



UN Global Compact

Communication on progress 2018



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Statement

from our CEO



We live in a time of unprecedented change with global shifts impacting our world as never before. When I consider the geopolitical, social, and economic landscape there are plenty of challenges to both how we operate as a business and how we behave as individuals.

It is in that context that we consider what it means to be competitive and responsible, and how those qualities make us “fit for the future.” Being fit carries with it a number of connotations, ranging from having the right mindset to the shape of our business to the way in which we work together as a team.

When considering what it means to be fit, it is our culture, itself a product of our personal and collective behavior, that comes to the fore.

One of the strongest qualities of that culture and what it means to be Hogan Lovells is the principle of being committed – committed to our clients, committed to each other, and committed to the communities in which we operate. A second quality is being ambitious – being confident in what we can achieve and using that confidence to pursue our goals and being focused on what the future can offer.

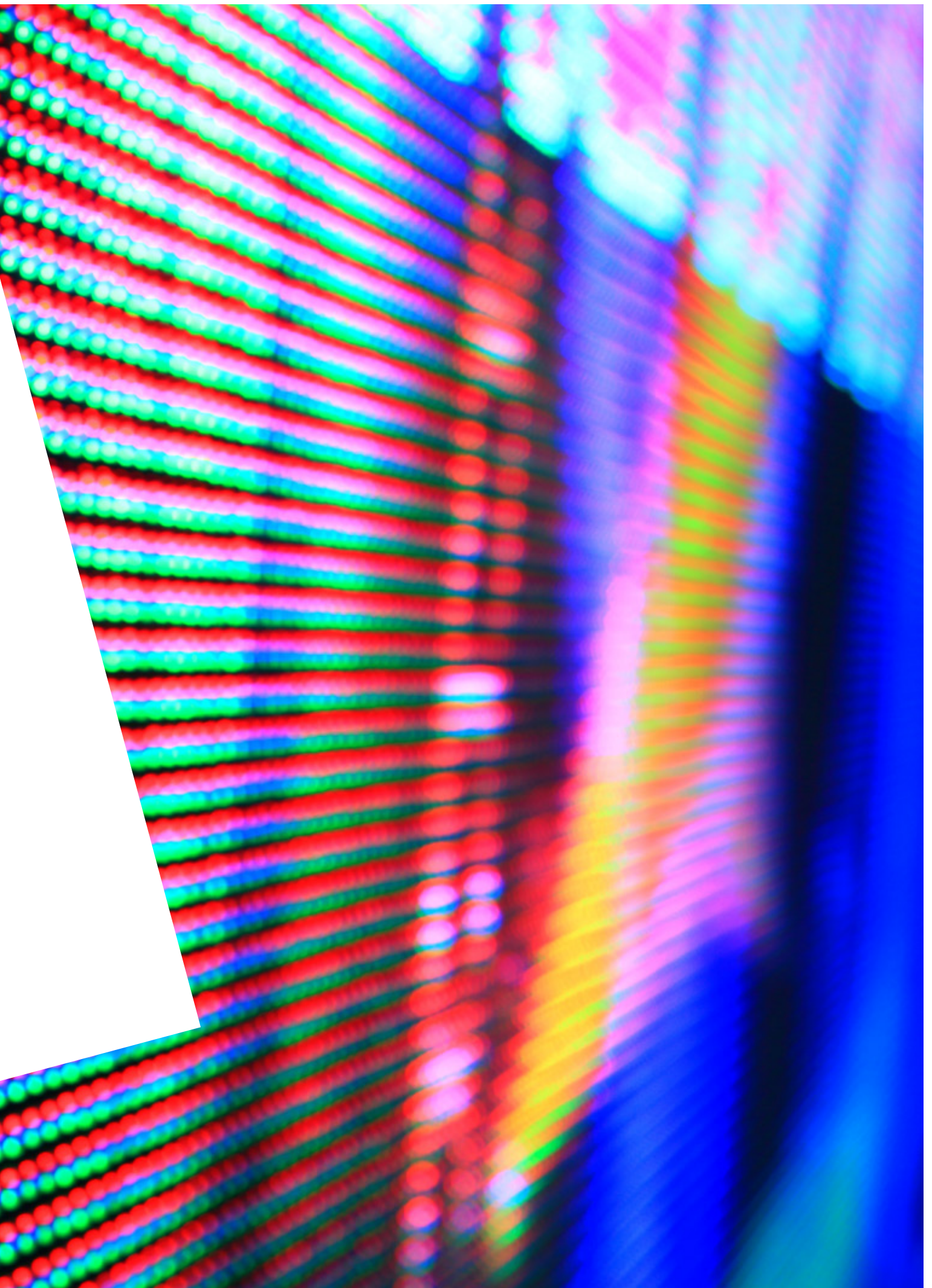
Being committed and ambitious is critical when we examine our responsibilities in meeting our obligations under the UN Global Compact and to the UN Sustainable Development Goals.

In the following pages you will find some illustrative examples of how as a responsible global business we fully leverage our resources, knowledge, and skills to be fit for the future. Using those cultural qualities of committed and ambitious to help shape business and society for the better.



A handwritten signature in black ink that reads "Steve".

Stephen Immelt
CEO, Hogan Lovells



Responsible business at Hogan Lovells

Global human rights policy

We respect human rights in our practices, business, and supply chain by clarifying what we expect of our people and our business partners through our global human rights policy. Our Human Rights Sub-Committee monitors its implementation and reports to the board on issues related to human rights in our business and supply chain in order to continuously assess and improve our human rights due diligence procedures, and integrate the findings into our operational procedures.

We provide human rights training to all of our nearly 7,000 colleagues worldwide with further modules for all of our 2,800 lawyers. In addition, our Business and Human Rights specialists provided focused training to corporate and finance practitioners in London – looking inwards at our human rights risk profile as a firm and outwards at how we can support our clients to identify and address human rights risk.

The UK Modern Slavery Act

In the UK, we have procedures in place to address modern slavery and human trafficking risks in our business and supply chain and report on these in accordance with the requirements of the Modern Slavery Act. The majority of our suppliers are UK-based in supply standard low-risk goods or services. We do not simply buy goods or services on cost-based principles. We recognize there are areas of potentially higher risk and in some services involving relatively high levels of contracted labor. We have a database of first tier suppliers to maximize control and coordination, adopting a risk-based approach to assess and manage, whenever necessary, any modern slavery risks in our supply chain.

We have determined that most of our suppliers present a low risk of modern slavery and human trafficking. However, some of our suppliers operate within sectors that present some inherent risks. In such cases, further information is requested from the supplier to confirm that any risks have been identified and addressed.

A total of 396 suppliers were deemed high risk across our International LLP. Our client due diligence team performed a due diligence exercise in relation to each and none were found to be involved in modern slavery, i.e. forced labor, child labor, or any other form of exploitation.

Living Wage Employer

We are a voluntary signatory to the Living Wage Foundation (LWF) campaign in the UK. The LWF provides a benchmark for employers that choose to pay their employees at a rate which is calculated according to the cost of living. We require our suppliers, such as our caterers, to state in their contracts that they pay their staff at least this rate. We pay our employees the Real Living Wage, a rate higher than the LWF wage.

Global Diversity & Inclusion Committee

Our Global Diversity & Inclusion (D&I) Committee comprises senior representation from across our practice groups, industry sectors, and regions. The Committee is accountable for defining and executing our global D&I strategy. In addition, we have regional committees that are responsible for delivering this strategy in alignment with local priorities.

In the U.S. we have been named as the “Best law firm for women”, recognizing the work of our Women’s Initiative Network in supporting women’s business development training. 41 percent of the firm’s lawyers in the U.S. are women.

In the UK, 47 percent of graduate hires were from black, Asian and minority ethnic backgrounds.

Gender equality

We are a signatory to the [Women's Empowerment Principles](#), and we put those principles into action. 32 percent of our senior management committee are women and globally just under 25 percent of partners are women and we aim to achieve at least 30 percent women in partnership by 2022.

Gender Pay Report UK

Our [Gender Pay Report](#) concluded that women comprise two thirds of our workforce and are well represented at every level of our organization. The gender split in the upper quartiles demonstrates our commitment to ensuring women reach senior positions.

LGBT+

We believe that every person should have equal rights to study, work, and be an active part of their community. That is why we continue to focus on growing our Pride+ 'Allies' network that has 1,500 members worldwide. Our LGBT+ people and allies set the culture of our firm and use their influence to raise important issues both locally and globally.

Ethnicity, culture, & social inclusion

We were one of the first law firms to introduce contextual recruitment in the UK, which allows recruiters to make more informed choices about candidates by considering the context in which their academic achievements have been gained; 19 percent of our UK graduate hires are from lower socioeconomic backgrounds. As part of our widening access program in the UK we

are working with recruiters, organizations, and universities around the world to open up the legal sector to a broader range of talent.

In the U.S. we have adopted the Mansfield Rule, which requires that the firm affirmatively take measures to track and increase the size of candidate pools for significant activities and leadership positions within the firm. The goal is to increase the diversity of our leadership by achieving at least 30 percent of women, minority, and LGBT+ lawyers in the candidate pools in more than 70 percent of the 11 categories each reporting period.

Respect Advocates

In the UK, we have introduced Respect Advocates who are available to provide support and guidance to anyone in the firm who would like to speak confidentially about bullying, discrimination or harassment, whether due to experiencing it themselves or witnessing it in relation to others. We have delivered mandatory workshops for all UK partners and Business Services leads to ensure our leaders understand and are equipped to deal with these issues. In addition, a respect policy has been rolled out across all 14 offices in Continental Europe and classroom and online training has been delivered in the U.S.

Health & Wellbeing

Across our regions we have a strong focus on both physical and mental health with every region participating in a wellbeing day, week, or month. All our people have access to an Employee Assistance Program providing consultation and mediation services. We provide on-site gyms or subsidized gym access, as well as free fruit in many of our offices and access to nutritionists. We embed wellbeing into our benefits packages, and as a multi-generational workplace we provide initiatives that support people at every stage of their life. In the UK and U.S. we also have on-site, independent counsellors and provide mental health awareness training.

In Russia we continue to lead conversations on LGBT+ inclusion. This year we hosted a global webinar in Moscow with people taking part in New York, London, Paris, Frankfurt, Rome, and Madrid. The topic was how to ensure the safety of LGBT+ refugees and immigrants all over the world.

People networks

Our networks and affinity groups are active across all our regions and support a wide network of communities including LGBT+, women, working families, racial and ethnic minorities, wellbeing, millennials, careers, and colleagues with disabilities or long-term health conditions. Open to all, they provide a forum for networking and business development and support our understanding of the relevant issues.

Global Sustainability

Our Global Sustainability Policy helps us to minimize energy consumption and waste, maximize recycling and reuse, and travel responsibly. In the UK, we are a founding member of the Legal Sustainability Alliance on Climate Change and in the U.S. we are a member of the Law Firm Sustainability Network.

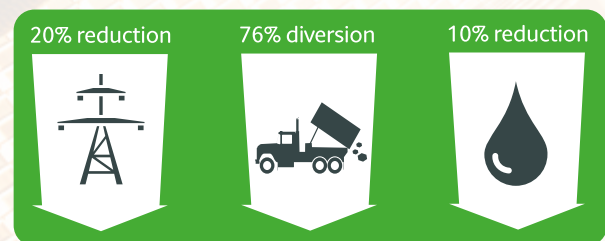
All but one of our U.S. offices are at a minimum Leadership in Energy and Environmental Design (LEED) certified with the majority of offices at Silver level. This includes incorporating energy efficiencies such as occupancy sensor and daylight harvesting lighting, water usage reduction by installing low flow toilets and faucets, and Energy Star rated appliances.

Following the refurbishment of the building to the highest environmental standards, our Tokyo office is working with our real estate leadership team to promote the development of sustainable office design guidelines and a global sustainability framework for our 45+ offices. These initiatives will raise the profile of sustainability across the entire firm

and ensure that all relevant stakeholders embed sustainability principles into daily operations. Our people actively participate in the development of sustainability initiatives worldwide and are encouraged to develop their own ideas.

London office refurbishment

As part of the refurbishment of our London office we are assessing the environmental impacts under the SKA rating, led and governed by the Royal Institute of Chartered Surveyors. We have achieved a Gold SKA rating for environmental performance throughout the refurbishment project.



Ethical behavior

Our updated Global Anti-Bribery and Anti-Corruption Policy aims to support our commitment to the prevention of bribery and corruption and to the promotion of an anti-bribery and anti-corruption culture by setting forth the firm's expectations and requirements relating to the prevention, detection, and reporting of bribery and other forms of corruption. Our updated Global Whistleblowing Policy provides means that our people can raise concerns in a manner that protects them from the fear of reprisals or victimization and which is fair to all persons involved.



Representative experience – we advised

- EDF on its market first precedent-setting €1.4bn issues of Green Bonds to finance future renewable energy projects led by EDF Energies Nouvelles, a wholly owned subsidiary of EDF;
- Mars on a 10-year energy supply agreement to purchase green electricity from Eneco's new 20-turbine Moy Wind Farm in the Scottish Highlands;
- IFC and Shell Foundation on their investments in a US\$30m+ Luxembourg energy fund, aiming to improve access to energy to off-grid communities in sub-Saharan Africa and South Asia.

Delivering legal solutions for our clients

Business and Human Rights Practice

We have a market leading international business and human rights (BHR) practice, advising businesses on how to identify and address adverse human rights risks in their operations and supply chains.

We provide clients with the full range of human rights services, from due diligence on new operations and ventures through to investigations of adverse human rights impacts and human rights related litigation.

Among other matters, we have advised on the human rights implications of projects at the leading edge of technological innovation, with potential consequences for billions of people. By engaging clients in the human rights risk associated with their operations, products, services, and supply chains and demonstrating how this risk interacts with their “hard” legal risk, we can support businesses to prevent adverse human rights impacts wherever they operate. In recognition of our work in this area, our London based practice was awarded the 2018 LexisNexis Legal Award for Innovation.

“Hogan Lovells’ BHR department sits right at the pinnacle of this fast-growing area of legal practice”

*Ben Emmerson QC,
Former UN Special Rapporteur
on human rights and terrorism*

UN Protect, Respect and Remedy Framework for Business and Human Rights and Rule of Law 2030

We are leaders in the BHR policy debate and are guided by improving access to remedy for victims of adverse human rights impacts while also ensuring legal certainty and a level playing field for responsible businesses. In particular

- our [BHR blog](#) was read 40,000 times by readers in 117 countries;
- we published the first in a series of [sector specific practical guides](#) on the UN Guiding Principles for Business and Human Rights;
- we delivered training on human rights risk to clients around the world;
- we chaired and participated in sessions at the UN and International Bar Association on Business and Human Rights and Rule of Law;
- we collaborated with the British Institute of International and Comparative Law to test the feasibility of the UK Joint Committee on Human Rights recommendation for a “failure to prevent” adverse human rights legislative mechanism;
- [Rule of Law 2030](#) is an evidence-based initiative to align our existing rule of law projects with the SDGs and to maximize our future impact by collaborating with businesses and host governments to implement projects to strengthen the rule of law. We have cataloged our existing rule of law projects and are currently seeking opportunities to partner with businesses and governments on new rule of law initiatives.



Representative experience – we advised

- IIX on its US\$8 million Women’s Livelihood Bond – the world’s first listed bond with dual focus on financial and social returns;
- Signal on its cutting-edge behavioral science platform to drive fuel efficiency and deliver savings with high commercial and environmental value;
- RECUP on its innovative and sustainable deposit system for reusable takeaway coffee cups.

Cross practice initiatives

Both our internal human rights compliance and our business and human rights offering to clients spans practice areas across our global offices allowing us to provide clients with advice on the international, multi-jurisdictional, and multi-disciplinary nature of their human rights risk profile. Our guide [Respecting Human Rights in the Energy and Natural Resources Sector](#) developed with our Mining Practice in Johannesburg is just one example of this work.

Business Integrity and Sustainable Development Initiative

Doing business the right way is fundamental to companies operating in the energy and natural resources sector. As stakeholders and governments demand higher ethical and sustainability standards from businesses, our clients are increasingly adopting strategies and internal controls to ensure they operate ethically.

This [initiative](#) focuses on five specific areas: sustainable development and the social license to operate; green financing, including green bonds; socially responsible investing; anti-bribery and corruption; and business and human rights. We take an innovative, client-focused approach, leveraging our global services and sector knowledge.

HL BaSE

[HL BaSE](#) is our social enterprise and social finance practice. Working with social impact clients gives us a deep understanding of responsible and sustainable business and, in particular, business with purpose. We are able to draw on this understanding when advising any of our clients, whether in relation to socially responsible investing, anti-bribery and corruption, or corporate structuring and B Corp status. It is through HL BaSE that we support the development of the ‘Impact Economy’, and connect a variety of stakeholders for whom business is a means to a sustainable and more equitable future.

Anti-bribery and corruption

Global companies need corruption related advice from local experts who have an international perspective. We have dedicated, on the ground corruption teams in key regional hubs: London, Moscow, Paris, Munich, Johannesburg, Singapore, Shanghai, Sao Paulo, Mexico City, San Francisco, Tokyo, and Washington D.C. which enables us to field truly global teams who understand local nuances and are sensitive to local laws, combined with a thorough understanding of internationally-applicable laws. We advise



Representative experience – we advised

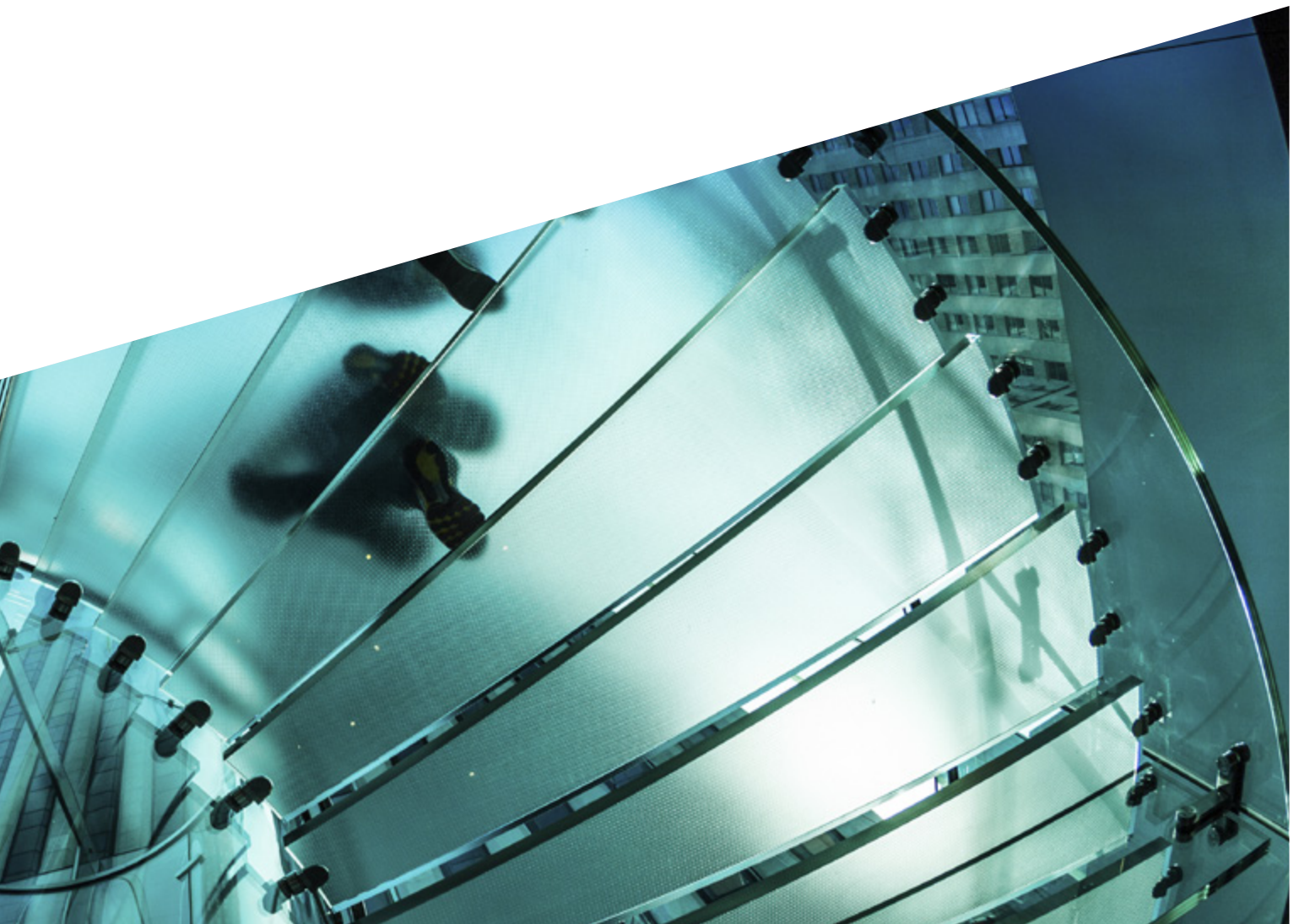
- the board of a UK Plc on its compliance with the Bribery Act following a comprehensive review cross numerous jurisdictions worldwide;
- a global client on an international internal investigation with regard to criminal liability issues arising from the bribery allegations against FIFA;
- undertaking an internal investigation of Eletrobras, the largest electric company in Brazil, of allegations related to the Petrobras “Lavo Jato” scandal.

on the most high profile, high value, and precedent setting matters.

We launched the eighth annual Global Bribery and Corruption Review, housed on our new [online bribery and corruption portal](#). The review looks ahead to what hurdles our clients can expect, and how to go about avoiding them.

We have created a [financial investigations roadmap](#), an interactive tool aimed at guiding clients through the stages of an investigation. Over the last few years, many businesses

have faced global investigations on a scale and with financial consequences never seen before. Businesses need to be ready to deal with all types of issues, from allegations of misconduct by traders and anti-competitive behavior to breaches of regulatory and other obligations relating to money laundering and economic sanctions, often involving multiple authorities in different jurisdictions.



Contributing to society

Upholding the rule of law.

A team of lawyers across six jurisdictions conducted comparative research for the International Commission of Jurists and the government of a Central Asian state on the mechanisms by which the independence and competence of the judiciary are safeguarded. Our lawyers conducted research on the judicial nomination system and the length and affiliation of the mandate; the legally established conflict of interest for judges; the control of judicial disciplinary mechanisms and any other mechanism that should have an impact on the independence of the higher bodies of the judicial system and its members.

Supporting integration

We are supporting the Spanish Commission for Refugees to achieve full integration of migrants and refugees in Spain. Together, we have designed a series of workshops aimed at developing the competencies required to enter the labor market. Each week a group of refugees and migrants visit our Madrid office and receive technical and language training on how to prepare a CV; how to introduce themselves in a job-related conversation; basic labor rights; and practical information on websites or associations where they can find job postings.

Calling for accountability

We spent more than 1,000 pro bono hours working with the International Bar Association (IBA) on a report about human rights abuses in North Korean prisons. Conditions in the prisons are as bad as the Nazi concentration camps of the Holocaust, according to a judge on the panel who survived Auschwitz as a child.

The IBA published a report on the findings of a nearly two-year Inquiry on Crimes Against Humanity in North Korean Political Prisons. The inquiry report finds reasonable grounds to conclude that Kim Jong-un and members of his regime should be investigated and appropriately prosecuted for committing 10 out of the 11 crimes against humanity under the Rome Statute. Our team conducted exhaustive research on crimes against humanity, including detailed reviews of legal opinions issued by international criminal tribunals in support of the initiative.

Mexico earthquakes

Following two earthquakes in Mexico, we worked with clearing houses Fundación Barra Mexicana, Fundación Appleseed, and the Centro Mexicano Pro Bono to support the communities which had been affected.

Protecting migrant families

We directly impacted the lives of thousands of detained migrants in the U.S., both by preparing individuals for their credible fear interviews and through a high-profile lawsuit against the U.S. government.

Our team negotiated a settlement agreement with the U.S. government to resolve *M.M.M. v. Sessions*, a class action lawsuit we filed on behalf of migrant children who were forcibly separated from their parents after entering the country. The settlement ensures that those who were set to be deported without first being heard on their requests for asylum will now have a meaningful opportunity to make such claims.

We agreed on a procedure by which both parents and children will have a meaningful chance to seek asylum. Parents who were given interviews after being separated from their children will have a second chance to talk to an immigration officer and present additional evidence. Their children will have the opportunity to have their own interviews, with the assistance of their parents. If either the parent or the child shows a “credible fear” of returning home, both the parent and the child will receive a full hearing before an immigration judge to prove their claims for asylum.

Tackling youth unemployment

Our German offices partner with JOBLINGE, a non-profit organization which works with young people between the ages of 15 and 24 who are unlikely to find employment on their own. It offers a six-month program with a success rate of 70 percent. In addition to pro bono legal advice, over 40 of our people have acted as mentors.

Mentors act as a confidant, coach, and role model guiding the participant through the program and helping to deal with any issues that arise. Having access to someone who cares and listens is often a new experience for the young people, and these personal relationships are crucial as the participants strive to make sense of and overcome their challenges.

We created a consolidated legal guide for the victims and provided legal advice over the phone for more than 55 cases which included issues relating to real estate and insurance claims. Our colleagues also volunteered at a number of refugee centers across Mexico City.

Lawyers for a Sustainable Economy

As a founding member of Lawyers for a Sustainable Economy we have committed to provide at least US \$500,000 of pro bono legal support by the end of 2020. We will work with U.S. based entrepreneurs, non-profits, and grassroots organizations that are developing innovative advancements in climate sustainability.

Hogan Lovells Community Solar Innovation Awards

We launched the [Hogan Lovells Community Solar Innovation Awards](#) to recognize and reward businesses and non-profit organizations in developing countries that use solar energy or technologies to benefit lives in poor communities, especially for women and girls. From nearly 300 applications worldwide, ten winners were selected by leaders in the legal, energy, and business sectors. The ten dynamic change making organizations are using the combination of innovation and business to make a lasting impact.

Further information

For further information on our approach to responsible business, we welcome you to browse our website.

www.hoganlovells.com

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Flip the Switch

[Barefoot College](#) is a leading social enterprise which works in nearly 100 countries to empower women by training them to become solar engineers. We have made [Flip the Switch – A Documentary](#), about our three year partnership with Barefoot College and the importance of private sector collaboration if we are to achieve the UN Sustainable Development Goals.

We held a private screening of the film in London with senior executives from major corporations engaging in a panel discussion on the business case for sustainable



development. The message was clear: systemic change requires business innovation, investment and engagement.

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