

A LAW FIRM'S ROLE IN ADVANCING ESG

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International law firms have an essential role to play in advancing ESG. Within Herbert Smith Freehills, that also means playing our part.

It means a commitment to robust governance, policies and practices at our firm. That commitment includes a relentless focus on diversity and inclusion, respect for human rights, responsible procurement, and environmental sustainability.

It means holding ourselves to the highest standards. Herbert Smith Freehills has been a participant in the Global Compact since 2016. We are committed to operating in ways that ensure adherence to the 10 principles of the Compact.

Our participation in the Compact provides a framework for how we seek to advance sustainable development and to support the achievement of the SDGs.

And lastly, it means committing to transparent aims and goals, and openly reporting our success – or otherwise -- in achieving them.

We report annually on our progress in meeting our Global Compact commitments, and published [our fifth responsible business report](#) on 25 October.

For our firm, this is not merely a compliance process, or a series of boxes to be ticked. Our actions are driven by an understanding that our success as a business depends on the wellbeing of our people and our communities – and that we must play our part in tackling society's biggest challenges.

Outside our firm, our greatest impact can come from assisting our clients with their own programmes for ESG and responsible business conduct.

By acting as advocates, architects and guides, we can spread understanding at the very highest levels of boards. And legal counsel are central to ESG advancement.

Earlier this year, we formed a new ESG team within Herbert Smith Freehills. It brought together lawyers with existing expertise to lead these issues across our practices and client base.

To mark this development, we issued a report - entitled **Responsibility Incorporated** -based on interviews with 20 general counsel at major international companies.

What was striking to me was that ESG was at the very top of the agenda of these general counsel, and considered strategically critical to their organisation. And these GCs were increasingly likely to have been given significant responsibility for oversight and leadership on ESG issues.

The interviews confirmed that lawyers were already playing a leading role in implementing ESG strategies and resolving challenges faced in their business

I speak regularly with our clients' senior counsel and executives. In the past 18 months, ESG has been raised as an issue in every conversation. But for many clients, ESG is no longer solely about new governance frameworks, strategies or risk assessments.

We are increasingly working with clients that are seeking to utterly transform their businesses in pursuit of net zero targets or social impact goals.

And from my base in Asia, I see this drive in both the oldest and newest companies, from the global titans that are Japan and South Korea's trading houses and chaebol, to the newest unicorns emerging from Southeast Asia and China.

This shift is hugely encouraging and very necessary. Achieving the SDGs and net zero goals in the aftermath of the pandemic will require huge amounts of investment and innovation.

It will also require a positive outlook; a desire to create transformative and equitable opportunities from the challenges we face.

Lawyers have long played a critical role in these shifts - in government, in institutions, law firms and in companies.

I believe that in the coming months we will only see that role expand, and quickly.

Herbert Smith Freehills' CEO [Justin D'Agostino](#) delivered this speech at a panel hosted by the IBA's Section on Public and Professional Interest. Titled "Bridging the gap - the UN Sustainable Development Goals (SDGs) and Environmental, Social, and Governance (ESG) issues for the global legal profession" was designed to highlight the growing importance, and convergence, of the UN SDGs and the private sector concepts embodied in ESG, and the implications of both for the global legal profession.

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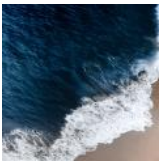
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If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



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