

MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2020/2021

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 2021 (the "reporting period"). Approved by the firm's Executive Leadership Group on 25 October 2021 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 [32 offices in 22 countries](#) and a headcount of over 6,400, including lawyers and business professionals. Led by around 580 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](#). Our ethical approach is further reinforced by our global employment and labour policies, such as those relating to [inclusion & 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. 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 have initially focused our review and independent verification on our higher-risk suppliers, but 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 Modern 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, and our [Supplier Code of Conduct](#) provides a set of key principles that underpin the minimum standards we expect from our suppliers.

Progress in the financial year ending 30 April 2021

- We participated in the Law Firm Business & Human Rights Peer Learning Process in May 2020. We discussed with a number of international professional services firms and expert external facilitators, best practice on implementing the UN Guiding Principles on Business and Human Rights and reporting under the Modern Slavery Act.
- In March 2021, we undertook a central risk assessment for any recorded human rights issues, including modern slavery,

with respect to our top 70 global spend suppliers in sectors identified by our external modern slavery consultant as highest risk for modern slavery: cleaning; construction; hospitality (catering and hotels); transportation (airlines and car services); and electronics.

- Following approval at the Responsible Business Board in 2020 for the sustainability assessment platform and service provided by [EcoVadis](#), we began our first campaign in November 2020. The campaign with EcoVadis saw us engage our key suppliers via a series of communications including a letter from our Global Senior Partner which outlined our ESG (Environmental, Social and Governance) ambitions inclusive of labour and human rights. Since November 2020, we have been working with EcoVadis to onboard our key suppliers and undertake independent analysis of their performance against a number of factors, including, but not limited to, labour and human rights practices. Examples include how our suppliers monitor the percentage of their total workforce across all locations covered by formal collective agreements (concerning working conditions and terms of employment, inclusive of wages, working hours, vacation days, etc.), with independent verification and review of their information and documents. We have implemented corrective action plans, engaging with any suppliers where the assessment score for labour and human rights was below the recommended average score for their sector, as indicated by EcoVadis. This supports collaboration and engagement with suppliers aimed at preventing and mitigating any negative social impact, and encourages deeper respect for human rights behaviours and practices.
- In October 2020, as part of our due diligence and onboarding processes, we became aware that one supplier in the UAE, an IT infrastructure support and professional services supplier, holds the passports of some workers. We made the supplier aware that retention of passports constituted an indicator of modern slavery and sought further assurance from them by asking additional questions to ensure their behaviours and practices were aligned with our global human rights and modern slavery policies. The supplier confirmed that they only retained employee passports while employment visas were being processed and that they always returned employee passports to the employee as soon as the visa application process was completed. The supplier shared their code of conduct and confirmed in writing that their employees were solely

responsible for the custody of their personal documents (for example passport, Emirates ID, health insurance card and any other government-issued documents). We have recently enhanced our due diligence questionnaires to include additional questions regarding retention of personal documents such as passports, compulsory overtime and accurate employee payment records.

- We have been reviewing the firm's global recruitment policies on catering and cleaning staff as these sectors are considered at greater risk of modern slavery in our supply chains.
- We commenced a review of the firm's global and local policies around employee wellbeing including anti-bullying, recruitment, minimum wage, agency worker rights, discrimination, and diversity. Two offices were selected in September 2020 for a review of internship and work experience pay. We identified that interns were paid above the minimum living wage.

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 seek 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. We recently automated our questionnaires to support onboarding, with a view to test and pilot with a few key suppliers prior to a wider launch.

Supplier Scorecards

We seek to partner with suppliers who share our commitments and approach, and work with them to ensure that they are meeting the principles of our [Supplier Code of Conduct](#). Throughout our relationship, we encourage our suppliers to be open and honest with us. Supplier scorecards are available, during supplier review meetings, to highlight key issues including modern slavery. The scorecards also assist in providing a rating for suppliers, which allows us to conduct further assessments and due diligence commensurate with perceived risk in the identified areas.

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 and Supplier Standards

Our [Supplier Code of Conduct](#), available on our website, provides a set of key principles that underpin the minimum standards we expect from the suppliers and contractors and their subsidiaries and subcontractors, that provide goods or services to us. 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 [Human Rights & Modern Slavery](#) supplier standard includes commitments to respect rights consistent with the UN Guiding Principles on Business and Human Rights. It also 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 remained a 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 2021

Contract Review

- In the reporting period ending April 2021, we undertook an exercise to close potential contract gaps and work with local offices to ensure their contracts

were stored on our central contract database. All contracts and agreements must include appropriate contractual clauses relevant to the nature of, and risk associated with, the service being provided. Enhancements to our Global Procurement Policy for 2021 will include more detailed guidance to support implementation of required clauses. We continue to monitor contract coverage.

- We revised our contract templates, inclusive of modern slavery provisions, working with our lawyers and Compliance & Legal, and held a training session in September 2020 for our global Procurement and Client Terms teams, led by Head of Legal, Partner (Telecommunications, Media & Technology), and Senior Procurement Manager (Supplier Risk Management, Risk & Travel) to introduce the changes and provide guidance, including specific use cases.

Supplier Code of Conduct and Supplier Standards

- We reviewed and reported on the adoption of our Supplier Code of Conduct by our key suppliers as part of an annual process of monitoring and assessing the efficacy of the code. The Supplier Code of Conduct contains our expectations of supplier conduct in relation to modern slavery. In addition to inclusion of our Supplier Code of Conduct within our standard terms, 81% of our key suppliers agreed to the principles of our Supplier Code of Conduct as part of our annual declaration 2020. For more information on the Supplier Code of Conduct, and our reporting please refer to our [Supplier Standards Site](#).
- We enhanced our approach to supplier relationship management and increased transparency regarding the [standards](#) we expect from our suppliers.
- Our [Human Rights & Modern Slavery](#) supplier standard is aligned with our global [Human Rights and Slavery and Human Trafficking policies](#).

Sustainable Procurement Programme

- We held an online event for over 70 suppliers and colleagues in April 2021 to introduce our Sustainable Procurement Programme and strategy, and the importance of collaboration with our suppliers to deliver against this. One of the event's focus group sessions was on human rights and modern slavery and included a discussion of the potential impact of the government's proposed anti-slavery legislation changes for Procurement and our supply chain and what we should expect from our suppliers.

- As noted earlier in this statement, we have enhanced our current risk management system to support the automation of our Supplier Assessment Questionnaire (SAQ) and to enhance visibility of any potential significant risks associated with our suppliers, with a view to test and pilot with a few key suppliers prior to a wider launch. We have focused on implementing alerts in the system to flag 'high' or 'medium' risk categories in relation to risks relevant to our business.

EFFECTIVENESS

We developed metrics as a key priority for measuring our effectiveness at combatting modern slavery and human trafficking in our business and supply chains.

During the reporting period, we have been working with EcoVadis to assess the sustainability performance of our key suppliers using EcoVadis' platform and expertise in areas including, but not limited to, labour, human rights and modern slavery and we aim to do so on an annual basis. The assessments include an independent review of supplier policies, actions taken to implement their policies, coverage, reporting progress, transparency and disclosure. Our current reporting¹ shows that:

Labour and Human Rights

- **78%** of our suppliers have a whistleblowing procedure on labour and human rights issues.
- **37%** of our suppliers are a participant to the UN Global Compact.
- **33%** of our suppliers are publicly reporting on labour and human rights issues.
- **24%** of our suppliers have a quantitative target on labour and human rights issues.

Working Conditions

- **92%** of our suppliers have evidence of actions on working conditions.
- **82%** of our suppliers have evidence of actions on employee health and safety issues.
- **27%** of our suppliers are publicly reporting on health and safety indicators.

Inclusion and Diversity

- **78%** of our suppliers are taking actions to remediate discrimination and/or harassment.
- **67%** of our suppliers are taking actions to prevent discrimination and/or harassment.
- **61%** of our suppliers are taking action to promote inclusion and diversity.

- **59%** of our suppliers are reporting on diversity in executive positions, including minority groups and gender.
- **6%** of our suppliers have a collective agreement on inclusion, diversity and/or harassment.

Any identified risks during the assessment process, for example, *'inconclusive documentation on labour & human rights policies' or 'declares reporting on labour and human rights issues, but no supporting documentation available'* are flagged 'high', 'medium' and 'low' in the system, allowing us to prioritise our follow up due diligence, including areas of potential improvement and work collaboratively with our suppliers to address them as a part of service review meetings.

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 2021

- We delivered our mandatory Human Rights and Modern Slavery education module to 96% of all our people, to enhance our ability to identify red flags and address risks.
- We provided training, in partnership with EcoVadis, to our global Procurement and Contract Manager community in December 2020 and January 2021. The training was designed to provide an overview of our Sustainable Procurement Programme,

¹ Based on validated scorecards reviewed by EcoVadis.

support awareness of our sustainability assessment platform and provide access to validated supplier scorecard information in areas including human rights and modern slavery, to help inform decision making and support corrective action.

- A training workshop for our global Procurement Team to consider modern slavery provisions during supplier negotiations was held in March 2021, prepared with representatives from Procurement and Compliance, to emphasise the importance of considering modern slavery provisions during contractual negotiations with suppliers. 100% of those who completed an evaluation of the training rated it "Informative" and "Very relevant" to their procurement role.
- We took steps to explore how to enhance support for victims of modern slavery and human trafficking in our pro bono work. Our global pro bono practice focuses on providing wide-ranging pro bono support and funding from the Clifford Chance Foundation to help some of the world's leading NGOs, such as the [Institute for Human Rights and Business](#), [Advocates for International Development](#), [Fair Trials](#) and [Asylum Access](#), to advance their human rights work. We also actively support the NGOs [Human Rights Watch](#), [the International Centre for Advocates Against Discrimination](#) and the [Centre for Sport and Human Rights](#).

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 run a refreshed assessment of modern slavery risk in our business.
- We aim to formalise our approach to the disclosure of instances of modern slavery.
- 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 undertake a review of our Sustainable Procurement Programme, to extend the programme more widely across the firm.
- We aim to consider incentives for suppliers to take greater steps to examine social impacts in their supply chain.

To influence and empower our people:

- We aim to undertake additional training for Procurement and Contract Managers.
- We aim to engage local offices to establish whether tighter due diligence controls or increased engagement is required with higher-risk suppliers.
- We aim to provide guidance to our catering and cleaning staff, to raise awareness and provide 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 identify opportunities to combine forces with other organisations and clients to address modern slavery risks.

SIGNED



MATTHEW LAYTON

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

DATE

27 October 2021