HERBERT SMITH FREEHILLS KRAMER

Modern slavery and human trafficking statement 2026

This statement is made on behalf of Herbert Smith Freehills Kramer LLP and its wholly owned subsidiary Exchange House Services Limited, Herbert Smith Freehills Kramer Paris LLP and Herbert Smith Freehills Kramer New York LLP.[1] It is also made on behalf of Herbert Smith Freehills Kramer, an Australian Partnership, and Exchange House Services Australia Pty Ltd as reporting entities under the Australian Modern Slavery Act 2018 (Cth). References to "we", "us", "our" or the "practice" are references to each of those six entities.

This statement is made pursuant to section 54 (1) of the UK Modern Slavery Act 2015 and sections 14 and 16 of the Australian Modern Slavery Act 2018 (Cth) with respect to the financial year ending 30 April 2026.

Our structure

Herbert Smith Freehills Kramer LLP, Herbert Smith Freehills Kramer Paris LLP, Herbert Smith Freehills Kramer New York LLP, and Herbert Smith Freehills Kramer an Australian Partnership are separate member firms of the international legal practice known as Herbert Smith Freehills Kramer, providing legal services to clients around the globe. We have 26 offices spanning across 18 countries, including the United Kingdom, Australia, the United States of America, Europe, the Middle East and Asia. Globally, we employ in excess of 6,000 people.

Exchange House Services Limited and Exchange House Services Australia Pty Ltd are separate service entities, incorporated in England & Wales and Australia respectively, which provide administrative and support services to the practice. Further details on the Herbert Smith Freehills Kramer structure can be found on our website.

Our operations

Our principal activity is the provision of commercial legal services to our clients.

We have a number of associations with other independent law firms. We have these formal agreements with Prolegis LLC (Singapore), Hiswara Bunjamin Tandjung (Indonesia) and Shanghai Kewei Law Firm (China). In the 'Our policies' section of this statement, we describe how we work with our associated firms to support them in developing policies aligned to our approach to reduce modern slavery risks.

We do not make material investments outside of funding our global operations and we do not engage in any external financing of other entities.

Our supply chain

Our work is conducted from various offices across our global network, and our supply chain predominantly comprises of goods and services procured for use in those offices enabling our people to deliver legal services to our clients. The key categories of goods and services that we procure are property space, facilities management, human resources, hospitality and catering, other professional services, and information technology. Our supply chain mapping currently extends to strategic Tier 1 and Tier 2 suppliers. We recognise the importance of understanding risks beyond our immediate supply chain and continue to work to improve visibility into the sub-contracting arrangements or our higher risk suppliers.

We have a variety of arrangements with our suppliers, which can be structured as either short-term or long-term agreements.

We adopt a risk-and business-needs-based approach to supplier engagement. For suppliers providing goods or services on an as-needed basis, we establish contracts that offer flexibility while maintaining appropriate performance oversight and renewal mechanisms. For suppliers that are critical to our operations, we develop longer-term partnerships, typically spanning 3–5 years, supported by clear pricing structures, performance expectations, and service level agreements. This approach enables us to balance operational resilience and sustainable supplier relationships.

In evaluating our overall supply chain risk, we consider several factors, such as the geographic location of the supplier and the industry they operate in. Expenditure is concentrated in the UK and Australia, reflecting the location of larger offices and the location of our operations management functions in these countries.

Risks of modern slavery in our operations and supply chain

We consider the risk of modern slavery and human trafficking existing within our operations to be low given that we are a regulated practice providing legal services to clients and primarily employ legal and business services professionals.

Despite this, we may be exposed to potential modern slavery risks in our operations through our workforce, employment relationships and business relationships with associated firms.

1. Herbert Smith Freehills Kramer New York LLP was a wholly owned subsidiary of Herbert Smith Freehills Kramer LLP until 1 June 2025. It continued to provide related services during a transitionary period until 1 May 2026.

However, given the degree of control we exercise over our operations, including our comprehensive labour and risk management systems, the nature of our services and specialist workforce, and the policies our associated firms have in place, we consider that our material risk exposures relate to our supply chain.

We have identified the highest risk areas within our supply chain as those involving the procurement of goods and services in industries where a large segment of the workforce receives low wages, where there is a prevalence of migrant or temporary labour, and where sub-contracting is common. Based on our latest risk assessment conducted in July 2025, the key risk areas identified include:

- **Office cleaning services:** cleaning is a sector with well-documented modern slavery risks due to the prevalence of low-paid, outsourced and often migrant workers, many of whom may face language barriers or insecure immigration status, increasing their vulnerability to exploitative practices such as underpayment, excessive working hours and debt bondage. These characteristics increase the potential risk of modern slavery and labour exploitation.
- **Office fit out and build:** construction and fit-out activities may present elevated risks due to the use of complex subcontracting arrangements that can reduce visibility over labour conditions. Workers engaged in manual trades are often employed on a temporary basis and may include migrant workers who can be vulnerable to exploitation, including underpayment, unsafe working conditions and restrictions on freedom of movement.

We maintain a list of offices and spend sub-categories that we consider carry the highest risk, and these are subject to ongoing monitoring and review.

Actions taken to assess and address modern slavery risks

To identify and assess modern slavery risks, we use a combination of due diligence approaches, including:

- desk-based research drawing on recognised resources;
- supplier questionnaires, which we issue to selected suppliers. These questionnaires are then independently assessed and evaluated, with follow-up conducted on any responses that raise concerns; and
- digital monitoring platforms that provide risk assessment, monitoring and collaboration tools to support responsible sourcing practices and improve visibility across our supply chain.

Our modern slavery risk mitigation and remediation measures

We take a range of steps to manage and address these risks, with a focus on our highest-risk categories:

- Placing emphasis on value, quality, and responsible practices over price alone during procurement decisions.
- Avoiding policies that promote extensive outsourcing.
- Employing a majority of our people in low-risk locations and sourcing a majority of our goods and services from suppliers in low-risk jurisdictions.
- Mandating modern slavery and human trafficking risk training for our global procurement team to ensure a comprehensive understanding of global supply market risks.
- Following up on any supplier questionnaire responses that raise concerns, working collaboratively with suppliers to mitigate risks or taking further action as appropriate.

We follow a structured three-step process for supplier risk management:

1. **Monitoring & Assessment:** we monitor and assess our suppliers using third-party risk intelligence tools and review the inherent risk associated with each office location. During the reporting period, we assessed our strategic and Tier 1 suppliers against inherent risk criteria, and issued detailed modern slavery questionnaires to suppliers representing a significant proportion of our total addressable spend in higher-risk categories.
2. **Qualification:** our procurement team and contract managers review alerts from these assessments and determine appropriate action based on the level of risk identified.
3. **Audits and Follow-Up:** we ask certain suppliers to complete an audit questionnaire specifically focused on modern slavery, and their responses are independently evaluated. During the reporting period, we issued audit questionnaires to 118 suppliers in our highest-risk categories. One supplier was identified as requiring follow-up engagement to address gaps in their policies or procedures, and corrective action plans were agreed with them. No instances of modern slavery or human trafficking were identified through this process. If concerns arise, we will investigate further and engage directly to resolve them.

Compliance and enforcement

We require our suppliers to comply with our standard services agreement, which explicitly mandates adherence to all relevant laws and regulations, including those pertaining to modern slavery. We continue to issue our Third-Party Compliance Standards to all key suppliers and new suppliers, setting clear expectations.

In the event that we discover a potential case of modern slavery within our supply chain, we will first seek to work with the supplier to investigate and implement corrective and remedial action, including appropriate training. Where appropriate, we will terminate the supplier relationship and notify relevant authorities.

Our policies

Our approach to the identification of modern slavery risks and the steps to be taken to reduce the risk of modern slavery and human trafficking in our operations is supported by a number of global policies and standards. These include:

- **Human Rights Policy:** this policy is informed by our commitments under both the United Nations Global Compact and United Nations Guiding Principles. The policy includes commitments to respect internationally recognised human rights and to take steps to encourage our clients, suppliers, sub-contractors and other business partners to observe standards similar to our own.
- **International Standards of Conduct:** these Standards set an ethical framework for decision-making and guiding principles for consistent standards of behaviour. This includes making continuous efforts to reduce the risk of modern slavery and human trafficking in our supply chain.
- **Procurement Policy:** this policy seeks to ensure we have consistency in our approach towards procuring goods and services and that our Procurement function has visibility over procurement activities.
- **Responsible Procurement Policy:** the policy emphasises our commitment to minimise negative impacts on human rights, including modern slavery, when procuring goods or services. It involves reviewing and surveying suppliers who are at high risk of modern slavery based on the services they provide or the geographical locations in which they operate.
- **Contract Management Policy:** the policy outlines specific actions and notifications for different levels of modern slavery scenarios, from unsatisfactory questionnaire responses to proven legal breaches.

- **Third Party Compliance Standards:** these complement the Responsible Procurement Policy and set out our expectations of service providers and other suppliers to the firm and to our clients (where we are involved in their engagement as an agent). They include a set of specific requirements with regards to addressing the risks of modern slavery and human trafficking.
- **Whistleblowing Policy:** the purpose of this policy is to encourage and empower people across our offices to raise concerns to us, including in relation to modern slavery issues, as soon as possible, and to feel safe in doing so.

As described in the 'Our operations' section, we have associations with three independent law firms. These firms have adopted a form of our International Standards of Conduct. We work with these firms to continue to develop their policies relating to modern slavery risks.

Our people

We are committed to complying with all applicable laws relating to the recruitment, engagement and employment of staff at Herbert Smith Freehills Kramer and its associated firms. We ensure that our people are paid at least the minimum wage in the local jurisdiction.

Occasionally, we engage recruitment providers to provide us with temporary workers. Where applicable, we ensure these providers hold a current labour hire licence prior to engaging their services. We always aim to use standard contractual controls to help protect temporary workers' human rights, including:

- recruitment providers are required to ensure that the temporary workers they supply to the firm are eligible to work in the relevant country and they hold all necessary insurances to protect their workers; and
- we require transparency in our recruitment agreements regarding agreed basic and overtime rates of pay to temporary workers.

We also undertake specific global procurement exercises to ensure that our suppliers are aligned with us in relation to modern slavery risk and workers' conditions.

In addition to the above, we work closely with visa holders to ensure any relevant visa conditions are complied with. We diligently consider and act in accordance with relevant immigration legislation in relation to any visa-related repayment clauses.

Evaluating the effectiveness of our actions

We assess the effectiveness of our actions in respect to modern slavery risks through several measures:

- **Incidents of modern slavery within our supply chain:** we are committed to capturing any reported incidents of modern slavery within Herbert Smith Freehills Kramer as well as within our supply base.
- **Training & awareness of modern slavery risks internally:** in 2026, we updated our modern slavery training, partnering with an external consultant to develop a bespoke course for our people. The interactive e learning module focuses on our commitment to protecting human rights across our operations and supply chains. Using real-world scenarios, it helps learners recognise indicators of modern slavery, identify them in workplace situations, and understand what steps to take if they have concerns about potential exploitation. The training is mandatory for roles identified through a risk assessment as involving sourcing and supplier management activities. It was rolled out in March 2026, and the completion rate as at 30 April 2026 was 87%.
- **Internal review:** we review our policies and processes with regards to modern slavery on a regular basis, and these are also subject to internal audits. The Internal Audit team undertook an audit in 2026, which involved a review of our processes and internal controls to mitigate risks related to modern slavery and human trafficking. They produced a set of findings and observations to improve our approach, which we have continued to address.

During the reporting period, we did not identify any confirmed instances of modern slavery or human trafficking within our operations or supply chain, whether through our supplier audit programme, whistleblowing channels, or any other reporting mechanism. We recognise that the absence of identified incidents does not necessarily indicate the absence of risk, and we continue to strengthen our due diligence processes to improve visibility and detection.

External engagement

We understand the importance of collaborating with other organisations and the sharing of good practice on preventing modern slavery and human trafficking risk. During the reporting period we have, for example, continued to actively participate in the activities of the Business and Human Rights Lawyers Association (of which we are a founding member firm) and the UN Global Compact Networks in the UK, Australia and Thailand.

Consultation and board approvals

This statement was prepared by our global Human Rights Working Group which consists of members of In-House Counsel, New Business & Enterprise Risk, HR, Procurement teams and ESG Practice Partners, in consultation with the reporting entities covered by this statement and the entities they own and control, prior to its formal approval by our Sustainable Business Committee, Global Executive and the entities covered by the statement.

Herbert Smith Freehills Kramer LLP Council approved this statement on behalf of the members of Herbert Smith Freehills Kramer LLP on 01 October 2026.

Herbert Smith Freehills Kramer, an Australian partnership, Board approved this statement on behalf of the Partners of Herbert Smith Freehills Kramer, an Australian partnership on 01 October 2026.

The Designated Members of Herbert Smith Freehills Kramer New York LLP approved this statement on behalf of the Members of Herbert Smith Freehills Kramer New York LLP on 13 October 2026.

Exchange House Services Australia Pty Ltd board of directors approved this statement on 19 October 2026.

Exchange House Services Limited board of directors approved this statement on 15 October 2026.

The Designated Members of Herbert Smith Freehills Kramer Paris LLP approved this statement on behalf of the Members of Herbert Smith Freehills Kramer Paris LLP on 14 October 2026.



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