

C L I F F O R D

C H A N C E

MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2018/2019

Clifford Chance is committed to preventing slavery and human trafficking in our business and our supply chain. This is a statement of the steps that Clifford Chance has taken in the financial year ending 30 April 2019 (the "reporting period"). Approved by the firm's Executive Leadership Group on 22 October 2019 and signed by our Managing Partner on behalf of the firm, this statement is made in accordance with section 54 of the Modern Slavery Act 2015 (the "Modern Slavery Act"). Our previous Modern Slavery Act Transparency Statements can be viewed [here](#).

OUR VALUES

As a leading global law firm, we are rightly held to high standards in everything we do. We believe that our licence to operate, our business sustainability and our success in becoming the law firm of choice for the world's leading businesses depend on our ability to inspire trust and earn the confidence of all our stakeholders. We aim to be a leader in corporate responsibility amongst our peers. Our commitment to [act responsibly](#) includes the endorsement by the firm's Executive Leadership Group of the objectives of the Modern Slavery Act and the application of our [modern slavery policy](#) throughout all the firm's offices.

BUSINESS, ORGANISATIONAL STRUCTURE AND SUPPLY CHAINS

Clifford Chance is an international law firm with [33 offices in 23 countries](#) and a headcount of over 6,000, including lawyers and business professionals. Led by around 560 partners, each of the firm's offices is managed by one of our senior partners or directors. We provide legal services across the key markets of the Americas, Asia Pacific, Europe, the Middle East and Africa, specialising in capital markets; corporate, and mergers and acquisitions; finance and banking; real estate; tax, pensions and employment; and litigation and dispute resolution.

Our principal partnership is Clifford Chance LLP, a limited liability partnership incorporated under English law. We practise through this partnership; although in some jurisdictions, we practise through a local entity and our global operations use a number of service companies wholly owned by Clifford Chance. These entities are subject to the governance of Clifford Chance LLP. For more information about us, our business, our structure and our

entities, see [who we are & how we work](#) and [people & places](#).

Our supply chains relate to our global office-based professional service business – supplying personnel, goods and services to support the services we, in turn, provide to our clients. Some of our suppliers are local, while others are engaged on a global scale.

POLICIES

Clifford Chance has a global [policy](#) on anti-modern slavery and human trafficking, which states:

“Clifford Chance opposes all forms of slavery and human trafficking, and we are committed to taking steps to ensure that these do not occur in our business or in our supply chains.”

We are actively committed to the [UN Global Compact's 10 principles](#) and our [global human rights policy](#) states our support of, and respect for, internationally recognised human rights. We promote [ethical values](#) and report annually on our progress in the core areas of human rights, labour, anti-corruption and the environment: see our [Responsible Business report](#) and [Global Reporting Index](#). Our ethical approach is further reinforced by our global employment and labour policies, such as those relating to [Inclusiveness and diversity](#).

DUE DILIGENCE AND RISK ASSESSMENT PROCESSES

We acknowledge that slavery and human trafficking exist in many jurisdictions in which we operate, and from which we procure goods or services. As a professional services firm strictly regulated by professional regulatory bodies in each of the jurisdictions in which we operate, our ongoing assessment is that we are at low risk of slavery or human trafficking

occurring within our own business. We strive to refresh and update our risk assessment regularly to ensure that we better identify, manage and monitor any risks.

We consider there to be a greater risk of slavery or human trafficking occurring within our supply chains. Accordingly, our risk assessment and due diligence in the reporting period have focused primarily on our supplier relationships. We are consolidating the supplier relationship management process to focus more actively on our higher-risk suppliers. We aim to refine and recalibrate our approach as our policy implementation matures.

A member of the central compliance team oversees the Modern Slavery Programme to ensure that we deliver on our commitments. A member of the central procurement team is responsible for the development of third-party risk management processes and, in conjunction with the central compliance team, seeks to educate those individuals who manage third-party relationships. Our overall objective is to establish and maintain relationships with our suppliers that will minimise the risk that slavery or human trafficking could occur within our supply chains. We have outlined our minimum standards for suppliers within our [Supplier Code](#). Our approach to due diligence has been developed with active involvement from compliance and procurement teams.

Progress in the financial year ending 30 April 2019

- We engaged an external modern slavery consultant in August 2018 to carry out an assessment of our key functions and documentation relevant to our modern slavery policy implementation and, from October 2018 onwards, began steps to implement the consultant's recommendations within our policies and processes.
- In April 2019, we undertook a central risk assessment for any recorded human rights issues, including modern slavery, related to our top 35 spend suppliers in the sectors our external modern slavery consultant identified as highest risk for modern slavery in our supply chains: cleaning; construction; hospitality (catering and hotels); transportation

(airlines and car services); and electronics. No modern slavery issues were recorded.

- We identified a small number of our offices considered to be at higher risk of exposure to modern slavery based on jurisdictional factors determined by our external modern slavery consultant: employment laws; working conditions; main industry sectors; and population of migrant workers. We approved a new process for identifying whether enhanced due diligence controls might be required, which we expect to implement in financial year 2019/2020.
- In July 2018, we participated in the Law Firm Business & Human Rights Peer Learning Process with a number of international law firms to discuss best practice for implementing the [UN Guiding Principles on Business and Human Rights](#) and reporting under the Modern Slavery Act.

PROCUREMENT PROCESSES

We are aware that Clifford Chance's reputation and ethical standards grant us a position of leverage with stakeholders, including suppliers, and we look to ensure that our supply chains operate in an honest, fair and transparent manner. Supplier feedback serves as an essential means of identifying, assessing and addressing the risk of modern slavery.

Supplier Relationship Management Framework

Our Supplier Relationship Management Framework helps establish our key suppliers, assessed according to criteria which include whether the relationship is ongoing and how critical the service provided is. Guidelines in the Supplier Relationship Management Framework set out the responsibilities for procurement and nominated contract managers, including, but not limited to, the frequency of engagement with key suppliers.

Supplier Assessment Questionnaires

Our procurement due diligence process includes supplier assessment questionnaires which must be completed by all new suppliers. Assessment criteria include whether the supplier: has a modern slavery policy or has taken steps in relation to modern slavery; operates in a higher-risk jurisdiction; or operates in a higher-risk industry sector. The responses to these questionnaires help us assess the risk of slavery and human trafficking in the business and supply chains of all our potential suppliers, regardless of

spend. Based on the findings, we may perform further additional due diligence prior to onboarding potential suppliers.

Supplier Scorecards

Compliance with our [Supplier Code](#) is a key topic for discussion with suppliers. Supplier scorecards are available to highlight key issues such as modern slavery, diversity, corruption, innovation and financial performance during supplier review meetings. The scorecards also assist in providing a rating for suppliers which allows us to conduct further assessments and due diligence commensurate with perceived risk. Procurement policies and processes aim to identify strategic suppliers to our firm, and ensure that appropriate modern slavery discussions are conducted based on risk and criticality of service.

Supplier Code

Our [Supplier Code](#), available on our website, sets out the standards of conduct we require from all our suppliers and contractors worldwide and includes the expectation that our suppliers conduct their business consistent with the [UN Guiding Principles on Business and Human Rights](#). Our supplier contracts contain modern slavery clauses and, alongside the provisions of the Supplier Code, outline our expectations for our suppliers and contractors. Our Supplier Code includes a requirement in its modern slavery provision for suppliers to provide training to their staff on the risks and indicators of slavery or human trafficking as well as the nature of risks related to the supplier's business.

Strengthening our procurement policies and processes was our priority in the reporting period. However, this is an ongoing process and in future years we intend to build on the frameworks that have been established, recognising the importance of engagement with suppliers and establishing a deeper understanding of their modern slavery risk exposures and management.

Progress in the financial year ending 30 April 2019

- Procurement and compliance team members attended two workshops in September and October 2018, led by our external modern slavery consultant, to explore how modern slavery could manifest in supply chains and to discuss appropriate opportunities for us to strengthen our modern slavery programme.

- A global Senior Procurement Manager (SRM & Risk), was appointed in April 2019 to take responsibility for overseeing our modern slavery compliance and mapping, and to mitigate our supply chain risks.
- Our Supplier Relationship Management Framework, updated in June 2018, allows us to review the performance of high-risk suppliers against measurable criteria, including, but not limited to, annual spend, level of criticality, market options and risk categories, such as human rights, modern slavery, data protection and information security.
- We moved to a new contract database in August 2018, which allows us to monitor our supplier contracts, undertake spend and risk analysis, including a review of the quality of our contracts, and monitor compliance against our Global Procurement Policy.
- We shifted the emphasis of our modern slavery programme following recommendations from our external modern slavery consultant, in order that tools, such as supplier assessment questionnaires, would more effectively focus on indicators of modern slavery.

TRAINING, AWARENESS AND CAPACITY BUILDING

Clifford Chance is committed to ensuring that all our people understand what modern slavery is and the circumstances in which it may occur, are aware of modern slavery risk indicators and are equipped to identify instances of possible slavery and human trafficking. Our global whistleblowing policy includes a mechanism for reporting genuine suspicion of any criminal conduct or breach of a legal or professional obligation, by anyone in the firm or by a client or contractor. This would include instances of modern slavery.

Through our policies and training, we seek to ensure that relevant decision-makers within core functions have the requisite level of knowledge and understanding of modern slavery risks that will enable them to identify issues and address them appropriately. Senior management's commitment to this issue reinforces the importance of effective implementation of our modern slavery policies throughout our operations.

Progress in the financial year ending 30 April 2019

- We delivered a mandatory Human Rights and Modern Slavery education module to 93% of all our people, to enhance our ability to identify red flags and address risks.
- Our January 2019 compliance conference included a session to deliver targeted guidance to local compliance officers and contacts on raising modern slavery issues with local suppliers.
- We updated internal guidance on human rights and modern slavery in October 2018.
- We circulated an internal news story to all our offices to increase awareness of modern slavery issues, to coincide with our efforts to promote awareness of the [STOP APP](#), which allows people to submit suspicious activity anonymously by text, photo and video.

PLANNING AND PRIORITIES

At Clifford Chance, we recognise the importance of making the most of the relationships we have with third parties; encouraging open and honest exchanges of information; and working collaboratively with them to address any issues. We will continue to make efforts to ensure that we have the right controls and procedures in place with our third parties to identify, monitor and mitigate key risk exposures and, where potential modern slavery risks or instances are identified, work with our third parties to address them appropriately. Our appointment during the reporting period of a global Senior Procurement Manager (SRM & Risk) reflects our intent to invest time and effort in raising our

standards of third-party risk management year on year as part of a global supplier management programme.

Our key priorities in the next financial year include measuring the effectiveness of the enhancements we have made to our procurement policies and processes and implementing a strategic plan to address higher-risk issues across our business and supply chains.

Building on steps taken to date, we have identified the following specific enhancements for the forthcoming financial year and beyond.

To enhance our Modern Slavery Programme:

- We aim to refresh our risk assessment of modern slavery risk within our business, in the next reporting period.
- We aim to review and update our risk assessment processes to seek to prevent any blind spots.
- We aim to carry out an assessment of a small number of offices identified as having a higher risk of exposure to modern slavery, to establish whether tighter due diligence controls are required.
- We aim to automate and enhance our supplier assessment questionnaires to better facilitate the identification of third-party risks, and enable further due diligence and discussion in the event that the supplier is considered high-risk or very high-risk.
- We aim to identify opportunities to combine forces with other organisations

and clients to address modern slavery risks that are shared or similar, with a view to collaborate to take more effective steps to address those issues.

To engage our suppliers:

- We aim to use supplier feedback to identify suppliers that may benefit from training and guidance, and engage with them, including providing appropriate support to enhance their capacity to identify and address modern slavery risks.

To influence behaviour and empower our people with targeted and tailored training:

- With support and guidance from the central compliance and procurement teams, we aim to engage local offices to discuss how they identify and address modern slavery risks.
- We aim to supplement our policies, processes and training to include more detailed and targeted practical guidance on risk factors and indicators as well as equip our catering and cleaning staff with the awareness and tools to respond appropriately, should they identify a risk of modern slavery.
- We aim to conduct an assessment of our whistleblowing policy for reporting instances of concerns about possible modern slavery/human trafficking issues.

This statement is made by Clifford Chance LLP on behalf of itself and those entities which operate as part of the Clifford Chance group, and are subject to the governance of Clifford Chance LLP (“Clifford Chance”).

SIGNED



MATTHEW LAYTON

Managing Partner, Clifford Chance LLP
for and on behalf of Clifford Chance

DATE

23 October 2019