

MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2019/2020

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 2020 (the “reporting period”). Approved by the firm’s Executive Leadership Group on 21 October 2020 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 the achievement of our vision depend on our ability to inspire trust and earn the confidence of the people we work with. We aim to be a leader in corporate responsibility amongst our peers.

Our commitment to [act responsibly](#) includes endorsement of the objectives of the Modern Slavery Act by the firm’s Executive Leadership Group and the application of [our modern slavery policy](#) throughout all the firm’s offices, and working collaboratively with our suppliers to ensure the right processes, procedures and controls are in place as part of our end-to-end supply chain.

BUSINESS, ORGANISATIONAL STRUCTURE AND SUPPLY CHAINS

Clifford Chance is an international law firm with [33 offices in 23 countries](#) and a headcount of over 6,500, including lawyers and business professionals. Led by around 590 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, 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 services 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 [diversity, dignity and inclusiveness](#).

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. We are a professional services firm strictly regulated by professional regulatory bodies in each of the jurisdictions in which we operate and our ongoing assessment is that we are at low risk of slavery or human trafficking occurring within our own business. This assessment is based on a number of factors, including that our business primarily comprises permanently employed, skilled staff in a client-focused service sector regulated within strict ethical frameworks. We also implement high workplace standards globally and have remuneration policies that are designed to be competitive within the

professional services market. We do not employ migrant workers.

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 than within our own business. Accordingly, our risk assessment and due diligence in the reporting period have focused primarily on our supplier relationships, including suppliers of labour into our main business operations. We are consolidating our 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.

With oversight from the Chief Risk and Compliance Officer, a member of the central compliance team runs the Modern Slavery Programme to ensure that we deliver on our commitments. A member of the central procurement team is responsible for the development and oversight of third-party risk management processes, including due diligence, and, in conjunction with the central compliance team, seeks to educate those individuals who manage third-party relationships on the practical implementation of our Slavery and Human Trafficking Policy. Our overall objective is to establish and maintain relationships with our suppliers that will minimise the risk of slavery or human trafficking occurring within our supply chains. Our approach is guided by the UN Guiding Principles on Business and Human Rights. We have outlined the standards we expect of our suppliers within our [Supplier Code of Conduct](#), which are aligned with our global Human Rights and Slavery and Human Trafficking policies.

Progress in the financial year ending 30 April 2020

- We participated in the Law Firm Business & Human Rights Peer Learning Process in June 2019. We discussed, with a number of international law firms, best practice on implementing the UN Guiding Principles on Business and Human Rights and reporting under the Modern Slavery Act.
- In April 2020, we undertook a central risk assessment for any recorded human rights issues, including modern slavery. The assessment related to our top 55

global 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.

- We refreshed our risk assessment of modern slavery within our business in April 2020 by compiling updated information and re-evaluating the potential for these risks within our global offices and workforce.
- As a result of our modern slavery risk assessments we identified that one of the firm's suppliers was investigating allegations of child labour within its supply chain in February 2020. We engaged with the supplier regarding its investigation (which confirmed 3 instances of child labour) as well as its proposed remedial actions and we took steps to mitigate the risk of child labour issues arising in our supply chains in the future.
- We engaged with a small number of offices that were at higher risk of exposure to modern slavery based on the following factors determined by our external modern slavery consultant: employment laws; working conditions; main industry sectors; and population of migrant workers. This was to establish whether tighter due diligence controls were required, and to increase local oversight of, and engagement with, their higher-risk suppliers.
- We enhanced our due diligence processes to pose additional questions to suppliers regarding workplace conditions and prevention of child labour.

PROCUREMENT PROCESSES

At Clifford Chance, we seek to act in an open and transparent manner and, as part of our supplier onboarding process, promote open and fair competition and the principles of our [Supplier Code of Conduct](#). 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 focuses on making the most of our on-going relationships with our key suppliers and provides a recommended approach and standards to support the management and oversight of our third-party relationships by our contract managers within our firm. It comprises supplier onboarding, performance,

risk and contract, relationship management and sustainability pillars and, in respect of modern slavery and as part of regular service reviews with our suppliers, enables us to identify and mitigate any potential issues as they arise.

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 additional due diligence prior to onboarding potential suppliers.

Supplier Scorecards

Compliance with our [Supplier Code of Conduct](#) is a major topic for discussion with key suppliers. Supplier scorecards are available, during supplier review meetings, to highlight key issues such as modern slavery, diversity, corruption, innovation and financial performance. 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 key suppliers to our firm, and ensure that appropriate modern slavery discussions are conducted based on risk and criticality of service.

Supplier Code of Conduct

Our [Supplier Code of Conduct](#), available on our website, outlines the professional conduct and ethical behaviour 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 provisions to address modern slavery and, alongside the provisions of the Supplier Code of Conduct, outline our expectations of our suppliers and contractors. For example, our Supplier Code of Conduct includes a requirement 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 2020

- We took steps to update our Supplier Code of Conduct and enhance our Supplier Relationship Management Framework, developing a new set of supplier standards to allow for easier auditing and engagement of suppliers. This includes a [standard](#) to clearly outline what we expect from our suppliers regarding human rights and modern slavery.
- We documented a new third party audit and oversight approach, selected and documented the suppliers for review in the following year, and outlined a timeframe for audits to be performed. Our key suppliers for external audit were identified based on criticality, data privacy, information security, human rights and modern slavery, anti-bribery and anti-corruption, and anti-money laundering.
- In April 2020, our Responsible Business Committee approved Procurement's proposal for a third party sustainability solution to help us to enhance our Environmental, Social and Governance (ESG) reporting and support our commitment to the UN Global Compact and UN Sustainable Development Goals. Through independent verification of our firm and our supply chains, the new solution will help us to protect human rights in our business, compare sustainability performance with competitors, including access to detailed feedback about our ESG controls, collaborate with our supply chains to support corrective action, and encourage respect for human rights behaviours and practices that are aligned with our global Human Rights and Slavery and Human Trafficking policies.
- Procurement and Compliance lawyers commenced updating contract terms in supplier contracts, including enhancing modern slavery provisions.
- We completed a contractual review for our key suppliers to ensure terms and conditions appropriate for adherence with our Supplier Code of Conduct were in place.
- We updated our supplier assessment questionnaires with recommendations from our external modern slavery consultant.
- We took steps to automate and enhance our supplier assessment questionnaires to better facilitate the identification of third party risks, including modern slavery, and enable further due diligence and discussion in the event that the supplier were considered high-risk or very high-risk. We are currently piloting these processes.

- We enhanced our global procurement policy in November 2019 providing clearer guidance to our firm regarding the procurement of third party goods and services to support the identification of potential issues around 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 its risk indicators, and are equipped to identify instances of possible slavery and human trafficking and to report concerns. Human Rights and Modern Slavery training is compulsory for everyone in the firm.

Our global whistleblowing policy includes a mechanism for reporting genuine suspicion that there has been, is, or is likely to be, criminal conduct or breach of a legal or professional obligation by anyone in the firm or by a client or contractor. Our whistleblowing policy clarifies that the mechanism may be used to report suspicion of modern slavery and/or human trafficking.

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 2020

- We began preparations in September 2019 for a firm-wide modern slavery awareness raising campaign and training programme for more detailed and targeted practical guidance on risk factors and indicators, including to our catering and cleaning staff.
- In April 2020 we updated our whistleblowing guidance to include reporting suspicions of modern slavery

and human trafficking to the compliance and legal team or anonymously via an external and independent service.

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 third parties with which we transact to identify, monitor and mitigate risk exposures and, where potential modern slavery risks or instances are identified, work with them to address those appropriately. 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 establish a modern slavery working group with representatives from different business functions, including compliance, procurement and human resources to ensure coherent, cross-functional implementation of our strategy, and ongoing review of priorities and performance.
- 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.
- We aim to develop metrics as a key priority for measuring effectiveness at combatting modern slavery and human trafficking in our business and supply chains.

- We aim to review recruitment practices for catering and cleaning staff across our offices.

To engage our suppliers:

- We aim to use supplier feedback to identify those 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.
- We aim to hold a workshop with our global procurement team to emphasise the importance of considering modern slavery provisions during contractual negotiations with suppliers.

To influence people and empower our people:

- We aim to engage local offices to discuss how they identify and address modern slavery risks, with support and guidance from the central compliance and procurement teams.
- We aim to ensure that our global offices carry out their own local risk assessments.
- We aim to supplement our policies and processes to include more detailed and targeted practical guidance on risk factors and indicators.
- We aim to provide guidance to local offices once our supply chain is automated, to help them identify and mitigate modern slavery risk.
- We aim to provide guidance and training to 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 or human trafficking issues.
- We aim to explore how to actively support victims of modern slavery and human trafficking through our pro bono programme.

SIGNED



MATHEW LAYTON

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

DATE

28 October 2020