



CLIFFE DEKKER HOFMEYR INC.  
**UNITED NATIONS GLOBAL COMPACT 'COMMUNICATION ON PROGRESS'**

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Cliffe Dekker Hofmeyr reiterates our commitment as expressed in our letter of 16 September 2011 to support the 10 principles of the Global Compact with respect to human rights, labour, the environment and anti-corruption.

## I. STATEMENT OF CONTINUED SUPPORT BY THE CHIEF EXECUTIVE OFFICER

This is Cliffe Dekker Hofmeyr's (CDH) first Communication on Progress (COP) which describes our firm's efforts to implement the 10 principles. We recognise this COP as a key requirement for participation in the Global Compact.

### OUR FIRM AND BUSINESS PHILOSOPHY

At CDH we believe in partnerships. The partnerships we cherish and value most are those we have forged through time and experience with our clients and our people.

We are passionate about our commitment to providing a high degree of client care and relationship management. We make it our priority to get to know our clients so we can understand their business and management needs, then act accordingly. In this way, we are able to support the strategic and operational needs of our clients by offering high quality legal advice across the full range of legal services tailored to their needs.

We have the depth of skills to respond to a client's business operations locally and anywhere in the world.

We strive to provide a meaningful service and advice that produces results. Our approach is to give commercial and pragmatic advice, and enjoy a good rapport with our clients.



Brent Williams, Chief Executive Officer,  
Cliffe Dekker Hofmeyr Inc

CDH has adopted a Corporate Social Investment Policy, a Pro Bono Policy, and a Human Rights Statement. CDH has also established a Social and Ethics Committee in terms of the Companies Act, No. 71 of 2008 (The Companies Act).

## 2. HUMAN RIGHTS PRINCIPLES

### HUMAN RIGHTS STATEMENT

Our Human Rights Statement reflects the following principles and commitment:

- We are cognisant of the social context within which we operate as a law firm, and we are committed to respecting the rights entrenched in the Constitution of the Republic of South Africa, and in particular the Bill of Rights.
- We confirm that we support upholding the rights entrenched in the United Nations Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights, the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the core conventions of the International Labour Organisation (ILO).

- We confirm our commitment to respecting the ten principles of the United Nations Global Compact.
- We communicate our commitments as set out in this Human Rights Statement to our clients, employees and other stakeholders.

Regarding the implementation of the Human Rights Statement, all employees are requested to bring matters which fall within the mandate of the Social and Ethics Committee to the attention of the members of the Committee. This process is further discussed herein with particular reference to the establishment and mandate of the Committee. Our grievance policy and procedures also allow employees to raise any dissatisfaction with individuals or processes. This is discussed further in the section dealing with Labour Principles.

## PRO BONO POLICY

Our pro bono policy reflects CDH's commitment to facilitating access to justice for the underprivileged and disadvantaged, providing legal services to vulnerable groups, non-governmental or non-profit organisations and to promoting the Bill of Rights. Pro bono services include the provision of advice, opinions or assistance in matters falling within the professional competence of an attorney to facilitate access to justice for those who cannot afford to pay for legal services.

The policy provides that:

- The firm has adopted and maintains a pro bono policy independent of any legislation or regulation requiring mandatory pro bono work.
  - The firm is committed to the involvement of its practitioners and staff members in pro bono work.
  - All practising members who are less than 60 (sixty) years of age perform a minimum of 24 (twenty four) hours of pro bono services per calendar year. Non-compliance with this obligation is considered unprofessional conduct by the law societies.
  - All CDH practitioners and staff members within CDH acknowledge that they have a role to play in assisting and supporting the firm in fulfilling these commitments.
  - In 2011 the firm established a Pro Bono and Human Rights department staffed by attorneys who are committed to providing pro bono legal services.
- The firm reports annually on its pro bono legal services to the Law Society of the Northern Provinces and the Cape Law Society. During the past financial year, the firm donated more than R8 million in pro bono legal services to individuals and worthy causes. In 2012 CDH was given the Cheetah Award by the Endangered Wildlife Trust for its pro bono legal services which have made a significant contribution to achieving their vision of "a healthy planet and an equitable world that values and sustains the diversity of all life."

## CORPORATE SOCIAL INVESTMENT POLICY

CDH is committed to discharging its corporate social investment obligations.

The policy provides that:

- The firm has adopted and maintains a corporate social investment (CSI) policy independent of any legislation or regulation requiring mandatory community service or the like.
- The firm is committed to the involvement of its practitioners and staff members in community projects and development.
- All CDH practitioners and staff members acknowledge that they have a role to play in assisting and supporting the firm in fulfilling these commitments.

The policy describes the role of the Social and Ethics Committee with regard to CSI, namely that it will:

- Identify those organisations which will be assisted through the firm's CSI programme either through donations and/or through practitioners' and staff members' participation.
- Encourage all practitioners and staff members to participate in community projects and social initiatives.
- In collaboration with the marketing department, facilitate practitioners' and staff members' participation in, and access to, community and social projects.
- Monitor and evaluate practitioners', staff members' and the firm's CSI and commitments.

The firm maintains an annual register of its charitable giving. Our staff are actively involved with our two core charities namely the Bulelani Creche (Cape Town) and the Come Together Children's Haven (Sebokeng).



## SOCIAL AND ETHICS COMMITTEE

CDH's Social and Ethics Committee's functions include:

- Monitoring CDH activities with regards to social and economic development which includes the 10 (ten) principles of the Global Compact, the Organisation for Economic Co-operation and Development (OECD) recommendations regarding corruption, employment equity, broad based black economic empowerment and good corporate citizenship.
- The latter would include CDH's:
  - Promotion of equality, prevention of unfair discrimination and reduction of corruption.
  - Record of sponsorship, donations and charitable giving.
  - Environmental, health and public safety of its services.
  - Consumer relationships and its compliance in terms of labour and employment regulations.

Furthermore, the Social and Ethics Committee is required to bring matters within its mandate to the attention of the board as the occasion requires, and to report through one of its members to the shareholders of the company's annual general meeting on those matters which fall within its mandate. CDH's Social and Ethics Committee reported accordingly at the meeting of 27 May 2013. Information regarding the Committee, its members and its mandate has been shared with all employees. Employees were also requested to bring any matters falling within the mandate of the Committee to the attention of the members thereof.

### 3. LABOUR PRINCIPLES

#### ASSESSMENT, POLICY AND GOALS

ILO Conventions have been adopted by the South African Parliament and subsequently enacted in domestic law. As a firm we are both within the letter of domestic legislation and we further live the spirit of the intent of such legislation. As an example, we are fully compliant with all employment equity related legislation and are firmly focussed on maintaining our industry leader position in equity outcomes, through mechanisms such as our Transformation Committee (Exco level) our Employment Equity (EE) Committee (all levels of employees) and our Transformation Policy.

#### IMPLEMENTATION

We have a team of Human Resources (HR) professionals who ensure that the principles of our labour legislation are always upheld. The HR, Management and EE Committee regularly review our labour policies and procedures to ensure that they are aligned to legislation. Our grievance policy and procedures allow employees to raise any dissatisfaction with individuals or processes. We have started training on awareness of sexual harassment, and will roll this out to all staff members within the next few months. We have posters displayed across the firm with the Basic Conditions of Employment Act, the Labour Relations Act, the Employment Equity Act, and Occupational Health and Safety provisions in all pause areas, and in a variety of languages.



## MEASUREMENT OF OUTCOMES – EE STATS

Internally, we manage labour violations through our disciplinary and grievance procedures. We are pleased to confirm that the firm has had no disputes in the Commission for Conciliation, Mediation and Arbitration since Cliffe Dekker Hofmeyr Inc was formed in 2008, or at the Labour Court. CDH has not had any complaints lodged against it in terms of the Promotion of Equality and Prevention

of Unfair Discrimination Act. During the last year, we have reviewed and updated the following labour policies: sexual harassment, whistle blowing, leave, study loans and bursaries, disciplinary and grievance procedures amongst others. CDH also reports annually to the Department of Labour regarding its employment equity, as well as to the law societies on an on-going basis.



## 4. ENVIRONMENT PRINCIPLES

### RELEVANCE OF ENVIRONMENTAL PROTECTION FOR CDH

The legal sector has a relatively small environmental footprint. However CDH acknowledges that it has a responsibility to ensure its environmental impacts are minimised. The greatest impact we can have on environmental sustainability is using our expertise in providing legal advice to our clients to help them understand and comply with environmental legislation and implement environmentally sound management, so as to respond to the environmental challenges facing the world.

### CDH'S ENVIRONMENTAL POLICY

At CDH we recognise the critical importance natural resources have on economic growth and sustainable development. We continually strive to reduce our environmental impact in all areas of our business and we contribute to projects that support positive environmental outcomes. To achieve this, we are implementing an environmental management system informed by DLA Piper's environmental policy internationally.

We presently focus our commitment to operate in a responsible way in areas including:

- Reduction and efficient use of water, energy and paper.
- Reduction, re-use and recycling of waste.
- Creating environmental awareness among staff, clients and business partners.
- Providing pro bono legal support to non-profit organisations (NPOs) and non-governmental organisations (NGOs) and working with companies and local communities to implement projects aimed at fostering environmental sustainability.
- Furnishing environmental legal services to clients.

## IMPLEMENTATION

### Reduction and efficient use of water and energy

The design of CDH's Johannesburg Office ensures the efficient use of water and energy. Solar panels on the roof generate hot water and evaporative cooling in the atrium controls the air temperature. The glass used extensively on the Office facades is a low e-glass, which emits low levels of radiant energy. The top basement levels are designed to allow for natural ventilation and the Office windows are designed to allow as much light in as possible. Double-glazing on vision panels and roof insulation allows for the conservation of natural energy.

Electrical energy consumption is reduced at the Johannesburg Office through movement sensors and timers for lighting systems and the installation of new energy efficient PCs and laptops.

### Reduction, re-use and recycling of waste

We are committed to reducing paper use and recycling paper, plastics and other waste. CDH has appointed an accredited recycling company at its Johannesburg and Cape Town Offices. As with most law firms, paper constitutes the bulk of CDH's waste stream. During 2012, 21,581kgs of paper was recycled, which equates to a saving of 220 trees and 583,990 litres of water for the equivalent amount to produce 'new' paper.

An employee of the recycling company is based permanently at the Johannesburg Office to separate waste streams for recycling purposes. In addition, recycling boxes are present in prominent positions in both the Cape Town and Johannesburg Offices.

## PROVIDING PRO BONO LEGAL SUPPORT TO NPOS AND NGOS AND WORKING WITH COMPANIES AND LOCAL COMMUNITIES TO IMPLEMENT PROJECTS AIMED AT FOSTERING ENVIRONMENTAL SUSTAINABILITY

### Delta Environmental Centre

Our Pro Bono and Human Rights practice is working with the Delta Environmental Centre (a private NPO) to find sustainable solutions to the Centre's legal needs. The Centre provides training and education programmes that promote the sustainable use and management of resources to enable people to improve the quality of their environment.

### Endangered Wildlife Trust

In 2012 CDH was given the Cheetah Award by the Endangered Wildlife Trust for its pro bono legal services.

### Clean-up campaign in Alexandra

Young Minds is an association of CDH's junior professionals that seek, amongst other activities, to advance CDH's corporate social responsibility objectives. The professionals are collaborating with two community based NPOs - Junior Chamber International Sandton (JCI Sandton) and the Greater Alexandra Chamber of Commerce and Industries (Galxcoc) - who have launched a clean-up campaign in Alexandra, Johannesburg. The campaign has identified various streets within Alexandra that need improvement. On 29 June 2013 Young Minds together with the two NPOs will clean the allocated streets in Alexandra and thereby further promote a clean environment that is aligned with the

United Nations Millennium Development Goals. Alexandra was chosen for this upliftment initiative as it is characterised by extreme poverty and unemployment. The overall goal of Young Minds is to make a positive impact in Alexandra and encourage the residents to sustain the clean-up activities.

### Rhino Action Group Effort

The rhino poaching epidemic in South Africa is presently regarded as an environmental crisis. The Rhino Action Group Effort (RAGE) is an organisation set up to assist in the fight against illegal rhino poaching. CDH has donated R200 000 to this organisation, as part of its commitment to environmental protection.

## **CREATING ENVIRONMENTAL AWARENESS AMONG STAFF, CLIENTS AND BUSINESS PARTNERS**

CDH has recently implemented an environmental awareness campaign. Weekly environmental friendly tips are posted on CDH's intranet. Regular environmental seminars are planned, to create awareness amongst employees on challenges facing the environment and steps that can be taken to reduce environmental impacts.

The Environmental Law practice regularly provides seminars to other departments, candidate attorneys and clients on various aspects of environmental law. It also frequently publishes articles on developments in environmental law and environmental rights in Africa, aimed at increasing awareness amongst its clients and the general public.

## **FURNISHING ENVIRONMENTAL LEGAL SERVICES TO CLIENTS**

CDH represents several clients with significant environmental impacts due to the nature of their operations, such as mining, industry and coal power generation. Through our Environmental Law practice we advise our clients on all environmental aspects of their business, from climate change, carbon trading and regulation to environmental compliance and strategic environmental planning.

In conjunction with our Projects and Infrastructure and Energy practice, it is also currently acting for over half of the project bidders or lenders for South Africa's multi-billion dollar independent Power Producer Procurement Programme. On completion it is expected to be the leading renewable energy programme in the world and aims to generate 42% of all new electricity from renewable energy sources in the next 20 years using solar, wind, hydro, biomass and biogas projects.



## TRAVEL

Our virtual meeting technology, installed in both our Cape Town and Johannesburg Offices provides an effective alternative to travel and is increasingly used.

## ASSESSMENT OF THE ENVIRONMENTAL FOOTPRINT AND IMPACT OF CDH

To integrate principles 7, 8 and 9 into our strategies and operations means understanding and managing our own environmental impact. Due to CDH's commitment to reduce its environmental impact and conduct its business in a responsible manner it instructed an independent expert, Carbon Neutral Group to compile a carbon footprint of its operations. The carbon footprint is attached. The footprint concluded the following:

- CDH was responsible for generating 5,694.3 tons of CO<sub>2</sub>eq during 2012/2013. The emissions per employee are 9.6 tons.
- CDH's 'per capita' footprint of 9.6tCO<sub>2</sub>eq /fte is just above the South African average of 9.5tCO<sub>2</sub>eq. However the SA average has been increasing steadily over the last few years (an increase of 45% since 1992). CDH's per capita emissions are higher than the World average (4.6tCO<sub>2</sub>eq) and the European average (7.2tCO<sub>3</sub>eq).
- Electricity use comprises the largest portion of the footprint with 54% or 3068.7tons. The electricity use between the two Offices is highly uneven: Sandton generated 1,163tCO<sub>2</sub>eq, or 2.73tCO<sub>2</sub>eq /fte and Cape Town is responsible for 1,891tCO<sub>2</sub>eq or 11.46tCO<sub>2</sub>eq /fte. This could be due not only to the fact that the Sandton Office is a 'green' building but that the Cape Town Office seems to be energy inefficient.
- Air travel comprises the second highest portion with 37% or 2133 tons of CO<sub>2</sub>eq. This is disproportionately high. Usually for service companies (including SA law firms) this is 15 – 25% of footprint.
- Car travel (commuting) is the third highest position with 6% or 323.3 tons of CO<sub>2</sub>eq.

## Goals

CDH is further committed to further reducing our environmental impact in the three key areas identified in the carbon footprint namely: energy, air travel and car travel.

It will consider the recommendations provided by Carbon Neutral Group and develop an appropriate strategy to reduce its carbon footprint and environmental impacts arising from its operations.

## Monitoring

CDH's Social and Ethics Committee has an environmental representative, who is a Director in the Environmental Law practice. The representative reports back on the extent and effectiveness of environmental strategies within the firm and presents proposals on further reduction/mitigation strategies to reduce CDH's environmental impact.

Through the carbon footprint's outcome and data accumulated on our waste stream, we have a measurable baseline to set annual targets and objectives, enabling us to accurately track and report our progress and determine if our strategies are effective. Management will bi-annually assess the effectiveness of strategies that have been implemented and whether they successfully reduce the negative impact in the three key areas.



As a large business law firm, Cliffe Dekker Hofmeyr functions within a framework of high legal, professional and ethical standards. As such, the firm is committed to the fight against corruption and bribery.

## 5. ANTI-CORRUPTION PRINCIPLES

Various local laws provide a framework for anti-corruption enforcement in South Africa including, for example, the following legislation:

- Prevention of Organized Crime Act, 1998
- Protected Disclosures Act, 2000
- Financial Intelligence Centre Act, 2001
- Prevention and Combating of Corrupt Activities Act, 2004
- Protection of Constitutional Democracy against Terrorist and Related Activities Act, 2004
- Companies Act, 2008

In addition, companies are required to adopt the OECD Recommendations on Combating Bribery, Bribe Solicitation and Extortion, 2011.

This legislation has a significant impact on the way we conduct business and interact with our clients. We take our obligations in this regard seriously.



## COMPLIANCE

The Financial Intelligence Centre Act, 2001 (FICA) and the Financial Intelligence Centre Amendment Act, 2008, are geared towards combatting money laundering. The firm, as a registered "accountable institution" under FICA introduced comprehensive policies and procedures in order to comply with our obligations in respect of: verifying the identity of clients, keeping records of business relationships and transactions and reporting cash transactions as well as suspicious transactions to the Financial Intelligence Centre. We have comprehensive internal rules in this regard, which are made available to all employees as part of compulsory training on our FICA policies and procedures.

In addition to local obligations, foreign legislation such as the US Foreign Corrupt Practices Act and the UK Bribery Act, 2010 as well as international treaties and conventions (i.e. the UN Convention against Corruption and the African Union Convention Against Corruption) will impact the firm and its clients. We are in the process of formalising our anti-corruption and anti-bribery programme which includes, for example:

- Awareness raising as well as additional training and information sessions on the firm's bribery prevention policies and procedures for all employees;
  - Focussed anti-bribery and anti-corruption training as part of formal career academies for professionals;
  - Training sessions and seminars for clients of the firm.
- A policy of zero-tolerance for corruption, bribery and extortion;
  - Assessment of the bribery and corruption risk;



## REGULATION

Ethical conduct remains a cornerstone of the legal profession and a fundamental part of Cliffe Dekker Hofmeyr's culture. In terms of the Attorneys Act, 1979, our attorneys are registered with the relevant provincial law societies where they practice and comply with the rules in regard to professional conduct and ethics.

## TRAINING

As part of the firm's in-house training programme, newly appointed candidate attorneys are required, in preparation for their admission examinations, to attend various training sessions on professional conduct and ethics, which includes, for example, a discussion of risk management, fraud, bribery and corruption as well as attorney-client privilege.

As part of the new practice management course for new directors which has been introduced by the Law Society of South Africa, new directors attend in-house training sessions on professional conduct, ethics and risk management.

## OTHER INITIATIVES AND POLICIES

Other initiatives and policies include, for example: client conflict checks, billing procedures and charging guidelines, tender and business development guidelines, a disclosure policy and a gifts and benefits policy.

