



# 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 2017 and sets out the steps Herbert Smith Freehills<sup>1</sup> has taken to seek to ensure that slavery and human trafficking does not occur in our business operations or within our supply chain.

## OUR FIRM<sup>2</sup>

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 26 offices across 18 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 are office based 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, 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.

During the last twelve months we have updated the analysis of our annual spend with global suppliers so that we can:

- understand the full extent of our global supply chain;

- enrich 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 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.

During 2016 and 2017 we have also completed an assessment of our procurement process with respect to our management of contracts with third parties. This review has identified several areas where we can improve the way we engage with suppliers to raise their awareness of modern slavery and human trafficking challenges and ensure that they themselves have the necessary policies and procedures in place. 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,

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".

all applicable laws, enactments, orders, regulations and other similar instruments, including the Modern Slavery Act 2015.

We are also implementing a new global Contract Management System during the remainder of 2017. This system will help the firm manage the risks around modern slavery and human trafficking by providing us with information on the extent of our contractual arrangements which place obligations on our suppliers to comply with the relevant laws associated with Modern Slavery.

In addition we have also been reviewing the approach we use to assess risk in our supply chain during 2016 and 2017. We currently review our risk via RFP questionnaires and on an external platform where key UK based suppliers can submit their responses. The review has highlighted the need for an enhanced method that will cover a greater proportion of our global supply chain and may include site based assessments.

## 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 LLP 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.
- **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 2016/17 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 2018 we aim to:

- continue to engage further with our suppliers outside the UK with respect to modern slavery and human trafficking risks;
- deploy a global contract management system so that all our Supplier Contracts are in one place and we can more easily assess modern slavery and human trafficking risks;
- deploy Supplier & Contract Management Guidelines and Framework to support our people to manage Suppliers working practices more effectively; 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 the 31 August 2017.

Herbert Smith Freehills LLP Council approved this statement on behalf of the members of Herbert Smith Freehills LLP on 19 September 2017.

The Designated Members of Herbert Smith Freehills Paris LLP approved this statement on behalf of the Members of Herbert Smith Freehills Paris LLP on 22 September 2017.

Exchange House Services Limited board of directors approved this statement on 26 September 2017.



**James Palmer**  
Senior Partner  
Herbert Smith Freehills LLP

September 2017



**Frédéric Bouvet**  
Designated Member  
Herbert Smith Freehills Paris LLP

September 2017



**Ian Cox**  
Director  
Exchange House Services Limited

September 2017

3. References to employees of 'Herbert Smith Freehills' means all Herbert Smith Freehills entities and in particular includes employees of Exchange House Services Limited and Herbert Smith Freehills Paris LLP