



How can we build a better firm?

Corporate responsibility report 2008



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

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Where are we now? Clifford Chance is one of the world's leading law firms, and the only one able to serve clients with real scale and depth of legal resources across the key markets of the Americas, Asia, Europe and the Middle East, operating with a single profit pool. We have 3,800 legal advisers and 3,300 business services staff in 28 offices in 22 jurisdictions. In 2007/08 we increased our revenues by 11% to £1,329 million and announced new offices in Abu Dhabi and Kyiv.

Why publish a corporate responsibility report?

In recent years our clients have been responding to growing demand for open and transparent disclosure of the way their businesses operate, are managed and are performing. This demand has come not only from regulators and investors but from a broad spectrum of stakeholders including employees, customers, suppliers, NGOs, the media and neighbouring communities.

Unlike most of our clients, we are not required to report on our own activities. But in today's climate of greater business openness, it seems appropriate for us to keep our stakeholders informed through an annual review and a corporate responsibility report. As we implement our strategy for building a truly global law firm, these reports provide an opportunity to show how we operate as a single firm worldwide, and how this benefits our clients and our people.

This is our first corporate responsibility report, covering the period 1 May 2007 to 30 April 2008. We have also published a separate **annual review**, which is available to download at www.cliffordchance.com/annualreview

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

Tell us what you think

We'd like to know what you think of our first corporate responsibility report. Mail us at crfeedback@cliffordchance.com

How can we build a better firm?

By showing due regard for the people around us.

That is what **our clients**, **our people** and **our communities** expect of us.

Our aim is to exceed their expectations.

So that is what we have set out to do...



Find out more

How do we get better at doing the right thing?

By doing it the way we do business. This is our first global corporate responsibility (CR) report, published to reflect the changed way we manage CR.

Why now? Because we see an opportunity, and a need, to raise the bar. By co-ordinating what we do across the firm, we can increase our impact. By aligning it with our Principles and strategy, we can increase momentum. In this way, we can achieve one of our basic aims, which is to exceed expectations.

For a leading international law firm, it is a given that those expectations are high. All of us want to feel that our firm's values extend beyond the provision of legal advice for reward. Potential recruits are entitled to expect the same, because CR has become a significant differentiator among potential employers. Clients, too, are setting high standards. We see all these expectations as a spur to constant improvement.

Our vision is to become the leader of the elite group of international law firms that is emerging and to be regarded as one of the world's leading professional services organisations. Achieving that vision requires action: we need to improve the way we manage and communicate our activities; and we need to align our CR more closely with the way we do business. The two should be intimately connected.



Stuart Popham Senior Partner

David Childs Managing Partner

We believe this alignment will bring advantages on a number of fronts. It will help us to retain and attract the kind of people we need. It will help us to develop as individuals: pro bono and volunteering work expand our experience and broaden our horizons. And it will help us to cement the close and trusting relationships we seek with clients – especially where we undertake joint CR activities.

see page 5

— [So, we have been formalising our approach. Our CR Committee now has representatives from across the firm to guide and inspire our initiatives. We have revised our CR vision to ensure that our CR activity accurately reflects our culture, our Principles and our way of doing business. We have formed the Clifford Chance Foundation as a coherent and consistent channel for our charitable donations.

In keeping with our approach to business, we are setting our sights high. We want to be recognised as a leader in CR among our peers. That will not be easily achieved: although we have taken some important steps in organising our CR activities, and there are many excellent initiatives in a number of offices, we recognise that we still have a long way to go for us to be as globally consistent as we would like.

This report focuses on our aspirations, as we build on the outstanding work that is already being done by individuals and groups throughout the firm.

David Childs
Managing Partner

Stuart Popham
Senior Partner

Internal drivers

Our clients

Our Principles (see p24)

Our people

Development and training

Diversity

Access to justice, finance and education

Governance

Market drivers

Clients' needs and expectations

Environmental issues

Compliance

Regulation

International trade bodies

NGOs

Governments

Clifford Chance
Corporate
Responsibility

What drives our corporate responsibility?

Our ambition To develop a CR platform that is recognised as unequalled in the legal profession.

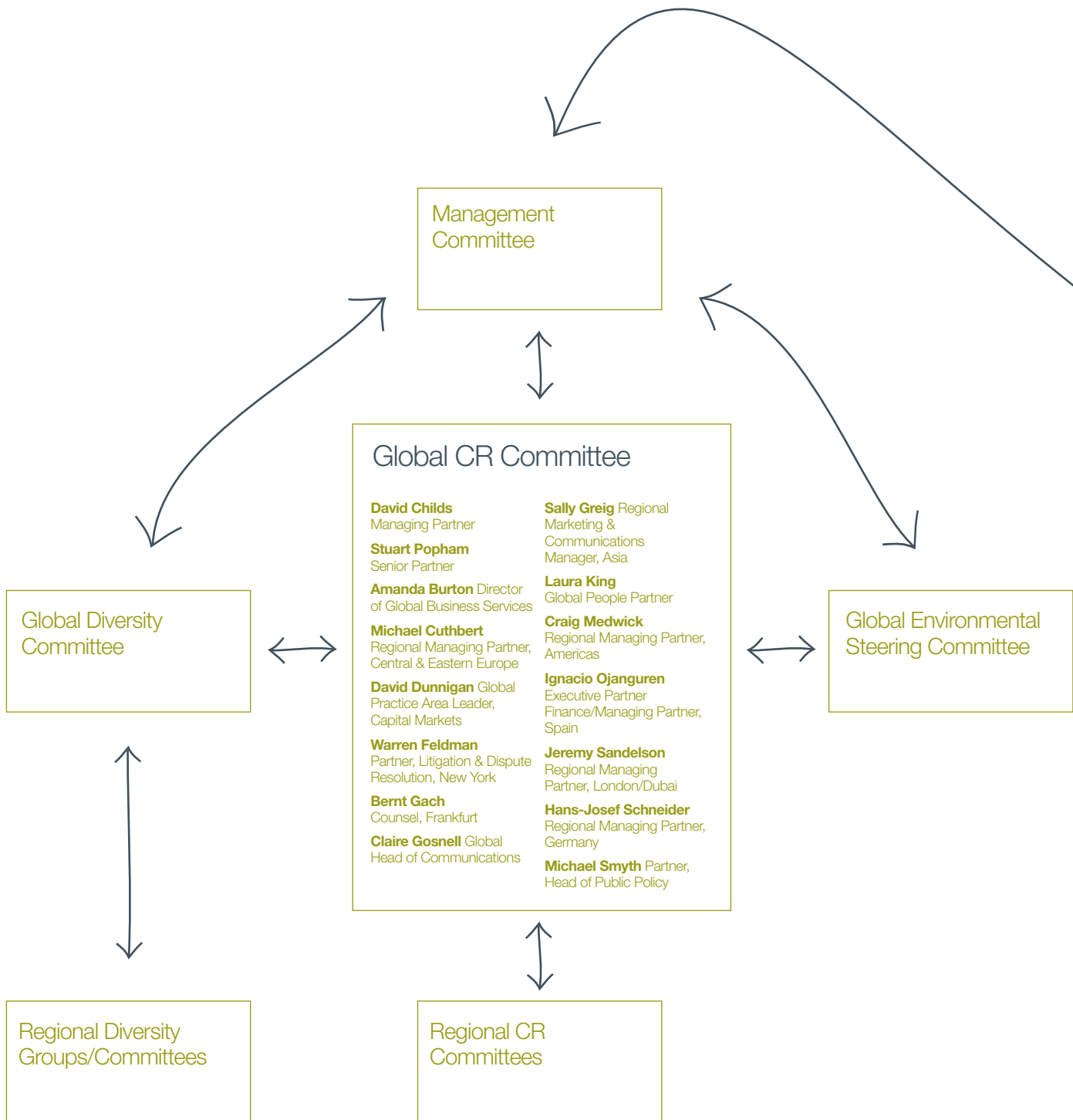
Our vision The aim of our CR strategy matches that of our broader strategy – to become the leader of the elite group of international law firms. Our way of working with one another, with clients and with other stakeholders is based on eight Principles: exceeding clients' expectations; local excellence, global standards; investing in talent; an adaptable and approachable team; strength through diversity; community; ambition for success; and thinking ahead. These Principles – explained in more detail in our Annual Review – also underpin our CR, which requires us to address the wider social, environmental and financial impact of all we do. We believe it makes business sense to minimise the negative and maximise the positive effects of our actions on our people, our local communities and the environment.

Our approach There are three principal aspects to our CR focus – our people, our communities and the environment. We believe this choice reflects our values and Principles, aligns with our business strategy and will generate more opportunities to work alongside our clients for the benefit of our communities. In this report we address all three of these areas in more detail:

We take our responsibilities to our **people** seriously, and in this year's report we focus on the critical themes of development and diversity.

In relation to our local **communities** we have decided to concentrate over the next five years on three themes that already run through our community initiatives: access to justice, access to finance and access to education. These will be at the heart of our efforts in the firm, and the work of the Clifford Chance Foundation.

As we advise clients on environmental matters, we recognise the need to ensure that our impact on the **environment** withstands scrutiny. In this report we set out our policy for achieving that aim.



How do we manage corporate responsibility?

Starting from where we are Across the firm we undertake a wide range of activities related to CR. We are currently drawing these activities together into a coherent international programme based on a shared vision and policies that will reflect our firm's unique culture and capabilities, and that will be clearly aligned with our business strategy.

Creating a CR structure The current structure is outlined opposite. The Global CR Committee operates at the highest level in the firm, to provide clear guidance on the development of a co-ordinated CR programme and to demonstrate the strength of our commitment to CR. It is co-chaired by Managing Partner David Childs and Senior Partner Stuart Popham. Other members include the Regional Managing Partners of our worldwide offices, the Director of Global Business Services, the Head of Public Policy, the People Partner and the Global Head of Communications. The committee meets quarterly to debate and approve CR initiatives. Policies are presented to the Management Committee for approval.

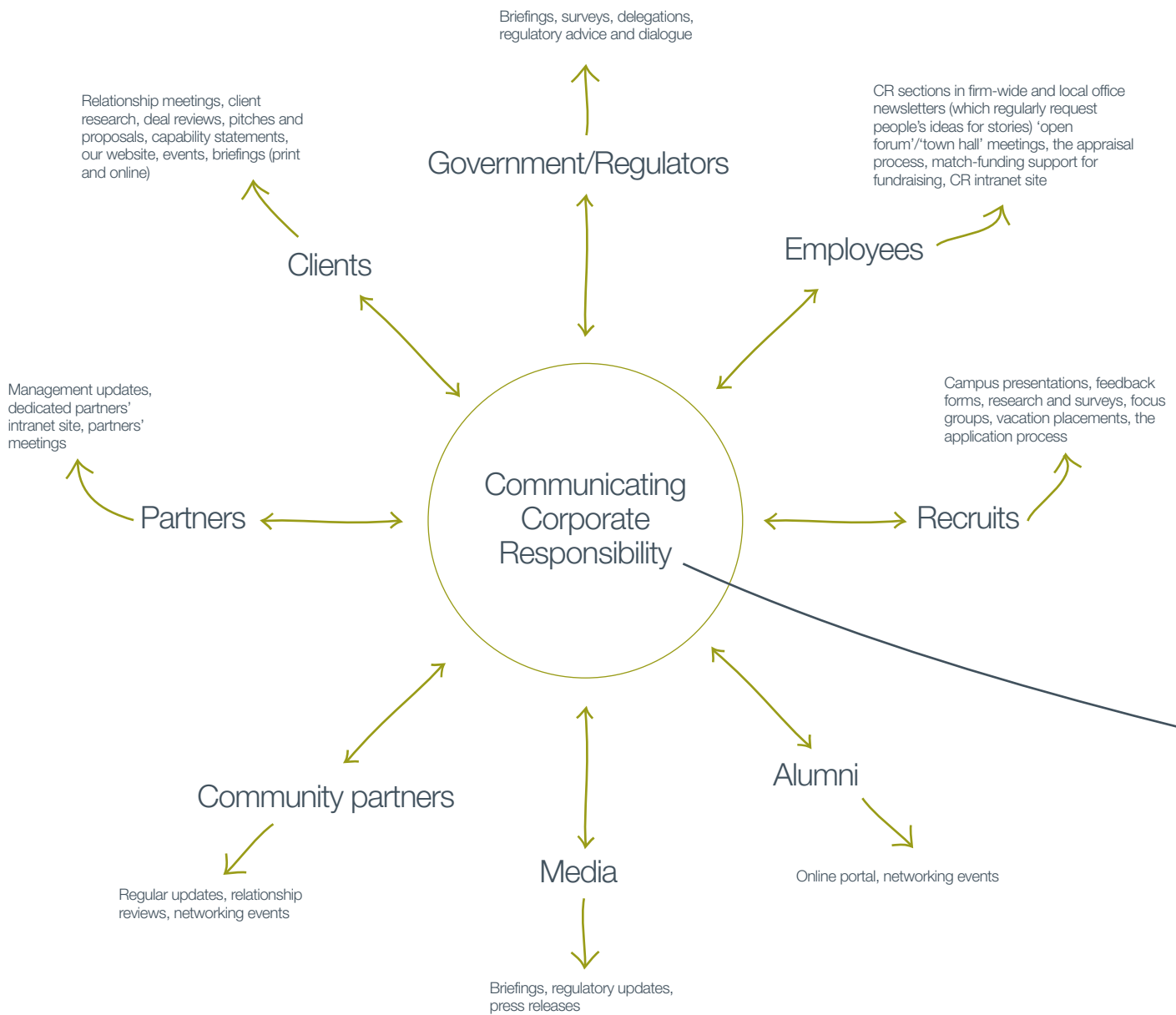
We continue to develop our infrastructure for formally managing CR throughout the firm. We have CR committees in many of our offices and regional CR co-ordinators will be in place in every region by the end of 2008.

In 2008 we formed the Clifford Chance Foundation as our channel for future charitable donations. The primary goals of the Foundation are to bring both focus and co-ordination to all of the firm's charitable giving.

Formalising policies and measuring performance A framework of formal policies on CR-related issues will help us to plan programmes and initiatives, measure performance and communicate these to stakeholders. A number of policies are already in place:

In 2008 we introduced an international environmental policy (outlined on page 20), and the policy framework for The Clifford Chance Foundation.

In 2008/09 we will continue to build and communicate our policy framework and establish targets where possible.



How do we engage with stakeholders?

Who are our stakeholders? Our principal stakeholders are listed opposite, with the main channels for communicating our messages. Our key stakeholder groups are partners, our people – both lawyers and those in business services, our clients, potential recruits and the local communities wherever we operate.


Seeking input. One of our CR Committee's first actions was to conduct a survey of Regional Managing Partners to find out their approach to all aspects of CR. This revealed a startlingly broad range of activities including pro bono advice, mentoring programmes, volunteering and environmental programmes. These had grown out of local initiatives and many were well developed and popular with employees; but they were not necessarily based on or aligned with our business strategy or our Principles. We have been seeking client views in this area: through tendering processes and relationship meetings we are aware of their growing interest in formal CR programmes.



Communicating with stakeholders. Once objectives are decided upon, they must be communicated to everyone in the firm so that people at all levels have a clear understanding of how the policy works and how their activities fit into it. Current communication channels include our public website, print and online publications, surveys and newsletters, this annual CR report and – from 1 September 2008 – a dedicated CR intranet site for members of the firm. We also communicate through our pitches, our recruitment material and our external publications. Our communications should never be one-way: we need to keep listening to our stakeholders and using their input to improve our CR policies and programmes. So we will continue seeking opportunities for dialogue and discussion.

In this report we describe how we are changing our approach to CR. This is important – but should not overshadow the considerable amount of CR activity that is already taking place across the firm.

In the following pages we review what we have been doing over the past year to enhance our impact on our people, local communities and the environment.



How can we make the most of our people? **By doing our best for them.**

This year we focus on two important elements of our people strategy: development and diversity. **Developing our people makes a fundamental difference to our business, and to our ability to exceed clients' expectations.**

Ground-breaking In Germany we've joined forces with legal trainers from Bucerius Law School and KAISERSEMINARE to provide training that helps students prepare for and pass their Second State Law Examinations – an unprecedented initiative in the local legal market.

Global Career Framework Organisational complexity was impeding international career development for our 3,300 business services people, who held a huge variety of inconsistent job titles. So we mapped the structure into six career bands – giving the business greater transparency and individuals more effective and tailored training and development.

Training partners to lead Our New Partners course includes the Leadership Programme run by Harvard Business School Professor Tom DeLong. This Programme covers a range of leadership and motivational skills.

Our key output is the quality of advice we provide. Like other leading professional services organisations we set out to recruit the best talent and to give them the opportunities and training that they need to continue to develop from the day they join the firm.

The standards and reputation of our legal training must be second to none. Last year, 375 entry-level lawyers joined the firm. Each of them is enjoying a level of training and development that will help them build a rewarding and long-term career in law. Of course, not all will stay with us – the quality and impact of our alumni* working in the wider world are testament to our emphasis on training and development.

But a law firm comprises more than just lawyers. We recognise that we'll serve our clients better if the people in every part of our business can perform to the highest professional standards. We'll also be better equipped to prosper as a commercial firm. In the past year we've continued to invest in ensuring that access to training and development is **open to everyone** here, not just to lawyers. One of our stated ambitions is to be recognised among the world's leading professional services organisations – and to achieve that goal we need highly skilled support secretaries, facilities staff, HR specialists, technology and finance teams, and experts in other key areas working alongside the firm's lawyers.

* For more on our international alumni programme, which helps to maintain links between former and current members of the firm, please visit <https://alumni.cliffordchance.com/>.

Cultivating consistent excellence: the Clifford Chance Academy

Why strive to provide the same levels of service and advice right across the firm? Because it matters to our clients: 46 of our top 50 clients use 10 or more of our offices. The Clifford Chance Academy helps us build uniformly high standards through a broad range of courses that share the same themes and application wherever in the world they take place. It also provides tailored development and training at local office and practice area level.

Our people are stimulated by the intellectual challenge of tackling our clients' most complex and demanding assignments. So when they swap the challenge of client work for the calm of the classroom, we have to make sure that the stimulation continues. The high satisfaction ratings from course participants suggest that we are succeeding. The Academy continues to review and update programmes to ensure we nurture a broad range of skills and talents while also responding to continually evolving client demands.





How can I help?

Our lawyers learn from providing Law For All.

The Clifford Chance Academy at a glance**

Number of courses offered

Region	2007/08	2006/07	Change
Americas	34	14	+143%
Asia	35	25	+40%
Europe and Dubai	381	317	+20%

Number of business skills courses for lawyers

up 20% to 346 courses.

Number of business services courses

up 53% to 72 courses.

Number of courses taken

Region	2007/08	2006/07	Change
Americas	727	208	+250%
Asia	285	224	+27%
Europe and Dubai	4,295	3,434	+25%

Participant satisfaction

Average satisfaction score (out of 5)

up from 4.5 to 4.6.

**These statistics do not include practice area-based legal training or e-learning

Community lawyering

Law For All (LFA) is a UK not-for-profit law firm delivering social welfare law services to those who need them most. We're working with LFA in a unique way that broadens our lawyers' horizons as well as benefiting LFA's clients.

Our relationship with LFA includes the secondment of a rotating group of 16 lawyers each year. In addition, we provide legal support in areas such as property, trusts and employment, and business support including IT and company secretarial services. We also handle pro bono casework for clients referred directly to us by LFA.

Our secondees gain valuable experience from working directly with clients, as well as real satisfaction from improving the lives of vulnerable and disadvantaged people facing a wide variety of contentious and stressful situations.

Our lawyers at LFA contribute substantially to LFA's capabilities, enabling it to carry out work beyond the scope of the government-funded legal aid scheme and to serve many additional clients free of charge. "Over the years this initiative has helped thousands of people, many of whom would not otherwise have received assistance," says LFA Chief Executive Anna Barlow.

How can difference make a difference? Because diversity makes us stronger.

We see diversity as essential to the development of a thriving, globally integrated firm. It's a competitive strength. Clients expect us to staff their projects with talents that complement their own, teams that unite a variety of perspectives – and people who understand not just the law but also their business and the local culture, wherever our work takes us.

How do we manage diversity?

We have a global commitment to diversity, dignity and inclusiveness. Our new Global Diversity Committee advises the Management and CR Committees on policy; individual offices set local policies within the global framework.

In London our diversity manager develops policies and initiatives, runs diversity awareness workshops and hosts a diversity forum.

In the US we have a Diversity Committee with sub-committees focused on minorities, women and work-life issues. Everyone is expected to ensure a supportive work environment.

Our German office has signed the government's Diversity Charter commitment to recognise and value diversity.

The Amsterdam office signed an undertaking to increase the access and retention of female talent in senior positions, Charter Talent naar de Top ("Charter Talent to the Top").

see data on p25

You won't find a 'standard' Clifford Chance person

any more than you'll find a standard Clifford Chance client. We thrive on diversity. Like our clients, our 7,100 people come from many different countries and backgrounds. Together, they represent many of the world's major cultures, races and religions. In our German offices alone we have people from 24 countries, and across the firm we speak 78 languages. The enormous variety of perspectives we bring to our work results in better and brighter ideas for our clients.

But we're 'one firm worldwide'. To unite many, very different people we recognise that we must foster collegiality and teamwork in an inclusive and cosmopolitan working environment. For example, in London last year we hosted celebrations for Chanukah, Christmas, Diwali and Eid, attended by colleagues, clients and alumni. Everywhere we operate, we're committed to being an organisation where all employees, regardless of racial or ethnic background, sexual orientation, gender or background can develop to their fullest potential and contribute their best work to the success of the firm and its clients.

To be diverse, we must also be flexible.

Many of our people need working arrangements that accommodate childcare, eldercare and other personal or family activities. If we can't help them, we'll lose them. So we've invested in IT systems such as Clifford Chance Anywhere, which enable people to access all their resources and applications securely, wherever they're working. And in the UK we've introduced initiatives

such as group-specific work allocation systems to facilitate better workload distribution among lawyers and a flexible working policy. As a result of these and other efforts, we were listed in *The Times/Aurora* Where Women Want to Work Top 50 2007.

And we'll stand up for diversity rights.

Lawyers in our Hong Kong, Beijing, New York, London and Frankfurt offices have been working with the Beijing University Centre for Women's Law Studies to combat workplace sexual harassment in China. On the other side of the world, our pro bono work on a discrimination and consumer protection issue won the Washington Lawyers' Committee 2007 Outstanding Achievement Award in the field of disability rights.





Network support

Helping everyone reach their full potential

First Chance Only 3.5% of businesses in Germany provide childcare for employees. Our Frankfurt office joined these pioneers by commissioning a private childcare provider to open a crèche close to the office.

Exceeding expectation To prepare expectant mothers in the firm for issues such as the handover of workload and returning to work, we've introduced maternity coaching in London.

Understanding diversity We've agreed to support annual faculty research and an annual lecture series at New York's Columbia University Law School on diversity and its implications in the legal community.

How do we retain more female lawyers?

For over 15 years, 50% of US law school graduates have been women, yet the proportion of female law firm partners has stayed below 15%, according to a research paper in the March 2008 edition of the *Fordham Law Review*. We'd be delighted to say that our firm is an exception – it isn't: across our worldwide firm, only 15.4% of the partners are women.

The challenge is clear but the solution is not. We are actively pursuing a range of initiatives to support women in attaining their full career potential. Behind these and future initiatives lies a programme of research that includes analysing data on advancement and attrition of lawyers by gender, and comparing policies and practices in other organisations both in and beyond the legal profession.

In New York and Washington, DC, the women's sub-committee (which has been in place for several years) promotes and participates in activities that highlight women's issues and concerns. We encourage mentoring and support mechanisms to help women lawyers, and work to cultivate a positive and rewarding working environment.

In London, we launched the Women's Network in October 2007 with the aim of addressing issues around the recruitment, retention and promotion of women and as a forum for networking with each other and with our clients. London partners Elizabeth Morony (above) and Kathy Honeywood are the sponsors. "This is a complex but business-critical issue," acknowledges Kathy. "We are continuing to identify the issues that are impacting women's progress, and how to alleviate them."

One firm for all

Clifford Chance openly embraced the LGBT community through the launch in March 2008 of its London lesbian, gay, bisexual and transgender (LGBT) network, Arcus. The group is having a significant impact in communities both within and beyond the firm through a combination of pro bono lawyering, international arts initiatives, and client and alumni networking events. Arcus has established joint programmes with the firm's LGBT Committee in New York – including a high-profile exhibition of art by LGBT artists in June 2008, staged simultaneously in our London and New York offices.

Inspiring and encouraging

Our London office is working with African & Caribbean Diversity (ACDiversity) to provide a two-year mentoring and enrichment programme for up to 10 gifted and talented pupils chosen by schools and local councils. "The mentors at Clifford Chance inspire and encourage our students," says ACDiversity Director Brenda King. "It's this kind of support that helps our students improve their life-chances and succeed."

How can we ensure justice is seen to be done? We get involved.

In line with our Principles and the skills we have to offer, we have chosen to focus on three themes across the firm: access to justice, finance and education. **We want each of our 28 offices to engage with its local community, using its talents and resources to help others. This is more than a 'nice to have': it is crucial to our recruitment, retention and reputation.**

Pro bono publico The Public Interest Law Institute (PILI) advances human rights around the world by stimulating public interest in legal advocacy and developing the institutions necessary to sustain it. Our lawyers in Budapest helped PILI to establish a pro bono "clearinghouse" program in Hungary, the first in continental Europe and our advice, received through the PILI assignment in Moscow, on a taxation issue for a children's charity helped the latter to recoup much-needed funds.

Defending Liberty Liberty is one of the UK's leading human rights and civil liberties organisations. Volunteers from the firm help staff its free telephone advice line and draft responses to written queries. We also send four lawyers to Liberty on rotation each year.

From Moscow to Guantánamo Bay, in the inner cities of Amsterdam, London, Paris and New York – and more remote locations such as the Chagos Islands and Cambodia – we are using our advocacy talents to improve people's access to justice. Why?

Because justice is something our people care passionately about. For many, it's what drew them to a career in law. As lawyers we share an ethical compulsion to see that justice is not only done, but seen to be done.

Our clients and potential clients care, too. Increasingly, they want to know about the extent of our pro bono activities. We're not alone in taking these questions seriously, and indeed we're proud to work alongside other law firms on joint initiatives such as *Avocats Sans Frontières* (see *Lawyers to the world* opposite). But we're not just reacting to current trends; we've been engaged in Death Row casework, for example, for decades.

Today we're working in a more co-ordinated way. As a leading international law firm we're supporting the rule of law locally and internationally by offering a broad range of resources:

Bright and committed junior and senior legal talent.

Support from dedicated professionals in fields such as technology, HR and marketing resources – which enabled us, for example, to design and produce a 2008 annual report for pro bono client Advocates for International Development.

Office facilities – we make our London offices available to a large number of charities, many of which focus on access to justice. In 2007/08 the London office hosted 203 charitable events.

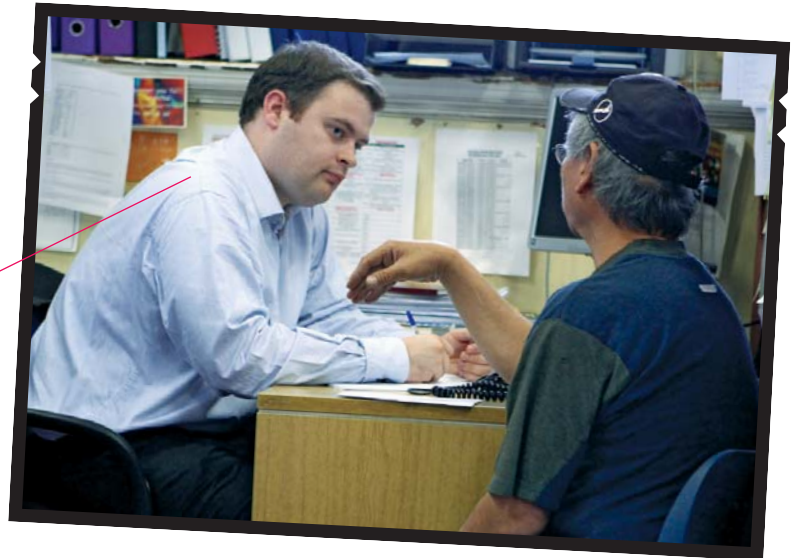
We're also working more closely together across the network: in 2007 a combined London and New York team won a stay of execution for the man believed to be the world's longest-serving Death Row prisoner.

We keep everyone in the firm informed on the issues. An article on the death penalty in our international staff magazine, *CC World*, won a 2008 award for excellence from Communicators in Business. The judges commended its 'compassion and understanding about a very emotive subject'.

And our clients are joining our initiatives. Clifford Chance lawyers now work alongside in-house legal teams from long-standing clients Barclays and Citi at our FreeLaw drop-in legal clinics, advising low-income Londoners on a range of concerns. We'd welcome enquiries from any other clients interested in joint initiatives.

Real work, no charge

A pro bono client is given the same priority as a fee-paying client.



Access to essential advice

Our FreeLaw programme is a partnership with local advice centres in London to provide legal support to people in need. FreeLaw clients come from the most disadvantaged areas of the capital. A large proportion belong to ethnic minorities; many have poor English and multiple social welfare and legal problems.

FreeLaw provides a volunteering framework for 217 lawyers (at April 2008), from trainees to partners, working on a team-rota basis at four evening sessions each week. In common with all the firm's pro bono activities, we treat this commitment as part of our volunteers' normal client work. The time they spend at the advice centres and on follow-up activity at the office is recorded in the usual way and earns the same credits as fee-earning work. Pro bono contributions are also recognised in appraisals and bonus criteria.

To back-up the pro bono advice provided by our volunteers, we help the law centres financially and provide practical support including dedicated reception and administrative assistance.

Lawyers to the world

Our involvement with Avocats Sans Frontières (ASF) France is centred on our Paris office. We are entering the fourth year of a close partnership with this non-profit association under which we provide legal talent, business services skills and logistical resources.

One of our partners recently spent three weeks in the field in Cambodia to evaluate the legal aid programme implemented in the country by ASF. We organise regular training courses for ASF in the Paris office, and in May 2008 helped ASF to organise an annual conference on 'promoting peace, democracy and human rights' in Canada.

Upholding the rule of law

In 2007 we acted for the UK law reform organisation JUSTICE when it successfully intervened before the UK's highest court, the House of Lords, in cases involving control orders made under the UK's Prevention of Terrorism Act.

Lawyers in London and the US have represented groups and individuals in the Guantánamo Bay detention centre. Our work in this field was recognised by the Beacon of Justice Award from the US National Legal Aid and Defender Association in June 2007.

We have also worked on behalf of the campaign by one-time residents to return to the Chagos Islands: they were forcibly removed from their homes by the British Government in the 1970s to make way for a UK/US military base. Following the UK Court of Appeal's decision in favour of the islanders, the outcome of the British Government appeal to the House of Lords is awaited.

See data on p25 →

How do we help people to help themselves? **We help them secure access to finance.**

Inclusive, accessible financial systems encourage more rapid economic growth in societies and help the poor to participate in that growth. **We use our expertise and close relationships with financial institutions around the world to benefit local communities – through initiatives ranging from local debt counselling to microfinance initiatives in emerging economies.**

Better contracts in Central and Eastern Europe Our Moscow office has redrafted contractual documentation, including credit and co-signer agreements for the Moscow office of Integra. This NGO works with hundreds of small businesses in six Central and Eastern European countries to alleviate poverty, cut unemployment and help transform communities.

PlaNNet Finance PlaNNet Finance is an international NGO that works to bring together individuals and institutions involved in microfinance. It has developed microfinance programmes in 60 countries and we give it pro bono legal advice through our Dubai office. Senior Partner Stuart Popham is on the board of PlaNNet Finance UK.

Crucial returns in NY Two associates helped more than 200 low-income individuals and families in New York to review their 2008 tax returns. Their help was particularly important this year, because a late return would have meant losing an economic stimulus payment from the government.

We like big ideas. Microfinance has become a particular area of interest because it creates far-reaching possibilities for disadvantaged people who are beyond the reach of the traditional banking sector. By giving individuals access to small loans it enables them to expand their small businesses.

It's an emerging field where models are still taking shape. It relies on microfinance institutions (MFIs) operating from a range of legal vehicles including NGOs, co-operatives, non-bank finance companies and banks. Demand for small loans greatly exceeds supply. To expand their scale and scope, MFIs need access to local currency loans from or supported by international commercial banks, who are critical intermediaries in the global flow of capital. There's a real need for skills like ours to streamline the process. How? By standardising legal documentation and stripping out often-significant legal costs without compromising standards, so that lending to MFIs can become a sustainable part of the core business of the international commercial banks. This is what we're doing, in a unique worldwide initiative with our client Citi: see *Scaling-up commercial funding for the MFIs*.*

But sometimes a little advice can make a big difference. On a more modest scale, we also have many local initiatives that help disadvantaged people cope with financial challenges.

And as with our other pro bono work, we appreciate the value in working alongside other law firms to support the important

work of organisations such as Advocates for International Development (see *Building courage and confidence* opposite), which was named Pro Bono Team of the Year at *The Lawyer* 2007 Awards.

*Scaling up commercial funding for the MFIs

Since 2006 we've been working on a pro bono basis with long-standing client Citi to develop a user-friendly, multi-jurisdictional legal template for microfinance, applying international standards to local currency documentation.

Our global collaboration has produced a unique product that helps MFIs gain large-scale access to commercial bank financing. It provides a template that meets international documentation and credit standards and works under local law in a wide range of countries with different legal traditions, including Honduras, Romania, Jordan, Uganda and Kazakhstan. Since the template was settled, it has been translated into Spanish, French, Romanian and Russian and used in many common and civil law jurisdictions.

Our work with Citi, which helped us win last year's *Financial Times* award for Legal Innovation in CSR, combines the long-term global thinking of both organisations with Citi's footprint in more than 100 countries to achieve something of real value to the microfinance sector worldwide. We continue to roll the template out to new countries: for example, our lawyers recently resolved difficulties experienced in using the template in Colombia. And, based on experience of using the template to date, we're now working with Citi Microfinance to develop a new document for the wider microfinance community.

Small loans, big difference

Our lawyers are helping to transform lives and communities.



Building courage and confidence

As the microfinance movement gathers momentum, it's vital to keep the growing MFI community abreast of the latest developments and thinking. In May 2008, Advocates for International Development invited us on behalf of Grameen-Jameel Pan-Arab Microfinance to talk to representatives of local MFIs in the Middle East and North Africa who are seeking external funding from commercial investors. Our presentation took them through the key features of loan agreements: in particular we looked at commercial terms that might be unattractive to MFIs in the form proposed by lenders, and suggested how MFIs could renegotiate them.

Banking & Finance senior associate Alison Chan was one of the Clifford Chance presenters: "Due to cost constraints – and often the scarcity of relevant legal resources – microfinance borrowers seldom have access to legal advice, and are often unfamiliar with the commercial terms of the agreements governing this funding. We were able to apply the skills and principles that we use in a purely commercial environment to this rapidly developing area of finance."

Microventuring in Latin America

Agora Partnerships is a non-profit organisation that supports entrepreneurs in developing countries by providing microfinance venture capital. It has launched operations in Nicaragua and hopes to expand its work throughout Latin America and beyond. Since April 2006, 11 of our New York attorneys have donated their time to help set up its investment fund and advise on business initiatives. "Having a name like Clifford Chance behind us has been incredibly helpful in opening doors and getting traction," says Agora managing partner Ben Powell, who cites the firm as a 'founding partner' in his 2007 annual report.

Our Community
Access to justice
Access to finance
Access to education

How do we share what we've learned? **We go back to school.**

Education is close to our hearts. Every one of us has enjoyed access to it: we recognise the difference it can make to people's lives and its impact on our own future talent pool. **We feel an obligation, especially within our local communities, to help young people achieve their academic potential.**

Caring for kids in Germany

Employees in our Frankfurt office support local children's charity KiZ-Gallus by giving pro bono legal advice, volunteering in the kitchens, helping children with homework and joining in sporting activities with them.

Room to Grow in Japan As part of the firm's support of Room to Read, a global organisation which has built over 440 schools and 5,100 libraries in developing countries, our Tokyo office is supporting the Room to Grow scholarship scheme for girls who would not otherwise have access to an education.

Supporting education in Brazil

Our São Paulo office supports Vida Jovem, which provides children with shelter and education.

We have much to offer. We seek out initiatives that help young people develop their skills, confidence and wellbeing. Such initiatives generally create opportunities for volunteering, so that our people can 'put something back' in a very direct sense. We also provide financial support. But sometimes it's simply the use of our facilities and resources that's most valuable – hence our 2008 award from Young Enterprise, the UK's leading business and enterprise education charity, for Best In-Kind Support. Our London office has supported Young Enterprise since 2006 and hosted many events for the London regional organisation during 2007.

We also have much to gain. Another award – a Power in Partnership Big Tick from Business in the Community – went to the Clare Partnership for Schools programme that we support in East London: see *Raising their sights**. But an even more rewarding accolade came from one of the scheme's first participants to graduate from the University of Cambridge. His career choice: to join us as a trainee lawyer.

Mentoring at Washington's law-based high school

The Thurgood Marshall Academy (TMA) in Washington, DC, was established by local lawyers and law students in 2002 to provide children with a first-class education. Sounds elitist? On the contrary: TMA is a public charter high school educating the city's most disadvantaged

students. We've been supporters from the start, contributing over \$150,000 and creating a one-year, fully-funded in-house programme co-ordinator position. All the Academy's graduates have been accepted to college.

***Raising their sights**

The Clare Partnership for Schools is a unique collaboration between Clifford Chance, KPMG, Morgan Stanley, Tower Hamlets Education Business Partnership and Clare College, Cambridge. It aims to raise the aspirations of students in East London, encouraging them to apply to top educational institutions. The three corporate partners provide funding, strategic programme input and practical support, including business mentors for the students.

Launched in 2000, the programme gives pupils the chance to experience Cambridge teaching at first-hand in specialist classes, to discuss practical aspects of university life with current students and to meet admissions tutors to understand the application process. Those who go on to apply to university are given individual coaching, and there are corporate bursaries for successful candidates who meet the criteria.

The Partnership continues to refine the scheme, and in 2007 added a mentoring programme. The sessions focus on employability skills including interviewing, CV and career choices.

So far, the scheme has helped over 2,500 students from 26 schools and sixth-form colleges in the London boroughs of Tower Hamlets, Hackney and Newham. In Tower Hamlets alone, over 250 students have applied to Oxford and Cambridge – and 67 have gained places.



Helping them shine

We've helped 67 local students gain places at Oxford and Cambridge Universities.



A sporting chance in Amsterdam

The JeugdSportfonds – or Youth Sport Foundation – gives poor children in Amsterdam the chance to participate in sports. It helps them develop numerous important social skills, teamwork and discipline. Partner Charles Eijsbouts acts as the Foundation's treasurer, while junior lawyers work on its contracts and advise on privacy requirements on a pro bono basis.

Teaching law in Moscow

In 2008, lawyers in our Moscow office have been teaching students at the Moscow State Institute for International Relations and at the Moscow State Law Academy. We lecture on a range of subjects including M&A, joint ventures and securitisation, real estate transactions, debt capital markets and equity capital markets.

Local appeal in Bangkok

In February 2008, the Bangkok office responded to a TV appeal by Baan Nhong Plong School in Lopburi Province, by renovating the library, and providing books and computers. The office also held a Clifford Chance sports day for the pupils.

How can we enhance our green credentials? **By using our expertise.**

As one of the world's leading law firms, we advise and guide clients on the way their businesses impact on the environment. **As well as considering their own compliance with environmental legislation, we help them look outward to their relationships with customers, suppliers, investors and other stakeholders. If we are to advise with conviction and credibility, we recognise that we should be able to demonstrate a clear commitment to reducing our own environmental impacts.**

see data on p25

Reducing the impact of our business space.

Our offices, our ways of working and our purchasing decisions all have an environmental impact. Our clients, our people and other stakeholders have a legitimate interest in how successfully we manage those impacts.

We have formalised our environmental policy. In the past, many of our offices managed their own environmental initiatives. In early 2008, we asked external consultants to carry out an environmental audit of the entire firm. Based on their findings we formalised a global environmental policy on 1 May 2008. Its key aims are to:

Comply with all relevant environmental legislation in each country where we operate.

Gather and analyse data on our environmental performance across our business.

Set standards of environmental performance for all offices and monitor achievements.

Work with key suppliers to understand, manage and reduce the environmental impacts of our purchases: our assessment of key suppliers will assign appropriate weighting to the sustainability of their products and to the environmental performance of their businesses.

Promote environmental initiatives by our employees and relevant external groups and organisations through our corporate responsibility programme.

Communicate proactively and openly about our environmental policies, practices and commitments: we will regularly report performance against commitments, and raise our employees' awareness of environmental issues.

We have appointed an Environmental Steering Committee to keep this policy under review and recommend changes as appropriate. It will report annually on compliance with the policy and progress in achieving its objectives. Office Managing Partners oversee implementation of the policy and maintain effective structures for delivering compliance locally.

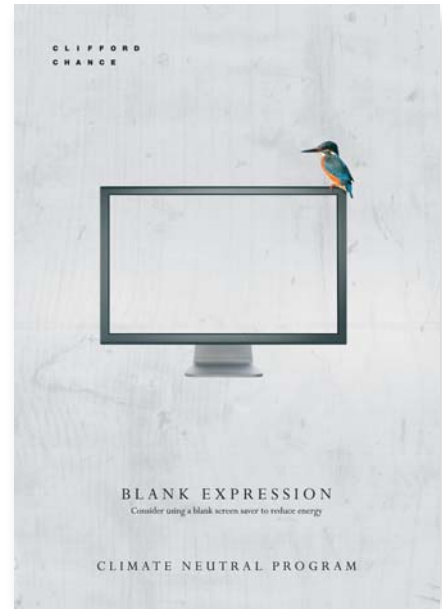
Compliance will mean ensuring that environmental risks and opportunities are identified, prioritised and managed in an appropriate and timely way, and in a manner sensitive to local cultures, customs and circumstances. We are introducing a firm-wide environmental management system to set and implement commitments and evaluate progress.

Building a meaningful picture

In formulating our environmental policy, one of the first exercises we had to undertake was to establish a picture of where we currently stood. As we worked with environmental consultants WSP to collect data from our offices, it became clear that getting a true figure for our firm globally would be a challenge until we had a standardised approach to data collection in each office. One of our first actions will be to develop a monitoring guide and collect data quarterly.

Recycling for good In Spain – as in many other countries – we recycle used office equipment to support a range of charities. They include Fundación Balla, a non-profit organisation that promotes and resources education and social integration projects for socially disadvantaged children.

Driving change on climate change The World Economic Forum session on climate change resulted in a 12-page document of recommendations to G8 leaders on the long-term policy framework for climate change currently under negotiation in the United Nations. These have now been endorsed by over 100 CEOs of major business organisations worldwide –including our Managing Partner, David Childs.



Changing views on climate change
 We contributed to the World Economic Forum's debate on climate change in January 2008, by sharing the global research that we conducted in 2007 into business attitudes relating to this issue. Our finding was that businesses now see climate change as a significant opportunity, and also want more regulation, not less.

For a copy of the research report, please visit www.cliffordchance.com/climate/report.pdf

Making emissions trading easier

The development of greenhouse gas emissions trading will increasingly engage financial institutions in international efforts to address climate change. Given our broad expertise in advising major financial institutions worldwide, we saw an opportunity to support this by helping clients to develop the complex new structures they would need to enter the emissions trading marketplace. So in 2004 we formed our Environmental and Climatic Trading Group – the first of its kind anywhere.

Since then, the group has been guiding clients through the intricacies of the various emissions trading schemes, helping to develop documentation, policy and best practice. To make it easier to buy carbon credits from developing markets, we've been working on a pro bono basis with the International Emissions Trading Association (IETA), an independent, non-profit organisation dedicated to establishing effective systems for emissions trading by businesses. We've applied our expertise in industry standard documentation to help IETA produce a standardised Emissions Reduction Purchase Agreement. Its novel structure includes a code of terms, giving participants a common vocabulary for transactions in these credits, regardless of whether they use standard agreements or other documentation.

Other innovations include the first commercial carbon credit-assured delivery contract, which protects buyers from the risk that a credit-generating project might fail to deliver the contracted amount of credits.

Shrinking Amsterdam's footprint

In 2004 an independent study of our Amsterdam office found that its carbon footprint for the year, including both direct and indirect emissions such as those from business travel, was equivalent to 1,860 tonnes of CO₂. At 7 tonnes per full-time employee, this was well below the Dutch average of 12 tonnes – but much higher than the world average of 4 tonnes.

In response, Amsterdam Managing Partner Jan ter Haar announced plans to make the office climate neutral. An internal poster campaign (see above) was introduced to inspire change. Energy saving changes have been made to lighting. The flow rate in taps has been cut, and drinking water coolers now use the mains water supply. In 2007 energy consumption was lower than in 2004, despite a near 20% increase in full-time employees, and the carbon footprint was down by over a third to 1,175 tonnes of CO₂ equivalent – below the world average. The office is on target to achieve its goal of becoming carbon neutral by the end of 2008.

Looking forward...

How do we know how we're doing?

By measuring our progress against clearly defined targets.

We've taken important steps forward. We are proud of what we've achieved so far in terms of pulling all our pro bono and community work together into a global programme, but we know that there is the potential to do even better in future.

We see CR as integral to the way we do business. It helps to support and drive our strategy and priorities. Over the coming year we will be working towards the targets we have set ourselves in relation to management, people, business alignment and the environment. We will also look at marketplace issues in relation to our clients, our suppliers and our engagement with regulators, governments, international bodies and the wider business community.

We've set ourselves clear goals. It is important to measure our progress against meaningful targets.

We aim to achieve our management, people and business goals within a year of the publication of this report.

We aim to achieve our environmental goals within three years, and our progress will be reviewed annually.

Our targets are outlined on the facing page. We look forward to communicating our progress in next year's report.

Our targets for 2009

Management

- Institute and communicate a unified global CR policy
- Engage our people through a CR intranet with a feedback mechanism
- Implement a time recording system where business services staff as well as lawyers can record time spent on pro bono and community work
- Increase the number of pro bono and community hours recorded globally by 10%
- Investigate how to maintain collection of meaningful data on the firm's performance against environmental targets, its suppliers, and the time and value of in-kind contributions to pro bono and community affairs work

People

- Review appraisal forms, partner selection criteria and partner performance forms to ensure that pro bono and community affairs work is assessed, encouraged and recognised
- Investigate and fully report on our diversity issues so that we can set meaningful targets for implementation next year

Business alignment

- Build further joint pro bono, community, environmental and people initiatives with our clients
- Encourage greater alignment of the firm's CR efforts with its technical expertise through initiatives such as microfinance and environmental groups

Our targets for 2011

Environmental: management

- Introduce an environmental management system to manage our environmental impact
- Run environmental awareness campaigns
- Work with key suppliers to understand, manage and reduce the environmental impacts of our purchases
- Promote environmental initiatives by our employees and relevant external groups and organisations through our CR programme

Environmental: operational

- Buy 10% of our energy from renewable sources where available
- Reduce water consumption by 3% per employee
- Reduce paper use by 10% per employee
- Recycle at least 25% of all general waste
- Recycle at least 30% of office paper waste
- Ensure at least 10% of paper has at least 30% post-consumer recycled content

Who are Clifford Chance?

How did we perform in 2007/08?

Revenues

+11% to £1,329m (2007: £1,194m)

New Partners

35 lawyers in 12 offices elected to the partnership across our six practice areas

Revenue At year ended 30 April (£'000)

2007/08	2006/07	2005/06	2004/05	2003/04
1,329,298	1,194,192	1,029,300	914,335	936,192

Profit per equity partner

+14% to £1.156m (2007: £1.011m)

Total partners and lawyers at year-end

+5% to 2,828 (2007: 2,688)

New offices announced

Abu Dhabi and Kyiv

Where do we aim to be? Our ambition to become the leader of the elite group of international law firms requires unrelenting investment in our strategic goals. We want to be the law firm of choice for all of our clients, helping them compete more successfully in their local markets and around the world by offering them the most commercially useful, integrated legal advice.

How do we work? We are guided by these Principles relating to our ambition, our people and our clients:

Ambition

An ambition for success We are determined to be the leader of an elite group of international law firms and to be at the top of the profession in each market where we practise. Our aim is to be regarded as one of the world's leading professional services organisations.

Thinking ahead To be at the forefront of the legal profession requires foresight, a desire to share ideas and a willingness to have a voice on issues of importance. We have the confidence to challenge existing thinking and to push boundaries.

Clients

Exceeding clients' expectations We are committed to helping our clients achieve their goals by providing commercially focused legal advice of the highest quality that will consistently exceed their expectations.

Local excellence, global standards

We ensure we can benefit our clients by combining the highest global standards of business and law with local excellence of service and by maintaining the depth, quality and scale of resources necessary to meet our clients' needs whenever and wherever they arise.

People

Investing in talent To deliver on our commitment to our clients, we recruit and develop the best people. We believe that, by delivering great client service, we will be involved in the most interesting and challenging client work and, as a result, achieve the reputation and the high levels of profitability which are essential to attracting and retaining the best people.

An adaptable and approachable team

We believe in the power of collaboration, collegiality and teamwork and we have an open, approachable style. We expect our people to be flexible and creative and to have the desire and drive to embrace new experiences and challenges. We require everyone to put the interests of our clients and the firm before their own.

Strength through diversity We are proud of our firm and value the diversity of the people and cultures within it. In our firm people succeed according to their merits.

Community Our strength comes from our one firm approach and our partnership ethos. They underpin our ability to deliver excellent client service and create a working environment where talented people can succeed. We are ambitious for our clients and ourselves but we understand the importance of making a positive impact on the community at large.

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Where did we get our information?

Ethnic minority statistics*

Our reporting must comply with local legislation (for example, data protection), custom and practice, and accordingly we report only in respect of those regions where ethnicity is capable of this compilation and aggregation.

	New York/Washington, DC**	London***
Partner		
Ethnic minority	4	10
Non-ethnic minority	80	178
Not identified	6	45
Total	90	233
% Identified represented by ethnic minority	4.8%	5.3%
Lawyer****		
Ethnic minority	77	118
Non-ethnic minority	205	746
Not identified	28	139
Total	310	1,003
% Identified represented by ethnic minority	27.3%	13.7%
Business services		
Ethnic minority	134	108
Non-ethnic minority	142	949
Not identified	33	182
Total	309	1,239
% Identified represented by ethnic minority	48.6%	10.2%

* Based upon self-reporting.

** Ethnic minority means: American Indian/Alaskan Native, Asian, Black or African American, Hispanic or Latino, Native Hawaiian/Pacific Islander, Two or more races, Other (definitions influenced by US-specific legislative diversity definitions).

*** Ethnic minority means: Black or Black British, Asian or British Asian, Chinese, Other ethnic group, Mixed (definitions influenced by UK-specific legislative diversity definitions).

**** Lawyer: all associates, counsel, non-legal fee earners, eg, forensic accountants and trainees. Excludes work experience and partners. The figures are based on actual headcount numbers.

All the above data as at 20 July 2008.

Gender statistics

	Female	Male	Female
Partner			
Americas	10	80	11.1%
CEER	2	30	6.3%
Asia	12	35	25.5%
London and Dubai	41	203	16.8%
Western Europe	34	197	14.7%
All regions	99	545	15.4%
Lawyer****			
Americas	156	154	50.3%
CEER	143	175	45.0%
Asia	142	130	52.2%
London and Dubai	554	544	50.5%
Western Europe	511	595	48.5%
All regions	1,506	1,598	48.5%
Business services			
Americas	225	99	69.4%
CEER	212	39	84.4%
Asia	263	59	81.7%
London and Dubai	898	405	68.9%
Western Europe	897	236	79.1%
All regions	2,495	838	74.9%

**** Lawyer: all associates, counsel, non-legal fee earners, eg forensic accountants and trainees. Excludes work experience students and partners. These figures are based on actual headcount numbers.

All the above data as at 20 July 2008.

Environmental statistics

3 offices purchase 100% renewable energy contracts (Amsterdam, Luxembourg and São Paulo)

24 offices recycle printer and fax cartridges

16 offices recycle IT equipment

13 offices recycle furniture

11 offices recycle light tubes

*5.02 tonnes CO₂ per employee in 2007. This carbon footprint represents energy (heating and lighting) consumption for the calendar year of 2007 per employee on average across our global operations. This calculation took into account the amount of energy consumed by our data centres which were located in our own offices but excludes externally hosted data centres. The figure also excludes all travel undertaken by our partners and staff.

Percentage waste recycling

for offices with data

Office	Staff figures	Percentage waste recycling rate
Amsterdam	317.2	25.0%
Bucharest	50	0%
Budapest	53.5	40%
Dubai	112.2	85.0%
Düsseldorf	202.2	52.5%
Hong Kong	264.9	63.3%
London	2,633.50	38.3%
Luxembourg	127.8	72.7%
Milan	218.7	51.7%
New York	630.2	71.5%
Paris	414.1	0.0%
Prague	84.9	44.0%
São Paulo	25.3	80.0%
Tokyo	121.8	10.0%

Pro bono and community work 2007/08

These figures exclude in-kind contributions, such as use of office space, and management time – though we employ six full-time pro bono/community affairs co-ordinators. They also exclude time spent by business services people, which we now propose to measure. Our reporting in this area is uneven in terms of geographical reach. We aim to report data from all our offices next year.

Time cost value of hours spent: £18.61m (data from 15 offices, including London and the US).

Cash donations and sponsorships: £1.13m (21 offices reporting on cash/charitable donations, 13 offices reporting on sponsorship and match funding).

Total value of hours, sponsorship and donations from offices reporting as above: £19.74m.

Hours spent on pro bono and community affairs work: 72,763 (15 offices reporting).

In London and the US, 56% of our lawyers performed pro bono or community affairs work last year (London 54%, US 63%).

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C H A N C E

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