

C L I F F O R D
C H A N C E



UK MODERN SLAVERY ACT TRANSPARENCY STATEMENT
OCTOBER 2022

CONTENTS

03

Introduction

04

Due Diligence & Risk
Assessment Process

06

Procurement
Processes

08

Effectiveness

09

Training Awareness and
Capacity Building

10

Planning and
Priorities

People

6,550 people

570 partners

At 30 April 2022

Our structure

Executive Leadership Group (ELG)

Partnership Council

Executive Operations Group (EOG)

Regional & Office Managing Partners

Audit & Risk Committee

ESG Board

Responsible Business Board

Please refer to our [Responsible Business Report](#) to learn more about the progress we're making in the core areas of human rights, labour, anti-corruption and the environment.



UK MODERN SLAVERY ACT TRANSPARENCY STATEMENT

2021/2022

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 2022 (the “reporting period”).

Approved by the firm’s Executive Leadership Group on 26 October 2022 and signed by our Managing Partner on behalf of the firm, this statement is made in accordance with section 54 of the UK Modern Slavery Act 2015 (the “Modern Slavery Act”).

Our previous Modern Slavery Act Transparency Statements can be viewed on our [website](#) and on the UK Government’s Modern Slavery [Registry](#).

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 our [Modern Slavery Policy](#) 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 chains.

Business, organisational structure and supply chains

Clifford Chance is an international law firm with 31 offices in 21 countries and a headcount of around 6,550, including lawyers and business professionals. Led by around 570 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, please refer to the [who we are & how we work](#) and [people & places](#) sections of our website.

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. By migrant worker we refer to a low-wage or unskilled worker who migrates or who has migrated from one country to another for economic reasons.

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 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.





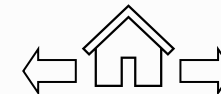
DUE DILIGENCE AND RISK ASSESSMENT PROCESSES

(CONTINUED)



Progress in the financial year ending 30 April 2022

- We actively engaged in a peer review of our Modern Slavery Act Transparency Statements with another business member of the UN Global Compact UK Network and applied feedback to enhance the communication of our policy implementation, and to develop and implement further key performance indicators as part of our Modern Slavery Programme.
- We refreshed our risk assessment of modern slavery within our business in April 2022 by compiling updated information and re-evaluating the potential for modern slavery risks within our global offices and network.
- In March 2022, we undertook a central risk assessment for any recorded human rights issues, including modern slavery, with respect to our top 100 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.
- Over the past year we have been working to enhance our approach to supplier relationship management (SRM) and increase transparency around the minimum standards we expect from our suppliers on sustainability issues, including modern slavery. In August 2021, we undertook an external benchmark of our SRM programme, inclusive of ESG, which we have done for the past few years to help support programme maturity and growth, and enhanced the sustainability provisions within our standard supplier terms. We will continue to review and monitor our policies, processes and approach.
- Through our Sustainable Procurement Programme and engagement with sustainability ratings provider [EcoVadis](#), we received sustainability and carbon scorecards for our key suppliers, which has helped us to better understand their positive and negative environmental and social impact and allowed us to work with them to support any corrective action. The assessments are tailored to each supplier and how they operate, with the intention of building relationships that foster continual improvement. The scorecards can be accessed by other EcoVadis clients, which means any improvements in performance can have a positive influence on suppliers' business prospects as well. Where we have identified suppliers with a labour and human rights score below the recommended average, as indicated by [EcoVadis](#), we have connected with them to support improvement.
- One of our IT suppliers has recently undergone its annual sustainability assessment, which when they first completed it in FY21 identified shortcomings in the labour and human rights pillar, as well as other pillars related to its ethical practices and controls, and meant that it did not receive a medal from [EcoVadis](#). Please refer to the 'Resources' [section](#) of EcoVadis' website, where you can find more detail regarding the sustainability assessment process, methodology and medal criteria. In response, we worked with this supplier to support education and awareness, and the supplier engaged an external third-party consultant to help it improve its sustainability performance. This resulted in the supplier taking steps to enhance the ethical practices and controls it has in place related to labour and human rights, including reporting. The supplier was awarded a bronze medal by [EcoVadis](#) in FY22.
- We have started to review the recruitment practices of high risk sector suppliers to one of our UK offices.



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 Assessment Questionnaires (SAQs)

As part of our supplier assessment and onboarding for strategic and tactical sourcing engagements, those defined in our Global Procurement Policy as medium to high value and risk, we issue a 'Supplier Assessment Questionnaire' (SAQ), which gathers information on a supplier's response and policies against different criteria, which includes, but is not limited to, whether the supplier has a modern slavery policy or has taken steps in relation to eradicating modern slavery, whether the supplier operates in a higher risk jurisdiction or whether the supplier operates in a higher-risk industry sector. This helps us to ensure that we are working with suppliers who are aligned to our policies and practices regarding ethical and sustainable procurement.

Based on the findings, we may perform additional due diligence prior to onboarding potential suppliers. We have recently automated our questionnaires to support onboarding, with a view to a test and pilot programme with a few key suppliers in FY23 prior to a wider launch.

Supplier Relationship Management (SRM) Framework

Our Supplier Relationship Management (SRM) Framework focuses on making the most of our ongoing 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 firm's contract managers. 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 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 with 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.



PROCUREMENT PROCESSES (CONTINUED)

Progress in the financial year ending 30 April 2022

We took steps to explore incentives for suppliers to establish ethical practices.

100% of our key suppliers

confirmed acknowledgement of the principles of our [Supplier Code of Conduct](#).

Top 50 key suppliers

in our APAC (Asia Pacific) region will be invited to a planned sustainable procurement event in the next reporting period.

98.5% of our key suppliers

have been independently reviewed by [EcoVadis](#).

63% of our key suppliers

have improved their sustainability performance.

This is still under review as we grow and mature our [Sustainable Procurement Programme](#).

Supplier Assessment Questionnaires (SAQs)

We completed the automation of our supplier assessment questionnaires to better facilitate the identification of third-party risks, including modern slavery, and enable further due diligence in the event that suppliers are considered high risk or very high risk. We implemented alerts to flag 'high' or 'medium' risk categories to enhance visibility of potential risks associated with our suppliers and aim to test and pilot our questionnaires with a few key suppliers prior to a wider rollout in the next reporting period.

Contract Review

We undertook a review of our contract templates in FY22, inclusive of modern slavery provisions, and updated our Global Procurement Policy to provide greater transparency regarding the process steps for supplier selection, contract award, execution and ongoing management.

Sustainable Procurement Programme

98.5% of our key suppliers have been independently reviewed by [EcoVadis](#) as part of our Sustainable Procurement Programme. Since last year, 63% of our suppliers have improved their sustainability performance and, where we have seen scores regress (13%), we have followed up with those suppliers to support corrective action.

Supplier Code of Conduct and Supplier Standards

We reviewed our [Supplier Code of Conduct](#) and [Supplier Standards](#), and our external-facing [Supplier Management website](#) has been updated. The Supplier Code of Conduct contains our expectations of supplier conduct in relation to modern slavery and our [Human Rights & Modern Slavery](#) supplier standard is aligned with our global [Human Rights and Slavery and Human Trafficking policies](#)

In addition to inclusion of our [Supplier Code of Conduct](#) within our standard supplier terms, we seek to report annually on our key suppliers' acknowledgement and understanding of the principles of our Supplier Code of Conduct. 100% of our key suppliers confirmed acknowledgement of the principles of our Supplier Code of Conduct in FY22. For more information on the Supplier Code of Conduct, and our reporting, please refer to our [Supplier Management website](#).

We have also taken steps to arrange events with key suppliers for FY23 and have planned a session in our next reporting period for our top 50 suppliers in our Asia Pacific region. This session will provide an overview of our [Sustainable Procurement Programme](#) and consider the environmental and social impact of our supply chain, inclusive of labour and human rights.

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.

On an annual basis we review the sustainability performance of our key suppliers as part of our [Sustainable Procurement Programme](#). The independent review undertaken by [EcoVadis](#), with which we work as part of this programme, includes assessment of areas including, but not limited to, labour, human rights and modern slavery. As part of the assessment, our suppliers are required to share evidence demonstrating alignment with the UN Global Compact Principles, International Labour Organisation, Global Reporting Initiative and ISO 26000. Any potential gaps will be flagged as 'high', 'medium' or 'low' by [EcoVadis](#) allowing us to prioritise our follow up due diligence and consultation with our suppliers to support corrective action.

Our current reporting is based on validated scorecard information for the financial year ending 30 April 2022:

Description	Unit	FY21	FY22	Status
Annual Supplier Code Declaration	%	88	100	↑
Key Suppliers — Sustainability Performance				
Key suppliers with a policy on corruption	%	90	90	→
Key suppliers with an active whistleblowing procedure in place	%	86	87	↑
Key suppliers with a whistleblowing procedure on labour and human rights issues	%	78	82	↑
Key suppliers with a whistleblowing procedure on ethics	%	84	84	→
Key suppliers taking actions to prevent discrimination and/or harassment	%	67	68	↑
Key suppliers taking actions to remediate discrimination and/or harassment	%	78	81	↑
Key suppliers taking action to promote diversity and inclusion	%	61	71	↑
Key suppliers reporting on diversity in executive positions, including minority groups and gender	%	59	55	↓
Key suppliers that are a participant of the UN Global Compact	%	37	37	→
Key suppliers reporting on labour and human rights issues	%	33	32	↓
Key suppliers reporting on health and safety indicators	%	27	24	↓
Key suppliers that have evidence of actions on employee health and safety issues	%	82	84	↑
Key suppliers that have evidence of actions on working conditions	%	92	89	↓
Key suppliers that have a collective agreement on diversity, inclusion and/or harassment.	%	6	6	→

We have seen a marginal shift in scores between FY21 and FY22, which we are addressing as part of service review meetings with our suppliers and through corrective action plans. We have seen a positive increase in the percentage of suppliers promoting diversity and inclusion and taking action to remediate discrimination and/or harassment. You can read more about our [Sustainable Procurement Programme](#) and progress on our [Supplier Management website](#).

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.

The firm's value-based [Code of Conduct](#) was created to help ensure that the firm's values are demonstrated in our people's behaviours and actions both internally and externally. It supports our whistleblowing mechanisms by encouraging all our people to speak up where they find any potential or actual misconduct internally or externally (including in interactions with clients, service providers and other third parties). In line with pillar 5 of our [Code of Conduct](#), 'Speak Up', we encourage everyone in the firm to promote human rights.

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 2022

- Our Human Rights and Modern Slavery Education module is designed to enhance our ability to identify red flags and address risks. 98% of our people have completed this training since it was launched globally.
- In February 2022, we formally launched our Supplier Relationship Management (SRM) Learning Programme to five cohorts comprising our Contract Managers and Owners. The training covered the pillars of our Supplier Relationship Management (SRM) Framework, inclusive of risk management and mitigation. The risk management training module included a case study exercise, which invited colleagues to consider the impact, likelihood and remedial action required to address risks associated with their suppliers, including, but not limited to modern slavery.
- We took steps to begin formalising our approach to disclosing instances of modern slavery.

98%

of our people have completed our Human Rights and Modern Slavery training since it was launched globally.

Launched

our SRM Learning Programme to five cohorts comprising our Contract Managers and Owners.

Took early steps

to review how we disclose potential instances of modern slavery.

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:

- Following a refreshed assessment of modern slavery risk in our business, we aim to extend the existing central risk assessment approach that currently applies to global top-spend suppliers, to other categories of suppliers that operate in high risk sectors, regardless of spend.
- We aim to formalise our internal processes, including tailored guidance for colleagues, to further support the disclosure of potential 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 continue to hold at least two annual events with clients and suppliers to share best practice and knowledge regarding sustainable procurement.
- We aim to undertake a review of our [Sustainable Procurement Programme](#), to extend the programme more widely across the firm and formalise our approach in different jurisdictions.
- As part of the evolution of our [Sustainable Procurement Programme](#), we aim to develop our approach to supplier diversity & inclusion and consider incentives for suppliers to take greater steps to examine social impacts in their supply chains.
- We aim to engage local offices to raise awareness of, and support compliance with, our Global Procurement Policy; ensuring that we continue to identify, manage and mitigate potential modern slavery risks as part of the end-to-end procurement lifecycle.
- We aim to identify opportunities to combine forces with other organisations and clients to address modern slavery risks.

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

DATE 28 October 2022

CHARLES ADAMS

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



WHY CLIFFORD CHANCE OUR INTERNATIONAL NETWORK

31 OFFICES 21 COUNTRIES

ABU DHABI

CASABLANCA

ISTANBUL

NEWCASTLE

SÃO PAULO

WASHINGTON, D.C.

AMSTERDAM

DELHI

LONDON

NEW YORK

SHANGHAI

BARCELONA

DUBAI

LUXEMBOURG

PARIS

SINGAPORE

KYIV¹

BEIJING

DÜSSELDORF

MADRID

PERTH

SYDNEY

RIYADH²

BRUSSELS

FRANKFURT

MILAN

PRAGUE

TOKYO

BUCHAREST

HONG KONG

MUNICH

ROME

WARSAW

1. Clifford Chance has a best friends relationship with Redcliffe Partners in Ukraine.

2. Clifford Chance has a co-operation agreement with Abuhirmed Alsheikh Alhagbani Law Firm in Riyadh.

CLIFFORD CHANCE

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Registered office: 10 Upper Bank Street, London, E14 5JJ

We use the word 'partner' to refer to a member of Clifford Chance LLP, or an employee or consultant with equivalent standing and qualifications

WWW.CLIFFORDCHANCE.COM

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