



SHEPHERD+ WEDDERBURN

SHEPHERD AND WEDDERBURN

Environmental, Social and Governance Statement

AN INTRODUCTION TO SHEPHERD AND WEDDERBURN

Shepherd and Wedderburn is the largest Scottish-headquartered UK law firm and the only full-service, independent Scottish legal practice of scale with a London office. Establishing long-standing relationships of trust, rooted in legal advice and client service of the highest quality, is our hallmark.

Founded in 1768, Shepherd and Wedderburn, which has offices in Edinburgh, Glasgow, Aberdeen, London and Dublin, has been at the forefront of innovation in all the key sectors of the economy – from the expansion of Edinburgh’s financial services sector to our work with Scotland’s first tech unicorn and on landmark clean energy projects.

Our focus has always been firmly on the future, and on ensuring we maintain our proud tradition of supporting innovation, economic growth and international commerce. Our lawyers are currently advising organisations active in more than 120 overseas jurisdictions, and we are privileged to work with organisations and individuals in the UK, the Republic of Ireland and further afield who are leaders in their industries and sectors.

In 2020, Shepherd and Wedderburn was named regional/offshore firm of the year at the Legal Business Awards. The judging panel, which based its decision on the quality of legal services, sustained growth and new business wins, noted: *“This award highlights the UK-based regional or offshore firm (with headquarters outside of London) that has made the most significant progress over the past year in advancing its strategy. Key factors taken into account are evidence of effective leadership, impressive financial performance and increased market share...”*

Shepherd and Wedderburn is a people business that values and rewards the contribution of all colleagues. We are proud of our diverse, inclusive and collaborative culture, both internally and when working with clients, and are committed to encouraging and supporting diversity and social mobility.



In addition, we are committed to achieving net zero carbon emissions by 2030, working with clients to deliver a green recovery from the recession caused by the COVID-19 pandemic and making a positive, tangible contribution to the communities in which we live and work through our extensive programme of corporate social responsibility activities. We also adhere to stringent corporate governance policies.

Environmental, Social and Governance considerations have been at the forefront of how we work and service our clients throughout our history, and this statement formalises our approach. Below are some of our current ESG commitments, which will, we hope, give you a flavour of the many initiatives we are undertaking as a business, and in close collaboration with clients to help them achieve their ESG objectives.

Environmental

Shepherd and Wedderburn has been at the forefront of innovation in the clean energy sector for almost three decades. This is one of the reasons we recognise the threat posed by climate change and our responsibility to lead by example in protecting and nurturing the natural environment.

We are committed to being the most sustainable business we can be because it is the right thing to do, and this concurs with our working values commitment to “strive to make a positive contribution to the communities in which we live and work”.

We are [committed to achieving net zero greenhouse gas emissions by 2030](#) and were the first professional services firm to sign the [Edinburgh Climate Compact](#).

We integrate sustainability considerations into all our business decisions and report our greenhouse gas emissions and progress against our net zero target

at least annually, using the [Greenhouse Gas Protocol Corporate Reporting Standard](#) methodology. The protocol classifies an organisation’s greenhouse gas emissions into three scopes: Scope 1 (direct emissions from owned or controlled sources); Scope 2 (indirect emissions from the generation of purchased energy); and Scope 3 (all indirect emissions from the value chain – from the goods an organisation purchases to the disposal of the products it sells or services it provides).

Our sustainability policy is informed by the [United Nations Sustainable Development Goals](#) and is aligned to those of the cities of Edinburgh and Glasgow, which have committed to becoming net zero by 2030, and London, which has set out its ambition to be net zero by the same date.

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“We are committed to supporting a green recovery from the COVID-19 pandemic. The pandemic has shone an intense light on the fragility and inequalities of many aspects of society and so our focus is on supporting a green recovery to rebuild the economy, ensuring it has sustainability and resilience at its heart. As part of this, we are working hard with clients to develop more clean energy and decarbonisation projects in the transition to a net zero future, and believe it is our responsibility to lead by example in protecting and nurturing the natural environment.

We have all benefited from the natural environment and have an ethical obligation to make a tangible, positive contribution to tackling the climate emergency for the sake of current and future generations. That is why Shepherd and Wedderburn is committed to achieving net zero carbon emissions by

2030 and assisting other businesses on their net zero journey. We are proud to be the first professional services firm to sign the Edinburgh Climate Compact, a historic and unique initiative that aims to spark radical action on climate change across the Scottish capital. The determination of the signatories – leading organisations spanning both the public and private sectors – to make a collective difference represents a step change in ensuring that sustainable business practice becomes the ‘new normal’.”

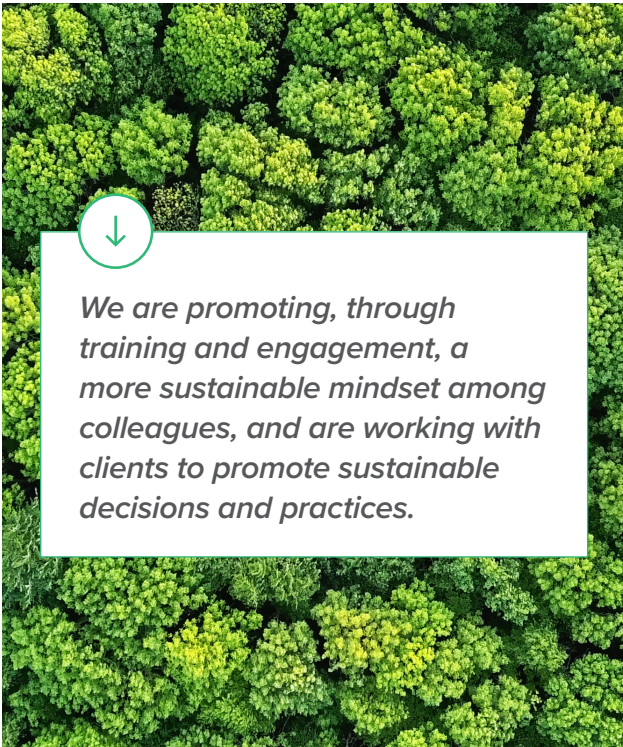


Clare Foster

Partner,
Head of Clean Energy, a Board member of RenewableUK and a Commissioner on the Edinburgh Climate Commission.

Environmental

The policy covers three core areas – the firm’s business, our people and our clients – and commits us to comply with, and exceed where practicable, all applicable environmental legislation, regulations and codes of practice. We are promoting, through training and engagement, a more sustainable mindset among colleagues, and are working with clients to promote sustainable decisions and practices in order to help mutually facilitate the transition to net zero and contribute to a green recovery.



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In terms of our own operations, we are focusing initially on reducing energy consumption; materials use (including, but not limited to, stationery, printing and packaging); waste production; and travel.

In February 2021, Shepherd and Wedderburn joined a number of leading private and public sector organisations in signing up to a series of decarbonisation commitments as part of the Edinburgh Climate Compact to support the city’s ambition to reach net zero by 2030.

In addition, Shepherd and Wedderburn is:

- the headline sponsor of [All-Energy](#), the UK’s leading renewable and low carbon energy event;
- a strategic partner to the [Global Ethical Finance Initiative](#) (GEFI);
- a member of [RenewableUK](#);
- a member of [Scottish Renewables](#); and
- a sponsor of the Scottish Council for Development and Industry’s 2030 Economic Blueprint, [Making a Good Living](#), which set out a series of policy recommendations for the UK and Scottish Governments, with the green recovery at its heart.

Shepherd and Wedderburn’s market-leading [Clean Energy Group](#), which comprises 90 lawyers, has advised on landmark clean energy projects across the UK and is ranked top tier in both the leading independent legal directories.



Picture credit: George Anderson.

Kinclaven Bluebell Wood, in Perthshire, where our team volunteered to support the Woodland Trust’s ongoing conservation work and the trust dedicated 250 trees to mark the firm’s 250th anniversary.

Social

Shepherd and Wedderburn fully recognises its responsibilities as an employer, as a business having an impact on its environment, and as a member of the local communities in which it operates. We take these responsibilities seriously and they underpin how we run our business.

Our working values

Our focus on values flows from a recognition that organisations that understand what makes them unique and what motivates their people and clients are demonstrably more successful. This focus also recognises that a guiding set of values is fundamental to the identity of an organisation and to giving our people a common sense of purpose.

Our Working Values Statements are the expression of the outcomes of an extensive firm-wide consultation, which sought to identify the qualities

that distinguish our organisation, the behaviours we should strive to encourage and the characteristics our clients most value.

Our Working Values Statements reflect our culture – who we are and what we do. Their purpose is to ensure that all colleagues have a voice, and to serve as a framework against which we can measure all facets of our business. They also help us recognise and reward the colleagues who go above and beyond for the business and our clients; learn from those who suggest better ways of working; and deliver services internally and externally collaboratively to the highest possible standard. Our Working Values Statements are about hardwiring improvement into our business. With reference to ESG, Shepherd and Wedderburn's

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CASE STUDY

Investors in Young People

We are committed to providing opportunities for colleagues to reach their full potential, and we are proud to be recognised as a Platinum-accredited Investor in People and a Gold-accredited Investor in Young People. These are the highest accreditations attainable under the Investors in People accreditation scheme. Our Gold Investors in Young People accreditation was awarded in recognition of our commitment to providing opportunities for young people in Scotland from all backgrounds. In order to reach a diverse pool of talent, we work with various organisations including The Princes Trust Mosaic Group (hosting World of Work Workshop Sessions for BAME pupils based in Glasgow); sponsor a Law Scot Foundation student and host Law Scot Foundation Recruitment Skills Days; support an



Edinburgh University Scholarship programme; and support Edinburgh City Council's Jet Programme, which provides work placements for school pupils who are the first generation in their family to attend university.

One of the main challenges in fostering inclusion and diversity in the workplace is tackling bias, be that conscious or unconscious. Mentoring is just one of the ways we are addressing this challenge in order to achieve greater diversity, unlock individual potential and encourage collaboration across the firm. We offer our trainee lawyers and Modern Apprentices working in our non-legal support teams mentoring support, which is also available to individuals across the business, through a network of trained mentors, as they progress their careers.

Social

Working Values Statements commit the firm and our people to work supportively, collaboratively and enthusiastically; treat all colleagues with respect, trust them, recognise their individual skills and fairly reward their contribution; and strive to make a positive contribution to the firm, our clients and the communities in which we live and work.

Corporate social responsibility

Our corporate social responsibility (CSR) policy is endorsed by our Partnership Board and is regularly reviewed and updated by our management team. Our overarching aims are:

- to be an employer of choice, recruiting and retaining legal staff of the highest calibre and ensuring our lawyers are supported by a first class management and administrative team, who together can deliver the level of service that our clients expect and demand;
- to pursue our business objectives in a socially responsible and sustainable manner; and
- to recognise that we have a role to play in supporting our local communities.

Responsibility for monitoring the development of our CSR policy rests with our Partnership Board, and our Volunteering and Fundraising Committee is tasked with its implementation. Both bodies work together to agree annual targets, report progress quarterly and ensure that we consider the environmental consequences of all investment decisions made by the firm in relation to new facilities, systems and infrastructure.

All colleagues can take up to one week's paid leave per year to enable them to take part in a charitable or other volunteering activity of their choice. In addition, we have a regular monthly programme of fundraising initiatives including dress down days and bake sales supported by colleagues across our five offices.

Our lawyers also offer pro bono legal advice, working with organisations including local Citizens Advice Bureaux in Haddington and Musselburgh. In addition, in 2021 Shepherd and Wedderburn became a member of TrustLaw, the Thomson Reuters

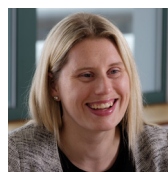
Foundation's global pro bono legal programme and the world's largest facilitator of free legal services. TrustLaw connects social enterprises and NGOs globally with law firms willing to support them on a pro bono basis. This builds on our existing work through Pilotlight, a charity established to transform the lives of disadvantaged people in the UK by offering charities and social enterprises access to the strategic business support they need to become more efficient, effective and sustainable. It does this by harnessing and matching the talents of individuals from partner organisations, 'Pilotlighters', to charities. According to the latest figures from Pilotlight, charities supported by Pilotlighters increased their reach by 36% and their income by 40%.

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Vikki Henderson, a legal director in our property and infrastructure team, has volunteered as a Pilotlighter with the Renfrewshire Foodbank, which provided more than 6,100 three-day emergency food supplies to people in crisis during the first year of the Coronavirus Pandemic.

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“It been incredibly rewarding and I can see the difference the support of Pilotlight has made to the Renfrewshire Foodbank, with its Board and staff taking steps to formulate future strategic aims. My experience volunteering with Pilotlight has given me a real insight into the pressures facing charities dealing with the impact of the pandemic, in addition to the more established causes of food poverty.”



Vikki Henderson
Legal Director,
Shepherd and
Wedderburn

Social

Fair work practices

Diversity, inclusion and social mobility

We recognise that our success lies in ensuring our culture is one that all colleagues in all disciplines want to be a part of, where they feel welcomed and supported, where they can be their authentic selves, can challenge and be challenged, and where all are afforded the opportunity to develop to their full potential.

We do this through a number of social mobility and inclusion, diversity and development-led initiatives, working in close collaboration with our five partner-led S+W Together diversity network groups – Race, Faith and Belief; Gender; LGBTIA; Disability and Healthy Working Lives; and Social Mobility. The groups comprise colleagues from all our offices, and undertake and raise awareness of the many diversity and inclusion initiatives we are operating across the firm.

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CASE STUDY

Virgin Money

We work closely with Virgin Money's Vibrant (LGBT) Colleague Network Group, established specifically to promote equality across the Virgin Money business, regardless of sexual orientation, gender, ethnicity, faith or disability. We have attended and presented at Virgin Money's Hi (Mi) story events, where our team shared personal stories and challenges they have overcome in their career and discussed topics such as being a working mother and supporting LGBT role models. In 2019, we also held an event in our Glasgow office as part of our support for Pride Week with Vibrant.



On the back of the success of our Vibrant collaborations, we are now working with three other Virgin Money groups: Balance (balanced workforce); Embrace (raising awareness of cultural differences to support colleagues and customers); and Enable (disability and mental health). We were delighted to be awarded the Virgin Money Supplier Award 2019 in the Diversity & Inclusion category, recognising both our ongoing commitment to diversity and inclusion initiatives and our collaborative approach, which allows us to get to know and understand the people who make a business.

Social

Gillian Carty, our Chair, leads our people strategy, which includes the firm's diversity and inclusion initiatives.

Recent achievements in advancing our DDI agenda include:

- conducting a major, internal working values exercise, taking anonymous input from more than 200 colleagues across the firm via an independent diversity and inclusion survey, and a partner-level, in-depth review of career planning, progression and promotion (with emphasis on achieving diversity at all levels of management);
- implementing an agile and flexible working programme (pre-Coronavirus pandemic);
- being the [top ranked Scottish-headquartered law firm in the Stonewall and the InterLaw Diversity Forum list of the UK's top 25 legal employers for LGBTIA staff](#);
- [being awarded 'Platinum' accreditation as an Investor in People, 'Gold' accreditation as an Investor in Young People](#) (the highest available accreditations in their respective categories under the [Investors in People](#) accreditation scheme), and a Gold Award from the [Healthy Working Lives](#) programme;
- expanding our in-house mentoring scheme – the firm now has a significant number of trained mentors supporting a broad range of colleagues through the programme;
- introducing a reverse mentoring programme to allow colleagues from our five S+W Together diversity network groups to guide and mentor members of the firm's senior leadership team;
- through an external provider, offering a 24/7 confidential support service from qualified counsellors, who are on hand to offer a free, confidential and impartial service to colleagues and their families; and
- retaining our [Disability Confident Employer](#) badge in recognition of our work with disabled current and prospective employees. The firm guarantees an interview to any disabled applicant who meets the minimum criteria for any vacancy.

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“Diversity and inclusion is about creating a sense of belonging. It is about ensuring colleagues feel accepted and know they have an equal opportunity to develop and be successful at Shepherd and Wedderburn. It's also about demonstrating to the outside world, future lawyers and others thinking about the range of careers available in legal private practice, that the legal sector, and in particular Shepherd and Wedderburn, is an environment in which they will find that sense of belonging and will be given the chance to grow, develop and fulfil their potential.”



Gillian Carty
Chair,
Shepherd and
Wedderburn



We introduced a reverse mentoring programme to allow colleagues from our five S+W Together diversity network groups to guide and mentor members of the firm's senior leadership team.

Social

In recognition of our efforts, Shepherd and Wedderburn was named [Diversity Star Performer in the 250-1,000 employees category at The Herald & GenAnalytics Diversity Awards 2019](#).

Our social mobility initiatives include:

- implementing a contextualised recruitment system to enhance recruitment opportunities for candidates from BAME and socially mobile backgrounds;
- being a founding member of [PRIME](#), an initiative led by the UK's leading law firms to encourage social mobility and career development by offering quality work experience to young people aged 13-17 from disadvantaged backgrounds (we run our PRIME programme across all our UK offices (Edinburgh, Glasgow, Aberdeen and London) and offer five PRIME weeks per year);

- being a [Social Mobility Pledge](#)-accredited employer, demonstrating our commitment to recruiting and developing talent from all backgrounds;
- being an accredited [Living Wage](#) employer (salaries are reviewed annually and externally benchmarked to reward employees competitively and appropriately);
- not operating zero-hour contracts;
- respecting freedom of association and the right to collective bargaining (colleagues can choose to be a member of a trade union and will not be discriminated against);
- providing opportunities for young people: we employ [modern apprentices](#), all of whom have obtained, or are studying for, SVQ or SVQ Level 3 Awards;
- promoting legal sector careers – working with the Prince's Trust [Mosaic](#) charity group, we host an annual 'World of Work Day', offering workshop sessions to young people from disadvantaged communities, to provide an insight into careers in the law and related management services;
- nurturing talent – sponsoring the [Lawscot](#) Foundation, a charity established by the Law Society of Scotland, which supports talented students from less advantaged backgrounds through their legal studies;
- offering scholarships – supporting [Edinburgh University's Tercentenary Scholarship](#), which provides financial support to a law student from a low income background; and
- assisting with funding – offering diploma funding and maintenance allowances for incoming trainees to provide financial assistance and promote social mobility within the profession.

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“I applied to participate in the Associate mentoring programme and was paired with a female Partner from another division within the firm. The mentoring programme gave me the opportunity to have an open discussion about my aspirations and concerns around personal development and career progression. My mentor provided a fresh perspective, which has proved invaluable in shaping achievable objectives. The experience has helped me to grow in confidence and encouraged me to step out of my comfort zone.”



Gillian Moore
Associate,
Shepherd and
Wedderburn

Governance

We are committed to conducting business with honesty and integrity and expect all our colleagues to maintain the highest standards.

Partnership Board

Our Partnership Board has ultimate responsibility for overseeing the management of the firm and has particular responsibility for governance and strategy. It comprises our Managing Partner, Chair, Divisional Directors, two elected Partners, Finance Director and a Non-Executive Director. Our Partnership Board exists to represent and look after the interests of the firm and our people and is responsible for strategy, policy, probity, monitoring progress towards the firm's strategic objectives, mentoring and decision-making.

Shepherd and Wedderburn LLP is a limited liability partnership and is authorised and regulated by the [Solicitors Regulation Authority](#) and regulated by the [Law Society of Scotland](#). Shepherd and Wedderburn Europe is regulated by the [Law Society of Ireland](#).

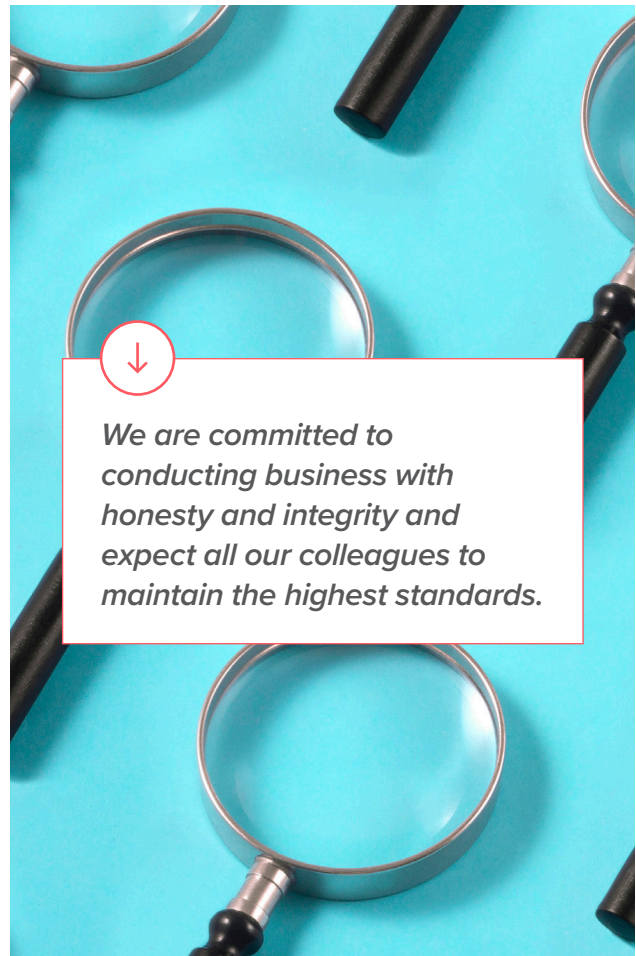
Operational Group

Our Partnership Board has delegated responsibility for the day-to-day management of the business and implementation of strategy to our Operational Group, which comprises our Managing Partner, our four Divisional Directors and our Management Services Directors (Finance, IT and HR).

Risk management

Our Risk Committee oversees the firm's risk and compliance function with the aim of ensuring we effectively identify, evaluate and manage risk. Our ongoing risk management training programme includes the following:

- induction training for all new joiners;
- ongoing online compliance training via VinciWorks (including anti-money laundering, anti-bribery, information security and data protection training);
- a mandatory Core Skills Training Programme for junior solicitors; and
- extensive legal and skills training programmes across the firm.



Our Risk and Compliance Manual sets out our mandatory risk and compliance policies, which are subject to a formal annual review (and on an ad-hoc basis, as required), and is available to all colleagues on our intranet. The manual is designed to ensure all colleagues:

- comply with relevant legislation and regulatory obligations;
- deliver the highest standards of service to our clients;
- promote consistency of approach across different divisions and offices;
- mitigate the risk of complaints and claims; and
- identify and manage other risks faced by our business.

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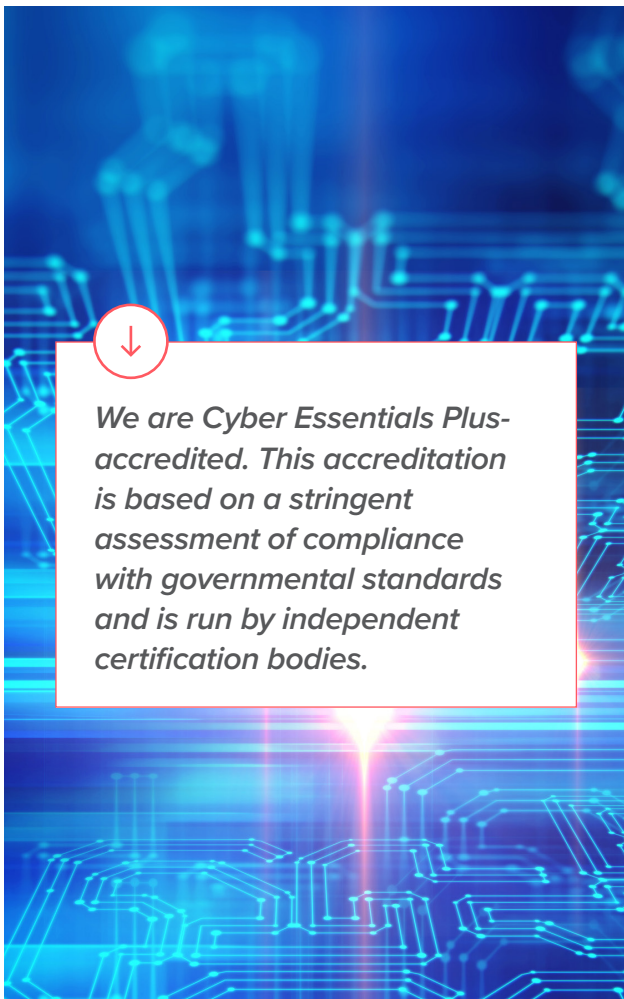
Governance

Cyber risks

Our IT Director is responsible for the management of information security/cyber risk. We are [Cyber Essentials Plus](#)-accredited. This accreditation is based on a stringent assessment of compliance with governmental standards and is run by independent certification bodies.

Whistleblowing

Our whistleblowing policy encourages colleagues to report suspected wrongdoing as soon as possible, in the knowledge that their concerns will be taken seriously and investigated as appropriate, and that their confidentiality will be respected. We provide our colleagues with guidance as to how to raise those concerns and reassure them that they can raise genuine concerns in good faith without fear of reprisals, even if they turn out to be mistaken.



Anti-money laundering

We follow strict policies to prevent money laundering and require colleagues to report any suspicious activity to our designated Money Laundering Reporting Officer.

We comply with the requirements of the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, the Terrorism Act 2000 and the Proceeds of Crime Act 2002 by implementing and maintaining the following policies, controls and procedures:

- risk management practices;
- internal controls;
- client due diligence;
- reliance and record keeping; and
- monitoring and managing compliance with, and the internal communications of, such policies, controls and procedures.

In addition, where appropriate, we comply with guidance issued by the Legal Sector Affinity Group (comprising anti-money laundering supervisors for the legal sector) and approved by HM Treasury.

All partners and relevant colleagues are:

- made aware of the law relating to money laundering and terrorist financing and related requirements; and
- regularly given training in how to recognise and deal with transactions and other activities or situations which may be related to money laundering or terrorist financing.

Anti-bribery

As part of our commitment to upholding the highest legal and ethical standards in all our business activities, we require all colleagues to comply with bribery laws and best practice in combating corruption in all the countries and business areas in which Shepherd and Wedderburn operates. This

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Governance

includes ensuring compliance with the Bribery Act 2010 through our robust anti-bribery policy, which covers bribes, facilitation payments, payments to public officials, political donations, gifts and corporate hospitality, sponsorship, procurement and all other inducements.

Modern slavery and human trafficking

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or

commercial gain. Shepherd and Wedderburn has a zero-tolerance approach to modern slavery and we are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We are also committed to ensuring there is transparency in our own business and in our approach to tackling modern slavery throughout our supply chains, consistent with disclosure obligations under the Modern Slavery Act 2015. We expect the same high standards from all our contractors, suppliers and other business partners.

A MESSAGE FROM OUR MANAGING PARTNER

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“I hope our ESG Statement has given you a flavour of some of the many policies and initiatives we have implemented to ensure our business is as diverse, inclusive, sustainable and robustly governed as it can be. Our ESG Statement has at its heart our clients, our people and the communities in which we live and work. It reflects how we believe we should operate as a business and best support our clients, underpinned by the working values to which my colleagues and I subscribe. ESG considerations are

fundamental to our strategy and progress as a business and we will continue to review our policies and initiatives through that prism to ensure we reflect the evolving expectations of our people and clients.”



Andrew Blain
Managing Partner,
Shepherd and Wedderburn



SHEPHERD+ WEDDERBURN
