Corporate Social Responsibility Report 2018

Building a culture of integrity and responsibility

Mexico
Message from our Managing Partner

In Mexico, we have developed business strategies to work hand in hand with our talent, promote a culture of diversity and inclusion, form alliances with clients, participate with non profit organizations and institutions, and implement initiatives for the benefit of the environment. Being a socially responsible organization generates a commitment to act according to our values as a Firm for the benefit of our stakeholders.

Through this first Corporate Social Responsibility (CSR) report we would like to share the actions we implemented, as well as the plans we have as an organization to continue to contribute to the welfare of our stakeholders; always thanking those who have supported us on this path. The achievements obtained reflect the commitment to build the foundations of a comprehensive and responsible culture in order to support the strengthening of communities, care for the environment, and economic development.

This is an executive summary of our report, we invite you to consult the full document on our website so that you have a much broader view of our results.

Sincerely,
Raymundo E. Enríquez
About this report

- It is made with reference to the Global Reporting Initiative methodology in its GRI Standards version.

- The period of this report goes from July 1st, 2017 to June 30th, 2018 as our fiscal years (FY) begin in July and end in June.

- It exhibits our commitment to the Ten Principles of the Global Compact (UNGC), of which we are signatories since 2015.

- The initiatives and results presented also show our contribution to the UN Sustainable Development Goals (SDG).

Our Firm

We are a global law firm with presence in 47 countries and we have a wide range of legal areas of practice. In Mexico, we have five offices located in: Mexico City, Tijuana, Juárez, Monterrey and Guadalajara.

Services

We provide advice to our clients through a highly specialized team of lawyers, accountants and economists focused on a variety of legal services.

Our range of expertise is broad and covers topics grouped in the following practices:

- Environmental and Climate Change
- Tax
- Banking and Finance
- Real Estate and Infrastructure
- International Commercial and Trade
- Employment and compensations
- Antitrust
- Intellectual Property and Information Technology
- Dispute Resolution
- Corporate / Mergers and Acquisitions

Our culture of integrity and responsibility

At Baker McKenzie, we work every day to create specific programs that help us develop a culture of integrity and responsibility. During FY18 we formalized the foundation of two business services departments: Compliance and Corporate Social Responsibility.

The actions carried out during FY18, led us to be recognized by the Mexican business magazine Expansión, as one of the Empresas Responsables (Responsible Companies) 2018, whose list includes companies and organizations with outstanding CSR practices.
i. Corporate Social Responsibility

Our goal is to assume a commitment of improvement in matters that concern the common good regarding economic, social and environmental scopes. Our CSR strategy is supported by a specialized department and a Committee comprised by three pillars that represent the specific topics that define it.

Diversity and Inclusion
Pro Bono and Community Service
Sustainability

ii. Compliance

Its goal is to ensure that all members of the Firm carry out their activities with integrity to comply with their legal and ethical duties. For this reason, our services are carried out in strict adherence to our business model of integrity and responsibility.

At Baker McKenzie, Compliance is visualized as an umbrella within which there are seven essential pillars that ensure the implementation of the program with the purpose that the Firm complies with internal and external regulations, as well as to be in line with the global tendencies. These pillars are: leadership, risk, policies, controls, communication, training and monitoring.

Likewise, Compliance is composed of different programs about risk mitigation, culture of compliance and legal matters, and each one includes a wide variety of initiatives. In addition to the programs, we are regulated by two essential documents: the Code of Business Conduct and the Attorney Manual Guide.

In the following graphic, you can see the strategy and components of our Compliance Program.
Talent Management

Our people is our most valuable asset; we care about their personal and professional development. Some of our top programs:

a) Integral Development Plan (IDP). It’s comprised of five enablers; promotion for merits, compensation, performance evaluation, learning and development and mentoring.

b) Learning and Development. It consists of different training sessions, courses and consultation materials at a local, regional and global level that help our talent to continue developing their skills and knowledge.

c) Summer Internship Program. Around 25 students from different universities spend two months practicing Law, accompanied by mentors and experts in different practices. In this period, we hired 21% of our Summer Interns.

d) Mobility Programs. As a global firm, we offer our lawyers the opportunity to have a temporary international experience in one of our offices. This year, 5% of our Interns and Associates participated in a mobility program.

e) Scholarship Program. We offer a scholarship program to carry out masters and postgraduate studies abroad each year. During this period, three scholarships were granted. In the last five years, 28 people have benefited from the program.

Diversity and Inclusion

We are working to reinforce an inclusive culture within the Firm through a number of programs and initiatives; during FY18 we decided to focus on two scopes: Gender and LGBT +

I. Gender

To promote a culture of gender equality we undertook the following initiatives:

a) Parental Leave. In 2007 we launched the Productive Permanence Plan, which grants a maternity leave period longer than what is mandatory by law, flexible working schemes, as well as a progressive return to their professional activities. In FY18, 16% of the female Associates participated in this plan.

The program will be renewed in such a way that this policy will be extended to all members of the Firm (regardless of their marital status, sexual preference or gender identity) and will include adoption processes.

b) LIFT Program (Leaders Investing For Tomorrow). Sponsorship initiative for high potential women at Baker McKenzie designed to support key talent to progress to senior roles. During 2018, one of our female partners in Mexico participated as sponsee in the first generation of the program, which gathered 23 female partners from Firm offices around the globe.

c) Women @ Baker McKenzie. In May 2018 we organized the first edition of the event, which was addressed to our female Associates, Partners, and leaders nationwide, to learn more about gender equity, share points of view, create support networks, acquire knowledge and develop skills.
**d) B-Women Workshop.** Skills development program for women Associates, which consists of four key workshops. In this period, Instituto de Liderazgo Simone de Beauvoir (Simone de Beauvoir Leadership Institute) was in charge of the opening session for the first generation of Associates of the program, covering different styles of leadership in business.

**e) Participation with Abogadas MX.** As every year, we were sponsors of the annual workshop of Abogadas MX 2017, under the subject of Resilience and Leadership, 12 women of the Firm participated in the event. In addition 2 of our Associates participated in their Mentoring Program.

**f) Forbes event “Mujeres Poderosas 2018”.** For the second year in a row, we were invited by Forbes to participate in its annual event in Mexico City, “Powerful Women”. Anna Brown, our Global Director of D&I, gave a lecture on the imperative nature of diversity and inclusion in doing business.

### II. LGBT+ Inclusion

We are not neutral. Our goal is to ensure the safety and respect towards all our members, maximizing integration in the work spaces and eliminating discrimination in any of its expressions. In that regards, we implemented actions such as:

**a) Medical Insurance.** The medical insurance cover applies equally to same-sex partners, irrespective of their sexual orientation or marital status.

**b) Pride Connection Mexico.** As of January 2018, we are members of Pride Connection Mexico, a network of organizations that gather to share and encourage best practices that generate an inclusive work culture for the LGBT+ community.

**c) LGBT+ Pride March:** with the hashtag “We are not neutral” and being the only law firm there, in June 2018 we participated for the first time in the Pride March in Mexico City. We publicly expressed our complete support of the LGBT+ community reaffirming our position against any act of discrimination for reasons of identity, orientation or sexual preference.

### First outcomes

**Best Place to Work for the LGBT+ Community**

We obtained the “Best Place to Work for LGBT Equality” certification by participating in the survey Equidad MX by Human Rights Campaign Foundation (HRC), which evaluates the inclusive policies and practices for LGBT+ people in their workplaces.
Sustainability

We are aware of the impact that the Firm’s operation generates on the environment, which is why we are committed to take measures to reduce our carbon footprint through policies, programs, and initiatives to encourage a culture of sustainability.

I. B-Green

B-Green is the Firm’s program that was launched by the Global Sustainability Committee in 2017 with the purpose of helping the offices integrate sustainability in their operations and everyday business practices. The program consists in:

a) Measuring our carbon footprint. In FY17 we made the first measurement in order to obtain a baseline, we did this in relation to the emissions generated by three concepts:

- **Energy**: energy consumption.
- **Paper**: reams of paper purchased in each office monthly, reporting its characteristics.
- **Business Travel**: carried out by the members in Mexico with the purpose of obtaining the kilometers traveled.

### Total Emissions

<table>
<thead>
<tr>
<th>FY17 (base year)</th>
<th>FY18</th>
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<tbody>
<tr>
<td></td>
<td>1,875</td>
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<tr>
<td>FY18</td>
<td>1,808</td>
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b) Strategy development by modules. During FY18, we worked on two modules Paper Smart and Carbon Smart.

- **Paper Smart.** Aims to address the issue through optimal management of paper use, and increase recycle of paper waste. Some of the actions of this period were:

  - **Duplex Printing.** Double-sided printing by default in all of the printers in Mexico.
  - **Use of sustainable paper.** We changed the paper for a recycled option representing 6% of the letter sized reams in the FY18.
  - **Printing Management and Paperless.** We launched a first campaign to reduce printing where we shared some tips to print less.

As a result, we reduced the amount of paper in 9.72% for letter size and 9.98% for legal size, we recycled 3,377 kg of paper which represents 17% of the total amount of paper purchased and 6% of paper reams had post-consumer recycled content.
**Carbon Smart**

**Energy.** In FY18, some of the activities that we implemented to reduce emissions were:

- Reduction of office spaces.
- Use of printing equipment with energy efficiency labels.
- Use of telephones and monitors with energy saving labels.
- Programming our computer and printing equipment to be on stand by mode.
- Use of energy efficiency lighting in some offices.

Thanks to these initiatives and the effort of our members, the emissions in FY18 were 606 tons of CO2 in comparison to 670 tons in FY17, which represents a reduction of 9%.

**Carbon offsets.** In alliance with MéxiCO2 —the platform of environmental markets of the Mexican Stock Exchange —, we participated in a project to neutralize the emissions caused by the year-end events, we purchased carbon offsets to support a forestry project in Chiapas, Nayarit and Tabasco, managing to neutralize seven tons total.

**II. Other initiatives**

a) **Earth Day:** we generated a global alliance with Plastic Oceans Foundation to carry out a screening of the documentary "A Plastic Ocean," in order to raise awareness with our members about the issue of ocean pollution due to plastic consumption.

b) **Installation of water dispensers:** we increased the number of water dispensers in the offices with the goal of substantially reducing the consumption of PET bottles in the Firm in Mexico. Thanks to this practice, we went from purchasing 115,200 bottles a year to 28,800 which represented a decrease of 75%.

**Pro Bono and Community Service**

We designed a structure aligned with what exists globally to develop two major programs: Pro Bono and Community Service.

I. **Pro Bono**

Consists in providing free legal advice and training services to vulnerable groups, non-profit organizations and startups. From its creation, more than 70 Pro Bono matters have been authorized in the program.

The program’s main achievements during this period were

- More than 1,000 pro bono hours worked, which represented an increase of 100% compared to 500 hours in the previous period.
- The number of participants in the program increased 27% from 75 to 95 between the FY17 and FY18.
- The number of cases in FY18 was 18 compared to 10 in FY17 a 30% increase.

Based on the actions implemented in both modules —Paper Smart and Carbon Smart— we managed to reduce our carbon footprint 3.5% nationwide.
The investment of pro bono work hours during this period represented more than 300k USD due to the time our attorneys provided.

As of this year, we are subscribers of the Pro Bono Declaration of the Americas, which is driven by the Cyrus R. Vance Center for International Justice in New York.

Likewise, we participated as reviewers of the Pro Bono Standards in Mexico created by the Centro Mexicano Pro Bono A.C., Fundación Appleseed México A.C. and Fundación Barra Mexicana A.C.

During FY18 we collaborated on 18 Pro Bono cases among which we can highlight: consults on incorporating organizations, register as authorized grantor organizations, review labor contracts, consult on data privacy and trademark protection, among others.

II. Community Service

Our mission is to promote, organize, sponsor and participate in activities such as donations, volunteering, fundraisers, as well as events that provide collaboration opportunities for all the Firm’s members, regardless of their area of expertise and the responsibility level they have at Baker McKenzie, in order to contribute to the welfare of the communities in which we live in.

a) Volunteering

- Home building in alliance with Construyendo: in April 2018, we carried out a volunteering program in the State of Mexico to build two houses for families affected by the September 2017 earthquakes. 42 volunteers participated in this activity.

- Community Service Day 2018: In June 2018, 10 members of this practice visited a hospital in Mexico City, where they shared and played with kids with cancer.

b) Collections.

Annual collection program in each of our offices, which includes an activity in December and others throughout the year to support emergency situations, or to contribute to the organizations with whom we collaborate. Since the Committee’s creation we’ve done more than 50 collection activities.

c) Fundraisers and donation events. Throughout the year, we contributed with around 30k USD that were destined to a number of social projects such as:

- Donations post-earquake
- Baker McKenzie Race
- Construyendo Project
- Charity golf tournaments
Final thoughts

With the first edition of this report, we reaffirm our commitment to communicate to our stakeholders the actions we undertake in terms of integrity and responsibility.

Thank you to all those who have made these results possible, working together is the best way to generate a positive impact in our world.
Baker McKenzie has been global since inception. Being global is part of our DNA.

Our difference is the way we think, work and behave – we combine an instinctively global perspective with a genuinely multicultural approach, enabled by collaborative relationships and yielding practical, innovative advice. Serving our clients with more than 6,000 lawyers in over 46 countries, we have a deep understanding of the culture of business the world over and are able to bring the talent and experience needed to navigate complexity across practices and borders with ease.

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