, Ernst believes in the power of collaborative effort and in doing the right things by people and the planet.



Q: While green hydrogen is an early-stage technology, it holds a lot of promise for resolving the energy crisis. How did you get involved in creating the contracting terms and standards for what is fast becoming a globally accepted framework?

A: The opportunity came via our pro bono partner, the International Lawyers Project. It received a call from the Green Hydrogen Organisation for help with crafting model-form contracts to get green hydrogen ventures off the ground around the world, and specifically in less-developed countries.

But, instead of being driven by lawyers from the global north, the organisation wanted a lawyer who could bring an African lens to the project. Though renowned for our global footprint, we are also seen as a firm that understands what it means to do business in Africa, and why African voices must be heard. I had a track record in this type of work and was up for the job.

Q: You advised the Green Hydrogen Organisation to move away from just developing model-form contracts, to creating, in the first instance, guidance papers. Why was this important?

A: Sir Isaac Newton, the English scientist, once said: "If I have seen further, it is by standing on the shoulders of giants." Green hydrogen is a nascent industry, so it was important that we didn't just take a legal view but stood on the shoulders of the giants who came before us — participants in the extractive industries like mining, oil, gas and renewable energy — to draw on their mistakes, as well as their wisdom.

Law is always the starting point for something completely new because it establishes the framework within which we operate. But true success lies in synergies — when diverse skills and know-how come together to make the framework practical, useable and robust.

If standards are to be fit for purpose, we need input from the public sector and government officials across Africa and the emerging markets. We need to hear the opinions and experiences of players in financial services and civil society. In this project, stakeholders from across the board were given space and opportunity to contribute. And so, the final guidance is the collective voice of all participants in the green hydrogen sector.

Q: How well does this project sit with the firm's environmental, social and governance values?

A: It's clear that green hydrogen is the energy source of the future. And our firm is helping to shape that future. Through these standards, we're helping to accelerate the rate at which green hydrogen projects get off the ground. We're contributing, in a positive way, to renewable energy solutions for a global community that's currently stuck in an energy crisis.

Q: What does the opportunity to work pro bono on a project like this mean to you?

A: I'm someone who practices law not just because I believe in justice, but because I believe in justness — in doing the right thing for the right reasons. We're encouraged and empowered to do these types of projects, not for financial gain, but because we believe in them and want to support the objectives which they seek to achieve.

And let me be clear, we don't assign solely junior resources to pro bono projects. This is a massive firmwide effort, with very senior partners dedicating hours of their time to the green and clean energy revolution.

I'm excited to be part of a firm where we can be pioneers and discover what we call Africa-palatable solutions for our clients. I feel extraordinarily lucky to have the global platform to do what I do.



Though the hours we spend on pro bono work do not make it onto invoices, our Firm recognises the immeasurable worth of projects like these. In a world that frequently prioritises profit over people and the planet, I think that is truly remarkable and demonstrates real commitment."

Ernst Muller, ESG and Natural Resources Law specialist, Herbert Smith Freehills, Johannesburg





We are proud to provide legal support to a circular-economy superstar like Sanergy. We hope that our work helps to lay solid legal foundations for future funding and investment, and in turn, accelerates the impact Sanergy is making across the sanitation value chain.”

Michael Jacobs, corporate partner, Herbert Smith Freehills, London



Founded by HRH Prince William in 2020, The Earthshot Prize is an ambitious global environmental prize to discover and scale the best solutions to help repair our planet over the next 10 years.

Every year, from 2021 until 2030, The Earthshot Prize will announce 15 finalists. Five will receive a grant, worth £1 million, as reward for identifying inclusive solutions to the five Earthshot goals:

- Protect and restore nature
- Clean our air
- Revive our oceans
- Build a waste-free world
- Fix our climate.

Fourteen influential global companies and brands make up the Earthshot Prize’ Global Alliance Members. We are the only law firm. Our collective role is to support and scale the 15 finalists’ innovative and ground-breaking solutions.

The Earthshot Prize Mission:
To unleash urgent optimism and action by discovering, accelerating, spotlighting, and scaling eco-solutions that repair and regenerate the planet.

We have committed to provide finalists with free legal support, in areas such as corporate structuring, intellectual property advice and regulatory matters, to unlock and accelerate growth.

We also support on document drafting and negotiations, and referrals to local law firms to help finalists overcome local barriers in advancing their ground-breaking work.

Our firm is pleased to be an official nominator to the Earthshot Prize. It means we can put forward companies behind some of the most innovative global solutions for consideration as possible Earthshot Prize winners.

In the past year, we:

- provided over 550 hours’ support to the Earthshot Prize and its finalists;
- advised 10 of the 15 finalists from 2021;
- scoped the legal needs of 9 of the 15 finalists;
- connected six of the finalists with local law firms in their home jurisdictions; and
- nominated 6 entrepreneurs for consideration by the Earthshot panel.

Our backing for Earthshot finalists

Case study

Sanergy turns waste into agricultural product

As urban centres outgrow their sewage systems, they struggle with a deluge of waste.

Sanergy is the largest waste recycling factory in Eastern Central Africa. It’s solution is the dry toilet, a clean and affordable alternative to sewers. Now, Sanergy’s dry toilets serve 150,000 residents every day, and remove 50,000 tonnes of waste each year.

Sanitation waste is transported to Sanergy’s organic factory, where it is consumed by black soldier fly larvae and converted into safe agricultural products, used to boost farming volumes by 30%. This, in turn, means that more than 5,000 farmers can meet the rising food needs of expanding populations.

In 2022, a team led by London corporate partner Michael Jacobs, provided over 100 hours’ pro bono advice to Sanergy, on intellectual property, corporate and commercial law. This legal hygiene check prepares Sanergy for future rounds of investment.

Case study

SeaForester tackles disappearance of kelp forests

Seaweed is a powerful natural tool for capturing carbon, replenishing fish stocks and making the water healthier. Earthshot finalist SeaForester has come up with an indigenous solution — green gravel — to reverse the disappearance of the oceans’ kelp forests.

Green gravel latches on to the underlying reef, enabling it to grow and multiply, spreading across the ocean floor. And, as a result, the seaweed forest returns, reversing acidification, building up depleted fish stocks, boosting marine biodiversity, improving water quality and, most important of all, capturing carbon.

A London team, led by Roman Churakov, corporate of counsel, helped SeaForester to prepare a sponsorship agreement for partnerships with corporate donors. This solid legal footing has boosted SeaForester’s confidence to secure additional donors. It also frees up vital management time so that SeaForester can continue to expand the footprint of its work.

06

We align with the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. These principles drive our actions internally and across our supply chain and stakeholder relationships.

GOVERNANCE

Responsible procurement

As a firm, we understand that the impact we make socially, ethically and environmentally, loops back to the providers of the goods and services that we purchase. So, to make a bigger and more positive impact, we collaborate with suppliers who share our values, and who can help us to meet our goals, as a responsible business.

Though our policy is comprehensive, there's always scope to make bigger and more positive differences through our procurement activities.

Diversity in our supply chain

Given our firm's significant global purchasing power, we know that we can make a big economic impact by helping our diverse supplier base to grow.

In the past 12 months, we've stepped up our supplier diversity initiative. We've extended our focus from ethnicity to include Disability-Owned Business Enterprises (DOBEs), Lesbian, Gay, Bisexual and Transgender Business Enterprises (LGBTBEs), Services-Disabled Veteran-Owned Businesses, Women's Business Enterprises (WBEs) and Social Enterprise Businesses.

Our procurement team collaborates with colleagues across the firm to expand our network of diverse suppliers. In FY23, we saw growth in both our diverse supplier list, and our spending with them, and we will extend this going forward.

We've now got a diverse supplier catalogue, listing companies that supply us with everything from office essentials to catering, from period products to payroll services, across our global network.

What is a diverse supplier?

A diverse supplier is a business that is at least 51% owned and operated by an individual or group that is traditionally underrepresented or underserved.

Rare Recruitment behind diverse outcomes at our firm

Specialist diversity recruitment company — Rare Recruitment — is among our responsible suppliers.

Rare operates in the UK to remove barriers to recruitment and increase mentoring and work experience opportunities for Black, Asian and minority ethnic people, and those from lower socio-economic backgrounds.

Rare has helped us to attract, develop and retain the very best talent, and build a reputation as an inclusive employer for students of all backgrounds. Since 2011, we've welcomed 69 Rare candidates as trainees in London, 50 of whom are from minority ethnic backgrounds.

Being a responsible supplier

Our Responsible Procurement Policy sets out our commitments and our expectations of our suppliers:

- Suppliers must conform with our third-party compliance standards and have their own policies and procedures in place to demonstrate that they share our commitments.
- Suppliers must comply with all local laws relating to environmental protection, occupational health and safety, non-discrimination and the protection of internationally recognised human rights.
- Proactive engagement with suppliers means we can use our influence to advocate for wider change on key issues and collaborate with them in sharing knowledge and developing joint solutions.

Diverse supplier adds flavour in New York

Our New York team is furthering diversity in the supply chain with a woman-owned catering company, Food Trends.

Tackling the three-pronged challenge of elevating our catering, delivering great value to the firm and contributing positively to the community, New York Office Manager Anna Antimoni, discovered the diverse supplier.

Now, as our go-to caterer for client events and special functions, Food Trends is certainly pleasing clients' and colleagues' taste buds.

In pursuit of net zero

In line with our Science Based Target to halve our emissions by 2030, more of our offices now have renewable electricity supply contracts.

We've signed a seven-year solar-power purchase agreement in Melbourne, with plans to bring on more wind or solar resources when feasible. Visit our [Sustainability](#) section in this report.

And we continue to aspire to LEEDV4.1 gold standard certification for all of our office fit out and build projects.

Support for Indigenous-owned businesses

We support Indigenous-owned businesses. This not only boosts local economies but also aligns with our goal of promoting economic opportunities for First Nations people.

Supply Nation has worked with Aboriginal and Torres Strait Islander businesses since 2009, as well as with government and corporate procurement teams, to contribute to the growth of the Indigenous business sector.

This year, we renewed our engagement with Supply Nation, holding regular discussions on how we can back First Nations entrepreneurship through procurement. We're also exploring ways to offer community legal education to existing First Nations businesses and those interested in starting up.

Furthermore, we've joined forces with Social Traders and Kinaway Aboriginal Chamber of Commerce to expand our involvement with First Nations businesses and social enterprises.





Cyber security and data privacy

Every business, Herbert Smith Freehills included, risks becoming the target of a cyber security attack or data breach, which can lead to financial loss and reputational damage.

Cyber security

Herbert Smith Freehills has a responsibility to be vigilant and safeguard physical assets and data, including protecting them from malicious threats and accidental loss.

Preventing unauthorised access by hackers demands a robust cybersecurity policy to ensure data remains secure and doesn't end up in the wrong hands.

Our commitment to security is evident in our compliance with international security standard

ISO 27001. Everyone, including our contractors, is informed about their compliance obligations at induction or engagement. We keep the security conversation alive with routine updates and reminders about information security. And we conduct regular phishing tests to remain alert to potential security lapses. Any breach of policy may result in disciplinary action or dismissal.

We adopt industry-standard safeguards and procedures. Our goal is to prevent unauthorised access, destruction, loss, misuse or improper alteration of client information.

Herbert Smith Freehills is certified under the UK Cyber Essentials Plus scheme, which means our cybersecurity measures are tested rigorously by way of external audits and technical vulnerability scans.

Industry standard safeguards and procedures include:

- Multi-layered IT security systems and technologies;
- 24/7 security monitoring of IT infrastructure;
- Robust people-screening procedures;
- Physical security controls for offices and secure areas;
- Logical access control around client matters and a regular joiners/movers/leavers process;
- Robust procedures where an information barrier is needed;
- Automated monitoring of staff activities; and
- Encryption technologies for data at rest and in motion, including bring-your-own-device controls.

We shield all external emails with opportunistic transport layer security (TLS), and for an added layer of protection, we use enforced TLS for client communications. A secure online data room is used for bulk data transfer.

Our legal services are completely inhouse, but we may use third parties for some operational services, like IT hosting. To ensure comprehensive oversight, our procurement and risk management teams evaluate and control third-party participation.

Currently, we do not host our document management systems in the cloud. However, we use cloud services for secure online data rooms,

collaboration, eDiscovery, email continuity and IT Service Management systems.

We have an established incident response plan, aligned with IT Infrastructure Library practices. Our cyber incident response plan is tested regularly as part of our crisis management exercises.

We are covered by cyber insurance for any losses stemming from data exposure

Data privacy

As often custodians of personal and confidential data from our people and our clients, we fully respect the right to privacy of all individuals and build this respect into our approach to managing such data.

We collect, store, use, transmit and dispose of this personal data in a way that is transparent, secure and promotes trust. We only collect, use, and retain personal data where we have a lawful basis for doing so, and we only provide access to this information as necessary.

We treat all personal data with respect and manage it in accordance with the firm's stringent data protection and privacy policies. This includes only using personal data for the purpose compatible with which it was obtained, ensuring it remains accurate and up to date, and deleting it when we no longer need to retain it.

We also consider the privacy risks of any new activity we are planning to undertake and ensure that appropriate safeguards are put in place to manage those risks, taking particular care with any transactions that involve the transfer of personal data to or its receipt from third party service-providers.

Human rights



Businesses have a responsibility to respect human rights, including seeking to prevent or mitigate adverse human rights impact, whether through their own operations or business relationships.

UN Guiding Principles on Business and Human Rights

We strive to incorporate the Ten Principles of the United Nations Global Compact (UNGC) into our strategy, culture and day-to-day operations.

We support and respect internationally recognised human rights and the elimination of all forms of forced and compulsory labour. Equally, we promote Sustainable Development Goal 8.7 by working towards global eradication of forced labour, modern slavery and human trafficking.

We adhere to the United Nations Guiding Principles on Business and Human Rights (UNGPs). And we've built up a bank of expertise to support our clients in navigating human rights and labour issues within their own businesses and supply chains.

Ten Principles of the UN Global Compact

The UNGC asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption. These core values make up the Ten Principles of the UNGC.

Human rights

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights; and
- **Principle 2:** make sure that they are not complicit in human rights abuses.

Labour standards

- **Principle 3:** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- **Principle 4:** the elimination of all forms of forced and compulsory labour;
- **Principle 5:** the effective abolition of child labour; and
- **Principle 6:** the elimination of discrimination in respect of employment and occupation.

Environment

- **Principle 7:** Businesses should support a precautionary approach to environmental challenges;
- **Principle 8:** undertake initiatives to promote greater environmental responsibility; and

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

Anti-corruption

- **Principle 10:** Businesses should work against all forms of corruption, including extortion and bribery.

Source: UN Global Compact

In July 2022, we updated our Human Rights policy. As a firm we commit to:

- comply with all applicable human rights laws;
- respect internationally recognised human rights;
- take steps to encourage our clients, suppliers, sub-contractors and other business partners to adhere to human rights standards similar to our own;
- exercise care to ensure that our legal advice and other services do not cause or contribute to adverse impact on human rights; and
- respond, to the best of our ability, to our clients' expectations of respecting human rights.

Business and Human Rights Lawyers Association

22 global law firms, Herbert Smith Freehills among them, jointly established the Business and Human Rights Lawyers Association (BHRLA) in July 2022. Set up to advance leadership, learning, collaboration and practice in business and human rights, BHRLA is an extension of the Law Firm Business and Human Rights Peer Learning Process.

Tackling the risks of modern slavery and human trafficking

Given the regulated nature of our work and our employment of primarily legal and business professionals, the risk of modern slavery and human trafficking within our business is low. Nonetheless, we continue to keep the risk under review, with measures for mitigation.

We are conscious, however, that modern slavery and human-trafficking risks may be present in our supply chain, so we audit our suppliers. This has already resulted in changes to our supplier base.

Assessment is ongoing. Using the Sedex standard audit questionnaire to determine risk in specific categories and locations, we evaluate high-risk-category suppliers across low, medium and high-risk locations.

New suppliers must complete our Modern Slavery questionnaire before tendering for work. We assess and audit our suppliers every two years. Click for our latest [Modern Slavery and Human Trafficking Statement](#).

Paying a real living wage

We earned accreditation as a UK Living Wage Employer in 2012. Our commitment doesn't stop at our own workforce; it extends to third-party contractors, including caterers and cleaners, too. It means all individuals working onsite receive a genuine living wage.

Employees at some of our on-site contractors tell us that they have a much better quality of living than friends and family members who are not fortunate enough to work for a living-wage employer.

Knowing the genuine difference this makes, we will continue to champion the living wage, both inside and outside our network.

Business ethics



It's important that each of us not only complies with the Standards, but also feels empowered and supported to call out behaviour which may not meet our Standards of Conduct. That is part of how we learn — even from our mistakes — and continue to grow as an organisation."

Rebecca Maslen-Stannage, Chair and Senior Partner, Herbert Smith Freehills

We are committed to preventing bribery and corruption. We have a zero-tolerance policy towards individuals who use our services to facilitate corruption or any form of financial crime.

Our governing policies

- Our **global anti-bribery and corruption (ABC) compliance programme** is designed to detect bribery and corruption risks and establish appropriate measures to mitigate them. Every year, we review our compliance programme, while our in-house legal team monitors external developments, updates policies and creates awareness programmes to embed change.
- Our **International Standards of Conduct (ISCs)** set out our firm's moral principles to conduct business honestly and with integrity. Whatever our roles, the standards communicate an ethical

framework that guides our actions, promotes our values, encourages appropriate behaviour and builds trust. Everyone is encouraged to speak up if they feel the standards are not being followed. Their concerns will be taken seriously. Our ISCs set out:

- our values and commitment to each other;
 - how we treat others;
 - how we comply with rules and regulations;
 - how we safeguard information; and
 - how we report concerns.
- Our **ABC policy** prohibits improper business gains and facilitation payments and requires all staff to be vigilant in their dealings with public officials, including politically exposed individuals.

- The firm's **Gifts and Hospitality policy** sets out what gifts or hospitality can be given to or accepted from clients or suppliers, and under what conditions.
- Suppliers of goods and services are expected to share our commitment to ABC, either through their own policies and procedures or by adopting our **Third-Party Compliance Standards**.

Cross-business referrals

If we refer another law firm to our client, or instruct another firm on our client's behalf, we undertake rigorous selection and due diligence to guard against possible bribery risk. We also require the law firm to comply with our Third-Party Compliance Standards.

Similarly, when instructed by another law firm, we will seek, where possible, to engage directly with the client. And, before confirming our involvement, we will conduct thorough assessments to uncover potential bribery risks.

Building awareness and accountability

We make sure that all partners and employees understand bribery and corruption risks, and what's expected of them. We do this by providing training — in person, online and through awareness bulletins — for new and existing staff. Every year, all staff make annual declarations on compliance, with firm policies and procedures designed to detect and prevent bribery and corruption.

Professional integrity

Our firm and our lawyers are regulated by the professional conduct frameworks in place in the jurisdictions in which we work. Acting with professional integrity is one of the fundamental principles.

So, in our daily working lives, and in all interactions with clients, colleagues, contractors and others, every member of our firm is expected to “live” the moral principles set out in our own ISCs.

Our success, as a firm, depends on each of us observing the highest standards of professional integrity and always striving to do the right thing.



07





REPORTING

UN Sustainable Development Goals index

Report section	UN SDGs	Commentary
Our People		We work to support SDG target 10.2: 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 through our DEI approach.
		We support SDG 3 by supporting the wellbeing and health of our employees and their families by ensuring a safe and healthy workplace.
		We are working specifically to support SDG target 5.5, Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.

We work with major organisations in almost every economic sector, in almost every corner of the globe. We recognise that our main contribution towards achieving 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 to focus our efforts as a responsible business. Due to the diverse nature of our operations and jurisdictions, we deliberately take a broad approach to our advancement of the SDGs. Above we highlight goals that are integral to our ambitions as a responsible business, where we believe we can have a uniquely positive impact.

Report section	UN SDGs	Commentary
Social Impact		We work to support SDG target 10.2, 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 through our Pro Bono practice and Social Impact work.
		Through pro bono work, advocacy, and community involvement, law firms around the world can contribute to ensuring access to justice for all. This includes enforcing the global legal order by providing pro bono support to complex, multilateral law and policy making process, strengthening access to justice and rule of law, and assisting civil society organisations and justice defenders. <i>(Statement sourced from a4id.org)</i>
		We are working specifically to support SDG target 5.5, Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.
Sustainability		We have a near-term science-based to halve all emissions by 2030, Comprised of reducing our own carbon emissions as well as the emissions of our supply chain. We are committed to procuring all our electricity from renewable sources, and we are specifically tackling our business air travel emissions.
	