

SOCIAL RESPONSIBILITY

EQUALITY FROM WITHIN

Law firms are changing themselves as well as helping others, writes
Sarah Murray



For law firms, fulfilling their social responsibilities often means writing a cheque to a charity or offering pro bono services to non-profit organisations. However, deeper questions are being asked about the role the legal sector plays in society.

Social responsibility involves looking within, and one issue law firms struggle with is diversity. Recruitment of ethnic minorities remains limited and while gender balance is relatively equitable at entry level, far fewer women than men go on to become partners.

In an attempt to effect change, firms are introducing a range of policies and programmes.

Baker & McKenzie is focusing on changing its internal culture. It has introduced a global policy of zero tolerance to discrimination against lesbian, gay, bisexual and transgender people – even in its offices in countries such as Russia and Saudi Arabia, where the culture can be hostile on the matter.

For some, the approach has been to look beyond their own walls. To address the legal sector's under-representation of black and mixed-race individuals from low-income backgrounds, Freshfields Bruckhaus Deringer last year launched the Stephen Lawrence Scholarship, named after the black teenager murdered in London in 1993. Those selected receive an interview for a training contract (the final stage of a legal education), customised development

programmes, access to mentoring and a modest sum of money.

In addressing diversity, firms are tackling an issue that directly affects them. However, some have realised that they can use their knowledge and expertise to play a broader role in society.

Lawyers have experience in navigating complicated regulatory environments and brokering relationships between public- and private-sector entities. As the non-profit sector looks to tap into capital markets, lawyers can use their expertise to put together innovative financial products and services.

They can also tackle global social questions. In 2013, Linklaters set up international governance and development practices at the firm, serving public- and private-sector organisations, with pro bono and fee-paying clients.

Linklaters partner Lance Croffoot-Suede co-heads the practice. He says his background in criminal and regulatory law and working in international development is essential to the governance work taken on. One example, he adds, might be in advising a non-governmental organisation (NGO) serving teenage girls in sub-Saharan Africa on how to ensure that all of its activities are clearly focused on the girls' interests. Or a mining company might need to maximise profits while minimising environmental damage, managing its exposure to corruption and improving relations with communities.

In these situations, lawyers with a regulatory

● MOST INNOVATIVE LAW FIRMS IN SOCIAL RESPONSIBILITY



background can establish structures that take into account individuals' rights. Those with a criminal law background can play another role. "As criminal lawyers, we're trained to tell white from black," says Mr Croffoot-Suede. "We walk into situations that are grey and sort out whether it's a problem or not."

As public-sector and non-profit entities seek to tap into private-sector dollars to advance their social aims, lawyers can create firm legal structures for new types of enterprise.

Reed Smith's social impact finance group was created to offer pro bono advice to organisations that work to generate economic and social returns. It has lawyers whose expertise covers everything from structured finance and capital markets to taxation and litigation.

Clients include investors, social entrepreneurs, NGOs and microfinance institutions. What unites them is that they are all developing market-based models to tackle social problems such as financial exclusion and poverty or inadequate access to healthcare and education.

This means managing such complex issues as the implications of local tax regimes and foreign exchange questions, the transfer of funds to NGOs and who owns the intellectual property rights for a social innovation. "You're looking at a solution a client wants to achieve by bringing all these different building blocks together," says Reed Smith partner Ranajoy Basu. "Lawyers bring the structuring advice."

Standout

Highly commended

Commended

	Score	
Linklaters	24	The firm has made an active commitment to the UN's principles of good governance, pulling together expertise from across its practices to improve standards in the private, public and not-for-profit sectors, and working on both a pro bono and a paid-for basis.
Garrigues	23	With Corporate Excellence, a think-tank that includes most leading Spanish companies, the firm predicts social responsibility trends to aid the companies' behaviour.
CMS & DLA Piper	22	Joint research to analyse domestic violence laws in 24 countries in Europe, Asia and Africa to enable Chinese non-governmental organisations to lobby for better legislation.
DLA Piper	22	The firm utilised its global resources to help build the legal infrastructure in Timor-Leste.
Freshfields Bruckhaus Deringer	22	The first firm to sign up to the Ban the Box campaign, which seeks to help ex-offenders move into the workforce.
A&L Goodbody	21	Formed a three-year partnership with education development charity Suas to raise literacy standards in Ireland.
Allen & Overy	21	The firm's two-year global partnership with AfriKids, a child-rights charity in Ghana, is enabling the organisation to become financially independent.
Arthur Cox	21	A programme that is run by trainee solicitors at the firm to raise the standards of living in a rural region of Zambia.
Reed Smith	21	The firm's Social Impact Finance Group works pro bono to aid social change programmes.
Ashurst	20	Structured the first "co-mingling" fund to combine commercial and philanthropic funding for UK artistic and social projects.
Dechert	20	Conducted an analysis of Kenya's ratification of the Maputo Protocol, a bill on women's rights, setting the framework for other African nations.
Herbert Smith Freehills	20	The firm supported the set-up of Impossible, a UK social network designed to start a gift-economy, through incorporating the microfinance social business principles of Nobel prize winner Muhammad Yunus into its constitution.
Linklaters	20	Comprehensive support to the International Centre for Advocates Against Discrimination through research and analysis to help it in its fight against structural discrimination.
Uría Menéndez	20	A partnership with Fundación Obra Social "La Caixa" to help social entrepreneurs realise their potential.
Van Doorne	20	Facilitating social entrepreneurship in the Netherlands through a research centre at Utrecht University and advice to clients on social impact bonds.
White & Case	20	Applied EU and UK data privacy laws to USAID's anti-terrorism vetting procedures in support of NGOs operating in conflict areas.
Gómez-Acebo & Pombo	19	Created the EXEQUO programme to enable lawyers to improve NGO frameworks that protect vulnerable people in Spain.

As organisations look to harness private capital to address social or environmental problems, new mechanisms are emerging for which legal advice is needed. Take social impact bonds, also known as pay-for-performance contracts. They raise private investment to fund innovative programmes that, for example, reduce youth re-offending or move more homeless people into shelters rather than ►

● MOST INNOVATIVE LAW FIRMS IN DIVERSITY

		Score	
Standout	Baker & McKenzie	22	The firm implemented a global lesbian, gay, bisexual and transgender policy of zero tolerance to discrimination.
	Freshfields Bruckhaus Deringer	22	Launched the Stephen Lawrence Scholarship to change cultural attitudes and effect a real shift in law firm recruitment practices.
Commended	Ashurst	20	A comprehensive global diversity strategy designed to increase the number of women in management positions.
	DWF	20	As part of its effort to be an inclusive recruiter of disabled talent, the firm became the first to certify with the Clear Assured assessment programme.
	Slaughter and May	19	Collaborated with television company ITV to help students from disadvantaged backgrounds gain admission to leading universities.

◀ have them sleeping on the streets. Investors receive a return when the cost savings and social objectives of an initiative have been met.

Structuring such deals, which tend to involve public- and private-sector partnerships, demands legal skills. Netherlands-based Van Doorne has worked with Dutch finance group ABN Amro, the Start Foundation and

the City of Rotterdam to develop a social impact bond. “We’ve really been able to contribute to the preparation of these bonds with our knowledge,” says Sjoerd Kamerbeek, a Van Doorne lawyer and corporate law specialist.

As well as working on one-off deals, Van Doorne is helping to lay the legal foundations for the social sector’s growth. After learning about US benefit corporation legislation – which gives registered companies legal protection to pursue social and environmental goals as well as profit – Mr Kamerbeek looked into whether similar legislation might apply in a Dutch context.

When he found almost no research on the subject, he approached Utrecht University, which led to the university’s social entrepreneurship initiative, a research partnership. A possible result of its work might be the introduction of benefit corporation legislation in the Netherlands – an obvious opportunity for lawyer participation.

“The key element here is that we can take up our role in society by doing the thing we are best at,” says Mr Kamerbeek. ■

Nicely does it.

Baker & McKenzie defined the global law firm. The Baker & McKenzie community comprises nearly 11,000 people with diverse backgrounds, nationalities and talents, and words like ‘collegiate’, ‘friendly’ and ‘nice’ frequently crop up in descriptions of our culture. With 76 offices across six continents, we provide an instinctively global perspective and deep market knowledge to our clients around the world. As our clients expand into new markets, we are there with them, sharing an unrivalled experience and helping them succeed in new regions.

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