



2014

UN Global Compact Communication on Progress



INTRODUCTION

I am pleased to confirm that Advokatfirman Hammarskiöld & Co proudly affirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour Law, the Environment and Anti-Corruption. Hammarskiöld & Co is truly dedicated to conducting business and providing legal advice of the highest ethical standard. This is a founding principle of the firm. Accordingly, we are delighted to integrate these 10 principles into our “day to day” business. In this first annual Communication on Progress, we will describe our actions to integrate the Global Compact and its principles into our business strategy, culture and daily operations. We are also committed to sharing this information with our clients using our normal channels of communication.

*Yours sincerely,
Claes Langenius
Managing Partner*

Advokatfirman
HAMMARSKIÖLD & CO



Claes Langenius
Managing Partner



Corporate Social Responsibility (CSR), also referred to as Corporate Citizenship, is about creating long term sustainability, not only for us at Hammarskiöld & Co, but for the community in which we operate.

CSR is important within Hammarskiöld & Co's day-to-day operations, where ethics and long-term sustainability, together with quality and integrity, are fundamental principles that guide us in everything we do. As lawyers, we have a special responsibility, as well as a special opportunity, to stand up for the most fundamental and basic principles in society – such as human rights, the rule of law and sound business ethics.

As a firm we have agreed to support and respect internationally recognised human rights, both as part of our commitment to the UN Global Compact and to all of our clients and employees, as well as to the local and international community. In addition, Hammarskiöld & Co fully expects all of its suppliers and cooperative partners to comply with the applicable laws in the countries in which they operate.

Being a law firm, Hammarskiöld & Co and its employees operate under the strict ethical rules of the Swedish Bar Association. These rules mandate that Swedish lawyers shall fulfil their duties of loyalty to the client, by observing professional independence and confidentiality – safeguarding among other things, that we as a firm will not allow ourselves to be affected by improper influences or conflicts of interest.



Hammarskiöld & Co strives to lead the way in business ethics amongst its peers. Serving as a beacon for the legal community, Hammarskiöld & Co adopted its own internal business ethics policy with even stricter rules than those mandated by the Bar Association. Among other rules, the policy contains:

- i) A special screening and acceptance procedure for admitting new clients;
- ii) A procedure for accepting new matters from existing clients;
- iii) Additional requirements regarding an employee's independence and integrity;
- iv) Restrictions on an employee's engagement in other businesses or participation in financial investments;
- v) Strict guide lines prohibiting insider trading; and
- vi) Strict guide lines prohibiting money laundering.

The unique screening and acceptance procedure that Hammarskiöld & Co has adopted also works as a checkpoint, to assure that the law firm does not accept clients that do not respect basic human rights or that the law firm accepts assignments that would be contrary to Hammarskiöld & Co's ethical standards or would make the law firm complicit in human rights abuse. A review of our screening and acceptance procedure is currently taking place in order to further develop and implement human rights principles in our screening procedure.

Present situation

In addition to our daily operation, we are proud to sponsor a number of projects, which we support both financially and with in-kind contributions of our time and competence.

Promoting Human Rights and Sustainable Business Models

In 2013 Hammarskiöld & Co joined **the United Nations Global Compact**. Hammarskiöld & Co's Managing Partner, Claes Langenius, participated in the recent *UN Global Compact Leaders Summit 2013: Architects of a Better World* (19-20 Sept) that brought together over 1,000 participants, bringing renewed energy and direction to the Global Compact's work.



Supporting Social Development

Hammarskiöld & Co recently completed a project in India under the auspices of the **Hand in Hand** charity organization. Hand in Hand International is part of a network of independent organisations working together towards a shared vision aimed at reducing poverty through job creation and income generation. The project, which Hammarskiöld & Co supported and financed, lasted 24 months and focused on improving working and living conditions in the village of Elaneerkundaram in the southern Indian state of Tamil Nadu. The main activities of the project included:

- Eliminating child labour.
- Strengthening the local school system and improving computer skills.
- Improving women's standing within the community and encouraging them to develop businesses through micro financing.
- Improving healthcare and hygiene within the village.
- Improving local governance and caring for the environment.



Education

Hammarskiöld & Co supports "**Korta vägen**", an initiative created by Stockholm University for graduates of foreign universities. The ultimate goal of the program is to assist the foreign academic in finding permanent employment by maximizing their potential with complementary skills and knowledge relevant to the Swedish marketplace. We offer the academic an internship at Hammarskiöld & Co whereby they participate, in accordance to a practice plan, within the firm and its activities, including research and practical work corresponding directly to their degree and experience. Upon the successful conclusion of the program, the intern receives a certificate of completion which serves as strong endorsement of that academics competence and ability to succeed within the Swedish job market.

Health

Another important and fundamental factor in CSR is health. Without good health everything else becomes irrelevant. We promote a healthy work-life balance and offer our employees everything from regular health check-ups to a variety of sporting activities.

Charity

Hammarskiöld & Co are also committed to supporting the underprivileged. One bright example includes helping establish the charitable foundation **MinStoraDag** (the My Big Day foundation). Hammarskiöld & Co prepared all of the legal work necessary to create the foundation, pro bono. The mission of MinStoraDag is to grant wishes to critically ill children. The



foundation's work is unique as each child is actively involved in planning his or her own wish.

MinStoraDag works with all of the university hospitals in Sweden. The primary physicians refer the children and their wishes to the foundation, which in turn makes their wishes come true. Since August 2000, MinStoraDag has helped thousands of children realise their dreams and wishes. The foundation is based on an initiative taken by Claire Rosvall and its patron is Her Royal Highness Princess Madeleine of Sweden. Hammarskiöld & Co's Senior Partner Peder Hammarskiöld is one of the founders of the MinStoraDag foundation.

Going forward

Hammarskiöld & Co works continuously to safeguard that the firm's high standards regarding ethics and respect for basic principles in society are upheld. This work includes obligatory education on the firm's core values and internal policies for all new employees, special sessions for young lawyers on Hammarskiöld & Co's and the Swedish Bar Association's ethical rules and proper conduct, as well as biannual conferences for all employees where the firm's ethical rules are studied and discussed.

During the upcoming year we will analyse our procurement pattern from a human rights perspective and review our procurement policy to see if we need to take additional measures during the procurement process to address potential human rights risks within our supply chain.

We are further reviewing our client screening and acceptance procedure in order to further develop and implement human rights principles in our screening procedure.

EMPLOYMENT AT HAMMARSKIÖLD & CO

LABOUR PRINCIPLES

Hammariskiöld & Co's company handbook covers a range of policies concerning employee rights, compensation and responsibilities. We continuously assess labour related risks. We will continue to revise our employee handbook as needed and incorporate the Global Compact in this work.

The written company policies stating employee rights and responsibilities include:

- Safety policy
- Antidrug policy
- IT and security policy
- Equality and diversity policy
- Crisis plan
- Quality policy
- Pension policy
- Anti-harassment policy
- Ethics policy
- Policy of confidentiality undertakings
- Guide lines prohibiting insider trading
- Guide lines prohibiting money laundering
- Parental leave compensation

EMPLOYEE SATISFACTION AND DEVELOPMENT

Hammariskiöld & Co is one of the leading business law firms in Sweden and as a knowledge business we depend on having competent, committed and motivated employees who want to take part in developing and improving our business. We aim for long-term relationships with our employees and are committed to developing them so that they reach their full potential.

Hammariskiöld & Co has since its founding invested heavily in Know How and our Know-How database. The Know How work is conducted primarily within our competence groups. It increases our employees ability to adapt to new conditions, as well as increasing the quality of our work product.

Hammariskiöld & Co believes that employees who are happy do a better job at work and that good morale amongst our employees promotes excellent treatment and service for our clients. In the Partnership Agreement, one of the firm's most basic principles is "*To have fun at work.*" We therefore believe in engaging our employees in activities inside and outside office hours to promote a well-functioning team spirit and friendship within the



firm by arranging different social activities and participating in common sporting events or competitions.

Hammar skiöld & Co is further convinced that:

- Personal development is important;
- A heterogeneous group performs better over time than a homogeneous group;
- Equality in the workplace leads to a positive work environment which promotes business;
- Balance between work and family life contributes to better performance;
- Any form of harassment is completely unacceptable, degenerates the working atmosphere, and also contributes to increased absences; and
- A good working environment is characterized by security, diversity and social responsibility.

Most importantly, however, is how we treat each other and our clients. All employees are encouraged to ask colleagues for help and advice if needed and to freely speak their minds without regard to age differences or titles. This promotes quality and comfort. We always strive to maintain a positive tone and manner with each other as well as with our clients and opposing parties.

Hammar skiöld & Co has created specific “cluster groups”, whose purpose is to develop and maintain closer relationships between associates and partners. Each associate within the cluster group has a designated partner serving as a mentor and with whom they have regular sessions to discuss that associate’s professional and personal development. Once per year the members of each group gather together with their respective spouses or partners for a social activity such as a cultural dinner event.

Present situation

In order to maintain our high standard of being one of the leading business law firms in Sweden, we monitor and evaluate performance through many different channels. Our associates maintain their own representative council which meets quarterly with HR and our Partners in order to present their point of view on various issues regarding the employees’ working situation. Moreover, there are scheduled group lunches for all associates every two weeks wherein staffing, the present situation, and any other concerns are raised and discussed.

We have a development plan for each associate, which includes follow-up meetings twice a year, lunches and reviews to support the individual associate’s development. We make plans with measurable goals giving employees the opportunity to fully develop their skills and we give additional support in the areas of education, special coaching, additional experience in particular subject areas and business development.

Every associate has a generous education budget for continuing external education in Sweden and abroad. We also send employees on short or long term secondments to leading law firms abroad. Several of our senior associates and partners have experience from leading business law firms in Europe or the U.S.

Employees in administrative and support functions are offered ongoing training in English and introduction training. Specific/individual courses are discussed, documented and followed up on during the yearly Performance Management cycle, ensuring that all support

staff receives training to meet their role requirements. The support staff has a development plan with measurable goals and follow-up meetings once a year, to fully develop in necessary areas.

We have also taken steps to promote the health and general well-being of our employees and to prevent workplace injuries. In addition to an in-house work out facility, all employees are given annual health care contribution, complementary health check-ups, ergonomic workplace adaptations and other benefits.

Going forward

- Implement the Multi Rater Assessment Tool, 360. This is a 360-degree feedback to help the individual understand how he or she is perceived by peers and managers, as well as to provide valuable information for staffing plans.
- Implement Employee Surveys to establish an Employee Satisfaction Index and follow up accordingly.
- Evaluation of our working environment has been planned internally and Hammarskiöld & Co will monitor the results.

EQUALITY IN THE WORK PLACE

In recent decades, Europe has come a long way in achieving equality between women and men, with the Northern European countries serving as models in this work. However, much work remains to be done. We strive to achieve equal opportunities for both genders, and are aware of the challenges faced by employees wishing to become partners.



We recruit more women than men from universities, but we still have fewer women becoming partners. It is crucial for the firm's long-term success to retain the most competent employees, male or female. Therefore, the firm works with a number of measures to encourage our associates to focus on the partnership track. These include external mentoring, membership in different networks and promoting a leadership program for senior associates on parental leave.

To assist with the many challenges encountered from being a high performing individual at Hammarskiöld & Co, we signed a service agreement with a home care company, which provides a wide range of housekeeping services through quality assured partners. In exchange for a service charge, our employees receive assistance with small, daily chores which take time and energy, such as going to the pharmacy,

collecting and delivering dry cleaning, cleaning the home, and picking up children from day care centres.

Present situation

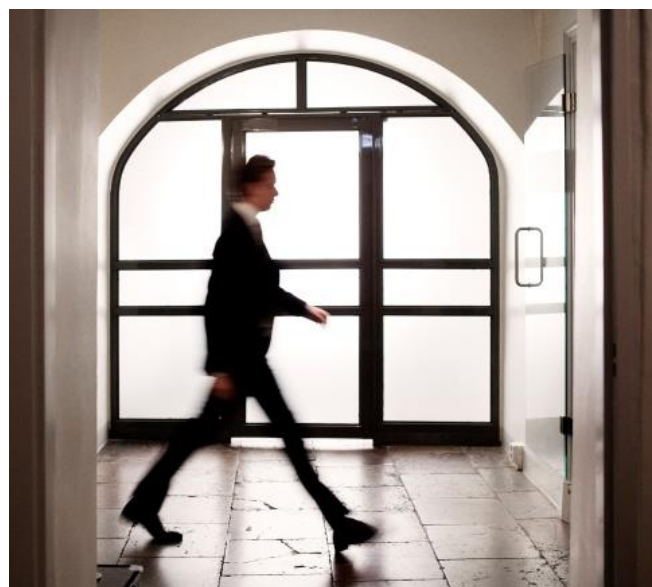
- Women and men are equally treated at all levels at Hammarskiöld & Co.
- Our long term strategy is that women and men shall succeed at Hammarskiöld & Co in the same way and that gender, background or other irrelevant factors shall not be an impediment to any individual employee's development.
- We conduct a yearly salary survey to ensure comparable pay for comparable work.
- There is no pay gap between women and men at Hammarskiöld & Co at the same level of experience.
- Forty percent of our lawyers are now women.
- To our knowledge, there is no harassment of any kind at Hammarskiöld & Co.
- We encourage all our employees to take parental leave and we provide generous parental leave compensation. Many of our male partners have taken parental leave as well.

Statistics as per 1 January, 2014

Law section	Women	Men	Total
Partners	0	12	12
Senior counsel	0	1	1
Senior associates	5	4	9
Associates	12	5	17
Total:	17	22	39

Administrative section	Women	Men	Total
Managers	3	1	4
Staff	12	2	13
Extras	6	3	9
Total:	21	6	27

All employees	
Women	38
Men	28
Total:	66



Going forward

- A mentorship program called "Parenthood Management" is now being evaluated.
- We will conduct a salary survey to ensure comparable pay for comparable work.
- Procedures will be promoted to ensure that all employees on parental leave or taking a leave of absence are kept up to date and feel involved in the firm's activities.
- Special attention shall be given to reintroducing employees to the workplace after parental leave.
- Comprehensive training in Business Development will be given to all associates.
- We will intensify support to all female associates to raise participation in and develop professional networks.
- We will promote individual mentoring for our senior associates.

DIVERSITY

Hammarstiöld & Co only hires lawyers and administrative staff with the best qualifications, regardless of gender or ethnic origin. We strive to meet the needs of our clients and our employees must reflect the market's demands. It is important for our brand to be an attractive workplace where people feel comfortable and able to develop. A group of people with different backgrounds and mixed genders will have better resources for innovation and higher quality solutions for our clients.

Present situation

- A relatively large proportion of our associates come from diverse backgrounds, a majority of which are women.
- Hammarstiöld & Co supports foreign graduates entering the Swedish job market by providing concrete work experience through internships.

Going forward

- We will continue our strategy of recruiting associates with diverse mind-sets and a blend of mixed backgrounds, genders and ethnic groups.

CARING FOR THE ENVIRONMENT

At Hammarskiöld & Co, we are actively working to reduce our impact on the environment and have adopted environmentally sustainable practices in our day-to-day operations and within our long term planning.

Hammarskiöld & Co works for a sustainable society wherein the environmental impact is limited and national environmental objectives are achieved. Amongst our employees, a commitment to sustainability and knowledge of the environment are requisites for continually achieving these objectives within our workplace and the community as a whole.

Present situation

Hammarskiöld & Co has formed a special working group charged with the responsibility of creating and implementing an environmental management system for the law firm. To date, this project has included the collection and analysis of data, information etc. in order to identify the activities and services that have a significant impact on the environment as well as producing a performance base line for the law firm's environmental impact. There is also an ongoing review of the law firm's policies and procedures in this area.

Within the project, we identified four main groups to which our environmental efforts are focused.

- Energy
- Purchase
- Recycling
- Travels



Energy

We are working to improve energy monitoring and reduce Hammarskiöld & Co's impact on the environment, especially the use of heating, as well as with our electricity and water consumption. We are continuously improving energy efficiency while steering towards renewable sources.

In 2012-2013, Hammarskiöld & Co's IT department planned and executed an extensive project to reduce the energy used for the firm's IT infrastructure, involving virtualisation of our servers. This successful project produced several positive effects for Hammarskiöld & Co, including reducing both our energy use and our need for IT hardware.

Purchases

We have adopted procurement policies to ensure that environmental aspects must be considered when purchasing supplies and services for the law firm. We at Hammarskiöld & Co also maintain an active discussion with our suppliers to improve transportation and delivery routines and avoid unnecessary transport.

Our administrative staff follows a checklist in order to consistently request environmentally preferable options from our suppliers. The checklist was designed to motivate and compel each person responsible for ordering supplies and services to consider preferable environmental options by requesting healthy and sustainable materials, environmentally friendly ways of production, and more environmentally preferable means of transportation. By the end of 2014, our administrative staff will analyse their experiences and evaluate their ability to obtain and purchase environmentally preferable alternatives while still obtaining cost-efficient products and services. Targets for future improvements during 2015 will be set based upon the result of that analysis.

Recycling

We are working to improve recycling, and waste disposal.

Waste management occurs through good resource management and by a life cycle approach whereby we, as of today, recycle everything but food waste.

We aim to reduce our paper usage per project by trying to increase the amount of digital information send-outs and decreasing unnecessary copying/printing. Our focus is on optimizing paper recycling.

Travels

Hammarskiöld & Co is establishing a travel policy that will determine the guidelines for the employees traveling. At present, statistics are being gathered and analysed in order to set targets for future reductions of company's environmental impact through travelling. The policy will be put into effect during 2014.

Transportation to and from the office must be done efficiently, increasingly by vehicles powered from renewable energy sources. This would apply to all courier, delivery, and business travels.

Going forward

- Continue implementing the environmental management system.
- Continue the co-operation with our landlord to further improve energy efficiency (for example in the first quarter of 2014 we will change the thermostats on all radiators in order to reduce energy waste).
- Finalise the travel policy and set goals for reduction of the environmental impact related to travels.
- Review our procurement policy to also include human rights aspects.

ANTI-CORUPPTION

For us at Hammarskiöld & Co ethics, integrity and excellence are core values that encompass everything we do. All employees of Hammarskiöld & Co shall always act with integrity and maintain the highest ethical standards in order to provide our clients with the highest quality advice and counsel. Our business principles mean that we shall always comply with the applicable laws and regulations. Hammarskiöld & Co has a zero tolerance policy for corruption and bribery.

Hammarskiöld & Co has an appointed ethics committee that oversees our employees' compliance within the areas of anti-corruption, insider trading, and the rules and regulations of the Swedish Bar Association. The ethics committee is responsible for our internal policy relating to anti-corruption, insider trading and conflicts of interest. The policy is continuously developed to further strengthen and secure Hammarskiöld & Co's position as a high quality law firm. The ethics committee also provides guidance and support to the organization regarding anti-corruption matters.

In order for us at Hammarskiöld & Co to maintain our high ethical standards, all of our employees are given continuous mandatory education about anti-corruption, including instruction on what to do should they encounter or suspect it. Every other year we revisit the course material and instruct all of our employees to complete the mandatory online course on the prevention of money laundering. The anti-money laundering education tool has been developed by Hammarskiöld & Co together with other select major law firms in Stockholm and is now widely used by larger Swedish law firms.



Hammarskiöld & Co's unique Client Acceptance Committee reviews and approves all new client admissions and requests, assuring that all new clients fulfill our ethical requirements and that they are compatible with Hammarskiöld & Co's business model. We also have comprehensive IT and recordkeeping systems in order to identify any and all potential conflicts of interest that could arise in relation to client requests and admissions. These systems include processes for identifying and conducting due diligence on new clients in compliance with Swedish anti-corruption rules and regulations.

We at Hammarskiöld & Co also provide legal advice and services within the field of anti-corruption and compliance for our clients and their businesses. Hammarskiöld & Co has extensive experience in a broad range of issues, including corporate governance, risk management, and compliance issues, as well as those issues associated with competition laws, anti-corruption laws, market abuse, and other securities laws. We also advise our clients on the laws and regulations targeting the financial sector, the insurance sector, and many other industries. Our multi-practice Compliance and Investigations team is ideally suited to assist in preventing, detecting, and resolving potential violations of laws, regulations, and company policies in all industries. By providing this kind of legal advice to our clients, we aim to assure that our clients maintain their ethical standards and prevent corruption.

Present situation

During 2013 all of Hammarskiöld & Co's lawyers took and passed the online anti-money laundering course. In addition, all new employees must take and pass the course within their first two months of employment.

We also assisted several clients during 2013 with extensive internal compliance investigations and implementation of compliance guide lines, where anti-corruption and anti-money laundering were material aspects addressed.

Hammarskiöld & Co arranged a well-received client seminar on "whistle blowers" to help clients arrange and improve their internal mechanisms and communication channels in this respect.

Going forward

We are continuing to see an increased awareness from our clients coupled with a strong demand for assistance in the areas of compliance and investigation – including anti-corruption and risk assessments, implementation of policies and programmes and related issues. Hammarskiöld & Co will therefore continue to support and assist our clients in this field of work.

Hammarskiöld & Co's internal education program on business ethics and anti-money laundering will continue in 2014.