

CASE STUDY

HERBERT SMITH FREEHILLS

Our **10 CEO Commitments on Diversity** have been a flagship Real Estate Balance policy for more than five years.

Setting out 10 inclusive actions that each member CEO agrees to take on diversity, the Commitments are designed to be interpreted and implemented by our member organisations in ways that are most appropriate for them.

We know our members are all at different stages in their journey with the Commitments, so we wanted to showcase some of the fantastic work already taking place and inspire and encourage others to find new and creative ways of engaging with them.

Here, we look at Commitment number eight. **Herbert Smith Freehills**, a leading international law firm, shares insight into the steps they have taken to implement change.



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REAL
ESTATE
BALANCE

Commitment 8

Consider actions to influence your supply chain.

10 CEO
Commitments
on Diversity

Herbert Smith Freehills

How did you implement this commitment?

Herbert Smith Freehills LLP's global procurement team has taken a range of actions – and established a set of targets – to increase diversity in our supply chain and businesses and social enterprises owned by Black, First Nations, Asian and minority ethnic people.

In the months since we launched the 10 Actions for Change (HSF's global set of commitments aimed at improving the representation, and experience, of Black, First Nations, Asian and minority ethnic colleagues throughout our firm), the procurement team has worked with ethnic minority owned businesses (EMBs) in the UK, Australia, New York and Johannesburg – and has been reviewing a new procurement platform that will direct more of the firm's spend towards ethnically diverse suppliers in the UK. The platform is similar to one that our Australian offices use to improve spending with Aboriginal and Torres Strait Islander suppliers.

“Our aim is to ensure our supply chain is representative of the communities we work in,” says Procurement Operations Manager Naly Rasendra, who leads the work alongside the firm's Diversity & Inclusion team.

“This is one of the most effective ways an organisation can show allyship with minority communities and address racial inequities in society. And having an inclusive supply chain not only creates opportunities for minority communities – it also brings innovation and value to the firm.”

The procurement team has committed to:

- increasing HSF's third-party spend with diverse suppliers – defined as businesses where at least 51% of the ownership or control is held by one or more minority people;
- increasing the support provided to businesses and social enterprises owned by Black, First Nations, Asian and minority ethnic people;
- sharing news and testimonials from suppliers to raise awareness and exchange ideas for expanding diversity in our supplier networks; and
- encouraging our strategic suppliers to demonstrate what they are doing to encourage diversity in their own supply chain.

Underpinning this work is the firm's membership of Supply Nation, a non-profit organisation that aims to expand the Aboriginal and Torres Strait Islander business sector through promotion of supplier diversity in Australia, and Minority Supplier Development UK (MSDUK), the UK's leading non-profit membership organisation for inclusive procurement.

The Procurement team is looking to build on the foundations of the 10 Actions for Change to contribute more to our communities.

What changes did you see in your organisation as a result? What were the outcomes?

Whilst we are still in the early stages of this initiative so far the program has helped us:

- increase our spend with EMBs;
- understand some of the constraints in selected territories where we operate (EMEA and Asia);
- better understand the wide range of products and services available on the market that diverse

suppliers could provide us with (through access to a list of suppliers capable of providing services aligned with the HSF categories of spend);

- have a better understanding of our own supply base – where we already spend with EMBs and where we could support further EMBs (existing spend vs potential additional spend);
- engage with organisations such as MSDUK and Supply Nation to gain access to a network of businesses and social enterprises owned by Black, First Nations, Asian and minority ethnic people and learn from other organisations that have started their journey to a more diverse supply chain earlier than us; and
- open the discussion internally and externally on diversity in the supply chain so that EMBs are given more opportunities for business.

Following the successful launch of this initiative we are now actively looking to expand our commitment to include other categories of diverse suppliers such as Disability-Owned Business Enterprise, Lesbian, Gay, Bisexual and Transgender Business Enterprise, Services-Disabled Veteran-Owned Business, Women's Business Enterprise and Social Enterprise Businesses (who reinvest 50% or more of their profits in a social or environmental mission).

How did you measure this?

We are able to analyse our spend with third parties and can track EMB spend in the UK, Australia, South Africa and US as there are established accreditation bodies. These bodies are able to help us to identify EMBs.