

## MODERN SLAVERY STATEMENT 2020

This statement is made by Baker & McKenzie (ABN 32 266 778 912), an Australian partnership, pursuant to section 13 of the *Modern Slavery Act 2018* for the financial year ending 30 June 2020.

### Introduction

"Modern slavery" is defined in the *Modern Slavery Act 2018* in a way which includes slavery, servitude, forced labour, debt bondage, trafficking in persons<sup>1</sup>, forced marriage, deceptive recruitment and the worst forms of child labour<sup>2</sup>. In this statement this term is used broadly to describe situations in which coercion, threats or deceptions are used to exploit individuals and undermine their freedom.

Our Firm acknowledges that modern slavery is a global problem that has the potential to taint the operations and supply chains of most large businesses. This statement sets out the steps that we have undertaken, and are continuing to take, to minimise the risk that modern slavery is taking place within our operations and supply chains.

We strive to act ethically and with integrity in all our business dealings and relationships. As part of a wider initiative our global Firm is a signatory to the UN Global Compact<sup>3</sup>. The UN Global Compact is the world's largest corporate sustainability initiative aiming to mobilise a global movement of sustainable companies and stakeholders. Among its principles the UN Global Compact seeks to eliminate all forms of forced and compulsory labour, abolish child labour and encourage businesses to support and respect the protection of internationally proclaimed human rights, ensuring that businesses such as ours are not complicit in human rights abuses.

In our Global Sustainability Report 2020<sup>4</sup> (which is our annual Communication on Progress to the UN Global Compact), we re-stated our commitment to uphold the Ten Principles of the Global Compact<sup>5</sup>, the first six of which focus on human rights and labour, and we outlined our support for the United Nations Sustainable Development Goals<sup>6</sup>. These commitments are reflected in our strategies, policies and standards, ensuring we continue to deliver long term commercial success, whilst simultaneously responding to the evolving expectations of our clients and the communities in which we operate.

We are a signatory to the World Economic Forum's Compact for Responsive and Responsible Leadership which expresses our conviction that society is best served by businesses that have aligned their goals to serve the long-term goals of society, with the Sustainable Development Goals offering a useful roadmap for such alignment. This Compact also confirms that short-term financial gains should not distract from the corporate and societal goals of long-term economic prosperity and social welfare.

We also strive to conduct our business consistently with the Corporate Responsibility provisions of the United Nations Guiding Principles on Business and Human Rights.<sup>7</sup>

In 2018 our global Firm undertook a materiality assessment in order to identify and prioritise the environmental, social and governance issues impacting and impacted by our Firm. We used the outcome of that assessment to align our business with the Sustainable Development Goals with which we feel we can

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<sup>1</sup> This term is more fully defined in Article 3 of the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime, done at New York on 15 November 2000 ([2005] ATS 27)

<sup>2</sup> This term is more fully defined in Article 3 of the ILO Convention (No. 182) concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour, Geneva, 17 June 1999

<sup>3</sup> [www.unglobalcompact.org](http://www.unglobalcompact.org)

<sup>4</sup> [Communication on Progress Report 2020 \(turtl.co\)](https://www.turtl.co/communication-on-progress-report-2020)

<sup>5</sup> [The Ten Principles | UN Global Compact](https://www.unglobalcompact.org/what-is-unglobalcompact/the-ten-principles)

<sup>6</sup> [THE 17 GOALS | Sustainable Development \(un.org\)](https://www.un.org/sustainabledevelopment/)

<sup>7</sup> [GuidingPrinciplesBusinessHR\\_EN.pdf \(ohchr.org\)](https://www.ohchr.org/documents/E/huridocda/huridocda.asp?doc=/andoc/A/HRC/17/L/2008.6.En.pdf)

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make the most significant and positive difference<sup>8</sup>. The Sustainable Development Goals that we have aligned with reflect our own and our clients' commitments to inclusion and diversity, climate action, anti-corruption and ethics, as well as our commitment to collaborating with like-minded companies and organisations around the world<sup>9</sup>.

Aligning with these Sustainable Development Goals not only provides us with a comprehensive framework to advance our corporate social responsibility efforts, it also gives us an opportunity to partner with like-minded people - our clients, governments, multilateral organisations and civil society - to work together to realise the vision of a sustainable world. We recognise that business cannot operate effectively in a world hampered by poverty, inequality, conflict and environmental deterioration.

We are a member of the Institute for Human Rights and Business and we continue to assist the Mekong Club, a leading anti-slavery organisation that fights human trafficking and forced labour risks, to create resources for companies who discover forced labour or poor working conditions in their supply chains, focusing on Vietnam, Thailand, Myanmar, China, Malaysia and Hong Kong.

## Structure

We are a law firm constituted as a partnership in Australia. We have offices in Sydney, Melbourne and Brisbane and at 30 June 2020 had 87 partners and 548 employees. We are a member of Baker & McKenzie International which is a Swiss Verein with member law firms around the world. Together we operate in 77 offices in 46 countries with a total of 7,230 fee earners and a total global headcount of 13,658 as at 30 June 2020.

The Australian Firm is serviced by B & McK Services Pty Ltd, which is trustee of the B & McK Services Trust. The Australian partnership controls two other companies - B & McK Nominees Pty Ltd and B & McK Nominees (VIC) Pty Ltd. Neither of these companies trade.

## Operations

We are a law firm providing professional legal services to a diverse range of local and global clients in a wide range of industries. The largest portion of our work is domestic legal advice and representation provided by Australian registered lawyers in Australia from our Australian offices. Sometimes this is done for Australian based clients, sometimes for clients based overseas. We also work with our colleagues from our overseas offices (and, sometimes, from non-Baker McKenzie firms) when they seek assistance on behalf of their clients with respect to, for example, transactions with an Australian element or they otherwise have a need for Australian legal advice. Equally, we arrange for lawyers from our overseas offices and affiliated firms to assist Australian clients with their foreign work. We also co-ordinate the provision of legal services from multiple jurisdictions, particularly in the Asia Pacific region, for clients with global operations.

Some of our support services (both for the benefit of our Firm and our clients) are provided by the global Firm's owned and operated service centres in Belfast (Ireland), Manila (the Philippines) and Tampa (Florida, USA).

Within Australia, we are regulated by State based statutory bodies and professional associations.

The Australian Firm is managed locally, with an overlay of regional and global interaction and management.

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<sup>8</sup> They being - Gender Equality, Affordable and Clean Energy, Decent Work and Economic Growth, Reduced Inequalities, Responsible Consumption and Production, Climate Action, Peace, Justice and Strong Institutions and Partnerships for the Goals

<sup>9</sup> For further information, see our Communication on Progress Report 2020

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## Supply chains

Our supply chains consist primarily of:

- professional legal services provided by other Baker McKenzie offices and by barristers;
- professional services provided by expert witnesses, accountants and a range of consultants; and
- support services provided by our services company (such as secretarial and administrative support, reception services, human resources, library services, marketing, finance, accounting, event management, hospitality and catering).

As mentioned, we also source some support services from global Firm owned and operated service centres, chiefly those in Belfast and Manila.

Each of our Australian offices is responsible for a small amount of their own local procurement for things such as litigation support, printing and document services, transcriptions, library subscriptions, training and entertainment.

Each of our Australian premises is leased and all property related services (such as maintenance, cleaning and security) are provided by our landlords.

Beyond the above, our procurement is managed centrally by the global Firm, for example in relation to technology, telecommunications, travel, accommodation, finance and training. We also receive a range of other business support services from the global Firm.

## Risks of modern slavery practices in operations

Being an extensively regulated legal practice operating in a highly transparent professional services environment in Australia, we believe the risk of modern slavery practices occurring in our operations is very low.

The service centres in Belfast and Manila are owned and operated by our global Firm and staffed by employees of the relevant Firm entity. Many of these staff members are legally qualified or are information technology professionals. All these staff work in highly visible workplaces controlled by our global Firm.

Locally we have identified the use of some migrant workers - foreign qualified lawyers; graduate lawyers; seasonal clerks; a Sales and Marketing Manager and a Database Administrator, on different types of visas. We also occasionally source labour from labour hire companies. The circumstances of each of these individuals have been considered and there is no indication of modern slavery. We do not engage any itinerant workers.

## Risks of modern slavery practices in supply chains

Given the bulk of our supply chains are of a professional nature or involve business support services provided locally in Australia, the risk of modern slavery practices is very low.

We acknowledge this risk increases with supply chains involving the manufacture of information and other technologies, telecommunications equipment and office supplies where these supply chains reach into higher risk geographies and involve high risk substances, particularly when traced back to raw materials. This risk also exists in relation to travel, accommodation and other services provided in higher risk geographies around the world which our staff visit.

## **Actions taken to assess and address these risks**

### **Our policies**

We operate a number of policies to ensure that we are conducting business in an ethical and transparent manner. These include our Code of Business Conduct and Code of Business Conduct Hotline.

#### *Code of Business Conduct*

We developed the Baker McKenzie Code of Business Conduct to ensure that every partner, lawyer and employee in the Firm knows the principles that are to guide us in the choices we make and in the way we behave. The Code spells out our legal and ethical obligations and responsibilities in a number of areas. It also provides guidance on how to act when specific, clear policies are not available. This Code reflects our commitment as a signatory to the UN Global Compact to align our policies and operations with the Compact's principles in the areas of human rights, fair labour, the environment and anti-corruption.

This Code also makes it clear that we engage only suppliers who comply with all applicable laws, including those related to human rights, labour rights, and applicable employment, environmental, anti-corruption, fair competition and intellectual property laws. If employees have any doubts or concerns about a supplier, they are required to contact the Global Procurement team for assistance or to choose another supplier.

#### *Code of Business Conduct Hotline*

Suspected violations of our Code of Business Conduct can be reported internally (through a variety of channels) or externally via our Code of Business Conduct Hotline. This Hotline is a confidential report tool managed by Navex Global, the world's leading provider of ethical and compliance hotlines and help lines.

### **Our suppliers**

It is important to the Firm that we engage only suppliers who comply with all applicable laws. We make sure our major suppliers are aware of our Code of Business Conduct and expect them to adhere to our high standards.

Our global procurement team has in place a process for vetting suppliers including checks for compliance with all applicable laws, including those in relation to modern slavery.

A desktop risk based analysis has been undertaken to assess our exposure to modern slavery risks. This relied on research from a range of resources including the US State Department's Country Reports on Human Rights, the US Department of Labor's List of Goods Produced by Child Labor or Forced Labor, the ILO's country information and data, the Global Slavery Index and the Corporate Human Rights Benchmark. Materials were also obtained and reviewed from Know the Chain and the Business and Human Rights Resource Centre. This research was supplemented by materials produced by Australian Legal Sector Alliance, the Law Council of Australia and our local Law Societies.

Building on this general research we conducted specific research into all of our local suppliers to ensure they have not been associated in any way with modern slavery.

Our global procurement team has inserted into our template supply agreement a suite of modern slavery related clauses, including obligations on our suppliers to conduct due diligence of their suppliers.

Our aim is to now include provisions in our contracts with our major local suppliers along the same lines including:

- commitments to minimise adverse human rights impacts caused by their activities;

- assurances that the supplier will not knowingly engage in any form of modern slavery or receive goods or services from its suppliers who have engaged in any form of modern slavery;
- a requirement that the supplier confirms that it has appropriate policies and procedures in place to ensure that there is no modern slavery within its business or supply chains; and
- a requirement that the supplier provide us with appropriate information in order to verify the above on request.

## Remediation

If, at any stage, we identify an increased risk of modern slavery within our business or supply chains, we would conduct a thorough investigation of that risk and promptly mitigate that risk and any adverse impacts. This would include engaging with the supplier and terminating its contract if appropriate remedial action was not taken. We would then also collaborate within our industry to ensure the broader risk is eradicated.

Additionally, we would ensure that any victim was appropriately compensated and protected from ongoing exploitation.

## Effectiveness of actions

Bearing in mind this is our Firm's first modern slavery statement, the steps we took in the reporting period to measure the effectiveness of the actions we have taken were limited. Measurement throughout that time was growing awareness in our business of the existence of modern slavery and the processes we have put in place to address the risks of modern slavery practices occurring in our operations and supply chains.

Raising awareness of modern slavery with suppliers and greater identification of specific risks within our supply chains will in the future become a measure of effectiveness of our actions.

## Future plans

We will review all existing local supply agreements to ensure they adequately address modern slavery risks.

We will review our local and, working with our international colleagues, our global processes and policies to ensure they meet their objectives in relation to the mitigation of modern slavery risks.

We will engage externally, particularly through our own modern slavery practice and our new global Sustainability Service Line, to ensure that we are aware of international best practice standards in this area and with regard to human rights more generally.

Over the next 12 months we plan to build on our existing policies and procedures by:

- adopting a standalone modern slavery policy for the Australian Firm;
- auditing our local procurement processes to ensure adequate due diligence is conducted in respect of our supplier's modern slavery compliance;
- continuing to raise awareness of the issues surrounding modern slavery via office communications, including a reminder about the Firm's compliance policies and reporting processes;
- working closer with our global procurement team to monitor our local and global supplier base to identify any particular areas of risk with regards to modern slavery;
- working closer with our colleagues in other offices to better share knowledge about, collaborate on and co-ordinate our modern slavery programs; and

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- introducing training on the importance of compliance with the above requirements for personnel involved in local procurement processes.

## Consultation

This statement was prepared by a collaboration between our operations team, procurement staff, risk and compliance lawyers, human resources team and our lawyers with expertise in modern slavery law.

This statement was also prepared in consultation with the management of our services company and each of our subsidiaries, all of which share and rely upon the expertise referred to above.

## Approval of this statement

This statement was approved by the Management Committee of Baker & McKenzie, an Australian partnership on 26 March 2021.

This Statement was signed by Anthony Foley, National Managing Partner.

Signature:  .....

Date 31 March 2021

Note: The Management Committee is the principal governing body of Baker & McKenzie, an Australian partnership.