



Modern slavery and human trafficking statement

As signatories to the UN Global Compact we strive to incorporate the Global Compact's Ten Principles into the strategy, culture and day-to-day operations of our business, including supporting and protecting internationally proclaimed human rights (Principle 1) and the elimination of all forms of forced and compulsory labour (Principle 4).

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 with respect to the financial year ending 30 April 2018 and sets out the steps Herbert Smith Freehills¹ has taken to seek to ensure that slavery and human trafficking does not occur in our business operations or within our supply chain.

Our firm²

Herbert Smith Freehills is a global professional services firm providing legal services to clients wherever those services are required by them across a number of jurisdictions. We have a global offering with 27 offices across 19 countries spanning Africa, Asia, Australia, Europe, the Middle East and the US. Globally, we employ approximately 5,000 people.

This statement is published on behalf of Herbert Smith Freehills LLP and its wholly owned subsidiary Exchange House Services Limited and Herbert Smith Freehills Paris LLP, each having a turnover in excess of £36m.

For further details on the firm's structure please click [here](#).

Our supply chain

As a professional services business we work from different offices and our supply chain therefore predominantly consists of goods and services purchased in order to enable our people to deliver our services. The key categories we procure are property space, facilities management, HR, professional services, and information technology. The sourcing and purchasing of goods and services is supported across the firm by our global procurement team based in London and Melbourne.

We continue to consider that the risk of modern slavery and human trafficking being in our supply chain is low. Our evaluation of risk is based on the following:

- we place an emphasis on value rather than price alone in our procurement decisions;
- we do not typically have a policy of outsourcing. Where we buy outsourced services the delivery locations are rated as low risk, examples being London, Sydney, Melbourne and New York;
- the vast majority of our offices are in low-risk locations;

- we have communicated our expectations to our key suppliers in the form of our Procurement Compliance Standards; and
- our global procurement team are trained in modern slavery and human trafficking and they have excellent knowledge of the global supply markets for each of our categories of spend.
- we carry out a regular risk assessment of our global supply base which confirms our view that the risk is low.

We conduct an annual analysis of our spend with global suppliers so that we can:

- understand the extent of our global supply chain;
- inform our risk assessment approach with updated accurate information; and
- identify potential risks outside our 'core' offices and engage further with our suppliers outside the UK with respect to modern slavery and human trafficking risks.

We have introduced a three-step process to assess and monitor the risks in our Supply base. As part of this we have implemented a

1. This statement is made on behalf of Herbert Smith Freehills LLP and its service company Exchange House Services Limited and Herbert Smith Freehills Paris LLP, which are each required to make a statement pursuant to s 54 of the Modern Slavery Act 2015.

2. Herbert Smith Freehills LLP and its affiliated and subsidiary businesses and firms operating across the world and Herbert Smith Freehills, an Australian Partnership, are separate members firms of the international legal practice known as "Herbert Smith Freehills".

third-party risk intelligence tool. The objective of the tool is to identify the risks such as modern slavery, human trafficking and bribery and corruption. Through this information we can identify high risk suppliers and carry out further due diligence to decide what actions are needed to mitigate the risk.

During the last twelve months we have deployed a new global contract management system that enables us to view our supplier contracts and more easily assess modern slavery and trafficking risks. Alongside this we have also developed and introduced a new global Contract Management Policy and Framework for managing suppliers and contracts. We have also trained our contract managers in the Policy so that they understand what actions they need to take to manage contractual and supplier risk.

We have continued to issue our Procurement Compliance Standards, which sets out our expectations of suppliers, directly to many of our key suppliers and we continue to send them to the balance of suppliers working with our colleagues across our global network. In the event that we discover a case of modern slavery within our supply chain we will work with the supplier to implement corrective action or terminate our agreement with them.

We have continued to seek agreement to our Master Services Agreement with key suppliers - under this arrangement the supplier warrants that they will comply with, and ensure that its agents, subcontractors and employees comply with, all applicable laws, enactments, orders, regulations and other similar instruments, including the Modern Slavery Act 2015.

Our policies

We have several policies that address our approach to the identification of modern slavery risks and the steps to be taken to prevent modern slavery and human trafficking in our operations. These include:

- **Responsible Procurement Policy:** applies to all purchases of goods or services made by or on behalf of Herbert Smith Freehills and sets out the rules and standards we expect each of our suppliers to adhere to and observe, including avoiding, causing or contributing to adverse human rights impacts.
- **Procurement Compliance Standards:** which sets out our expectations of suppliers.
- **International standards of conduct:** specifies the mandatory rules of the firm

that must be followed by all partners, consultants, contractors and employees of Herbert Smith Freehills.

- **Anti-money laundering:** applies to all our people at Herbert Smith Freehills and sets out policies and procedures to prevent the commission of financial crime and the movement of money which has derived from crime.
- **Whistleblowing:** details the procedures all our people should follow if they have a concern of any kind with respect to the firm, including in relation to compliance with policies, our suppliers or practices within the business or supply chain.
- **Anti-Bribery and Corruption:** applies to all partners, consultants, contractors and employees of the firm, as well as associated third parties such as suppliers, and sets out rules with regard to bribery and corruption.
- **Human rights:** we recognise that we have a responsibility to respect internationally recognised human rights and we seek to conduct our activities in a manner that respects and supports the protection of human rights.
- **Diversity & inclusion policy:** we recognise and value the differences that make each of us unique. We are not limited to our approach to diversity and have a range of initiatives encompassing gender, race, age, religion and belief, sexual orientation, gender identity, disability and social mobility.

Training available to our people

We remain committed to educating our people with respect to the risks our businesses faces in relation to modern slavery and human trafficking and also how these risks can be negated. In the financial year 2017/18 we continued to work with Anti-Slavery International to provide our key people with training specifically on modern slavery and human trafficking. We aim to provide further training on modern slavery and human trafficking to our people as appropriate.

Looking ahead

In the financial year ending 30 April 2019 we aim to:

- continue to assess and monitor the risks in our Supply Chain using our new systems and tools;
- continue to issue our Procurement Compliance Standards to the remaining key Suppliers in our Supply Chain;

- review our charitable relationships with orphanages worldwide; and
- provide further training on modern slavery and human trafficking to our people as appropriate.

Board approvals

Herbert Smith Freehills Pro Bono & Citizenship Council approved this statement on 3 September 2018.

The Designated Members of Herbert Smith Freehills Paris LLP approved this statement on behalf of the Members of Herbert Smith Freehills Paris LLP on 20 September 2018.

Herbert Smith Freehills LLP Council approved this statement on behalf of the members of Herbert Smith Freehills LLP on 25 September 2018.

Exchange House Services Limited board of directors approved this statement on 11 October 2018.



James Palmer
Chair and Senior Partner
Herbert Smith Freehills LLP

October 2018



Frédéric Bouvet
Designated Member
Herbert Smith Freehills Paris LLP

October 2018



Ian Cox
Director
Exchange House Services Limited

October 2018