

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

Corporate responsibility report ²⁰¹⁰



The firm at a glance

Clifford Chance is one of the world's leading law firms, with legal resources across the key markets of the Americas, Asia, Europe and the Middle East.

Our ambition is to become the leader of the elite group of international law firms that we believe will emerge in the coming years. This requires unrelenting investment in our strategic goals. We want to be the law firm of choice for all our clients, helping them to compete more successfully in their local markets and around the world by offering them commercially useful, integrated legal advice.

Revenue Year ended 30 April (£m)

2009/10	2008/09	2007/08	2006/07
1,197	1,262	1,329	1,194



This is our third Corporate responsibility report, covering the period 1 May 2009 to 30 April 2010. Find out more on our website at www.cliffordchance.com/crreport2010

Our annual review 2010 is also available to download at www.cliffordchance.com/review2010

Under the rules of certain US jurisdictions, this document may constitute attorney advertising. Prior results do not guarantee a similar outcome.

Strengthening relationships

Our **relationships** with one another and with our clients are the invisible glue that binds us as a **diverse group of individuals** into a single, cohesive unit. Our CR activities add another connection – with our communities, both local to us and far away. By engaging with individuals, groups and organisations where we have something of value to offer and where our efforts can make a difference, we **enrich our own professional and personal experience** and we **strengthen our ties to one another and to our clients**. In this, our third Corporate responsibility report, we provide a snapshot of some of the very many activities taking place every day across our firm and review our progress against the CR goals that are increasingly integrated into Clifford Chance's culture.

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Since we set out our corporate responsibility (CR) strategy three years ago, the world has changed dramatically. We began our journey as markets hit their peak; they have since plumbed the depths. Despite this, our progress has been encouraging. Whatever the uncertainties of the surrounding world, our people have embraced CR. There is still more to do, but their enthusiasm and support gives us great confidence.

Putting CR at the centre of our strategy



Stuart Popham Senior Partner



David Childs Managing Partner

All over the firm, there is growing evidence that people see CR as a strategic imperative for our business, an important part of their day job – in fact a building block of our collective genetic code. As a consequence more and more people are getting involved in more and more initiatives.

Last year we launched an internal awards programme to recognise the contribution of individuals in achieving progress towards the firm's corporate responsibility goals. The large number of nominations and the excellent work showcased were a resounding confirmation of our potential to make a real difference to the diversity of our firm, to our communities and to the environment.

Clients are taking notice too. A growing number collaborate with us on joint initiatives – reinforcing already strong relationships and, together, achieving better outcomes.

The UN Global Compact

Clifford Chance has signed the UN Global Compact. This commits us to align our strategies and operations with ten principles covering human rights, labour, environment and corruption.



During the past year we made important contributions to international, cross-sector efforts to combat corruption as well as taking steps to ensure our own internal processes were robust and reflected best practice.

More on **combating corruption** in our Annual Review: p12.

We also continue to make progress against our environmental goals and to work with our clients to support the development of sustainable economies.

More on **environment**: p16.

Supporting our people

We aim to secure the best talent: people with the vision and ability to succeed for our clients and for our firm. We then need to ensure they have all the support they need to achieve their potential. Improving the firm's diversity of views, cultural knowledge and inclusivity plays an invaluable role; and moving people around the business is one good way of fostering a supportive culture which is cohesive but open to a variety of perspectives. We were pleased to have seconded or assigned over 350 people between our offices during the year.

[More on people: p6.](#)

Supporting communities

The Clifford Chance Foundation – launched in 2008 to co-ordinate our charitable giving across the firm – has gone from strength to strength. So, just as we work as one firm to deliver consistent service everywhere, we can now do the same for the causes we support. In the past year the Foundation has committed funds of over £2.4 million to support our goals of improving access to justice, finance and education. Equally importantly, it has become the focal point around which our charity fundraising, pro bono work and volunteering efforts come together, engaging all our offices worldwide.

Sharing our expertise and giving our time is an important aspect of our community work. This year has seen us continue to make a significant pro bono commitment, equivalent to nearly 60,000 hours.

In many of the places where we operate there is no local tradition of pro bono service by law firms, so we are working to establish it as part of our culture and values worldwide.

At the tail end of last year we launched the Clifford Chance Access to Justice Award to recognise and support not-for-profit organisations helping the world's most vulnerable people and communities in the world to gain access to justice. The Thomson Reuters Foundation is helping promote the award, which will see Clifford Chance give £50,000 to a selected organisation each year. In addition we will give up to 500 pro bono or volunteering hours from our lawyers and business service staff, which will help to engage people across the firm. We have been delighted by the number and quality of entries for the first award, and by the fact that several important clients have shown support by joining the judging panel.

[More on communities: p10.](#)

Protecting the environment

In general we continue to make very good progress towards our environmental targets. In 2009/10, 12% of our energy came from renewable sources: ahead of our 2011 target. We continued to improve our performance on waste reduction and recycling, and 14 of our offices are now recycling all their paper waste.

[More on environment: p16.](#)

Outlook

Our CR journey continues. We are committed to the UN Global Compact (see above) and see CR as a shared opportunity for all of us at Clifford Chance to take the right steps together towards making a difference – as well as an arena in which to collaborate with our clients. We are proud of what we have already achieved and look forward to working closely with our partner organisations, our partners, staff and clients to do even more. We welcome your feedback on any part of this report: please contact us at crfeedback@cliffordchance.com.

David Childs
Managing Partner

Stuart Popham
Senior Partner

Our commitment to responsible behaviour remains as strong today as ever. This commitment has provided **commercial and cultural advantages** to both Clifford Chance and its clients. More importantly, it has delivered tangible benefits to our wider communities. What we have achieved already provides us with a solid framework to continue to progress with **clarity of direction and unity of purpose**.

The Clifford Chance **responsibility** journey

“In 2006 the Management Committee made a pledge to put responsibility at the heart of Clifford Chance, both commercially and culturally.” **David Childs** Managing Partner

Pre-2006

Culture of community involvement

Clifford Chance has a long history of active participation in its wider communities. This includes direct involvement and in-kind assistance.

2007

Aim: Establish Global CR Committee

Creating a responsibility reporting and performance structure.

Status: Achieved

Our Global CR Committee was established in 2008, and is supported by sub-committees addressing regional impacts and specific CR issues, such as the Global Environmental Steering Group.

2006

Aim: Formally state Clifford Chance's commitment to responsibility

Gaining support, endorsement and understanding of our responsibilities across the business to formalise our CR strategy.

Status: Achieved

Our first Corporate responsibility report in 2008 set out our over-arching responsibility strategy, and embedded corporate responsibility in our business strategy across every region.



2006/07

Aim: Create clear targets

Creating long-term responsibility performance targets that are meaningful and effect positive change.

Status: Achieved

Our first Corporate responsibility report in 2008 set out a series of responsibility targets which are reviewed and updated each year. We will update on our five year environmental targets in 2012's report.



2008

Aim: Formalise our activities

Providing a clear framework for our diverse range of community activities.

Status: Ongoing...

A major step has been the creation of the Clifford Chance Foundation, with a clear remit for its community activities.

2009/10

Aim: Increase stakeholder engagement

Ensuring that we develop platforms for communicating with and listening to feedback from all stakeholders.

Status: Ongoing...

Regular CR events with staff, partners, clients and other external groups provide important opportunities to share the firm's CR strategy and to capture feedback, as did our internal communications survey in 2010.

The future...

Aim: Continually review and improve...

Status: Ongoing...

We have established a yearly process of reviewing and improving our CR performance. See p20 or www.cliffordchance.com for more information on our progress and targets for this year.

2008

Aim: Establish reporting standards

Creating the principles for communication of our performance and consistency in reporting of key performance indicators.

Status: Ongoing...

Our first Corporate responsibility report in 2008 established the structure of our reporting. As our strategy and implementation evolves, so will our reporting.

This year full reporting of comparative data is available on our website at

www.cliffordchance.com/crreport2010



From e-learning to residential courses, from mentoring to formal statistical review, we deploy a wide range of tools and techniques to develop our people and increase diversity within our firm.



United by our diversity

Diverse talent: Tejas Patel, lawyer, Abu Dhabi

Forging new career paths



Tejas was employed in 2007 as a consultant in the Knowledge Centre in Delhi. Showing great potential, Tejas was offered secondments in Dubai and in the client's office before returning to the Knowledge Centre for two years. Although Tejas is not able to advise clients on Indian Law, in which he trained, he was offered the position as an associate in the Abu Dhabi office last November. Tejas explains, "It is not an automatic career path for consultants, but if you prove yourself Clifford Chance is prepared to challenge and motivate you further. It is a dynamic firm, which is keen to retain promising employees."

To be successful, we must secure the best available talent, vision and abilities and bring them together in complementary teams. Studies consistently show that there are substantial improvements in decision quality and problem-solving ability when issues are tackled and delivered by more diverse and gender-balanced teams. It is simply better for business.

In addition to creating the best teams, finding leaders from the top talent, and strengthening decision-making capabilities, organisations must also think about how they market – and appear – to their clients and wider communities. It is vital that new perspectives and skills are brought to the table: organisations which do not understand this are unlikely to survive the 21st century.

So what can a 21st century organisation do to promote these aims? We believe that supporting diversity and gender balance require ongoing endeavour across several key themes. We have continued to focus our efforts on these during the past year:

Transparency

Organisations must be open about their current statistical and demographic reality and must honestly acknowledge the challenge of increasing diversity and gender balance at all levels. This is why the year-on-year publication of our Corporate responsibility report is important. In addition, the firm now engages in regular and rigorous reporting for management around promotion and progression.

Transparency must extend to giving people the information and tools they require to understand how to progress within the firm: for example, clear information about the technical and business skills expected, the mechanics of the partnership promotion process, the Business services career framework, and transparency of internal job vacancies.

Objectivity

It is important not only to provide transparent information, but also to assess contributions by the most objective means possible. The roll-out this year of globally consistent Lawyer Appraisal and Business services Appraisal forms – built on agreed and published skills which link to the promotion process – was essential in moving us towards meeting this goal.



Education

This means giving individuals the tools they need to develop and improve, particularly against the criteria set by a transparent outline of the skills expected. The Clifford Chance Academy's Business Skills curricula are an example of this. It also means providing education in relation to diversity and gender balance best practice, such as the bias awareness training which was delivered to Management Committee and the Partnership Selection Group members and those current and retired partners who help with the overall partner selection process.

Mentoring and networking

An important component of learning and development is the ability to share insights and obtain guidance from other individuals both within and outside the firm. The Career Development Partner mentoring scheme for associates and newly introduced partner mentoring ensure that, in addition to informal day-to-day mentoring, there is a quasi-formal structure in place for mentoring. We also support internal network-hosted events, such as the annual Pride Art Exhibition held by our

Diverse talent: Mediasite

Training on demand

Best-in-class training and development is essential to maintain our high standards of work at Clifford Chance. That is why we run hundreds of courses across the firm every year, regularly updated to reflect the latest thinking and the needs of busy lawyers and Business services teams. Mediasite technology has enabled us to get more out of each training session. By quickly, easily and cost effectively producing a high-quality recording of a class that is synchronised to PowerPoint, we can enable participants from all over the world to log in and benefit from the training at a time that is convenient for them.

Julia Clarke, Global Learning and Development Partner explains, "One of the principal objectives of the Clifford Chance Academy is to develop new and innovative ways to deliver training, so that learning is integrated into the daily workflow of our lawyers. Another relates to ensuring we are as efficient and cost-effective as possible. Mediasite helps us to achieve both of these goals and feedback so far has been excellent."



lesbian, gay, bisexual and transgender groups in London and New York. This year we ran our first ever plenary session focusing on women partners at the firm's annual partners' meeting. In addition, we actively participate in a number of cross-organisational and client-led groups and associations, such as Women in European Business and the Network for Knowledge, and over the past year have sent over a hundred participants to these events. Giving people opportunities to network across our many groups and offices, and with individuals in the firm whom they wouldn't necessarily meet day-to-day, is also vital: people must be given opportunities to broaden their sphere of influence and develop new perspectives. Gatherings such as the Senior Associate Induction Course, the Academy Development Centres, and the Business services Conference provide a platform for individuals to build their internal networks and are consistently highly rated by participants.

Role models

Perhaps most importantly, management must be a role model on the issue of diversity and gender balance. This means a commitment to the key themes of transparency, objectivity, education, mentoring and networking – promoting processes which support, and being intolerant of practices which hinder, these aims.

Ethnic minorities: Partners*

4.8% in New York/ Washington DC	2.6% in London
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Ethnic minorities: Lawyers*

30.8% in New York/ Washington DC	18.0% in London
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Ethnic minorities: Business services*

41.7% in New York/ Washington DC	10.7% in London
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*Self-reporting as ethnic minority

Gender representation

14.5%
of partners are female

48.4%
of lawyers are female

68%
of Business services are female

Diverse talent: Katie Clarke, General Manager, Moscow

Sharing best practice



These themes, and the actions around each of them, are critically important to achieving the aim of increased diversity within the firm as well as improving gender balance within the partnership. The firm continues to strive to reach our stated ambition of a partnership which is at least 30% female. This is not a quota – the firm always has and will continue to elevate candidates to partnership solely on merit. Rather it is a long-term aim supporting measurement, talent retention and management focus. Obviously, progress will take time: it was frustrating to see only one woman in the list of new partners in 2010. However, this doesn't lessen the firm's dedication to addressing the issue.

Mobility

Working virtually with cross-office teams is one way in which we already bring together a vast array of complementary skills into a single team. However, sometimes there is no virtual substitute for physically relocating to another office. This is a key means for increasing the firm's diversity of views, cultural knowledge and cohesion. It is also a fantastic way to augment learning and personal development, and strengthen cross-jurisdictional networks, for those who spend time abroad. During the last year, over 500 Clifford Chance individuals relocated to

other offices on long-term secondments, on temporary assignments for particular projects or transactions, or on international or local client secondments. This brings immense benefits:

To client matters – where talent is moved to where it is most needed

For individual learning and development – there is no better way to learn the intricacies of a local market than to immerse yourself in it, and this also provides terrific opportunities for widening personal networks and finding additional mentors

For broadening the perspective of the whole firm – bringing market knowledge and practice to share with another jurisdiction.

Diverse talent: Gareth Old, Partner, New York

Building cultural sensitivity



Gareth Old is a partner in the New York office, having previously worked in our offices in London, Germany and Hong Kong. "The prospect of international travel was certainly one of the factors that drew me to the firm," he acknowledges. Gareth also points out the valuable professional benefits: "Working in various offices has helped me to understand and adapt to cultural differences in servicing clients. It has been stimulating and has allowed me to vary my practice and keep it fresh and interesting."

Initially employed on a three-month consultancy contract, Katie Clarke took a permanent role in 2005 and has worked in the London and Dubai offices. She has just accepted the post of General Manager in Moscow. "I've found that opportunities open up if you work hard, prove that you can add value

and get results," she said. Katie sees advantages both personally and for the firm. "I have the most diverse network of friends, all of whom I can call on for help and advice; I'm also in a great position to share ideas that have worked elsewhere, which creates efficiencies for the firm."

The Clifford Chance Academy

5,175
participants*

512
courses*

90%
satisfaction (4.5 out of 5.0)

*excluding practice area-based legal training and e-learning

See www.cliffordchance.com/cr for a full breakdown of figures and trends.

Working together to make a difference

Across Clifford Chance our talented teams work in conjunction with charities, NGOs and clients every day to improve access to justice, to finance and to education.



Working together: BNY Mellon

Shared values



BNY MELLON

The economic turmoil of the past two years has underlined the importance of our contribution to the communities in which we live and make our living. As a firm, our commitment to support a broad range of initiatives, financially and through pro bono and volunteering work, remains undiminished.

Clifford Chance has not been immune to the pressures of the financial crisis and we have, naturally, taken steps to ensure that our practice continues to reflect our clients' changing needs. The headcount reductions in our US offices regrettably impacted our pro bono resource and meant that our aggregate pro bono hours showed a year on year decline of 29%.

Notwithstanding this decrease, we continue to encourage and support pro bono and volunteering across the firm, particularly in relation to our three areas of strategic focus: access to justice, to finance and to education. The efforts of individuals are now recognised within all appraisals and, in some offices, reflected in bonus arrangements. We have also introduced a new policy giving all Business services staff 10 hours a year for CR activity. As a result, we are pleased to say that over the year we maintained the high level of contribution from our London office and continued to build sustained



“Pro bono and community work... forms a common value that brings BNY Mellon and Clifford Chance together.” **Esther Cavett** Relationship Partner, BNY Mellon

Joint community action with clients demonstrates shared values and strengthens relationships. Every quarter, volunteers from our Hong Kong office join forces with BNY Mellon to support the Crossroads Foundation, which redistributes unwanted goods to communities in need both in Hong Kong and around the world. The volunteers undertake a whole variety of tasks including cleaning and packing donated goods, painting and general building maintenance

and loading shipping containers. In London, a mutual partnership with local charity Community Links gave Clifford Chance and BNY Mellon the opportunity to jointly host a fun sports day to encourage and motivate children excluded from mainstream education. Additionally, BNY Mellon sponsors the City of London Festival, with Clifford Chance supporting this key cultural event and funding one of many pianos located around the

City and Canary Wharf, encouraging people to take part and play. Esther Cavett, relationship partner for BNY Mellon, comments: “Pro bono and community work takes many forms. It is incredibly important – both to the people who participate and the communities who benefit – and forms a common value that brings BNY Mellon and Clifford Chance together.”

engagement in a number of jurisdictions, in Asia and Europe, where there is no ingrained cultural and historical pro bono tradition. We also saw a 26% increase in recorded hours by our Business services teams.

It is clear to us that the continued emphasis on managing the community as well as the commercial life of the firm means that pro bono and volunteering work is increasingly integrated with our core business. This year 82% of US partners were involved in these activities and globally we ran some 26 CR related projects with 18 of our most important clients.

The Clifford Chance Foundation

The Foundation, established in 2008, was set up to provide a focused and co-ordinated approach to our charitable giving, aligned with our goals of improving access to justice, finance and education. It is the focal point around which the firm’s charity fundraising, pro bono work and volunteering efforts come together.

In the past 12 months the Foundation committed funds of more than £2.4 million. Every office gets involved in choosing which charities to support but our charitable giving extends beyond those communities where we have offices. Ninety-one charities in more than 40 different countries have received support from the Foundation in the past 18 months.

In April 2009, the Foundation launched two large-scale commitments: support for major international projects run by Avocats Sans Frontières (ASF) France and Save the Children.

Chance for Children

Clifford Chance is working with Save the Children on a three-year project to provide education for 33,000 children who were previously marginalised from good quality pre-school and primary education in Delhi, India. Education authority officials and 300 head teachers from approximately 26 Delhi schools attended the official launch of the project in September 2009. The project has already delivered a teacher training manual and training of new primary school teachers began in March 2010. Twenty-five facilitators have also been recruited to work in schools to help children and teachers resolve welfare issues and have a voice on school improvements. They have begun the formation of Children’s Groups which will also be central to creating the School Development Plans.

ASF Global Network

Clifford Chance is working with ASF France – in conjunction with existing ASF associations (for example, in Brazil, Italy and Cameroon) – to help the NGO achieve its fair access to justice objectives and to develop its international network – the ASF Global

Community and pro bono commitment for 2009/10

59,345

community and pro bono hours invested globally across the firm

57,071

community and pro bono hours invested by lawyers

2,274

community hours invested by Business services

£17m

time cost value of lawyers’ pro bono and community hours

£2.4m

of Clifford Chance Foundation charitable donations

See www.cliffordchance.com/cr for a full breakdown of figures and trends.

Network. In the past year the ASF Global Network has, through its working groups in various countries, shared training tools, information and methodologies. A common charter and common principles are expected to be adopted at the ASF Global Network meeting late in 2010.

Our pro bono teams have continued to assist in projects taking action for Rwandese refugees in Malawi and other justice projects in Cambodia, Nigeria, Mali and Colombia. They have also promoted human rights in French-speaking Africa and assisted in creating a human rights defence network in west and central Africa.

Giving communities the best chance

The charities supported by the Foundation are giving many communities a better chance. In the past year we've enabled them to:

Build four new schools and orphanages and a new community centre in Africa plus a new school in China

Establish 11 mobile libraries in Vietnam

Fund 15 Public Interest Fellowships in 13 countries

Provide 125 students with free bus travel to school in rural Thailand

Fund 28 one-day workshops for 215 volunteer counsellors working in 50 schools in the UK

Support 26 young Bosnian adults through a Learning for Life Programme

Create three new Clifford Chance Scholarships for undergraduate students in Shanghai

Establish four new basic skills courses (literacy and numeracy) for young adults in Cardiff, Middlesbrough, Bristol and Southampton

Help 103 refugees and asylum-seekers in Thailand

Establish a new free legal advice clinic in Manchester

Advise 50-75 families with children with special educational needs on securing their entitlements under law

Establish a twice-monthly legal clinic for lesbian, gay, bisexual, transgender and HIV-affected, survivors of domestic violence in New York

Host three training seminars delivered for institutions that work with low-income sections of the Moscow population

Assist 64 homeless people with temporary shelter in Japan

Produce research analysis on the challenges of microfinance practitioners and the impact of human capital issues in India

In Spring 2010 the firm's staff and the Foundation raised £132,000 to support communities devastated by the Haiti Earthquake. The funds were used to support the rebuilding of an orphanage and four school classrooms.



The Foundation: Changgou School, China

Rebuilding a school

Five hundred and fifty children in rural China stand to benefit from the rebuilding of their school, which was badly damaged during previous earthquakes in the region. The Clifford Chance Foundation has donated funds via Sowers Action, a well-known Hong Kong-based charity, to reconstruct Changgou Primary School in Yunnan Province and provide the children with a safe and decent educational environment. The project was selected following a vote by colleagues in the Beijing and Shanghai offices. Changgou Primary School is scheduled to open in September 2010, just in time for the new school year, and a number of colleagues plan to take the bus into rural Yunnan to attend the opening ceremony.



Access to justice: UN Business and Human Rights

Fostering corporate cultures respectful of human rights



We are helping Professor John Ruggie, the Special Representative of the UN Secretary General on Business and Human Rights, with his Corporate Law Tools project. This project aims to identify whether and how national corporate law principles and practices currently foster corporate cultures respectful of human rights. Six Clifford Chance offices across Europe and the Middle East are

taking part in the project, answering a variety of detailed questions about the relevant laws in their jurisdictions on subjects including directors' duties, reporting, stakeholder engagement and corporate governance, and explaining how corporate regulators and courts apply the law to companies. Their answers will assist in clarifying the policy recommendations to be made in this area.



Access to justice

In troubled economic times, it is particularly important that we provide a spectrum of free legal services to people who otherwise would not have access to a lawyer. We support a huge range of programmes including FreeLaw in London, where some 180 Clifford Chance lawyers last year provided legal advice across five centres; support at Hong Kong's Chungking Refugee and Asylum Seeker Centre; and our continued involvement in My Sisters' Place, a domestic-violence related organisation in the US, where we fund a full-time legal fellow and many of our lawyers advise on cases related to immigration and divorce matters.

Increasingly on these programmes we work side by side with our clients, undertaking essential grass roots legal activity that makes a huge difference to thousands of ordinary people.

Our lawyers also advise on high profile, precedent-setting cases – from acting for individuals on Death Row to defending the interests of specific groups, such as Italian thalidomide sufferers seeking financial support and Chagos Islanders campaigning for the right to return to their homeland.

Access to justice: US & UK Supreme Courts

Supreme on both sides of the pond

Clifford Chance has achieved significant successes over the past year in both the UK and US Supreme Courts. A team led by Michael Smyth in London acted for JUSTICE, the legal and human rights NGO, in the first case heard by the UK's Supreme Court on its opening in October 2009. The court held that the British government had acted without parliamentary authority in making orders to freeze the assets of five men suspected of, but neither charged with nor convicted of, financing terrorism.

Meanwhile, in the US, we worked with the Bar Human Rights Committee and the European Center for Constitutional and Human Rights in support of Maher Arar, an innocent man who was arrested by US officials in 2002 based on alleged links to al-Qaeda. He was taken to Syria for a year, where he was tortured and forced to make a false

confession. We acted for Arar on his return, clearing him of all allegations and obtaining due compensation.

A team led by Steve Nickelsburg in Washington, DC contributed to a significant verdict for the Equal Justice Initiative (EJI) in the United States Supreme Court this year. The court concluded that a sentence of life without parole is unconstitutionally cruel and unusual when applied to a juvenile convicted of committing a crime that does not involve death. The majority opinion included two references to a brief written by Clifford Chance and submitted on behalf of a panel of psychiatrists, psychologists, and social scientists in favour of the ruling. Resulting from this important victory, EJI plans to pursue new litigation and tactical legislative reform.

Access to finance: Fair Finance

Real financial alternatives



Fair Finance is a not-for-profit social enterprise with three advice centres in East London. The organisation provides alternative sources of credit for the poor and marginalised who otherwise would be forced into the hands of loan sharks. It provides microfinance loans of up to £10,000 to entrepreneurs unable to access mainstream finance for their business ideas. And, it provides debt and money advice and financial capability workshops for local residents.

Clifford Chance's Finance practice has provided pro bono advice to the organisation since it was set up in 2008. We are helping the organisation to expand its presence beyond its current three offices, by advising it on the corporate and financial aspects of restructuring.

Access to finance

Financial and legal knowledge are the foundations of our firm, so our lawyers are extremely well placed when it comes to facilitating access to finance. Last year, this was a particularly important theme with a number of new initiatives.

Not least among these was the creation of our Microfinance Group, building on our long history of work in this area. The group is a global forum for over 100 people across the firm to exchange information and to share insights and best practice.

Members of the group work on a wide variety of microfinance initiatives, including redrafting contractual documentation for the Moscow office of Integra, an NGO that works with hundreds of small businesses in Central and Eastern Europe to alleviate poverty. A team in Frankfurt is advising Grameen Creative Labs on starting-up a trust, microfinance institution and a venture capital fund in Colombia. And we are also collaborating with Citi to update our ground-breaking work on microfinance loan documentation.

But microfinance is just a small part of the picture. This year our Finance lawyers created an electronic debt advice project with Law For All; our Moscow office continued to support IBLF's programme to promote financial literacy; we worked alongside the Community Development Finance Association to facilitate access to cheap credit for start-up businesses; and we continued our rewarding collaboration with the Private Equity Foundation; which brings the expertise of an entire sector to support charities helping young people not in education, employment or training.

Our financial services clients are very active in this space and often create valuable opportunities for us to become involved, combining our talents to have the best possible impact and deepening the relationships between our teams.

Access to education

From redecorating to rebuilding schools, from buying books to sitting down with children and helping them to read, Clifford Chance partners, lawyers and Business services staff bring passion, energy and resourcefulness to education related projects around the globe.

A particularly important strand of our activity revolves around raising aspirations. When it comes to education, equality is not only about access. Children and adults need to believe they have the right to the best opportunities education can provide – and the confidence to pursue them. This explains our commitment to important partnership programs such as TeachFirst, which aims to address educational disadvantage, and the Clare Partnership for Schools, which encourages children from deprived London boroughs to continue into higher education.

Our work in this area is not just about such large set-piece engagements; it is also about one-on-one involvement. People across Clifford Chance support an impressive range of mentoring programmes and serve as mentors themselves to hundreds of individual students in local communities around our international network.

Access to finance: Konsey Nasyonal Finansman Popilè

Microfinance for rural communities



Our New York and London offices are advising Konsey Nasyonal Finansman Popilè, a consortium of rural microfinance institutions in Haiti, on draft microfinance legislation proposed by the Haitian government. An important element of the project is to ensure that rural as well as urban microfinance institutions are represented in the consultation process, so the resulting legislation will be applicable to them too. The legislation will ensure that Haiti has an appropriate structure in place to support sustained microfinance, which will in turn help to alleviate poverty.



Access to education: Società Umanitaria

Mentoring in Italy

Clifford Chance works with Società Umanitaria on a mentoring programme for students in the early years of senior school, a time when students can often drop out of school without qualifications. Lawyers and Business services colleagues participate in the programme, based in Milan. Ferdinando Poscio, an associate in Milan and mentor on the scheme, explains: "We are encouraged not to teach or preach to the child, we are there to listen to them and interact with them as an adult friend. Our aim is to provide the children with a role-model of an adult in a successful career and to make them feel valued and appreciated. It is hugely rewarding."

Access to education: G20 for kids

Expanding horizons



Our Raising Aspirations programme aims to help young people expand their horizons in the world of work. It helps them learn about the different careers they can work towards, and builds their confidence in pursuing opportunities. Partner Oliver Bretz hosted a G20-style 'summit' at Clifford Chance's London office, where over 60 local students came together to debate issues from trade to poverty, from the perspectives of different G20 nations. The aim was to engage the students with these important issues, encouraging

them to work together to find solutions that would work for everyone. Claire Durkin, Director of Europe, International Trade and Development at the Department for Business, Innovation and Skills, spent the day with the teams, alongside a group from Clifford Chance. Having experienced the London G20 first hand, Claire was able to give a great insight into the official discussions. After the event she commented: "It was, honestly, the best reaching out to the community I have witnessed".



Access to education: Big Brothers Big Sisters

Establishing a network in Russia

We're working with the Russian affiliate of an international mentoring organisation – Big Brothers Big Sisters. This matches caring adults with children in need of meaningful relationships who are often orphans, come from broken homes or simply lack guidance from an adult. Clifford Chance lawyers advised the organisation on the most effective structure for the Russian arm, with the head office in Moscow and local branches elsewhere.



"It was, honestly, the best reaching out to the community I have witnessed."

Claire Durkin Director of Europe International Trade and Development, Department for Business, Innovation and Skills

We take our responsibilities towards the environment seriously. That means not only managing our own footprint but also being **at the forefront of advising clients on how to create sustainable businesses** and reduce emissions.



Peter Zaman Head of Clifford Chance's Environmental and Climatic Trading Group

\$10.5 trillion to save our planet

Combating climate change is about money. A lot of money. The International Energy Agency says the world needs investment of US\$10.5 trillion in low-carbon energy technologies and energy efficiency by 2030. **Peter Zaman, head of our Environmental and Climatic Trading Group**, considers how investment on such a scale can be mobilised and what Clifford Chance is doing to help.

Private sector carbon emissions: PGE Elektrownia Bełchatów

Carbon capture and storage in Poland

An international team consisting of 17 Clifford Chance legal experts has been appointed by PGE Elektrownia Bełchatów to advise on one of the largest carbon capture and storage projects in the world. The team, led by Daniel Kopania, head of the Projects Group in Warsaw, will advise on construction, environmental, infrastructure, public procurement and financing aspects of the project, located in Rogowiec, Poland. Once completed, the installation will be the first of its kind in Poland and one of the first in Europe. Nigel Howorth, co-head of the Climate Change Group in London, commented: "We are pleased to be part of this innovative project for dealing with CO₂ emissions."



Investment of US\$10.5 trillion cannot come from taxpayers alone. It needs massive support from the private sector – through public-private partnerships that use public money to leverage private investment, or through incentives that drive private sector investment into areas that provide solutions.

So far, there is little sign of the action required on a global scale to make this happen. The funding cycle leading to the investment needed between 2012 and beyond should already have begun. But the Copenhagen Climate Change Conference at the end of 2009 failed to create the necessary positive signals to investors – who are reluctant to commit without the assurance of a market based solution offering appropriate returns. The earliest any such solution is likely to be agreed now is 2011, at the UN climate change meeting in South Africa. Until then, the investment community is effectively in limbo and we are losing time.

Meanwhile, some individual countries are providing incentives. The EU, for example, has a programme targeting a 20% cut in greenhouse gas emissions by 2020, compared with 1990 levels.

But even if other major economies make similar commitments, a disjointed response is logically going to be less efficient than a coordinated global programme. Nations will in effect be competing against each other for investment, reducing liquidity and raising investment costs. Investors will find it harder to build up expertise that is transferable from one investment location to another.

At Clifford Chance we have built our

climate change practice around our financial practice because we believe that even though climate change is an environmental problem, its solution lies in financing low carbon solutions or carbon emission mitigation activities. Consequently, because of the depth of our bench, we are able to deploy the skills of both environmental and financial lawyers, as required, to address the particular issue in hand. We are unique in that we have finance lawyers with climate change specialisation.

Outside our client activity we are undertaking pro bono activities to help make investment in the carbon finance sector easier and more attractive. We aim to promote removal of barriers to investment – through thought leadership, raising awareness and lobbying. To give investors greater comfort and certainty in their investments in the contested realms of carbon finance, they need to identify structures to which they can apply their normal financial techniques. We encourage regulators to think about issues such as how an investor might take security over a carbon credit, or what the implications of counterparty insolvency might be in carbon trading relationships.

In turn, this helps us develop innovative structures to secure investment despite the current barriers and legal uncertainties. The case studies here show some examples, including a public-private partnership programme in Cape Verde (right) which is a key test for international financiers looking to invest in a small African country on a limited recourse basis.



Private sector carbon emissions: Cape Verde

Sustainable energy in Africa

Our innovative approach to commercial legal issues is helping to ensure that some unusual energy projects are being realised. In order to meet rising energy demands from a growing tourist industry, the government of Cape Verde is developing a public-private partnership with Infraco, a development company, to deliver wind power capability across the islands. As advisers to Infraco, we have used our expertise to create a set of agreements that are sufficiently robust to ensure investment, but also equitable to the government of Cape Verde given its limited public finances. This is a pioneering project whose success will set the tone for sustainable energy development in Cape Verde in future.

Aiming higher to lower our impacts



Management targets for 2011

Target: Run environmental awareness campaigns.

Progress: A number of campaigns have been run both globally and locally.

World Environment Day: The firm once again adopted an international approach to make the most of World Environment Day, the UN initiative designed to stimulate worldwide awareness of the environment and increase political attention and action, on 5 June 2009. Among other initiatives, our Hong Kong colleagues joined volunteers from strategic partners Credit Suisse to clean-up the beach at Tung O, South Lamma for the second year, giving local communities a safe and clean bathing environment; while a team in our Dubai office ran a desert clean-up. Our German offices ran a 'sowing and planting' initiative with a local children's charity and our Budapest office planted trees in a major city park. A number of charities benefited from these activities, including WaterAid: our Spanish office even designed its own special WaterAid collection tins, which were recycled afterwards.

Earth Hour: Once again all our offices switched off their lights for 60 minutes on 27 March 2010 at 8.30 pm to mark Earth Hour. WWF also gave a presentation in the London office on "WWF's Earth Hour: Why it's important and how you can help us". The event was relayed to several offices via videoconference. Similar talks were also given in Hong Kong, Beijing, Shanghai and Singapore.

Environmental impacts: Aardvark Recycling

Office food waste benefits local communities

Our London office has found a way to cut costs, help the environment and contribute to the local community at the same time. By contracting Aardvark Recycling to collect food waste from our kitchen and offices, we're turning our waste into good quality compost, which is distributed to local communities for urban food growing projects and green spaces. Our catering provider, Restaurant Associates, helps us maximise the benefits by providing compostable food packaging. Aardvark uses income from the scheme to provide subsidised fruit and vegetables to local low-income families.

Target: Introduce an environmental management system (EMS) to manage our environmental impact.

Progress: Clifford Chance London has an EMS independently certified to the ISO 14001 standard. All our other offices run an internal EMS and track CO₂ emissions.

Target: Work with key suppliers to understand, manage and reduce the environmental impacts of our purchases.

Progress: Suppliers are asked to complete an assessment questionnaire, which includes a detailed section on environmental performance and requires supporting evidence.

We work with suppliers to consider whether there are better ways to procure products or services. We have developed an internal training course to help people making purchase decisions to consider the overall carbon footprint of any purchase.

Target: Promote environmental initiatives by our employees and relevant external groups and organisations through our CR programme.

Progress: Articles are run on *CC Today*, our global intranet homepage and news portal. Our environment pages on our intranet offer environment-friendly hints and tips for the workplace and home. This year, both the Senior Partner and Managing Partner discussed progress against environmental targets in separate firm-wide staff meetings which were video-conferenced to our offices.

In September 2009 we launched an internal awards programme to recognise CR activity, which included a category on the environment. Pascal Deijs, who as Facilities Manager has been the catalyst in promoting environmental awareness in the Amsterdam office, won this category from 14 nominations. Together with sponsor

partner Mark Huddleston, Pascal started his campaign in 2005 by calculating the climate footprint of the Amsterdam office over 2004. He then developed a vision statement and employee questionnaire, and created a think tank and action plan, the objective being to improve the office's climate footprint and become climate neutral as an office. Pascal developed a poster campaign (which went on to be used firm-wide) and was instrumental in implementing practical measures such as purchasing green electricity, setting printer defaults to double-sided printing and installing energy efficient lighting. As a result, the Amsterdam office has achieved improvements in electricity efficiency (over 20%) and paper efficiency (over 40%) plus a CO₂ reduction of more than 40% between 2004 and 2008.

Operational targets for 2011

Target: Reduce CO₂ emissions by at least 3% from 2007/08 baseline.

Progress: Our CO₂ emissions for 2009/10 are calculated at 6.22 tonnes per full-time equivalent employee (FTE) compared with 7.81 tonnes per FTE in 2007/08, a drop of 20%. We have been able to collect data from 28 offices compared to 18 in 2007/08. We use the Greenhouse Gas Protocol methodology and the comparisons have been calculated to take into account the latest emissions factors and a move from year end FTE to average FTE.

Target: Buy 10% of our energy from renewable sources where available.

Progress: In 2009/10 renewable energy was purchased for 100% usage by Luxembourg and Amsterdam. Tokyo purchases 72%, Frankfurt 27%, Düsseldorf 24%, Munich 22%, Barcelona and Madrid 20%, Brussels 10%, Paris 9% and London 5%. This equates to 12% of total energy, which is above our 2011 target.

Target: Introduce initiatives to reduce water consumption.

Progress: A number of offices have installed water saving devices in their washrooms. Our shared service centre in Delhi has introduced rainwater harvesting with the help of the landlord. A number of offices have reduced their use of air conditioning.

Target: Reduce paper use by 10% per employee from 2007/08 consumption.

Progress: Since 2007/08 we have reduced paper consumption by 24% per employee.

Target: Recycle at least 25% of all general waste.

Progress: 13 offices achieved or exceeded the target for cans, 12 for plastics, 10 for IT hardware, 18 for toner cartridges, 11 for cardboard and 11 for glass.

Target: Recycle at least 30% of office paper waste.

Progress: 14 of our offices recycle 100% of office paper waste and a further 10 recycle at least 30% (up from 12 and six respectively in 2008).

Target: Ensure at least 10% of paper has at least 30% post-consumer recycled content or comes from FSC or other internationally recognised certified sources which have a low carbon footprint.

Progress: 14 of our offices are exceeding this target and a further eight have made progress towards this target.

Environmental impacts: Video and web conferencing

New technology improves productivity



In a global company, staying connected with clients and colleagues can be a challenge. Our investment in web conferencing and broadcast video services has already increased cross-border productivity, and we hope it will decrease our environmental impact by reducing the need for business travel. Collaboration Services engineer Rick Collinge has been instrumental in dramatically increasing the adoption of services over the last year. Colleagues

have held 1,500 web-based meetings with 5,000 attendees from around the world, and we have published nearly 700 videos with over 11,000 viewings. David Adams, Head of Finance & Capital Markets Education, has had positive feedback from users: "We can record a lecture and make it accessible to people across the world within minutes, which gives them flexibility and allows them to manage their day more efficiently."

So, how have we performed?

Progress 2009/10

Governance

Increase partner visibility and leadership in CR activity.

Action: 2010 meeting of the firm's global partnership included CR messages in plenary sessions, and an exhibition encouraging participation in CR activity.

Increase engagement with our people.

Action: Internal CR awards launched in 2009, resulting in a large number of nominations from around the firm, a high level of participation in voting for the eventual winners and strong turn-out for an awards ceremony in London which was broadcast to six offices around the network.

People

Embed CR into performance management.

Action: All appraisal forms across the firm for partners, lawyers and Business services staff include pro bono/community criteria for assessment and recognition.

Business alignment

Embed CR into client relationships.

Action: An audit of all CR activities undertaken in partnership with our clients found that 26 programmes were run last year in conjunction with 18 of our largest clients.

Environmental operations

Reduce CO₂ emissions by at least 3% from 2007/08 baseline.

Action: CO₂ emissions per FTE reduced by 20% from 2009/10 compared with 2007/08.

And what more are we doing?

Targets 2010/11

Governance

Increase partner visibility and leadership in CR activities.

How: Increase the number of partners involved in pro bono/community activities and the average hours contributed per partner.

Increase engagement with our people.

How: Increase the number of pro bono and community hours recorded globally by 10% per FTE.

How: Enhance CR awards.

People

Achieve a more diverse partnership.

How: Roll out a series of initiatives including review of partner candidates and diversity training.

Business alignment

Embed CR into client relationships.

How: Integrate CR into programmes for specific clients and sectors.

Environmental operations

Ensure at least 10% of paper has at least 30% post-consumer recycled content or comes from FSC or other internationally recognised certified sources which have a low carbon footprint.

How: Work with individual offices who have yet to make progress on how to make the necessary changes locally, sharing best practice from other offices in the network.

For a full update on our progress and targets see www.cliffordchance.com/crreport2010

Our global office network

Abu Dhabi

Clifford Chance
13th and 14th Floors, Al Niyadi Building
Airport Road, Sector W-14/02
PO Box 26492
Abu Dhabi
United Arab Emirates
T +971 2 419 2500
F +971 2 419 2600

Amsterdam

Clifford Chance
Droogbak 1A
1013 GE Amsterdam
PO Box 251
1000 AG Amsterdam
The Netherlands
T +31 20 7119 000
F +31 20 7119 999

Bangkok

Clifford Chance
Sindhorn Building Tower 3
21st Floor
130-132 Wireless Road
Pathumwan
Bangkok 10330,
Thailand
T +66 2 401 8800
F +66 2 401 8801

Barcelona

Clifford Chance
Av. Diagonal 682
08034 Barcelona
Spain
T +34 93 344 2200
F +34 93 344 2222

Beijing

Clifford Chance
Room 3326 China World Tower 1
No. 1 Jianguomenwai Dajie
Chaoyang District
Beijing 100004
People's Republic of China
T +86 10 6505 9018
F +86 10 6505 9028

Brussels

Clifford Chance
Avenue Louise 65
Box 2, 1050 Brussels
Belgium
T +32 2 533 5911
F +32 2 533 5959

Bucharest

Badea Clifford Chance
Excelsior Business Center
28-30 Acadamiei Street 12th Floor
Sector 1 Bucharest 010016
Romania
T +40 21 66 66 100
F +40 21 66 66 111

Dubai

Clifford Chance
3rd Floor, The Exchange Building
Dubai International Financial Centre
PO Box 9380
Dubai
United Arab Emirates
T +971 4 362 0444
F +971 4 362 0445

Düsseldorf

Clifford Chance
PO Box 32 01 25, 40416 Düsseldorf
Königsallee 59, 40215 Düsseldorf
Germany
T +49 211 43 55-0
F +49 211 43 55 5600

Frankfurt

Clifford Chance
Mainzer Landstraße 46
60325 Frankfurt am Main
Germany
T +49 69 71 99 01
F +49 69 71 99 4000

Hong Kong

Clifford Chance
28th Floor Jardine House
One Connaught Place
Hong Kong SAR
T +852 2825 8888
F +852 2825 8800

Kyiv

Clifford Chance
75 Zhylyanska Street
01032 Kyiv
Ukraine
T +38 044 390 5885
F +38 044 390 5886

London

Clifford Chance
10 Upper Bank Street
London E14 5JJ
United Kingdom
T +44 20 7006 1000
F +44 20 7006 5555

Luxembourg

Kremer Associés & Clifford Chance
4 Place de Paris
B.P. 1147
L-1011 Luxembourg
Grand-Duché de Luxembourg
T +352 48 50 50 1
F +352 48 13 85

Madrid

Clifford Chance
Paseo de la Castellana 110
28046 Madrid
Spain
T +34 91 590 75 00
F +34 91 590 75 75

Milan

Clifford Chance
Piazzetta M. Bossi, 3
20121 Milan
Italy
T +39 02 806 341
F +39 02 806 34200

Moscow

Clifford Chance
Ul. Gasheka 6
125047 Moscow
Russia
T +7 495 258 5050
F +7 495 258 5051

Munich

Clifford Chance
PO Box 34 01 63
80098 München
Theresienstraße 4-6
80333 München
Germany
T +49 89 216 32 0
F +49 89 216 32 8600

New York

Clifford Chance
31 West 52nd Street
New York
N.Y. 10019-6131
USA
T +1 212 878 8000
F +1 212 878 8375

Paris

Clifford Chance
9 Place Vendôme
CS 50018
75038 Paris Cedex 01
France
T +33 1 44 05 52 52
F +33 1 44 05 52 00

Prague

Clifford Chance
Jungmannova Plaza Jungmannova 24
110 00 Prague 1
Czech Republic
T +420 2 22 555 222
F +420 2 22 555 000

Riyadh*

Al-Jadaan & Partners Law Firm
5th Floor, Al Umam Commercial Center
Siteen Street, Al-Malaz
Riyadh, Kingdom of Saudi Arabia
PO Box 3515, Riyadh 11481
T +966 1 478 0220
F +966 1 476 9332

Rome

Clifford Chance
Via di Villa Sacchetti 11
00197 Rome
Italy
T +39 06 422 911
F +39 06 422 91200

São Paulo

Clifford Chance
Rua Helena, 260
6th Floor
04552-050
São Paulo
Brazil
T +55 11 3049 3188
F +55 11 3049 3198

Shanghai

Clifford Chance
40th Floor Bund Centre
222 Yan An East Road
Shanghai 200002
People's Republic of China
T +86 21 6335 0086
F +86 21 6335 0337

Singapore

Clifford Chance
One George Street
19th Floor
Singapore 049145
Singapore
T +65 6410 2200
F +65 6410 2288

Tokyo

Clifford Chance
Akasaka Tameike Tower
7th Floor, 2-17-7, Akasaka
Minato-ku
Tokyo 107-0052
Japan
T +81 3 5561 6600/6640
F +81 3 5561 6649/6699

Warsaw

Clifford Chance
Norway House
ul. Lwowska 19
00-660 Warsaw
Poland
T +48 22 627 11 77
F +48 22 627 14 66

Washington, D.C.

Clifford Chance
2001 K Street NW
Washington
DC 20006-1001
USA
T +1 202 912 5000
F +1 202 912 6000

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