



Environmental, social and governance factors

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Legal finance is a fundamental part of civic responsibility and the rule of law—and as the leading worldwide provider of legal finance, Burford is integrally linked to the delivery of commercial justice, the efficient allocation of scarce economic resources and better social outcomes. Social responsibility is at the core of Burford’s primary mission.

Litigation and arbitration serve to resolve disputes and enable the efficient allocation of costs and resources; as long as resources are scarce, their efficient allocation is essential to an economy’s productivity, jobs and national income. As New York Supreme Court Justice Eileen Bransten has stated, “litigation funding allows lawsuits to be decided on their merits, and not based on which party has deeper pockets.”

Former UK Supreme Court President Lord Neuberger has stated “litigation funding is the lifeblood of the justice system.” More specifically, he has said that “obtaining advice and representation does not merely mean that competent lawyers exist; it also must mean that their advice and representation are sensibly affordable to ordinary people and businesses: Access to justice is a practical, not a hypothetical, requirement. And if it does not exist, society will eventually start to fragment.”

Furthermore, across our business, every day, our people work to increase our commitment and practice to these principles at every level of our business—not as a reaction to changing external policies or guidelines, but because it is the right thing to do and has always made sense for us as a business matter. For instance, we hire from the best law firms, and many of these people add diversity to our organization; we hear from our team that they value the more collaborative work approach at Burford as well as the culture of inclusion and respect that we have built and which continues to evolve; and although we have yet to achieve complete headcount parity, we are fiercely proud that we have achieved significantly better gender balance than have most financial firms. Further, we do a great deal that reflects the values of our employees. One of our most prominent examples is The Equity Project, a groundbreaking initiative we have designed and implemented to improve gender and racial diversity in law by providing an economic incentive for change, first through a \$50 million pool of capital earmarked for financing commercial litigation matters by women, and, as of October 2020, through an additional \$100 million pool of capital earmarked for financing commercial litigation matters led by women and racially diverse lawyers. This is good business, as well as the right thing to do.

Lawyers are regularly at the forefront of social change, and Burford’s team is no exception. Many of our lawyers have litigated—often pro bono—some of the most significant social issues of the day and continue to be involved in such issues while at Burford. Indeed, we are a paradigm of a firm with a deep focus on responsibility by virtue of who we are, what we do and our culture.

To set some context for our corporate responsibility reporting, it must be remembered that Burford is a finance firm with a small workforce—at December 31, 2020, we employed 133 people, 60 of whom are lawyers. All our employees are

“knowledge workers.” Burford does not manufacture or produce anything tangible, and its entire physical footprint is contained in relatively small offices that house our employees and little else. The tools of our trade are words and numbers, telephones and computers.

Be that as it may, we recognize that every business has a responsibility to account for its impact on environmental, social and governance (ESG) factors. In so doing, we have relied on guidance on the integration of ESG into investor reporting and communication from a number of sources, including the United Nations-supported Principles for Responsible Investment, to which many of our investors are signatories, the influence of which has been seen in the amendments to the UK Stewardship Code.

Executive accountability for Burford’s ESG impact resides with an internal ESG committee, headed by Co-Chief Operating Officer David Perla and General Counsel and Chief Administrative Officer Mark Klein, while our Commitment Committee screens new financing opportunities with an ESG lens, identifying and taking into account relevant factors, including for instance, whether a particular investment might add to the impoverishment of poor or developing countries. Board level scrutiny of our corporate responsibility regularly occurs at Board meetings and oversight is specifically vested in the Nominating and Governance Committee.

We now review in more detail Burford’s approach through the screen of the 14 ESG themes set forth in the FTSE Russell ESG model that is aligned with the United Nations Sustainable Development Goals. As our organization and investor corporate responsibility reporting expectations evolve, Burford will continue to adapt its annual ESG review accordingly.

Environmental

Climate change

As inhabitants of the planet, Burford and its employees are deeply concerned about climate change and its accelerating impact on the world in which we all live.

While Burford has much less impact on climate change than many other companies, we nonetheless are focused on what we can do to help preserve our environment. A key initiative at Burford is to try to limit our carbon footprint. We make extensive and increasing use of videoconferencing to minimize physical travel, and when we do travel, we endeavor to do so efficiently and to combine multiple initiatives into a single trip. We emphasize choices such as ridesharing in preference to higher footprint activities such as rental cars.

In our offices, we are sensitive to environmental issues. For instance, our three largest offices, in New York, London and Chicago, all utilize motion sensitive lighting to limit electricity consumption to occupied working spaces. Our Chicago office is in a LEED (Leadership in Energy and Environmental Design) Platinum building. Our New York office conserves energy by halting heating ventilation and air conditioning overnight. Due to the age of the built environment, London presents greater

challenges in terms of energy-efficient buildings for tenants of our size and budget, but our team there has led environmental stewardship efforts by driving a recycling initiative between building management, other tenants and the municipal authority. The London office is certificated under the UK government’s energy performance assessment system. As a general matter, however, Burford is not a sufficiently large tenant to control any of the building systems or operations where our offices are located, and thus we are reliant on our landlords. Still, robust efforts are underway to quantify greenhouse gas (GHG) emissions across all scopes; the data set out below reflects known emissions and energy consumption. We expect these numbers to change as additional and better data become available, particularly from our New York and London offices, which, unlike our Chicago office, are not LEED certified.

Scope 3 emissions (tCO2e)	FY20	FY19	FY18
	Group total	Group total	Group total
Air travel*	41 tons	292 tons	68 tons

*Air travel tCO2e has been calculated by converting total flight distance to estimated tCO2e.

Electric (kWh)	FY20	FY19
Chicago*	195,311	233,902

*Estimate provided by building landlords.

Though our carbon footprint is small, we recognize it is the responsibility of every business to contribute to the United Nations goal of carbon neutrality by 2050. We have commenced work to assess how we might address this global challenge and we intend to provide a further update on this activity when it is completed.

Each year since inception in 2009, Burford has had zero environmental fines or penalties.

Pollution and resources

Burford has two approaches to combating pollution.

First, we discourage the creation of potentially polluting materials. In our business, that means mostly paper. This is an excellent example of a valuable ESG theme arising out of a sound business justification separate and apart from its societal benefits. We strongly discourage printing of materials and encourage our employees to work on-screen with digital copies. There are cost and environmental benefits to such an approach, to be sure, in that we use less paper, less toner and require fewer printers, but there are also core security benefits: Printing the kind of routinely sensitive material with which we work increases the risk of disclosure of that material.

Second, we operate a robust recycling program in each of our offices and we discourage single-use items such as plastic water bottles; we have installed water filtration systems in each office instead.

Water use

Our only water use is for office bathroom and drinking use. As part of our tenancy in a LEED-certified building, our bathrooms use less water than traditional fixtures.

The data set out below reflects our known water usage, but we expect these numbers to increase as additional data becomes available through our landlords.

Freshwater use (m3)	FY20	FY19
Chicago	7.31	8.74

Biodiversity

This theme has little relevance to Burford’s business for a number of reasons, including, but not limited to, our minimal physical footprint, limited supply chain and lack of production of material goods.

Social

Human capital and labor standards

Burford’s team is one of its key competitive advantages, and we expend considerable effort both to create an environment that is appealing to the kind of people we recruit and to continue their development once employed. Competitive compensation is certainly an important part of that dynamic, but so too is a collaborative environment and mutual respect.

We also devote considerable resources to training and developing our team, especially as incoming employees are generally coming into the legal finance industry from adjacent industries for the first time.

Our flagship training initiative, Burford University, provides instruction to all employees on topics including our client services, company policies, technical tools and industry know-how. In 2020 we provided 13 sessions, archiving each one to allow for replay access and continued learning; since publication, these training sessions have been voluntarily re-watched hundreds of times, demonstrating their value to our staff. In addition, we provide mandatory compliance and data security training for all employees and board members; we also encourage and support staff in receiving external training to maintain their professional credentials. Further, Burford encourages employees to seek opportunities for professional development—including courses and professional certifications—and routinely pays for such training. Each department has its own employee training budget and has discretion over the amount and type of training, thereby empowering managers and employees to develop new skills and achieve professional milestones.

All employees, both full-time and part-time, are eligible to obtain support for certifications and degrees.

Average training time per employee (minutes)	2020	2019	2018	2017	2016
Compliance	45	45	45	45	45
HR	90	90	90	90	90
IT	120	120	120	120	120
Burford University	191	-	-	-	-
TOTAL	446	255	255	255	255

Share of employees receiving training	2020	2019	2018	2017	2016
%	100%	100%	100%	100%	100%

We also have a workforce with significant diversity across many differing metrics. We emphasize this not merely because we believe that diversity is a social good, but because it helps our investment decision-making. Fundamentally, our business is about trying to predict litigation outcomes. Those outcomes are determined by a wide range of people from differing backgrounds and with built-in predilections based on their own experiences. We will do a better job of predicting outcomes if we can field diverse teams who will consider possible investments from multiple perspectives.

When it comes to gender diversity, Burford has a long track record of having a substantial population of senior women. The Chief Strategy Officer, Co-Chief Operating Officer, Chief Marketing Officer, Managing Director & Chief Innovation Officer, Chief Compliance Officer, Deputy General Counsel, Director of Global Public Policy and Managing Director-Litigation Finance IP roles are all filled by women. In addition, the heads of our New York and Chicago offices are both women. At year-end 2020, women represented 43% of our full-time employees, up one percentage point over 2019.

Burford’s belief in and commitment to diversity goes well beyond its staff: Through The Equity Project, we have invested considerable attention and resources in closing the gender gap in the business of law—and in October 2021, we expanded our efforts to include racial diversity. Since launching phase one of The Equity Project in 2018, we have committed over \$50 million of capital to women-led litigation and arbitration matters. Around the world, we have hosted events, summits and training sessions for women lawyers, leveraging our law firm relationships to create community and provide junior women lawyers with the kinds of informal, business-development education from which they are often excluded; we have published novel research on law’s gender gap; and we have raised awareness in a variety of ways, from hosting webcasts to writing blog posts and op-eds. Given our initial success, we have earmarked an additional \$100 million of capital for phase two of The Equity Project—and this capital will be available for both women and racially diverse lawyers. In a further expansion of the initiative, when Equity Project-funded matters resolve and generate their expected returns going forward, Burford will contribute on its client’s behalf a portion of our profits to organizations that promote lawyer development for female and racially diverse lawyers.

And just as gender balance is not our sole focus with The Equity Project, it also is not our sole focus internally—we actively seek individuals with other differing backgrounds and life experience, and create an environment where all are welcome. For example, we have a number of self-identifying LGBTQ+ employees, including in senior and executive positions, and we have parental leave and other policies that accommodate the diversity of lifestyles present in our firm. We seek out people with multicultural or multijurisdictional experience and have many people who are multilingual or have professional qualifications in more than one country.

When hiring, we actively consider diversity in all of its forms, including but not limited to gender and race. All job descriptions for [open positions](#) contain a non-discrimination statement, similar to what is found in the [Core Values](#) of our Employee Handbook; in addition, hiring managers are required to find diverse slates of candidates and provide information to the CEO for hire approval. In 2021, we appointed Harry Matovu QC, recognized by Powerlist 2021 as one of the most influential Black professionals in the UK, to the board of directors of our subsidiary Burford Capital Holdings (UK) Limited. In a further demonstration of our commitment to increasing diversity and maintaining an inclusive workplace culture, we have recently hired a dedicated head of HR who will manage the global talent lifecycle and drive HR initiatives related to diversity, equity and inclusion. Historically, Burford's business was small enough to divide responsibility for HR among a handful of senior and support staff. Our commitment to enhancing this function is both indicative of Burford's continued growth as well as its commitment to corporate responsibility.

As Burford has grown, we have focused on deepening and broadening management, succession planning and the removal of key-person risk, and we are very pleased with our progress. We routinely hold management retreats and team offsites, facilitating both formal and informal knowledge transfer. We routinely provide leadership coaching to managers and make it a point to promote from within. For instance, at the start of 2021, we announced 18 internal promotions as part of our annual review process. This is just one example, but through our continued efforts, we have established a deep bench of experienced, sophisticated managers, and we have been able to create redundancy across the organization.

We consider training and development to be essential to attract and retain people of the highest caliber and we invest significantly in this area. Our performance management processes, career coaching and tailored training opportunities enable our people to develop and grow core skills, increase technical competence and develop into future leaders.

There can, however, be an assimilation period upon joining Burford that does lead to some turnover, as we are generally hiring people who have not before previously done legal finance, and some recruits ultimately do not find a fit. Of the 59 employees who worked at Burford for at least three years, only three left during 2020.

Turnover (%)	2020	2019	2018	2017	2016
Voluntary	6%	11%	16%	18%	19%
Total	10%	13%	21%	19%	19%

Burford engages in a number of practices around employee engagement and development. We remain a small organization. Every employee has direct access to and frequent interaction with senior management. We regularly hold events to which every employee in that geography is invited, and we conduct Q&A sessions with senior management; we conducted 13 company-wide meetings and/or town halls in 2020 at which employees could question anonymously the CEO and CIO. We have an entrepreneurial culture where anyone is welcome to email the CEO about anything. But we also do more traditional things, including annual 360° performance reviews during which we actively solicit feedback about the business and its initiatives. And, of course, we have channels for reporting misconduct or other workplace issues. Employees are asked to escalate any known or suspected compliance policy violations or misconduct to the Chief Compliance Officer or, if they prefer, employees have the option to call or email a hotline (which is administered by a third party) on an anonymous basis. Burford also maintains a global anti-retaliation and whistleblower policy and hotline. Nothing in the policy prohibits an employee from reporting potential violations of law or regulation directly to a government agency. Retaliation of any type against an individual who reports any suspected misconduct or assists in the investigation of misconduct is strictly prohibited.

We are proud to have assembled what we and most observers in the market believe to be the leading and most experienced team in the legal finance industry. Not only do we bring hundreds of years and billions of dollars of litigation experience, but our team is multidisciplinary as well, with senior and experienced finance and investment professionals—a critical component in any investment decision making undertaking. We would encourage shareholders to visit our website to review the biographies of all of our team members, and below we share key metrics about our global team.

Employee data	2020	2019	2018	2017	2016
Total headcount at year end	133	129	107	86	80
Average headcount	131	118	97	83	67
Women on staff	43%	42%	36%	38%	40%
Women in senior management (VP or above)	39%	33%	26%	33%	30%
Women in executive management (Director or above)	31%	32%	34%	44%	39%

In general, all employees are eligible for and receive annual performance reviews. In some instances, mainly when new hires have very recently joined Burford, we elect not to perform a review, given the lack of material to evaluate.

Share of employees receiving performance reviews	2020	2019
%	100%	98%

Share of part-time employees on staff	2020	2019	2018	2017	2016
%	0%	0%	0%	0%	0%

Health and safety

Burford does not face many traditional health and safety issues in its workplace given the nature of its business. We have never had a material workplace accident or injury. Nevertheless, we take protecting the safety of our workplaces seriously, providing our people with regular fire safety training across our principal office buildings and periodic training on sexual harassment and other health and safety matters.

We are focused on employee health and wellness. To that end, because the US does not have a national healthcare scheme, Burford offers its US employees and their families a choice among several company-funded health insurance options, including high- and low-deductible plans, and a contribution to a government authorized “health savings account” that can be used to pay for uninsured medical expenses. The economics of US healthcare are such that healthcare costs can be a source of very considerable stress and distraction for employees, and we are pleased to be able to offer this benefit to remove those strains—and to ensure that nothing stands in the way of employees obtaining medical care. As to benefits more broadly, we offer competitive benefit plans in each of the countries where we operate, and those plans are offered to all employees across the business.

- Long Term Incentive Plan (LTIP), without performance conditions
- Retirement programs tailored to each of our jurisdictions
- 12 weeks of fully paid parental leave for primary caregivers, in excess of statutory requirements
- 6 weeks of fully paid parental leave for secondary caregivers, in excess of statutory requirements
- Vacation time, in excess of statutory requirements
- Bereavement leave, in excess of statutory requirements
- Flexible hours
- Remote work
- Financial support for professional courses and certifications
- New hire referral program
- Employee Assistance Program
- Whistleblower hotline

- Employee Services Center
- Cell-phone data reimbursement
- Annual company gifts
- Free snacks and refreshments at office locations

Customer responsibility

Our clients are at the heart of Burford's business, and it is a measure of our client relationship management that 72% of initial clients return with new business opportunities. We inculcate a culture of client-focused business, for instance by spending considerable time onboarding our origination team members and underwriters. We seek to add real value to our interactions with clients and to work together to maximize successful outcomes. We strive for clarity and fairness in our dealings with clients, including clear and straightforward legal documents and honest appraisals of the investment prospects of potential matters. We support our clients with industry-leading research, insights (in written, audio and video formats), reports, white papers and webinars, assisting their understanding of our legal finance solutions and how they can add value to their firm's business.

Choosing to work with Burford allows our clients to benefit from our scale, access to permanent capital, track record and expertise. Although generally we are passive investors and do not control the matters in which we invest, clients welcome the value we add beyond capital. Working with clients at any stage, we respond quickly with in-house expertise, offer competitively priced capital, close transactions efficiently, and offer additional value by helping clients build litigation budgets and develop damages theories, commenting on draft briefs, joining moot courts and assisting in expense management. Lawyers trust Burford as the world's most experienced, transparent and well-capitalized provider of finance to the legal market.

One reason for this trust is Burford's robust cybersecurity system. Since inception, we have been sensitive to data security and have operated on an entirely cloud-based platform. Our data does not sit on our own servers, but rather on the servers of world-class technology companies, the use of which comes with built-in disaster recovery protection.

We are always alert to the risk associated with the dissemination of our confidential information publicly, especially as it contains highly sensitive details regarding client litigation. In particular, we have focused on the risk associated with attacks on our financial systems; though we have never had a widespread data breach, there is an incident management plan—which ties to Burford's Disaster Recovery and Business Continuity Plans—for that express purpose. This plan and our broader cybersecurity system are audited annually by an external independent third party. We also take significant preventative measures, including but not limited to:

- Annual penetration testing with an independent third party

- Quarterly training for 100% of employees
- Routine phishing tests for 100% of employees
- Technical controls over and tracking of document printing
- Restrictions on the use of personal accounts
- Guidelines around the use of social media and restrictions on access to social media and other internet sites
- Registration and enrollment of personal devices with IT tracking of Burford systems access from both company and personal devices
- Prohibitions on local and external drives and non-Burford cloud storage
- Provision of secure password-saving applications for 100% of employees
- Physical security measures across all Burford office locations
- VPN mandates for staff using public networks
- Consistent and proactive outreach on cybersecurity issues by senior management

These preventative measures reflect a view we consistently communicate internally: Human error and inattention are arguably greater risks to data security than are sophisticated penetration attacks. Thus, we engage in a variety of training and testing, and we also introduce restrictions on technology use designed to minimize those risks. All Burford employees—including part-time and full-time workers, as well as contractors and consultants—are assigned web-based cybersecurity training when they join Burford, and again roughly every quarter thereafter. In addition, employees are required to pass both an annual security assessment and complete annual compliance training that covers GDPR and other geography-specific regulation. In total, employees spend a minimum of two hours per year on IT training, and they must complete cybersecurity training sessions within defined time periods. Violations result in the user’s account being frozen until the training is completed, and managers are notified of non-compliance.

In addition, we regularly review best practices from both the legal and the financial services industries and are engaged in a program of continuous improvement. We have an internal cybersecurity committee composed of senior representatives from across our various geographies and departments. This committee has responsibility for privacy and data security and meets regularly to review, benchmark and audit our cybersecurity controls against peer norms and regulatory obligations, including those promulgated by the SEC and best practices identified in the legal and the financial services industries. A formal internal IT review is annually provided to the Board by our Chief Information Officer and IT department; the Board is actively involved in helping shape our policies. Importantly, these policies provide escalation points for reporting potential breaches to the Chief Information Officer and CCO. If a potential breach were to occur, the Chief Information Officer would escalate to the CEO. The

Chief Information Officer and Information Technology team maintain a protocol for responding to a potential breach.

Data security, however, isn't our sole focus: We also prioritize privacy and are sensitive to the various obligations we face in that regard. Given that we do not deal with consumers and are purely a corporate business, the burdens on us are far less than on businesses amassing considerable personal data. We also have procedures in place to address conflicts of interest.

Finally, we strive to create a pervasive culture of information technology security, focusing particularly on the tone set from the top when it comes to these issues. Our senior management and executive management regularly spend time on these issues and communicate their importance to all staff.

Human rights and community

While not the typical ESG discussion around this theme, Burford does have an unusual take on this issue. Our capital can change outcomes in litigation matters, and in particular our capital can create outcomes that may be legally correct but challenging when viewed through a broader lens. Said another way, how do we decide whether there are cases we will elect not to finance, even if their merits are strong and they are likely to prevail and generate returns?

That is a core function for our Commitment Committee. We not only consider legal and economic analysis, but also the holistic viewpoint of a potential legal finance asset. As just one example, Burford refrains from financing litigation against impoverished or developing countries, even when the underlying cases may well have merit, because we do not wish to put the governments of those countries in a position of having to reduce essential services to their populations in order to satisfy our returns.

We endeavor to be good citizens within the legal communities in which we operate, and we support a variety of initiatives. We are supporters of the work of the RAND Institute for Civil Justice, which is dedicated to making the US civil justice system more efficient and more equitable by supplying government and private decision-makers and the public with the results of objective, empirically based, analytic research. Its research analyzes trends and outcomes, identifies and evaluates policy options and brings together representatives of different interests to debate alternative solutions to policy problems. We do not make any political contributions and our charitable contributions are limited to the law-related organizations discussed above along with a modest budget for charitable events to support clients or Burford personnel.

We are committed to preventing any form of slavery and human trafficking. We seek to ensure that there are no such practices in our business and supply chain. Burford's full policy on Modern Slavery can be found on our website. Our vision is to provide an

inclusive and respectful environment in which each individual is motivated to make their fullest contribution, in which they consider themselves to be fairly recognized, rewarded and included regardless of gender, age, race, sexual orientation, disability, religion or beliefs. We do not tolerate discrimination of any kind and comply fully with appropriate human rights legislation. We aim for our employees to have a sense of wellbeing, and we promote a working culture where employees can freely question practices and suggest alternatives.

Governance

Anti-corruption

Burford is highly sensitive to issues around corruption, sanctions and money laundering. We run extensive compliance programs to ensure we are in the right place on these issues, and we take seriously allegations of corruption in matters we finance and diligence them with great care. We rely not only on our legal and compliance team but also on specialized outside counsel.

Corporate governance

Three new directors were appointed at the May 2020 AGM, Robert Gillespie and John Sievwright as independent non-executive directors and Christopher Bogart, our CEO, as an executive director. In December 2020, we also appointed Andrea Muller as an independent non-executive director and Burford's first female board member. Messrs. Gillespie and Sievwright and Ms. Muller have joined the audit committee. David Lowe retired as an independent non-executive director at the May 2020 AGM; Sir Peter Middleton retired at the May 2021 AGM, and Hugh Steven Wilson, formerly Deputy Chairman, became Chairman. Also, Charles Parkinson, another of Burford's original directors and the Chairman of the Audit Committee, will continue to serve (if reelected) for one more year to transition that role to one of the newly appointed directors, and will retire from the Board at the 2023 annual general meeting. Finally, in October 2020 we completed the establishment of our dual equity listing with the admission of our shares to the New York Stock Exchange.

Tax transparency

Burford is transparent about its tax status, including disclosing tax paid by jurisdiction in the notes to our financial statements in our 2020 Annual Report. We include a more detailed discussion of our tax situation on page 19 of the "Financial and operational review".

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