



community
inclusion
environment
pro bono

responsibility matters

CLYDE&CO



Opening Statement

from Simon Konsta

Clyde & Co is committed to operating our business in a responsible way. As a firm that has grown rapidly in the last 10 years we recognise the particular need to focus on our people and culture, ensuring we build a diverse and inclusive workforce. This is vital in order to deliver exceptional service and to provide our clients with modern solutions to their business issues.

It's also important that we are using our legal skills to do good. We have continued to support communities around the world, through charity partnerships, volunteering and pro bono advice. Of course, we acknowledge that there is always more to be done and in this report we share some of the areas where we hope to move forward over the coming years.

In 2018, we became signatories of the UN Global Compact, demonstrating our support for the 10 principles in the areas of human rights, labour, environment and anti-corruption. This report sets out our actions to integrate them into our business practices and the progress we

have made towards becoming a responsible, ethical and sustainable business. We remain committed supporters of the UNGC and the principles and this report details how.

We believe business has a part to play in addressing some of the biggest challenges the world is facing today and the UN sustainable development goals provide a useful framework for doing so. Throughout this report we have highlighted which goals our areas of work align to.

I would like to personally thank all our people who have given their time to good causes and who help to champion our responsible business initiatives. There are some great examples of activity going around the globe that we hope you will take the time to read.

Senior Partner

Inspiring Young Lives

Inspiring Young Lives

Sustainable Development Goal 4: **Quality Education**



Aim High

Through our partnerships with charities, community groups and schools we support young people to aim higher. Many of our programmes work with students from less advantaged backgrounds; helping raise their aspirations, improve their employability skills and widen access to the legal profession. We want our people to participate in volunteering opportunities that not only allow them to make a difference in their communities, but also develop their own skills.

Our matched giving policy supports our employees in their fundraising efforts, matching up to £200 per person each year.

The firm has matched **over £7,500** of employee fundraising over the past year.



Supporting Young People's Education

In London, we run mentoring programmes with secondary school students and first year university law students.

Our literacy programme operating in Guildford, Manchester and London targets younger children, helping them to improve their reading and communications skills. We will also be launching our first formal work experience programme in London in 2019 – Bridge to the City. The programme will target those from less advantaged backgrounds and aims to improve their understanding of professional careers. It also provides them with practical advice, work experience and skills to help them achieve their career goals. This kind of programme is key to improving social mobility, a significant issue within the UK and the legal sector.

In Middle East and Africa (MEA), we run a work experience programme in partnership with Manzil school, now in its fourth year. The scheme has been so successful that one of the former students is now employed at the firm and we are looking to extend the offer of placements to another school. We also provide the school with employment related pro bono legal advice.



Charity Partnerships

Together for Short Lives

In the UK, 2018 saw us come to the end of our hugely successful three year partnership with Together for Short Lives. Throughout this partnership, many of our people got involved with fundraising, volunteering at local hospices and providing pro bono advice. They made a real difference for families with children facing life-limiting illnesses across the country.



On behalf of everyone at Together for Short Lives and the local children's hospices you support, we would like to thank you for all your efforts and commitment in support of our partnership over the last three years. You have all accomplished incredible things to support us which will have made a huge difference to so many children and families.

Karen Yates, Together for Short Lives



Orbis has given me a glimpse into a different world, so far removed from my own; my experience has been awe-inspiring and incredibly humbling. Working with the Orbis team, and being able to see the real benefits which Clyde & Co's work brings to so many people, really makes my day.

Emma Higham, Partner



Orbis

Some of our offices in MEA and Asia-Pacific (APAC) are partnered with Orbis, a charity fighting against avoidable blindness. This UK based charity works to teach, train and mentor optical healthcare workers globally in order to ensure that the ability to prevent blindness, especially in children, has the widest possible reach. The charity operates a pioneering Flying Eye hospital, a fully accredited hospital fitted into a plane. Flying Eye is just part of their work though, the majority of what they do, including screening, training, operations and follow-ups, is undertaken by the local clinics and hospitals.

Our relationship with Orbis began in 2014 in our Qatar office and has developed over the last four years. We have been providing legal support to develop Qatar Creating Vision, an Indian and Bangladeshi based programme funded by Qatar Fund for Development. In addition, we work with Orbis on its developing relationship with Qatar Charity. More than four million children have been screened with the monies donated by the Qatar government and charities. Emma Higham, a partner based in Clyde & Co's Qatar office, took part in one of the Bangladesh programmes in 2017 and has been invited to form part of the Orbis team in one of the 2019 programmes in Asia.

This relationship with Orbis has recently expanded beyond Qatar, with our London, Singapore, Hong Kong and Johannesburg offices also getting involved. London recently hosted the chairman's breakfast, and is increasingly involved in fundraising work for Orbis's Zambia and Ethiopian programmes.

Our objective is to continue to drive involvement further by on-going development of existing office relationships and increase connectivity between this worthwhile organisation, emerging markets and our international offices.



Emma Higham, a partner based in Clyde & Co's Qatar office, has been Orbis's main point of contact since 2014. In addition to Clyde & Co's wonderful expertise over the years, Emma has become an advocate for sight, continuously introducing us to Clyde & Co offices around the world as well as clients.

Florence Branchu, Head of Partnerships Middle East, Orbis





Infernum by Christina Andrews

THE
CLYDE & CO
ART AWARD
SUPPORTING THE NEXT GENERATION

The Art Award

The Clyde & Co Art Award launched in London in 2010 and has since expanded to Dubai, San Francisco, Melbourne, Sydney and Perth. Our offices work with local art schools, colleges and universities to help young artists manage the transition from school to the commercial world. Art works are then selected to be displayed within our offices, with artists being paid for the year-long loan of their pieces. During this time, we offer the artists professional development workshops and pro bono support.

“

When I graduated from Central St. Martin's, I was unsure about my initial entry into my career, and questions arose. With Clyde and Co, I was able to carefully calculate my steps. I was able to sell my work through their auction, which opened up new avenues and clients. This experience helped launch me into my current career as a full time artist. I have now shown internationally in France, Italy, Mexico, the United Kingdom and the United States.

Liseth Amaya, Artist

”

Looking Ahead

As a responsible business, we want our people to feel supported and encouraged to give their time, expertise and knowledge to support our charity and community partners. For this reason, we hope to introduce a formal global volunteering policy over the next year.

We plan to collect more robust data in this area to create a clearer picture of our activity, identify areas for improvement and better demonstrate the impact of our work. This will be introduced initially in the UK, with plans for a global roll out.

We have been reviewing the Art Award in London to ensure it aligns with our responsible business programme and has a real lasting impact on our communities.

Diversity and Inclusion

Diversity and Inclusion

Goal 5: Gender Equality

Goal 10: Reduced Inequalities



Our Commitment

Creating a diverse and inclusive working environment, where people from different backgrounds can thrive, is critical to the success of our global business. We are committed to ensuring that there are no barriers to progression, and that everyone is treated equally and with respect.



Through collaboration with clients around the world, we understand and appreciate how important it is that our partners and employees both respect and reflect our commitment to diversity. In the last two years we have made significant progress in this area but there is always more we can do. We have been working hard to improve our policies and practices across the firm to ensure they support us in developing our culture in an inclusive way. Our key areas of focus are:

- gender
- LGBT+
- mental health and wellbeing
- culture and ethnicity

Focus on:

Balanced Brand Initiative

In line with our firm wide values of respect and inclusion we are committed to continuing to improve diversity at every level of our business. We, like many of our clients and other firms, know that we still have much more to do to showcase the best of our firm today, and to enable greater diversity across our business and profession.

For that reason we launched a new initiative to encourage and ensure greater diversity in our business development, marketing and communication activities. The three aspects to the initiative involved:

- equipping all of our lawyers, female and male, to be confident communicators
- working towards gender balanced business development
- maximising our female media spokespersons

Encouraging Engagement Amongst our People



Our employee networks provide a forum for discussion and action surrounding particular diversity issues. In the last year our Pryde & Co (LGBT+) employee network has grown and officially launched in Manchester and London, with involvement from people across our international offices.

Our gender equality network, GECCO (Gender Equality at Clyde & Co), has also experienced an increase in engagement and activity. From exciting new partnerships to inspirational events for our people, GECCO has been busy driving progress in this area. Both Pryde & Co and GECCO are open to all and have representation across all levels, business functions and regions.

Global Gender Statistics

	Female %	Male %
Total workforce	59.5	40.5
All Partners	21.2	78.8
Senior Equity Partners	16.3	83.7
All fee earners	48.9%	49.7%

Our global management board is now comprised of 25% female elected members.



Focus on:

Equal Opportunities in Graduate Recruitment

Our graduate recruitment team in the UK has been focusing on improving access to the legal profession through a number of initiatives and partnerships.

In October 2017, we launched Rare's contextual recruitment system (CRS). This allows Clyde & Co to review achievements in context so we are able to better judge potential and gain a greater insight into each individual applicant. Rare CRS is now a key component in our graduate recruitment process and it:

- ensures we are able to identify top talent
- increases our chances of hiring students from disadvantaged backgrounds

We're pleased to reveal that in 2018, 10 out of 12 Rare flagged candidates were offered training contracts at the end of the 2018 London vacation schemes.

We have also been working with the Bright Network, Aspiring Solicitors and myGwork to ensure we engage and recruit with the brightest students from a range of different backgrounds.

“ Much progress has been made in providing support and opportunities for people coming from lower socio economic backgrounds. Having tools that allow us to judge candidates based on potential rather than just academic performance is hugely advantageous in recruiting from a diverse pool of talent. It also enables people to challenge their perception of what good looks like. To ensure continued progression, it is key for firms to have an inclusive culture to retain, as well as attract, such individuals. *Andy Dent, Global Head of Corporate Responsibility and Inclusion* ”



Focus on:

North American Women's Initiative

Founded in 2018, the North American Women's Initiative is dedicated to retaining, promoting and supporting our female lawyers through internal and external programming. The initiative provides an avenue for mentoring and connecting women throughout our North American offices by focusing on issues unique to women working in the law. Additionally, the initiative provides external opportunities for women to focus on business generation and a platform for our female lawyers to market and promote themselves. We have more than 80 female lawyers in North America at Clyde & Co and this initiative is committed to celebrating their achievements and providing the necessary support and empowerment for their, and our, continued success.

“ This new initiative provides increased visibility, support, and other tangible benefits to our women - and by extension our firm - that we can only begin to quantify. I'm looking forward to seeing what the years ahead bring. *Katelin O'Rourke Gorman, Partner, New York* ”

Looking Ahead

We have set key areas to concentrate our efforts on and deliver tangible change. These are:

- improving gender balance at senior leadership levels
- increasing the spread of our work around the globe
- involving more of our offices and establishing (how many in what) employee networks in more regions
- support our people's health and wellbeing with more resources and training

We will continue to monitor our efforts in these areas as well as the level of support we provide to our people.

Access to Justice

Access to Justice

Goal 16: Peace, Justice and Strong Institutions



As a major international law firm, it is our responsibility to ensure that communities around the world have secure fair access to legal advice and justice. Across our network we have developed partnerships with legal clinics and NGOs and we encourage our people to participate in pro bono opportunities where possible.

We have a policy that allows our lawyers to receive credit for up to 50 hours per year towards their billable targets. As well as supporting individuals and charities, providing pro bono advice is a great way for our lawyers to develop their skills and enhance their knowledge of areas of law they may not usually work on.

More than **600** of our lawyers have given over **7,500 hours** of time to pro bono and volunteering projects.

Community Legal Clinics

Community legal clinics are a vital part of the framework by which individuals are able to access legal advice where they would otherwise not be able to afford representation. From our offices across our global network, our lawyers provide:

- in-person advice
- advice via Skype
- full casework assistance
- governance advice to community legal clinics

As a firm, we also support legal clinics with financial donations and fundraising through participation in Legal Walks in Guildford and London.

Focus on:

John Fisher Legal Advice Service

In London we have been supporting the John Fisher Legal Advice Service, run by Citizens Advice Bureau in Brent, for 17 years. During which time over 1,750 clients have been seen and nearly £475,000 has been recovered for clients with the help of our volunteer lawyers.



This flagship service continues to be very successful and is an invaluable resource to residents and workers in Brent. It provides high quality legal advice and casework to those who cannot afford to pay for it and serves as a means to access justice.

Jacqueline Carr, CEO, Citizens Advice Brent.



Working With Charities

Across our global office network, we are partnered with a number of charities in developed and emerging markets to provide them with pro bono advice.

Our lawyers in Dubai have partnered with the charity Migrants Rights to draft a code of conduct for engaging domestic workers for employers to adopt for their staff. They have also been advising the organisation on the legal framework with regard to the engagement of domestic workers in UAE, KSA and Qatar.

Our Australian offices have also experienced increasing engagement from our people in pro bono matters. They have been working with a number of charities on varied cases ranging from working with the Local Aboriginal Land Council to advise on some niche areas of property and planning law to supporting a not for-profit with their charity registration.



Focus on:

Global Drone Strategy Group

A particularly interesting case involved partnering with an Australian not-for-profit (NFP) nature conservation group, advising on their ability to use drones to monitor logging operations on state forests and private native forestry.

This NFP is entirely run by volunteers and relies on donations. Partner, Maurice Thomson, together with special counsel, James Cooper, provided detailed advice on civil aviation safety regulations 1998 as it applies to drones, the ability to record / publish drone footage, flying a drone over public vs private native forestry land and anticipated legislative changes.



Working on this pro bono referral provided my team with a great opportunity to advise on a developing area of law. It was a privilege to work with a volunteer based NFP and strengthen our practical experience in working with a client who is grappling to reconcile the conflicting laws and regulations in this emerging area. As one of the very few firms with the experience and capabilities to advise on drone regulations, I am pleased that this NFP was able to access the assistance it required, without diverting funds from its key objectives.

I am especially delighted that Clyde & Co can draw upon the depth of its experience in one of our core sectors, aviation, to assist a NFP navigate what can be a perplexing and complex area of law.

Maurice Thomson, Head of Clyde & Co's Global Drone Strategy Group



Looking Ahead

We hope to expand our work providing pro bono advice to charities, particularly in areas that align with the key sectors in which we operate. We are also reviewing the structures and processes that we have in place to support our people to carry out pro bono work to ensure all lawyers have the opportunity to give something back.

Environment



Environment

Goal 11: **Sustainable Cities and Communities**

Goal 12: **Responsible Consumption and Production**

Goal 13: **Climate Action**



The preservation of our environment is increasingly important and we want to be a more sustainable and energy-efficient business. We understand that our business has an impact on the environment and we are constantly exploring ways that we can manage our operations and buildings in a way that minimises this.



Our key priorities are to reduce our paper usage, our travel and the waste in our offices. Our activities are guided by the ISO:14001 management system.



Our recently introduced procurement system has been working closely with our key suppliers to help reduce our environmental impact through supply chain management. In London, for example, the recent cleaning services tender has guaranteed the usage of environmentally friendly (non-toxic) cleaning products. We have also started monitoring the carbon footprint of our travel with the help of our travel provider Reed and Mackay.





Focus on:

Encouraging Sustainable Behaviour in MEA

In our MEA region, our environmental working group has been introducing measures to encourage behaviour change and reduce our resource use. Initiatives in the past year include:

- reducing use of single use plastics by replacing water bottles in meeting rooms with refillable glass bottles and introducing cutlery across the office instead of disposables
- providing reusable travel mugs to staff
- ensuring our paper comes from sources using environmentally sustainable practices
- working with other suppliers, such as waste paper disposal and catering, to understand more about their environmental credentials

Using our Legal Expertise to Tackle the Effects of Climate Change

We also see the opportunity that we have to use our legal expertise to help address the effects of climate change around the world.

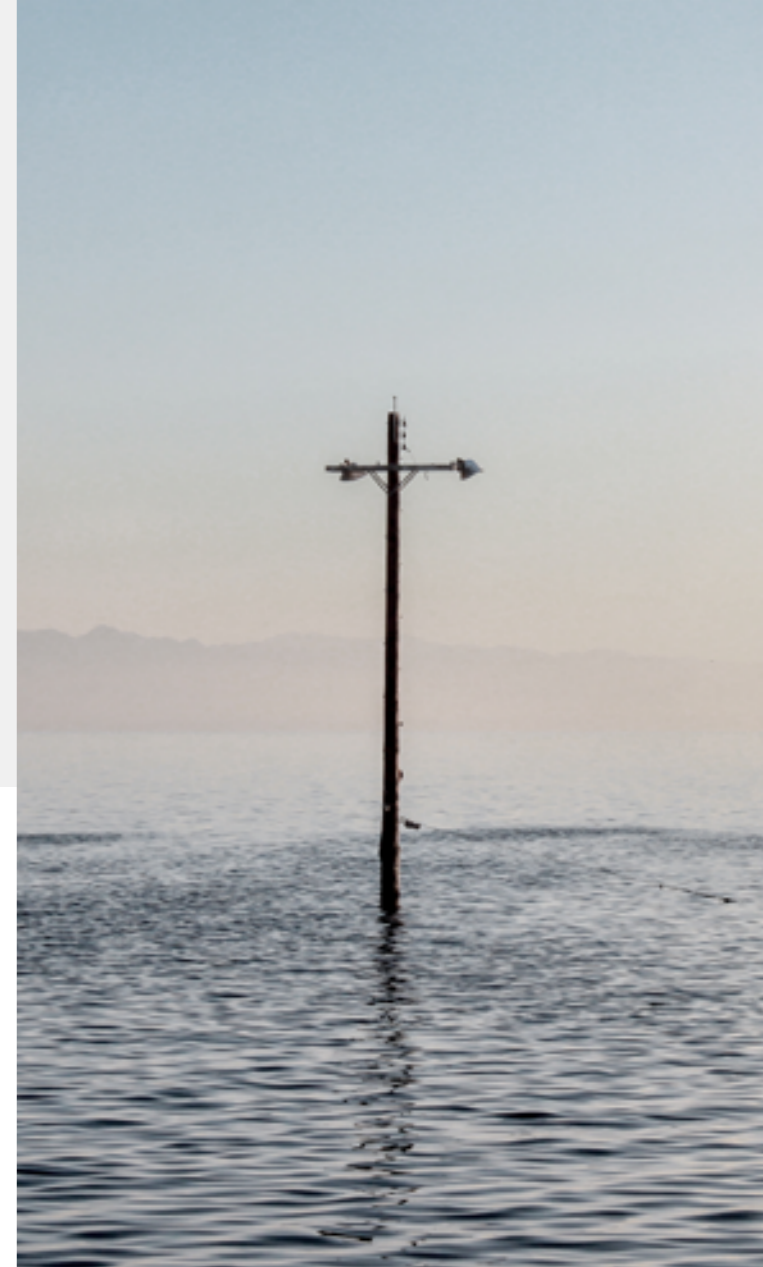
For a number of years, we have provided pro bono legal advice to the START Network, made up of 42 aid agencies across five continents, ranging from large international organisations to national NGOs. They aim to provide more effective emergency aid, harnessing the power and knowledge of the network to help people affected by crises.

What Have We Done?

We worked with the START network to develop parametric insurance policies, which help protect communities against climate change-related disasters such as drought. This innovative insurance product pays out funds early, based on agreed parametric triggers, enabling more speedy interventions. This differs from the standard model of fundraising for disasters, in which aid agencies are reliant on donations and funding after a crisis has taken place,

Under the arrangement, NGOs and aid agencies can even secure funding before the worst effects of a crisis are felt. In the case of drought, for example, parametric insurance pay-outs may be triggered by early indicators of drought, such as lack of rainfall or soil moisture. With funding available early on to drought-prone regions, communities can take preventative measures to protect livestock and other valuable assets before the worst effects of a drought materialise.

Our lawyers are also contributing to thought leadership in this area and we have recently published three reports on: parametric insurance; inclusive insurance; and climate change risks facing businesses as part of our firm-wide resilience initiative. We hope they will help to inform and educate on these subjects and demonstrate how innovative insurance products can be used to protect against the effects of climate change.



One organisation we feel strongly about supporting is the Insurance Development Forum (IDF). We are members of the IDF, a public/private partnership led by the insurance industry and supported by international organisations. The IDF aims to optimise and extend the use of insurance and its related risk management capabilities to build greater resilience and protection for people, communities, businesses and public institutions that are vulnerable to disasters and their associated economic shocks. We are supporting their work by hosting the secretary general of the organisation in our offices.

Looking Ahead

We are currently forming an internal working group in London to drive our progress in this area and identify priority issues and initiatives. We are gathering data to be able to assess our baseline and more accurately track improvements.

Our Business

Our Business

Goal 16: Peace, Justice and Strong Institutions



Human Rights and Labour Standards

Although we consider our business to be relatively low risk, we have a zero-tolerance approach towards any form of slavery, servitude, forced or bonded labour, or human trafficking. We will not support any arrangement or relationship that is knowingly involved in modern slavery. We are committed to ensuring that there is no modern slavery in our business or in our supply chains and to acting ethically and with integrity in all our relationships.

Employment

We apply the highest possible standards in the recruitment and employment of our people. We conduct due diligence on our prospective employees prior to them joining us. When recruiting, we comply with all local employment legislation and any applicable regulations.

All of our people are expected to comply with relevant laws and professional codes of conduct, as well as our own policies and procedures, which include modern slavery.

We are an accredited Living Wage employer, meaning we are committed to pay all our employees a fair salary. This commitment is also extended to contractors of the firm.



Training

In the past year we have been rolling out training courses to raise awareness and understanding around issues such as modern slavery and diversity and equality. Modern slavery training is completed by key individuals globally that we have identified as dealing with any aspect

of procurement on behalf of Clyde & Co and we have recently implemented mandatory training on diversity and equality for all UK employees. This course addresses issues such as discrimination, unconscious bias and harassment.

Our Suppliers

We have long-term relationships with many of the businesses we engage to run our premises, such as catering and cleaning providers. We work closely with these suppliers to make sure we do not make any demands of them that may lead them to violating laws. We have also recently introduced procurement code of ethics, to ensure our supplier relationships are based on professional, ethical and transparent behaviour.

The majority of our suppliers, are based in the UK and supply standard goods or services. We have a database of our first-tier suppliers which we are in the process of consolidating to maximise co-ordination and control.

We perform vetting and due diligence on all new suppliers, particularly our larger suppliers by spend and those we consider to be higher risk.

With regard to existing suppliers to our London office, we have performed a risk assessment exercise and have not identified any occurrence of modern slavery in our supply chain. We require our suppliers to conduct a similar exercise with regard to their own suppliers. We are in the process of extending the risk assessment exercise to international offices.

We have also recently implemented business case guidelines to standardise our approach to procurement and ensure consistency and transparency. Alongside this we have reviewed and updated standard terms and conditions including clauses around modern slavery, anti-bribery and GDPR.

Anti-Bribery and Corruption

We are committed to conducting business fairly, honestly and openly. We take a zero-tolerance approach towards bribery and corruption, and we act professionally and with integrity in all our business activities and relationships worldwide. In compliance with our anti-bribery and corruption (ABC) policy, we must ensure that people acting on our, or on our clients', behalf are also in compliance with anti-bribery and corruption legislation and that they have effective policies and procedures in place that are at least of the same standard as our own. Accordingly, where we engage third parties such as agents, distributors or counsel, we conduct adequate due diligence on these persons, before entering into such arrangements, to ensure that they are not

acting corruptly, and periodically monitor their performance throughout, to ensure ongoing compliance.

ABC training is mandatory for all employees, along with periodic updates. We provide comprehensive information on the policy and the Bribery Act and how it should be applied on our intranet and our risk team is always on hand to help with employee questions.

Our whistleblowing policy ensures that no-one suffers any detriment as a result of reporting any breaches or suspected breaches of our anti-bribery policy. We aim to encourage openness and we will support anyone who raises concerns.



UN Global Compact Reference Table

Principle		Report Section
1.	Businesses should support and respect the protection of internationally proclaimed human rights	Our business
2.	Businesses should make sure they are not complicit in human rights abuses	Our business
3.	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Our business
4.	Businesses should uphold the elimination of all forms of forced and compulsory labour	Our business
5.	Businesses should uphold the effective abolition of child labour	Our business
6.	Businesses should uphold the elimination of discrimination in respect of employment and occupation	Our business
7.	Businesses should support a precautionary approach to environmental challenges	Environment
8.	Businesses should undertake initiatives to promote greater environmental responsibility	Environment
9.	Businesses should encourage the development and diffusion of environmentally friendly technologies	Environment
10.	Businesses should work against corruption in all its forms, including extortion and bribery	Our business



Annual Results

Year End 30 April 2018

Key Statistics

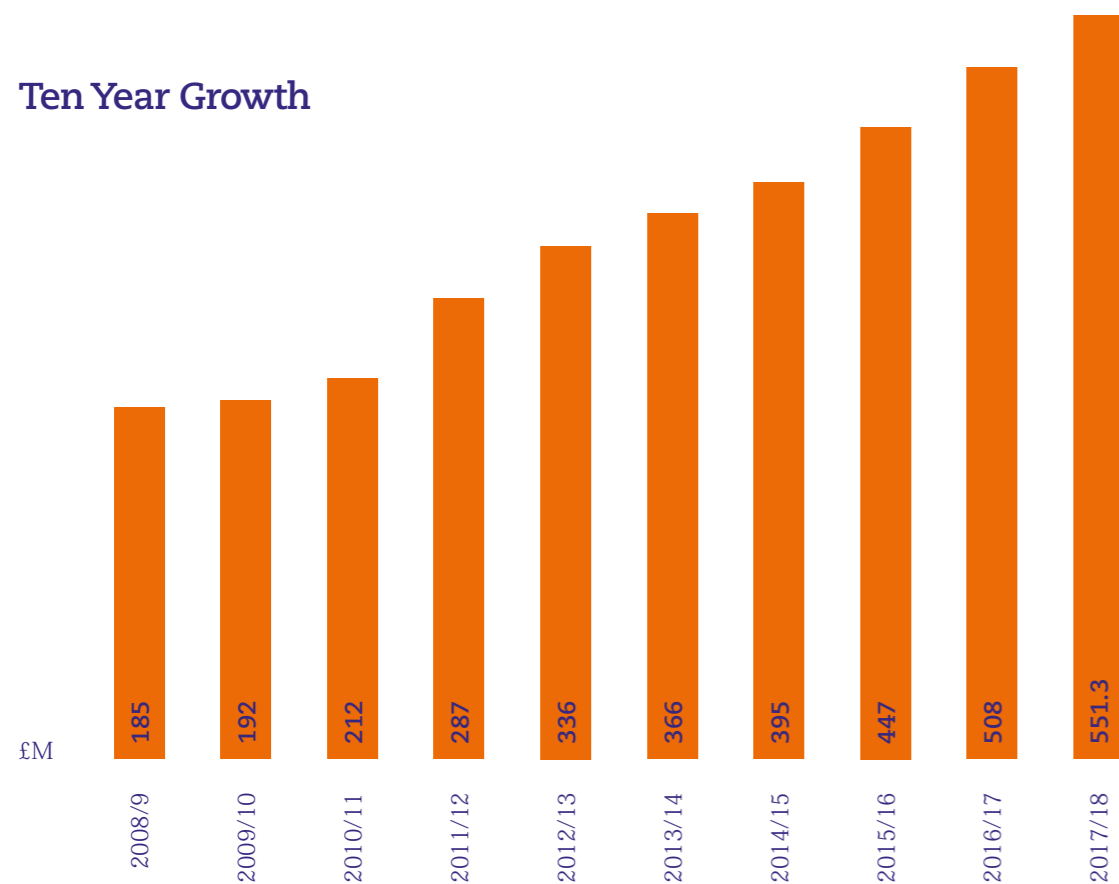
Fees Billed

£551.3 Million

+9%
Annual Growth

+15%
Ten Year Compound Annual Growth Rate

Ten Year Growth

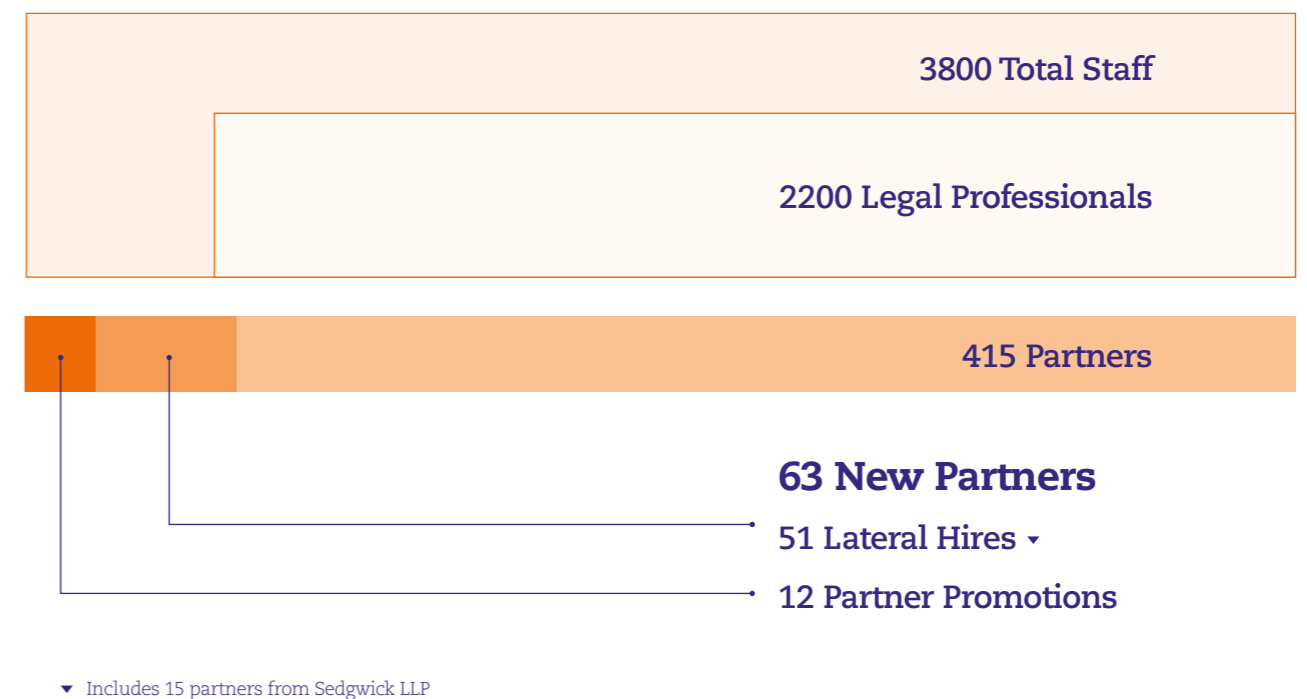


Profit

+2%

Average Profit per Partner

Headcount



Sectors

We specialise in the sectors that move, build and power our connected world and the insurance that underpins it.

Representative Matters

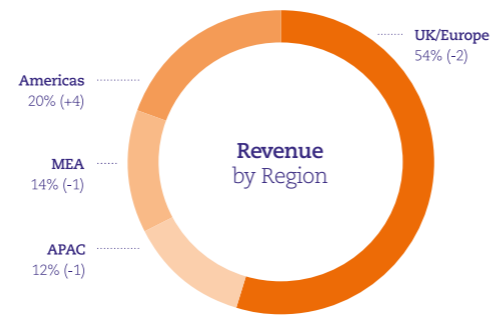
- successfully defended 20 insurers against a \$470m energy construction claim after 10 year dispute
- advised Mexican oil company Petrolera Perseus on a first of its kind floating pledge agreement for Mexican oil and gas contracts
- lead counsel advising Chubb on landmark strategic cooperation agreement with PICC Property & Casualty Company of China
- advising clients across sectors on the fast-changing global sanctions environment
- advising the global insurance industry on major losses including in aviation, shipping, energy, data breaches, cyber-attacks, the Californian wildfires and a series of high profile music tour cancellations

Network

Our network spans developed and developing markets.

52 Offices[†] **25** Countries **7** New Offices[‡]

[†]including 6 associated offices
[‡]LA | Orange County | Mexico City | Kuala Lumpur | Auckland | Muscat | Bristol



Modernisation

We are committed to delivering innovative, efficient and smart services.

- | | | | |
|-----------------------|--|-----------------------|--|
| Blockchain | launched Clyde Code - first of its kind consultancy for smart contracts, blockchain and tokens | Lawtech | founding partner of the UK's first industry wide lawtech incubator |
| Data analytics | launched Data Analytics Lab with University College London | Transformation | created new global transformation office |
| Insurtech | providing support to insurtech startups globally through incubators and accelerators in the UK, US and Germany | Efficiency | development of Kansas City shared services centre to support delivery in North America |

CLYDE&CO

responsibility matters