

Linklaters' Responsible Sourcing Policy

September 2022



Our responsible sourcing vision:

Working in partnership with suppliers who share our strong and accountable commitments to diversity and human rights, positive social change and reducing environmental impacts including carbon emissions.

Linklaters' Environment, Social and Governance (ESG) practice advises many of our clients on their sustainability journey and we know how much our own response matters to our people, to our clients and to other key stakeholders around us. It is important that our commitment to being a responsible and sustainable business is shared by our supply chain. To enable this we will develop pioneering, accountable and transparent partnerships and assess potential suppliers not only on their price and service quality offering but also on their commitment to our sustainability agenda. By leveraging our sourcing spend we recognise the opportunity we have to lead by example on matters relating to responsible sourcing.

We want to do business in a manner that improves the lives of individuals across our value chain, their communities and the environment. This Responsible Sourcing Policy brings together Linklaters' sustainability commitments and priorities, **focusing specifically on where our supply chain can have the greatest impact**. It shapes how we work with our suppliers to promote sustainability and focuses on four thematic pillars: Environment, Human Rights, Diversity, Equity and Inclusion ("DEI") and Source+ (our responsible sourcing focused pillar).

Supply chain engagement and commitment to this Responsible Sourcing Policy, as well as our **Supplier Code of Conduct** ("Code"), will be tracked and monitored by Linklaters' Global Sourcing and Supply Chain Management Team, in conjunction with our Sustainability Leads, Contract Managers and third-party sustainability ratings provider, EcoVadis. Supplier performance will be internally reported and will influence our future business decision-making process.

We recognise it takes time to improve sustainability performance and, wherever possible, we will work collaboratively with our suppliers by sharing knowledge and guidance to support this journey. As a business, we are committed to action and seek to advocate responsible sourcing practices across our business, our supply chain and the legal sector.

Linklaters' approach to sustainability is accountable, transparent and underpinned by reporting against globally-recognised standards and frameworks:





Supplier Code of Conduct

Our Code, which was revised in 2022, sets out the minimum responsible standards we require from our global suppliers and their subsidiaries and subcontractors who provide goods or services to Linklaters. Our suppliers are expected to be transparent in their practices and to comply with the Code as a prerequisite to every Linklaters supplier contract. As a business, we reserve the right to refuse partnerships with suppliers that do not achieve or are unable to demonstrate progress towards the Code and that adopt approaches which are inconsistent with Linklaters' own principles.

We strongly recommend suppliers read this Responsible Sourcing Policy in conjunction with our Code.

As a business we will continue to increase the number of global suppliers who have signed up to our revised Code or an equivalent commitment. We will carry out supplier audits to ensure adherence to the principles of the Code and encourage suppliers to promote equivalent practices throughout their own supply chain.



Due Diligence Processes

Sourcing

As a business we have chosen to embed responsible sourcing into all aspects of our sourcing process to drive sustainable change at scale. We seek to assess the sustainability impacts of our sourcing decisions from initial business case through to contract management and renewal. Where appropriate, we will have dedicated, responsible sourcing quality questions within our sourcing documentation with corresponding evaluation criteria and weighting. As a sourcing entity we strive for continued transparency, with clear standards for suppliers to meet. We are continually improving our supplier processes and will look to further integrate any future developments in responsible sourcing.

In launching this Responsible Sourcing Policy, we have chosen to initially prioritise a subset of our global supply chain. A risk based and proportionate approach has been adopted to segment and prioritise suppliers, taking into consideration both commercial and sustainability risk factors. Key suppliers ("**key suppliers**") are defined as suppliers that represent a heightened commercial or sustainability risk to the business, for example, suppliers that contribute to a significant portion of our Scope 3 carbon emissions.

Independent Sustainability Ratings

We recognise the important role data plays in ensuring transparent supply chains and, in 2022, we partnered with the independent sustainability ratings provider EcoVadis. The partnership allows us to better understand, track and influence the sustainability performance and risks within our supply chain. The platform and supplier scorecards provide detailed insights across a range of data points (environment, ethics, labour and human rights and sustainable procurement) allowing for the development of supplier specific improvement action plans and industry level benchmarking.

EcoVadis is now our primary source of supplier sustainability monitoring. Key suppliers who are not already using the platform will be asked to join it. It is our expectation that all key suppliers will strive to achieve EcoVadis' silver rating or higher. Our long-term commitment is to increase the visibility of our supplier sustainability performance reporting, whilst continuing to advocate and strive for auditable and investment grade sustainability measurement.

Monitoring

Linklaters regularly monitors suppliers through a supplier governance framework, including through the use of suitable accreditations, certifications, self-assessments and audits, to identify, assess and mitigate risks.

Where the EcoVadis scorecard on a particular supplier, or our wider supplier governance framework, suggests an area of poor performance or a general concern, we use our own risk registers and supplier questionnaires to conduct a further deep-dive review on the supplier in question. In the case of non-compliance, Linklaters will work collaboratively with the supplier to implement corrective actions. We expect suppliers to engage with us constructively and responsibly and to demonstrate their willingness to remedy issues in a timely manner. We reserve the right to refuse to partner with suppliers that do not achieve or are unable to demonstrate sufficient progress and that adopt approaches which are inconsistent with Linklaters' own principles.



Awareness Raising, Training and Capacity Building

Linklaters work through relevant networks with our industry peers and clients to adopt sustainable practices and improve our responsible sourcing approach. We encourage a responsible sourcing culture by advocating for supply chains that are more sustainable and inclusive, both inside and outside our business.


We want to work with like-minded pioneering businesses, who recognise the importance of collaboration. We will utilise supplier forums, seminars and other relevant supplier networks to raise awareness, share best practice and ultimately cultivate a responsible supply chain.

Training plays a large role in raising both sustainability and responsible sourcing standards amongst our supply chain and employees. Whenever possible, training relating to responsible sourcing or any of our priority areas will be shared through our supplier forums. In addition, we recognise the importance of targeted internal training to key teams within Linklaters that engage with suppliers. For example, on the topic of modern slavery interactive training sessions provide colleagues with a refresher of the requirements of the Act and our approach and processes for eradicating modern slavery.



Responsible Sourcing Pillars and Priorities

Our responsible sourcing programme focuses on four priority pillars: Environment, Human Rights, DEI and Source+ (our responsible sourcing focused pillar). A range of datapoints, KPIs and benchmarks are used to track progress and measure our effectiveness across each pillar.

Environment 	
Carbon Reduction and Environmental Management	<p>As a business we are committed to carbon reduction and continue to look for opportunities to reduce our impact and associated emissions. We have adopted near term targets approved by the Science Based Targets Initiative (SBTi) to reduce Scopes 1 and 2 emissions by a further 70% by 2030 and Scope 3 emissions by a further 50% during the same period. We have a substantial carbon reduction programme underway across our global operations and we will partner with our suppliers to deliver these reductions.</p> <p>Ways in which our suppliers can demonstrate their commitment to carbon reduction:</p> <ul style="list-style-type: none"> > Establish greenhouse gas reduction targets to limit global warming to 1.5°C by 2050 – ideally approved by the Science Based Targets Initiative (SBTi). > Share Scope 1, 2 and 3 emissions data with Linklaters. > Collaborate with Linklaters to identify and deliver carbon reduction initiatives across our operations. > Measure, manage and monitor environmental impacts through an environmental management system and third-party verification such as the Carbon Disclosure Project (CDP) and ISO 14001.
Energy Efficiency and Renewables	<p>Linklaters seeks to source certified renewable energy for its operations whenever geographically possible. Our premises moves and refurbishment work are supported by our sustainable design checklist which aims to prioritise energy efficiency.</p> <p>Ways in which our suppliers can demonstrate their commitment to energy efficiency and renewables:</p> <ul style="list-style-type: none"> > Take all reasonable steps to ensure energy and resource efficiency across premises. > Provide evidence of using renewable electricity across their business operations including servers, product manufacturing and service delivery.
Waste Minimisation and the Circular Economy	<p>We are committed to waste prevention and minimisation including through the promotion of circular economy principles, the adoption of a waste hierarchy, the replacement of single use items and the reduction of plastic and excess packaging. We are also committed to doing more to assess the whole lifecycle impact of the goods and services that we use.</p> <p>Ways in which our suppliers can demonstrate their commitment to waste minimisation and the circular economy:</p> <ul style="list-style-type: none"> > Implement the waste hierarchy (prevent, reduce, reuse, recycle and recover waste) and circular economy principles to help design out waste and pollution, keep products and materials in use and regenerate natural systems. > Integrate circular economy principles, including through the use of natural materials, recycled content and end-of-life takeback and reuse schemes. > Remove single use plastics and disposables. > Ensure whole lifecycle transparency of products and work with Linklaters to minimise waste and extend product lifecycles.
Supporting Biodiversity	<p>At Linklaters we see nature as an ally to our business and are committed to protecting and restoring the natural world. We seek to prevent further destruction of habitats and forests through restoration and improving biodiversity.</p> <p>Ways in which our suppliers can demonstrate their commitment to supporting biodiversity:</p> <ul style="list-style-type: none"> > Ensure Forest Stewardship Council (FSC) and Programme for Endorsement of Forest Certification (PEFC) paper and timber certifications are in place. > Ensure Roundtable of Sustainable Palm Oil (RSPO) palm oil certifications are in place. > Support our biodiversity and nature projects. > Design out the need for hazardous materials and chemicals in products and services used and replace them with natural and no chemical options wherever possible. > Provide organic, free range, Fairtrade food ingredients wherever possible.



Human Rights

Modern Slavery	<p>We have a zero tolerance approach to modern slavery in our business and supply chain. We seek to partner with suppliers that adopt the same strict standards that we adhere to ourselves. We expect our suppliers to operate fair and ethical workplaces where workers are treated with dignity and respect and the highest standards of human rights are upheld.</p> <p>Ways in which our suppliers can demonstrate their commitment to eradicating modern slavery:</p> <ul style="list-style-type: none"> > Ensure a modern slavery policy and our Code are in situ and have been cascaded down the supply chain. > Increase supply chain transparency through third-party supplier ratings and by carrying out regular assurance audits. > Provide employees with relevant training on how to identify signs of modern slavery, signposting relevant policies and procedures.
Living Wage	<p>Linklaters support the ongoing work of the Living Wage Foundation in monitoring the development and implementation of the real living wage. As a business we seek to promote the benefits of adopting fair employment practices through our supply chains.</p> <p>Ways in which our suppliers can demonstrate their commitment to the living wage:</p> <ul style="list-style-type: none"> > Ensure appropriate living wages are paid to all employees. > Promote fair employment practices.



Diversity, Equity and Inclusion

Supplier Diversity	<p>Diversity, Equity and Inclusion (“DEI”) are a core part of our firmwide strategy and our values as a responsible business. Our dedicated DEI policy sets out our strong commitment to realising these principles in our firm and our aspirations extend to our suppliers as we strive to open up our supply chain and ensure it is truly inclusive. Our transparent sourcing policies and processes will help to ensure we afford opportunities for diverse suppliers to participate in our supply chain. Through measurement frameworks we will look to better understand the number of our suppliers that fall into one or more of the following categories:</p> <ul style="list-style-type: none"> > Small and medium enterprises. > Black, Asian and minority ethnic businesses. > Suppliers from other under-represented or protected groups. > Voluntary and community sector organisations. <p>Once we have established a benchmark we will look to increase the number of diverse suppliers we engage with. Linklaters are also advocates of supporting enterprise. We will look to foster and develop diverse suppliers both inside and outside of our supply chain by providing ongoing engagement through training, advice and guidance.</p> <p>Ways in which our suppliers can demonstrate their commitment to DEI:</p> <ul style="list-style-type: none"> > Expand, track and report on diversity and representation metrics among suppliers. > Have clear DEI policies that are cascaded down the supply chain. > Actively seek out opportunities to increase DEI in the workplace.
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Source+

Supplier Code of Conduct	Adherence to our Code or an equivalent commitment will be a requirement for every Linklaters supplier.
Independent Sustainability Ratings	Key supplier scorecards will be regularly reviewed and action plans monitored using the EcoVadis platform, with key suppliers striving to achieve EcoVadis's silver rating or higher. We aim to see an annual increase in the number of key supplier scorecards assessed via the EcoVadis platform.
Monitoring	We will monitor key responsible sourcing datapoints and ensure robust reporting and disclosures. Key supplier EcoVadis scorecards are embedded into Linklaters' supplier governance framework, enabling opportunities for collaboration and innovation. Cyclical supplier audits and self-assessments are conducted for verification and assurance purposes.
Awareness Raising and Training	There will be a committed emphasis on the facilitation of regular supplier forums and industry networks to encourage a responsible sourcing culture and to raise awareness of collaboration opportunities relating to Linklaters' responsible sourcing priority areas. Targeted responsible sourcing training will be delivered to relevant Linklaters employees and suppliers.

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