



2015

UN Global Compact Communication on Progress



HAMMARSKIÖLD & Co

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 ten Global Compact principles into our “day to day” business. In this 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.

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 *UN Global Compact Leaders Summit 2013: Architects of a Better World* that brought together over 1,000 participants, bringing renewed energy and direction to the Global Compact's work.



During 2014 Hammarskiöld & Co has taken a more active role in UN Global Compact. In April 2014 Hammarskiöld & Co arranged and hosted a Training Course together with the International Chamber of Commerce in Sweden. The purpose with the course was to share experiences and to discuss how to act as participants in the United Nations Global Compact. During the Training Course Managing Partner Claes Langenius and Gustaf Swedlund (Partner) gave the presentation "*Compliance - from rules to business culture*".

Our Managing Partner Claes Langenius joined the Global Compact Nordic Network's steering committee. He has participated at the steering committee's meetings during the year and has been active in the development of the Governance document for the Nordic network.

In 2014 the Nordic network meeting was held in Stockholm. Hammarskiöld & Co participated in the planning group for the conference and during the conference Claes Langenius gave a presentation on "*Proactive compliance measures in ethical organisations*".

During 2014 Hammarskiöld & Co also included questions regarding human rights and social responsibility in our check list questionnaire that we use in the dialogue with all of our suppliers. This is intended as a tool that can provide us with information in order to analyse if we need to take additional measures during the procurement process to address potential human rights risks within our supply chain. So far this tool has been helpful and increased our awareness, but it is also evident that many times there are significant challenges for a small company to get sufficient and useful information to assess these supply chain risks.

Education

During 2013 and 2014 Hammarskiöld & Co was engaged in a project called "**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

Hammariskiöld & Co are also committed to supporting the underprivileged. One bright example includes helping establish the charitable foundation **MinStoraDag** (the My Big Day foundation). Hammariskiöld & 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. Hammariskiöld & Co's Senior Partner Peder Hammariskiöld is one of the founders of the MinStoraDag foundation.

Going forward

Hammariskiöld & 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 Hammariskiöld & 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 2015 Hammariskiöld & Co is supporting two master theses on the subject "Integrity on the Internet" in a co-operation with the global IT Company CGI (www.cgi.com) and the Swedish Financial Coalition Against Child Pornography (www.financialcoalition.se). The purpose of these theses is to examine different aspect of integrity on the Internet in relation to measures to prevent child abuse. The theses will focus on both technical and legal aspects and identify obstacles and possibilities when it comes to for example restricting distribution and access to child pornography over the Internet.

EMPLOYMENT AT HAMMARSKIÖLD & CO

LABOUR PRINCIPLES

Hammar skiöld & 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

Hammar skiöld & 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.

Hammar skiöld & 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.

Hammar skiöld & Co believes that employees who are engaged and motivated feel happy and do a better job at work. Good employee morale 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.

Hammarskiöld & 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.

Hammarskiöld & 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 dinner or cultural 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 entitled to an annual health benefit, complementary health check-ups according to scheme, ergonomic workplace adaptations and other benefits.

Going forward

- Implement Employee Surveys as well as evaluation of working environment will be established during 2015.

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 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.
- Forty five percent of our lawyers are women, an increase from last year.
- We conduct a yearly compensation 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. 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.
- Last year we launched an initiative to ensure that employees on parental leave and leave of absence are kept up to date and involved in the firm during their absence. And when they return from leave we try to reintroduce them and pay them special attention. This initiative has been received very positive by our employees. We hope to be able to retain employees, who have been on leave, through these activities.
- During 2014 we have also launched a business network for professional women to connect and share thoughts. We are happy to see that the initiative has been very well received.

Statistics as per 1 January, 2015 (last year's figures in parenthesis)

Law section	Total	Women	Men
Partners	14 (12)	7% (0%)	93% (100%)
Senior associates	9 (9)	55% (55%)	45% (45%)
Associates	8 (17)	100% (70%)	0% (30%)
Total:	31 (38)	45% (45%)	55% (55%)

Administrative section	Total	Women	Men
Managers	4 (4)	75% (75%)	25% (25%)
Staff	15 (14)	80% (86%)	20% (14%)
Extras	9 (9)	67% (67%)	33% (33%)
Total:	28 (27)	75% (78%)	25% (22%)

All employees	59 (65)	59% (58%)	41% (42%)
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Going forward

- A mentorship program called "Parenthood Management" is being evaluated by employees on parental leave.
- We will update our Equality and diversity policy for period 2015-2018.
- 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.
- Evaluate the results of our initiative for employees on parental leave or leave of absence.

DIVERSITY

Hammarstiöld & Co only hires lawyers and administrative staff with the best qualifications, regardless of gender, ethnic origin, age, religion, functional disability and sexual orientation. 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

- About 30 percent of our associates have foreign background.
- 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.
- Our ambition is to have an atmosphere based on inclusive and open mind.

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, electricity and water consumption. Our office is situated in an old 17th century listed building, which affects the kind of measures that can be taken. We are however continuously improving energy efficiency while steering towards renewable sources. During the first half of 2014 the thermostats on all radiators were exchanged and all windows were inspected and renovated in order to reduce energy waste.

As from 1 January 2015, our office has a separate electricity meter that is separated from other electricity consumption in the office building. This significantly increases our possibilities and incentives to work pro active with reduction of energy consumption and also improves our ability to monitor our electricity consumption.

During 2014, our Office Manager led a project together with external consultants with the purpose of analysing the electric fittings at the office, with focus on the type of electric lightning used (halogen lamps, low energy, LED etc). The project resulted in an action plan that will be implemented during 2015, cutting our energy consumption related to electric lightning by 70 per cent (corresponding to an annual reduction of CO2 by 150 tons per year) and at the same time saving substantial costs over a ten-year-period.

During 2014 Hammarskiöld & Co's IT department has worked systematically to reduce the number of individual appliances in the company's machine park. For example, the number of individual desk printers has been reduced by 45 per cent, saving both energy and other consumables such as ink cartridges, as well as saving costs.

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. The checklist also contains a number of questions to be posed to all of our suppliers, including a description of how the supplier address issues related to environment, CSR and quality and to what extent the supplier is certified within these areas. To date, our IT department and office department have received this information from about 50 per cent of their respective suppliers and are pursuing the remaining 50 per cent during 2015. Our HR, marketing and economy departments have not come as far in relation to their suppliers, but will also receive this information during 2015. The result will then form basis for a continued dialogue with our suppliers and, if so required, a decision to change to other more conscious suppliers.

During 2014 our Office Manager worked with Hammarskiöld & Co's main supplier of office supplies in order to establish what type of supplies we purchase that have the most significant environmental impact and explore the possibility to exchange the products we use for more environmentally friendly products and increase the portion of products that are eco-labelled. This project resulted in 27 of our 155 most common products could be exchanged for better alternatives.

Recycling

We are working to improve recycling and waste disposal. During 2014 Hammarskiöld & Co together with the landlord increased the number of different fractions that we recycle. Now all waste from the office except food waste is categorised and sent for recycling. The reduction of the number of delivery transports to the law firm (see further below) has also lead to a significant reduction of the amount of packaging material that needs to be recycled, thereby reducing our total 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. We also strive to increase the share of digital invoices that are received as well as sent from the law firm.

Travels and transportation

Business travel

Hammar skiöld & Co is establishing a travel policy that will determine the guidelines for the employees traveling. We continuously gather statistics that are being analysed in order to set targets for future reductions of company's environmental impact through travelling. The work carried out by the law firm requires a certain amount of travel, also considering that we have a significant share of international clients and are to a large extent involved in international business. However, Hammar skiöld & Co's ambition is to as far as possible chose the most cost effective travel alternative with the least impact on the environment.

Transportation to and from the office (supplies, couriers etc.)

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. During 2014 our administrative departments have worked actively with their respective suppliers to reduce the number of transports to Hammar skiöld & Co, thus reducing environmental impact from these transports. Our Office Manager has been able to reduce the number of delivery transports to the office from 320 per year in 2013 to 200 in 2014, a reduction by 40 per cent. The goal for 2015 is to reduce the number of transports further to 160 per year. Our IT department has also optimized its delivery transports and has reduced the number of transports by 30 per cent compared to last year.

Going forward

- Continue implementing the environmental management system.
- Continue the co-operation with our landlord to further improve energy efficiency.
- During 2014 we have made some investments in improved capacity in the office conference section, which will make it possible to discontinue the use of bottled water. In addition to the positive effects this will have as regards energy, use of natural resources and reduction of waste, it will also result in a significant reduction of reoccurring transports to and from the office.
- Finalise the travel policy and set goals for reduction of the environmental impact related to travels.

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 2014 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 2014 with extensive internal compliance investigations and implementation of compliance guide lines, where anti-corruption and anti-money laundering were material aspects addressed.

In April 2014 Hammarskiöld & Co and the Swedish International Chamber of Commerce co-organized a training session within the UN Global Compact Swedish Business Group. The training session attracted great interest from a large number of Swedish companies that are signatories to the UN Global Compact and focused on "*Strategy and Compliance*".

Hammarskiöld & Co was also involved in the UN Global Compact Nordic Network meeting that took place in Stockholm in November 2014. Hammarskiöld & Co's managing partner Claes Langenius participated in a panel under the heading "*Building an ethical organizational culture – A road to fighting corruption*", where ethical behavior and challenges related to corruption were discussed.

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 2015.

During the "Almedalen week" 2015, Hammarskiöld & Co will hold a joint seminar with ICC Sweden, focusing on anti-corruption programs in the business sector. The seminar will be part of a one-day initiative against corruption, arranged by Transparency International, the Swedish Anti-Corruption Institute and the American Chamber of Commerce in Sweden together with a number of organizations and business partners. The Almedalen week is an annual event in the city of Visby, Sweden. With speeches, seminars and other political activities, it is considered to be the most important forum in Swedish politics. During the week, representatives from the major political parties in Sweden take turns to make speeches. Almost 3,400 activities were scheduled in 2014 and about 700 journalists were accredited with around 25 000 participants and 50 000 visitors.