



Annual Report 2020

MANNHEIMER
SWARTLING

Annual Report 2020

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A word from the Managing Partner

Since Mannheimer Swartling was founded, crises have come and gone. The 1900s property crisis led to the downfall of banks and financial companies, the IT bubble burst in 2000, the attack on the World Trade Center in 2001 resulted in war and a recession, and we are still living with the consequences of the financial crisis of 2008. In 2020, we faced a new kind of crisis.

While the corona pandemic could certainly lead to an economic crisis, it is so far primarily a health crisis. Spring was quite chaotic: stock exchanges around the world plummeted by over 30 per cent, deals were cancelled, negotiations postponed and workplaces shut down.

At Mannheimer Swartling, we prepared for the worst. Staffing at our offices was reduced to a minimum, with all staff who could work from home being asked to do so. My work as managing partner focused on contingency planning. How were our people coping? How robust was our liquidity if revenues were to decline? How could we ensure that our IT systems and networks would cope with the increased load?

During Mannheimer Swartling's thirty-year history, we have never made anyone redundant for lack of work. Nor did we do so in 2020. On the contrary, in early spring, we decided that we would continue recruiting as usual and that no one would need to reduce their hours or be furloughed due to the pandemic. Mannheimer Swartling is a 600-strong team.

MODERN LEADERSHIP

The business sector has traditionally drawn a clear distinction →



“Mannheimer Swartling is a 600-strong team.”

between “hard” factors such as quality, earnings and profitability on the one hand, and, on the other hand, “soft” factors such as stress, job satisfaction and a sense of belonging. We believe this dichotomy has long been outdated and this has become even more apparent during the pandemic. If an employee feels lonely, stressed or vulnerable, they cannot reach their full potential – and these are therefore business-critical issues. Our firm relies on all our people being able to perform to the best of their ability. It is therefore also our responsibility to support them with the right conditions and tools they need to be able to deliver the very highest quality of service to our clients.

Over recent years, we have invested heavily in developing our leadership, our culture and our values. Our leadership must be modern, empathetic and coaching to enable our people to perform even better. We must create a healthy and sympathetic working environment in which time is allowed for rest and recovery, so that our workplace is sustainable in all respects. One

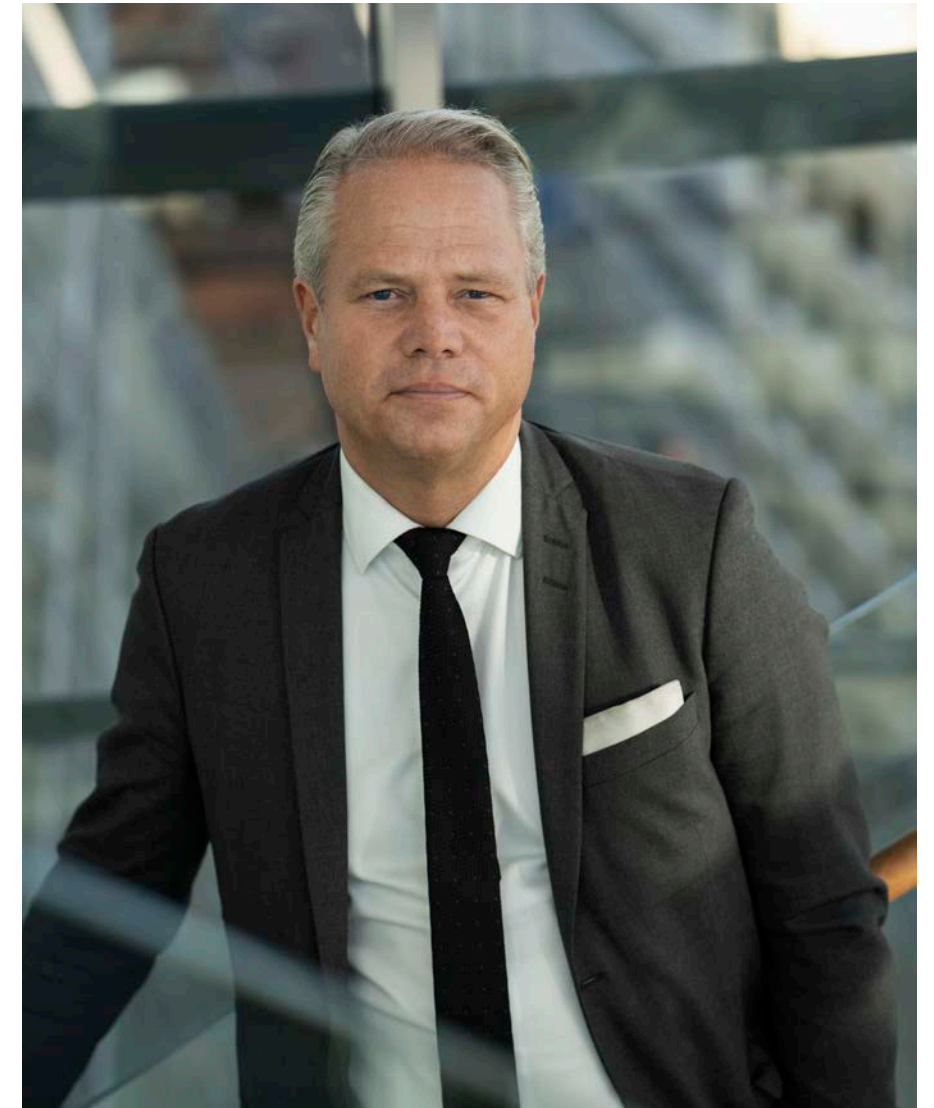
effect of the pandemic is a sense that the entire business sector has become more empathetic. Having already shifted our focus to the “soft” factors, Mannheimer Swartling is well placed to meet the challenges ahead.

ADAPTATION

After the pandemic struck Sweden, our clients adapted swiftly and impressively to the new reality. After a few weeks of market turbulence, it became clear that the demand for our service was as high as ever. The paralysis that had particularly afflicted the M&A market in mid-March rapidly eased, before being replaced by intense market activity in late spring, with the announcement of several major deals and IPOs.

A clear strength of the firm is also that our specialist groups work independently. An increasing proportion of Mannheimer Swartling’s mandates comprises specialist projects which are not directly related to transactions.

Jan Dernestam was appointed Managing Partner of Mannheimer Swartling in 2011 and has been a member of the firm’s board of directors since 2009.



With the largest dispute resolution practice in the Nordics, demand for our advice in both Swedish dispute resolution and international arbitration was particularly high in 2020. We acted as counsel in some of the world’s largest arbitrations. And we are truly at the forefront of the global digital industry when it comes to dispute resolution systems. During the year, we developed several new market-leading processes for online dispute resolution.

HOPEFUL FOR 2021

We are truly proud of the way all our employees have taken responsibility and adapted to the difficult and demanding circumstances created by the pandemic. As a consulting business, it is relatively easy to switch to remote working and digital meetings. But to meet the needs of our corporate culture – which is based on team spirit, cooperation and a supportive environment – it is also essential that our communication and leadership work

at a distance. Ideas, solutions and strategies are not created in a vacuum or developed by just one employee. They are the result of a multitude of meetings, spontaneous conversations, discoveries and insights. Business law develops in the same way that people grow and develop – through collaboration with those with different skills, experience and viewpoints. The pandemic has challenged the whole of society – ourselves included. But we have continued to provide the highest quality of advice in the legal industry thanks to our tight-knit corporate culture.

We hope that 2021 will be a brighter year for humanity, and we look forward to being able to meet in person once again. I would like to thank Mannheimer Swartling’s employees and clients for all their efforts over the past year. I am deeply impressed by how we managed to get through 2020 together!

JAN DERNESTAM
Managing Partner

Mannheimer Swartling's goal has always been to be the very best law firm in our market – delivering services of the highest possible quality while adopting a proactive and responsible approach in relation to clients, colleagues and society at large. We want to be an adviser that contributes something more – an adviser that not only meets expectations, but exceeds them.

About Mannheimer Swartling

With clients throughout the world spanning a wide variety of sectors, our counsel covers most areas of business law. Although we are spread out in a global market, clients and business partners meet a tightly-knit team. We make great efforts to recruit, develop and retain our talented people. We have spent many years building a corporate culture centred on cooperation. The way we share profit – unique in the industry – has created an inclusive culture in which knowledge is shared and spread freely between our people and on to each client.

STRENGTH IN THE TEAM

We are a large team with as many different interests and drivers as there are development opportunities at the firm. The one thing we all have in common is the conviction that we achieve the best results by working together. Our clients and the work we do are diverse, and we must be too. This is why we always look for people with different abilities and perspectives. Our entire business rests on the fundamental idea that we are happiest and perform best when we are united by common goals. We therefore regard cooperation as essential if we are to achieve our full potential – as a firm and as individuals. It is by working together that we have carved out a central role for ourselves in major events taking place in the business sector and in society at large. →



A SELECTION OF AWARDS

Sweden Law Firm of the Year
Chambers Europe Awards for Excellence 2009, 2011, 2012, 2015, 2016, 2018 och 2020

Swedish Law Firm of the Year
IFLR; International Financial Law Review, 2005, 2006, 2007, 2008, 2010, 2012, 2015, 2016, 2018 och 2019

Law Firm of the Year, Sweden
Who's Who Legal Awards, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2017, 2018, 2019 och 2020

Top-ranked in
"Overall Performance" in Sweden
TNS Sifo Prospera Tier 1 Law Firm Review Sweden, 2013, 2014, 2015, 2016, 2017, 2018, 2019 och 2020

Most popular law firm among Swedish law students
Universum (FöretagsBarometern), 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019 och 2020

Most popular prospective employer among Swedish law students
Universum (FöretagsBarometern), 2018, 2019 och 2020

REVENUES 2020

SEK billions

1,44



UNDERSTANDING OUR CLIENTS' BUSINESS – NOW AND IN THE FUTURE

It is essential for us to change and adapt so we can create value for our clients amidst the shifting and increasingly complex challenges and opportunities facing businesses and organisations. Our advice would come to nothing without an in-depth understanding of our clients' business and how the world is changing. This is why we equip our people with a far wider set of perspectives than the merely legal.

BUSINESS INTELLIGENCE, SUSTAINABILITY AND INNOVATION

For some years now we have had a senior economist and a head of sustainability, who complement our legal expertise with business intelligence and strategy. Sustainability is an integral part of our organisation and the advice we give. We have also developed MSA Innovation Lab – the firm's own business unit for innovation and digitisation.

FULL-SCALE EXPERTISE

The advice provided to our clients is at once broad and specific. We offer a one-stop shop – that is to say, counsel in all areas of business law within virtually all sectors. We can mobilise and deliver cutting-edge specialist advice even on the most difficult sector-specific issues. ●

OUR EXPERTISE

- Automotive
- Banking and Finance
- Construction
- Contentious Regulatory
- Corporate Commercial
- Corporate Investigations and Corporate Crime
- Corporate Sustainability and Risk Management
- Corporate Taxation
- Data Privacy
- Dispute Resolution
- Employment and Pensions
- Energy
- Environment
- EU and Competition
- Financial Institutions
- Financial Regulation
- Funds and Investments
- Health Care and Life Sciences
- Infrastructure and Construction
- Insurance
- Intellectual Property, Marketing and Media
- IT/Tech
- Media and Entertainment
- Mergers and Acquisitions
- Private Equity
- Public M&A and Equity Capital Markets
- Public Procurement
- Real Estate
- Restructuring and Insolvency
- Shipping and Transportation
- Technology
- Trade

We are a large team with as many different interests and drivers as there are development opportunities at the firm.





OUR CORE VALUES

We are immensely proud of our strong corporate culture, which is built on three core values:

Quality

We strive to achieve the highest quality in everything we do.

Business focus

We keep ourselves continuously updated on our clients' business challenges and tailor solutions accordingly.

Team spirit

We help each other and share knowledge and experience for the benefit of the whole firm.

At Mannheimer Swartling you meet a team with a clear goal: to deliver world-class business law counsel. For our part, this means that we understand and analyse the world around us and adopt a proactive and responsible approach in relation to our clients, employees and society at large. This enables us to create the greatest possible value for our clients and other stakeholders.

The key to our success lies in our corporate culture, which is based on the Pure Lockstep model. This means we focus on common goals, without any individual financial incentives. The Pure Lockstep culture promotes exchange of knowledge and collaboration, and ultimately ensures that each client has access to the best possible legal advice.

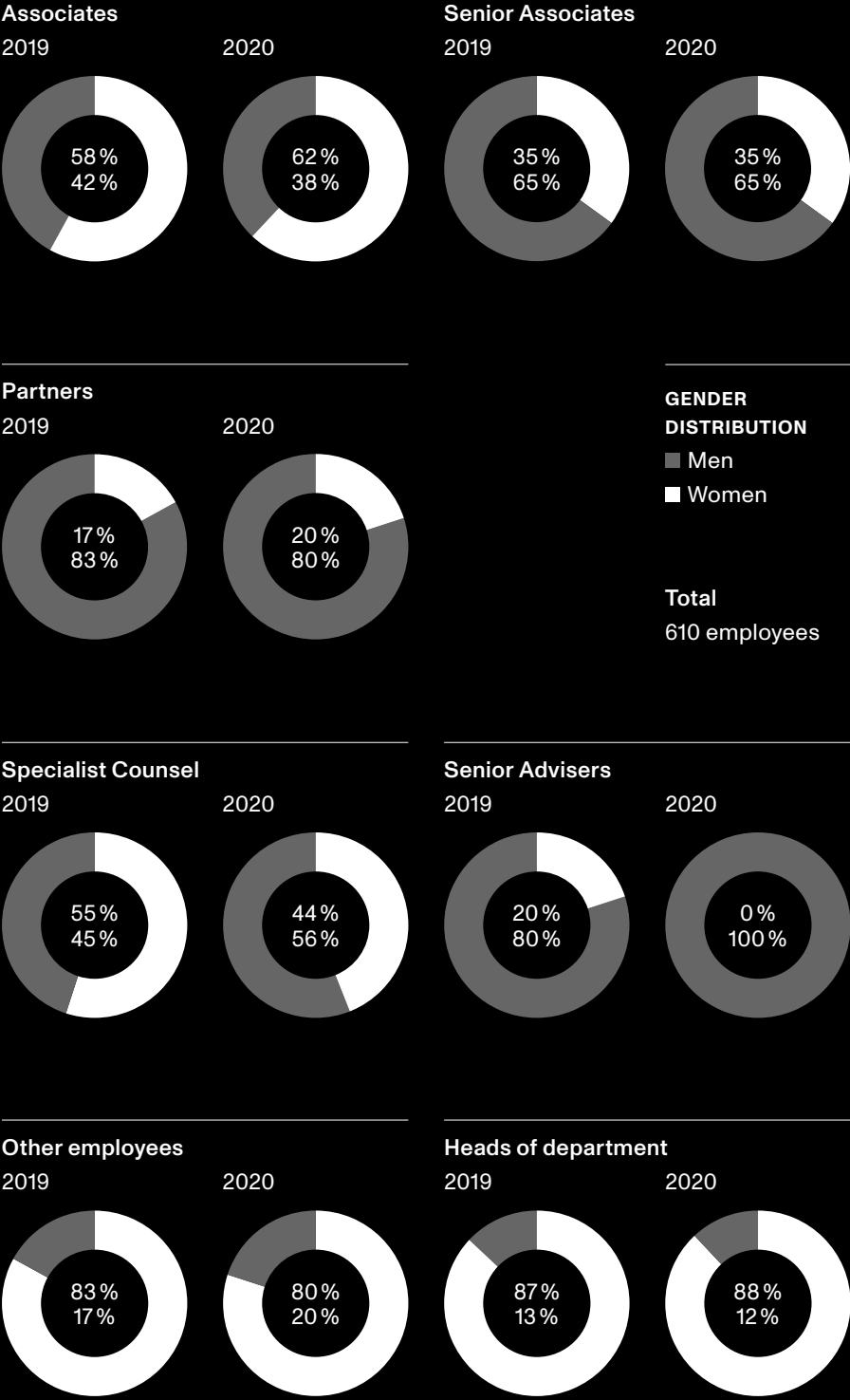
OFFICES

- Brussels
- Gothenburg
- Hong Kong
- Malmö
- Moscow
- New York
- Shanghai
- Singapore
- Stockholm

The offices in Hong Kong and Shanghai closed in December 2020. The firm's office in Singapore opened on 1 January 2021.

People

Diversity is, and has been over the past year, one of our very highest priorities. A major challenge facing the firm is to increase the number of female partners. As a knowledge company, it is absolutely essential to us that all our employees are happy and have equal prospects of remaining at the firm.



“The key to our success lies in our corporate culture, which is based on the ‘Pure Lockstep’ model.”



On the spot in Singapore

Maxwell Chambers in central Singapore is home to Singapore International Arbitration Centre (SIAC) and the world-leading International Court of Arbitration (ICC). On 1 January 2021 Mannheimer Swartling also opened an office there.

The trend for Singapore to be the forum of choice for international disputes in Asia appears to be gaining momentum. For Mannheimer Swartling, one of the world's foremost law firms in international arbitration, opening an office in Singapore is a natural step.

At the firm we see how not only Scandinavian companies, but also those from Russia and Central Asia, are increasingly keen to arbitrate in Singapore. Seamless collaboration between our firm's lawyers across national borders and practice areas enables us to offer those clients world-class specialist counsel.

"A number of the firm's clients and business partners have a presence close to our new office, so we had no doubts that moving there was the right thing to do. It brings us closer to our clients," says Jakob Ragnwaldh, Partner at Mannheimer Swartling and based in Singapore.

Jakob specialises in international disputes involving parties from different jurisdictions. Several – albeit far from all – of the firm's clients in this field are Swedish companies operating in Asia. Many of the arbitrations in which he is engaged involve Russian, Korean, US and British parties. Quite a few of the disputes involve states or state-owned enterprises, as well as construction companies.

Over the past few years there has been considerable unrest in Hong Kong, and the political situation remains volatile.

"The unrest in Hong Kong did not impact Mannheimer Swartling's operations there specifically, but it has rendered the city less attractive as a platform for international dispute resolution. We have noticed that fewer and fewer companies are choosing to arbitrate

in Hong Kong," Ragnwaldh says.

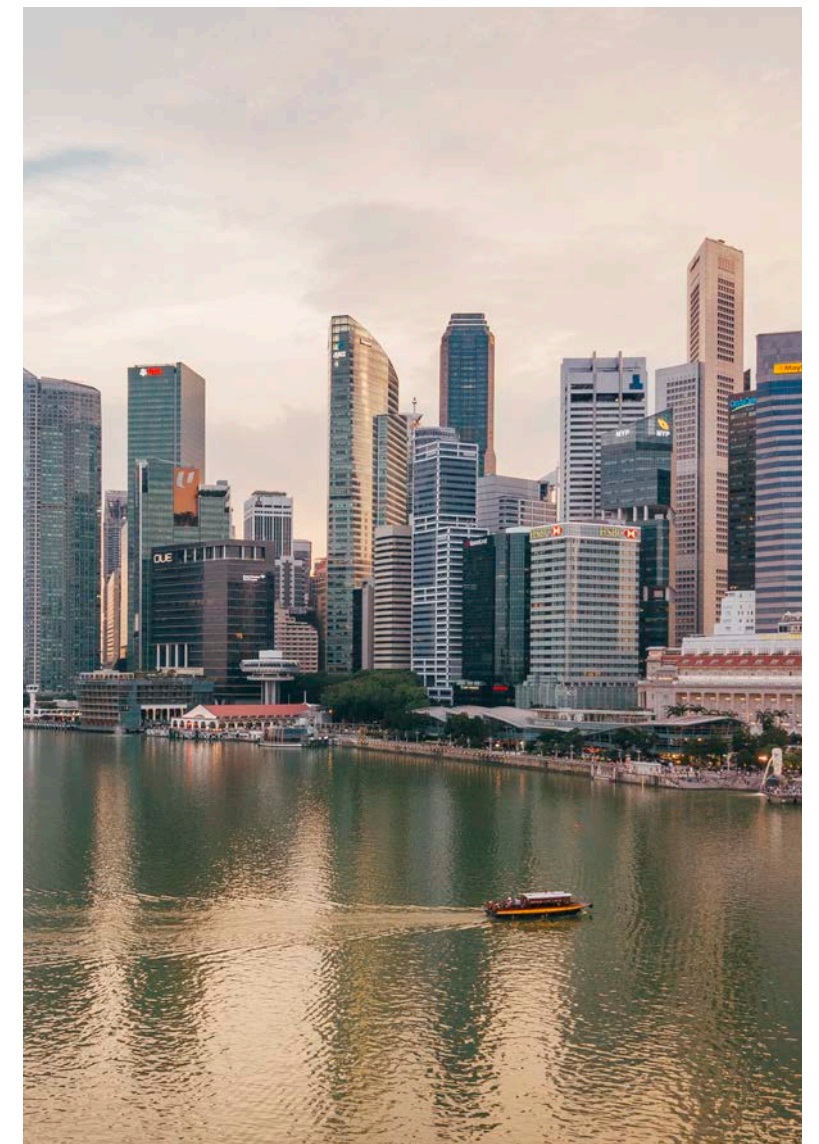
The legal system in Singapore in general, and the protection offered by commercial law in particular, are highly respected throughout the world. Courts and legal institutions in Singapore are generally regarded as just and impartial.


"Singapore is already an important hub for major investments and business negotiations. The legal environment is perceived to be reliable and stable. The establishment of our new office and a completely new China/APAC desk in Sweden will enable us to continue helping our clients with their business in China and other countries in the vicinity. In this way

we will build on the expertise and experience we have accumulated during our long presence in Shanghai and Hong Kong. It's going to be an exciting journey," Ragnwaldh adds.

Our lawyers at the Singapore office will be fully integrated with the firm's dispute resolution group in Sweden and Moscow, and also with the firm's other practice groups. In complex major disputes requiring specific local expertise, the firm will continue to benefit from its well-established network of local law firms in Singapore. The newly-opened office also offers an additional opportunity for Mannheimer Swartling lawyers to work on secondment abroad. ●

The establishment of our new office and a completely new China/APAC desk in Sweden will enable us to continue helping our clients with their business in China and other countries in the vicinity.





A restart in the wake of the crisis

In 2020 Klas Eklund of Mannheimer Swartling led the work of the Restart Commission (Omstartskommissionen) – an initiative by the Stockholm Chamber of Commerce to make Sweden stronger after the corona crisis. One of the proposals put forward by the commission was for a new national strategy for digitisation and AI. This is an area in which serious shortcomings have been laid bare by the digital transition hastened by the crisis.

On 31 January, one month to the day after China first raised the alarm about the virus, Sweden reported its first confirmed case of Covid-19. The new corona virus swiftly spread over almost the whole world, and governments and authorities everywhere responded by shutting down workplaces, public transport and schools, and by putting hospitals on an emergency footing.

The economic fallout was disastrous. The ILO estimates that hours worked fell by 6.7 per cent in the first quarter of 2020, representing 230 million full-time jobs never performed. In Sweden a record number of redundancy notices were issued, and company insolvencies soared.

After the first wave of widespread suffering had subsided, the pandemic struck again with renewed force in a second wave in the autumn and winter of 2020. There are high hopes that the vaccines that have been developed will tame Covid-19, but it is impossible at the time of writing to say when the battle against the virus will be won.

“It’s a horrendous situation, particularly while we are in the midst of it. But one bright spot in the all-encircling gloom is the opportunity to ensure that society is better equipped to face future challenges,” says Eklund, Senior Economist at Mannheimer Swartling.

A STRONGER SWEDEN

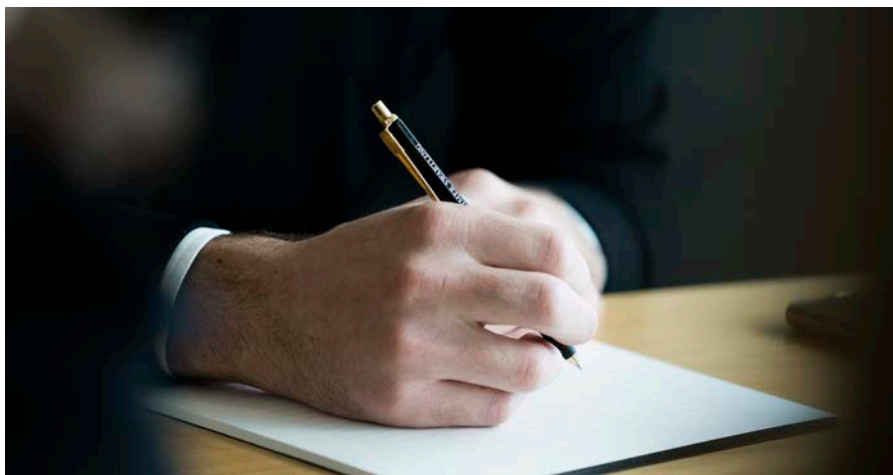
In the early days of the economic crisis, the Stockholm Chamber of Commerce entered the public debate, calling for political action. The CEO of the Chamber, Andreas Hatzigeorgiou, appeared on TV, wrote op-eds, sat on panels and wrote open letters to the government and relevant agencies. A mortgage repayment holiday, tax reliefs, short-term furloughs, state emergency loans and massive state investments are some of the measures the Chamber of Commerce would like to see. A deep economic depression may otherwise result. There is no mistaking the warning signals – Swedish society has been found to be extraordinarily ill-prepared for global pandemics, and for their long-term consequences.

In spring the idea was also mooted of appointing an expert group tasked with analysing and presenting proposals for improving Sweden’s long-term resilience in the face of pandemics and economic crises. Mannheimer Swartling played an active role in this dialogue and lobbied for a commission to be set up.

“We must do absolutely everything we can to ensure that the Swedish business sector suffers as little harm as possible, and bring about a new start so Sweden can exit the crisis in better shape than ever. We have both an opportunity and a responsibility to engage in important social issues, and this is one such issue, to say the least,” says Jan Dernestam, Managing Partner at Mannheimer Swartling.

Eklund was charged with the task of putting together the expert group and acting as editor of its final report. Having spent long periods in research, working at the Ministry of Finance and in the business sector, Klas has experienced a number of historic events: the energy crisis of the 1970s, the banking and property crisis of the 1990s, and the financial crisis of the 2000s. But none of them overwhelmed the entire global economy with the same force as Covid-19. →

The Restart Commission proposals are intended to improve Sweden's long-term resilience in the face of pandemics and economic crises. Mannheimer Swartling played an active role in this dialogue and lobbied for a commission to be set up.



“Large sectors of the economy have been hammered more or less permanently. Even if we see a recovery, it will only be to a level constituting a recession,” he says.

The corona crisis has caused upheaval throughout society, but has dealt a particularly heavy blow to personnel-intensive service industries – hotels, restaurants, the travel industry, and so on. Putting a crisis like this behind us while also building up greater national resilience demands major, far-reaching changes,” Eklund concludes.

After many months and meetings, the 300-page report was finally ready. On 17 August, Eklund and his co-authors presented their findings at a press conference in Stockholm.

“Digitisation is in progress everywhere, and impacts every corner of society – the health sector, education, banking, and not least public bureaucracy. The corona crisis has accelerated the digital transition and revealed serious shortcomings in the way we organise things in Sweden,” says Amy Loutfi, who wrote the chapter entitled “Digitisation for a stronger Sweden”.

IMPORTANCE OF DIGITISATION

By profession, Loutfi is a professor of information technology and deputy vice-chancellor for artificial intelligence at Örebro University, where researches on AI and robotics. In the Restart Commission report she dismantles the view of Sweden as the world's most digitised country, and also presents specific proposed reforms to accelerate the digitisation process.

“What many people have missed is that the digital transition is an important tool for the green transition we need to achieve to meet our emission reduction targets. But the digital transition is not just about new technology as such; it is just as much a question of applying the new technology in a way that creates value,” Loutfi explains.

A national platform for managing official data, education initiatives to reduce digital exclusion, retraining and further education in digital skills, and national regulations for autonomous decision making are some of the specific proposals that Loutfi presents in the Restart Commission report.

Most of the proposed measures put forward by Loutfi, Eklund and the other members of the Restart Commission are aimed at addressing overall national societal issues. Does this then have any direct bearing on the legal industry? Both Eklund and Loutfi say it does.

“Digitisation makes new demands of lawyers. I think that business lawyers face a number of fairly tricky challenges, not least when it comes to intellectual property law. Who owns the rights to something created by AI? The lawyers of tomorrow need to understand how algorithms work and how algorithms and data interact with one other,” Loutfi says. ●

Members of the Restart Commission

AMY LOUTFI

Expert in artificial intelligence and robotics

Chapter

Digitisation for a stronger Sweden

CECILIA MALMSTRÖM

Former EU Commissioner

Chapter

A stronger Sweden in the global community

KLAS EKLUND

Senior Economist at Mannheimer Swartling and Chair of the Restart Commission

Chapter

A stronger Sweden in the global community

LARS CALMFORS

Economist

Chapter

Finance policy for a stronger Sweden

LARS HULTKRANTZ

Nationalekonom

Chapter

Infrastruktur för ett starkare Sverige

MARIA WETTERSTRAND

Former Member of Parliament

Chapter

Green transition for a stronger Sweden

OSKAR NORDSTRÖM SKANS

Economist

Chapter

A labour market for a stronger Sweden

PONTUS BRAUNERHJELM

Professor, KTH Royal Institute of Technology

Chapter

An entrepreneurial business sector for a stronger Sweden

SUSANNE ACKUM

Former State Secretary at the Ministry of Finance

Chapter

Education and training for a stronger Sweden

TOR BORG

Expert at the National Board of Housing, Building and Planning

Chapter

A housing market for a stronger Sweden

ÅSA HANSSON

Economist

Chapter

A tax system for a stronger Sweden

In May 2020 the Swedish government issued a permit for Gaz-System S.A. to build the Baltic Pipe gas line in the southern Baltic Sea. Baltic Pipe is an energy infrastructure project of great importance to the European gas market, for improving gas supply security in the EU and for reducing carbon dioxide emissions. The Swedish government decision marked the end of an extensive and complicated permitting process in Denmark, Poland and Sweden.

Green light for Baltic Pipe

The “Baltic Pipe” gas line from the North Sea will supply Poland and the rest of Eastern Europe with natural gas.



Baltic Pipe will allow transport of natural gas from the North Sea to Denmark and Poland, and to Central and Eastern Europe. It is a joint project between the state-owned companies Gaz-System in Poland and Energinet in Denmark. The project has been given Project of Common Interest (PCI) status by EU member states on four occasions, and the EU is co-funding the project to the tune of over €260 million.


Mannheimer Swartling was engaged by Gaz-System in late 2018 to manage the Swedish permit application process, which goes via the government.

“We deployed a large team of lawyers from multiple practice groups, who devoted a great deal time and energy to this for over a year. The process involved numerous new and extremely difficult legal issues that had to be resolved along the way,” says Therese Strömshed, Partner at Mannheimer Swartling.

Strömshed divides her time between the firm’s Energy and Environment groups. Over the past few years her work has concentrated almost solely on regulatory advice relating to infrastructure projects of various kinds. But in the Baltic Pipe project the team had to incorporate a wholly new dimension in their advice to the client.

“Public international law as expressed in the UN Maritime Law Convention, EU law and certain security policy factors made its mark on this project, to say the least,” Therese comments.

A new gas line corridor from the North Sea supplying Poland and the rest of Eastern Europe with natural gas is very much a geopolitical issue. Poland consumes about 17 billion cubic metres of gas a year – a demand largely met by Russia. The capacity of Baltic Pipe is approximately ten billion cubic metres a year, and will therefore →



“We worked hard
with the client to put
everything together
at breakneck speed.”

be able to replace the majority of current gas deliveries from Russia and reduce Poland’s carbon dioxide emissions.

Supply of Russian gas to Poland is governed by the “Yamal agreement” concluded between Poland and Gazprom in 1996. The agreement obliges Poland to formally notify Gazprom whether or not it intends to renew the agreement no later than three years before it is due to expire. Accordingly, Poland was obliged as early as November 2019 – long before the Swedish permit was in place – to notify Gazprom that it did not intend to extend the Yamal agreement beyond December 2022.

“From the very first day the project has been under enormous time pressure. Baltic Pipe needs to be completed by March 2022 so that gas transfer can begin as planned in October 2022. Delay in the timetable would plunge Poland into a severe energy crisis, with serious and unforeseeable consequences. We worked hard with the client to put everything together at breakneck speed. A permit application procedure normally takes years, but we managed to obtain a permit from the government in little more than a year,” Strömshed says.

The multilateral processes to obtain all the necessary permits and fix project plans were difficult at times. In cross-border infrastructure projects of this kind it is very much a question of coordination and project management between the parallel processes. Although the permitting processes in Poland, Denmark and Sweden are separate, Baltic Pipe is being built in a single phase, and the different permits must therefore work as an integrated whole.

“For Sweden’s part of the project, the most important issue in the permitting process was whether the government was competent to consider and assure sufficient environmental protection for sensitive marine environment in the southern Baltic or whether that issues had to be considered separately by an administrative agency. The question may appear to be a simple one, but we had to consider international environmental law and the rights and obligations that coastal states have under the UN Maritime Law Convention, EU statutes on protection of species and habitats, and our Swedish legislation. The law on these issues is fairly imprecise and outdated, and not at all well-suited for a cross-border infrastructure project like Baltic Pipe,” Therese points out.

“Our basic position throughout the permitting process was that the government should make an overall assessment of the environmental protection, and the application process should not be divided up between the government and different administrative agencies,” she explains.

Happily, the government shared Gaz System’s and Mannheimer Swartling’s view as to how the various statutes should and must be applied – and in May 2020 Gaz System was given the green light to begin construction of Baltic Pipe. ●

We are convinced that the best contribution we can make to sustainable development lies in what we know best – advice on business law. Achieving the change we desire also requires us to practice what we preach in our own organisation and accept our social responsibility for what we are able to influence. We like to describe our approach to sustainability in terms of three integrated areas – the advice we give, in-house, and in the community.

Sustainability is a key part of the firm's business strategy and risk management. You are welcome to read more in Mannheimer Swartling's Sustainability Report 2020.

Integrating the sustainability dimension in the advice we give and in our own operations is a way of creating the maximum possible value for the firm's stakeholders.

LONG-TERM VALUE CREATION

We want to continue to influence developments to achieve a business sector that creates value for stakeholders in society, as well as for future generations. With our focus on business, Mannheimer Swartling has for a number of years systematically integrated the sustainability dimension in different parts of our advice, our organisation and our initiatives in the community.

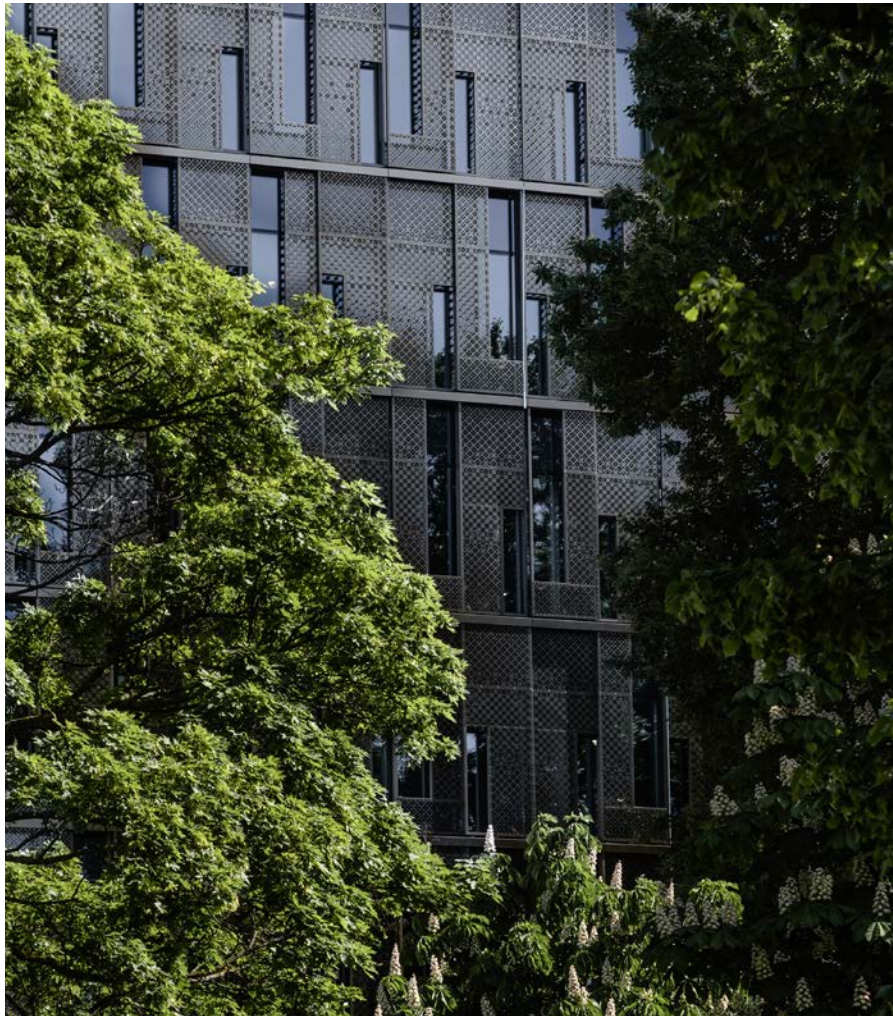
The advice we provide to clients is the very core of the firm's business, and nowadays may involve a broad spectrum of sustainability issues: from climate and other environmental risks to fair working conditions at suppliers, human rights, consumer and product safety and corporate governance.

In-house we strive to further integrate sustainability in our business strategy, and with sector-related and operational issues such as ethics, diversity, gender equality and climate-friendly procedures.

In the community we enter into selected pro bono partnerships and pursue social issues where we consider we are best able to contribute to positive social development. →

Our sustainability approach

We want to continue to influence developments to achieve a business sector that creates value for stakeholders in society, as well as for future generations.



SUSTAINABILITY – AN INTEGRAL PART OF OUR BUSINESS

Sustainability is a given among our clients, and several of them have world-leading sustainability performance. To be a relevant adviser, we too need to be right at the global forefront. Sustainability is about far-sighted thinking, which is becoming ever more important in a rapidly changing world. We constantly deepen and develop the sustainability dimension in our advice on business law. It is important for us as a firm, and our clients expect it.

The advice we give reflects who we are and what we stand for. We always strive to offer our clients the highest quality business law services available. Sustainability is a key part of the firm's business strategy and risk management. Our focus on running the firm's operations sustainably requires us to be responsive to how we as a business impact the world around us, now and in the future. So for many years we have emphasised sustainability, both in the form of specialist advice on the

subject, and by incorporating the sustainability dimension more and more comprehensively in our advice and our own business.

The firm's *Corporate Sustainability and Risk Management*, *Corporate Investigations and Corporate Crime*, *Data Privacy* and *Trade* practice groups all provide specialist advice under the four focus areas of the UN Global Compact: human rights, labour standards, the environment and anti-corruption. The advice we give combines regulatory compliance with overall strategy. The year saw particular emphasis on *Sustainable Finance*, the EU taxonomy and the forthcoming legislation on mandatory *human rights due diligence*.

Our contribution to sustainable development in our advice involves both an external and an internal perspective on knowledge transfer. We help our clients to identify and optimally manage opportunities and risks associated with the business law aspects of sustainability. We also integrate our cutting-edge expertise in this field in all the firm's practice groups. ●

The world and the firm in the future

New technology incorporating digital solutions and AI contributes to an interconnected world.

Important international trends impact the scope of the firm's sustainability efforts far into the future. These trends include digitisation, globalisation and protectionism, demographic changes, as well as climate and environmental threats.

New technology incorporating digital solutions and AI contributes to an interconnected world, in which people, machines and societies interact in new ways. New business models and large-scale "creative disruption" favour some sectors and regions at the expense of others. Groups lacking in competence risk lagging behind. The service sector and manufacturing industry will become increasingly part of the same whole. Smart cities and new transport systems will change our lives.

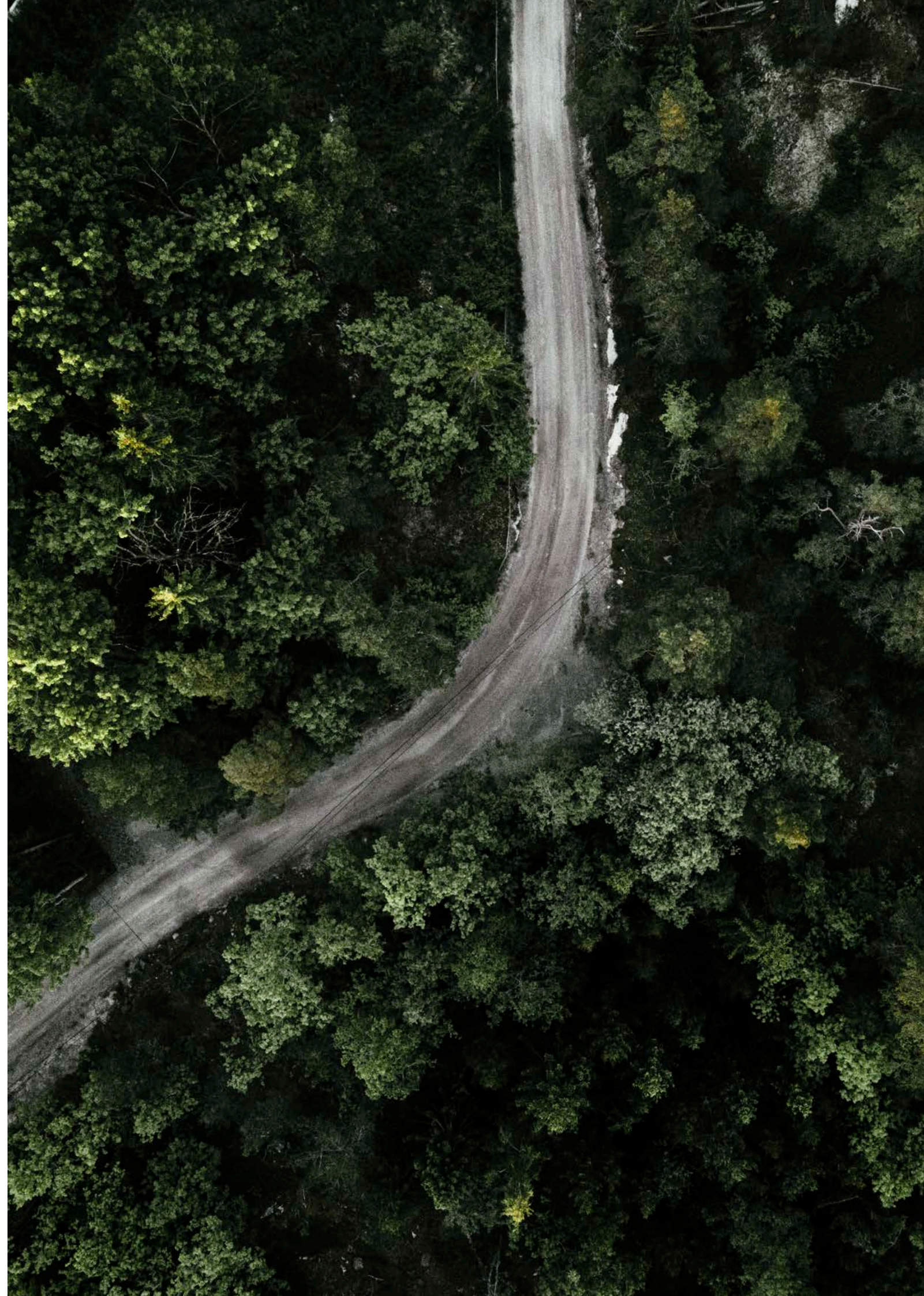
The world population is growing as people live longer. Europe's and North America's share of the global population is continuing to fall, as the economic centre of the world moves east and south. Levels of education are rising rapidly in developing countries, as are the standards of skill required. Competition for the most attractive employees is intensifying, while people with low education risk becoming marginalised.

Population growth and rising incomes drive demand for food, energy, water and raw materials. Global warming, rising sea levels, desertification and a shortage of fresh water harm vital ecosystems. Businesses and states will be required to improve their environmental sustainability and rapidly develop new technologies capable of meeting the environmental and climate threats we face.

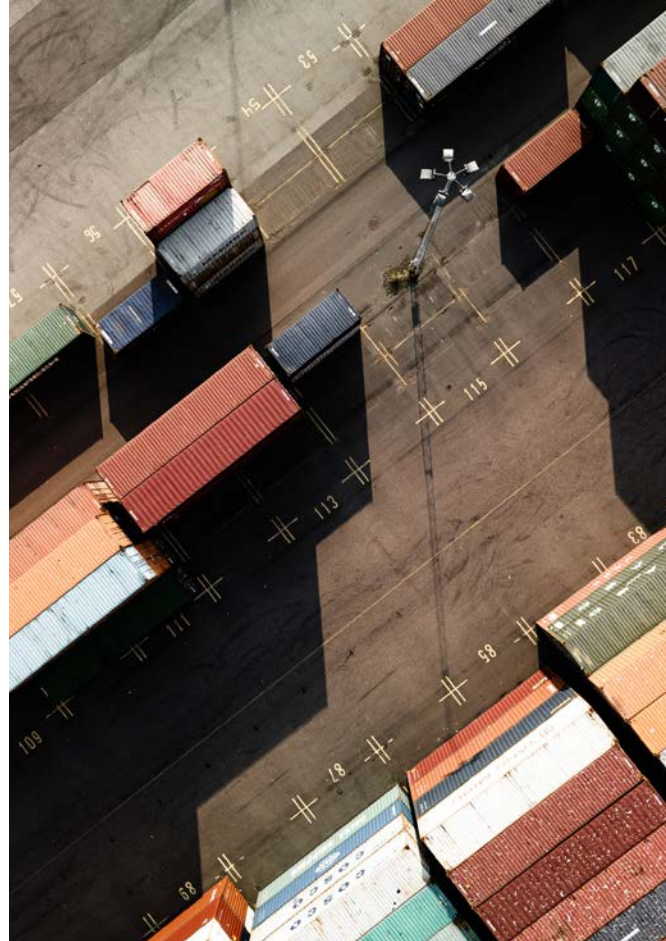
Mannheimer Swartling is preparing for this future world. New business models, new technologies, globalisation – and threats of protectionism – impact our clients, their work across national borders and legal systems. As an adviser, our actions contribute indirectly to positive as well as negative impacts on people and the planet. By understanding and analysing the world around us, we see where we can do most good within the scope of our mission as an adviser on business law. ●

Collaborate for sustainability – what of competition law?

In sustainable business, success today should not undermine tomorrow. There is increasing recognition that we need systems solutions to wicked problems, like climate change. What this means is that a silo mentality just won't cut it. Collaboration is sometimes the only way to move forward meaningfully to achieve sustainability goals. Real impact often depends on scale, after all. This kind of industry-led momentum is exciting but does present some challenges.



Sustainability is far broader than the environment, of course, but that is currently where the eye of antitrust is most focused.



Hotly debated right now in Europe is whether competition law can and should do more to support sectoral solutions in the sustainability space, specifically for the European Green Deal.

Many may see antitrust risk as a reason not to reach out to competitors, or channel initiatives through trade associations. It is sensible to be cautious. The rules on anti-competitive agreements are intended to make sure companies push forward independently and compete robustly. They limit what may be discussed between competitors: too much insight into a competitor's plans and there is less reason to innovate or price competitively.

"While prudence is positive, it should not be paralysing. There is existing headroom within the rules for well-planned sectoral cooperation on sustainability, and a growing appetite to create more", says Sarah Hoskins, Senior Associate and Professional Development Lawyer at Mannheimer Swartling.

Industry codes of conduct promoting climate-conscious practices are typically uncontroversial, so too are voluntary commitments to incentivise sustainability contributions (e.g. on the reduction of CO2 emissions). Cooperation aimed at encouraging business partners to comply with existing legal standards is also generally fine, absent competitively sensitive information exchange or boycott.

More complicated is when industry makes a collective stretch towards a higher standard, where legislation has not yet paved the way and consumer willingness to follow is more untested. There, the cost (to a specific consumer) must be balanced against the benefit (to society more broadly). This is where it gets murky.

"Moving beyond the 'lawful but awful' standard is a laudable goal for which purpose-driven companies are increasingly shooting. Competition law is in a moment of reflection in terms of how much to bend actively to facilitate this", Sarah Hoskins continues.

But is there a regulatory softening? That might be going too far, but there is heightened awareness of the value and oftentimes need for collective action to combat climate change. Sustainability is far broader than the environment, of course, but that is currently where the eye of antitrust is most focused. Competition law is no panacea – it is not the main driver to sustainability. Regulation and investment must lead the way but there is a groundswell of support to repurpose or recontextualise competition law for the volatile, uncertain, complex and ambiguous world we live in.

“Collaboration is sometimes the only way to move forward meaningfully to achieve sustainability goals.”

What this means in practice is that disciplined exploration of sectoral solutions is worthwhile, where solo action is objectively ineffective to meet a sustainability goal. Instead of seeing competition law as a brick wall, think of it more as a hurdle to overcome responsibly and sensibly. This new direction of travel should not be seen as an open door for hidden cartels, nor greenwashing in pursuit of regulatory legitimacy: illegal behaviour will not be excused for being 'green'. It is simply a very good time to consider whether the

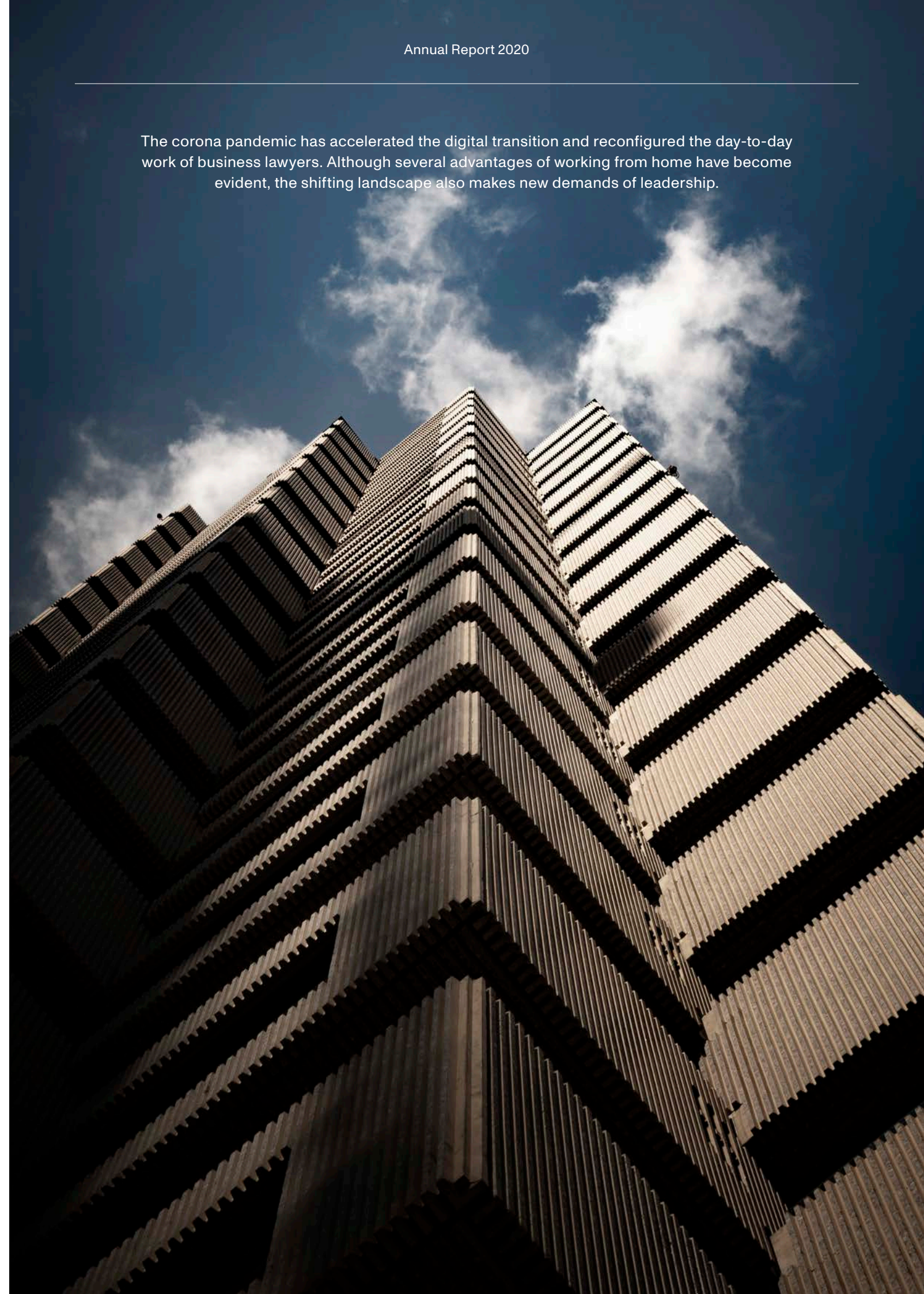
risk that might have stalled progress on collaboration is real or imagined, a roadblock or navigable?

"Competition authorities are willing to engage on these projects. Covid-19, and the competitor collaboration necessary as a result, has also provided a roadmap of sorts for how to think and plan. In our experience in advising on industry initiatives, from both a competition and sustainability standpoint, there is often a way through with the right safeguards and scope," Sarah Hoskins concludes. ●

Digital remote working

a double-
edged sword

The corona pandemic has accelerated the digital transition and reconfigured the day-to-day work of business lawyers. Although several advantages of working from home have become evident, the shifting landscape also makes new demands of leadership.



Jens Näsström is an occupational psychologist. His alma maters include Stockholm University and Karolinska Institutet. Over the past few years he has become increasingly interested in occupational psychology in the business law sector, both as an academic researcher and in his role as a consultant engaged by clients such as Thomson Reuters, the Swedish Bar Association, the Swedish National Courts Administration, the SEKO trade union and the Danish Bar Association.

Näsström has worked with Mannheimer Swartling since 2015. In 2020 he

was about to begin a survey of the mental health of the firm's employees. How were their stress levels? How hard is it in reality to combine working on client engagements with family, friends and leisure? The project was in the planning stage when Covid-19 suddenly upended not only ways of doing business in Sweden but also the daily lives of Mannheimer Swartling's 600 employees.

Demand among our clients for high-quality advice on business law did not dry up – on the contrary – but opportunities to meet, discuss and solve problems together

changed overnight. Zoom, Teams, FaceTime and Google Meet quickly became part of day-to-day legal work. Näsström's general employee survey was therefore modified to become a study focusing solely on the implications of remote working.

Jens conducted interviews and questionnaire surveys with clients, lawyers and other employees. The results depict a complex mosaic of advantages, drawbacks and future challenges. One clear finding is that clients are on the whole satisfied with the advice they receive from Mannheimer Swartling, whose operations over a six-

“The most pronounced change is in the mental wellbeing of our staff. Stress levels have fallen markedly, and our employees consider that they have been much better able to achieve a work–life balance by being obliged to work from home.”

There is a social contract between the employees at the office. This alters when the interfaces between them shift to the computer or mobile phone.



month period largely comprised remote working and digital meetings. Eighty-six per cent of our clients consider that the quality of our advisory services has been as high as normal. Five per cent feel they have seen a decline, and nine per cent consider quality has actually improved.

“The most pronounced change is in the mental wellbeing of our staff. Stress levels have fallen markedly, and our employees consider they have been much better able to achieve a work–life balance by being obliged to work from home.”

Yet it is clear that perceptions differ widely within the firm. More established members of staff – such as senior associates and partners – think that remote working and digital meetings work well, and make life very much easier.

But younger employees who have recently graduated and are relatively new to the working world find the situation problematic and sometimes frustrating. They miss the social interaction, feedback from senior colleagues and mentoring and supervision by partners. Daily small talk at their desks, in the corridor or at the coffee machine fulfils an important function – particularly for young people who have not yet found their way in the working world.

“There’s a social contract between the employees at the office. This alters when the interfaces between them shift to the computer or mobile phone. Communication between us becomes more rational and less socio-emotional,” Näsström comments.

“In this sense the pandemic is definitely a challenge. Naturally, we don’t want to place the physical health of our employees at risk by an ill-considered return to the workplace, but at the same time it is obvious that isolation and distancing place a great strain on the mental wellbeing of some of our people. It’s a question of finding good ways of reaching out with the right kind of support. In our case, one of the solutions has been a voluntary partial return to our offices, accompanied by clear guidelines on maintaining physical →

We have to develop our social and empathetic leadership even more, particularly in contact with our newest recruits.

“Most people do not enjoy life when there is only a diffuse boundary between their private and professional lives. For lawyers it can often be especially difficult to say no.”

distance. But this, too, is socialising subject to certain conditions,” says Karin Mendel, Head of HR at Mannheimer Swartling. “Since 1990 the firm has been working purposefully to develop its corporate culture. Our doors must be open, ‘the team is more important than the individual’, and all our people – whatever their job or title – work together to solve problems.”

Nowadays all partners are also trained in leadership – they are not only advisers and experts in business law; they are also team leaders, coaches and supervisors in relation to their colleagues. Remote working has impacted these roles – mostly for the better, but there have also been adverse effects. Näsström calls it a digital paradox. Freedom and flexibility are perceived to be greater, but so too are loneliness and uncertainty.

And this very question was among the many discussed at a webinar entitled “Digital leadership – law firm governance in a new environment”, arranged by Mannheimer Swartling. The 200-plus participants included representatives from numerous international law firms. One of the four panellists was Maria Larsson, head of corporate governance at Ericsson’s legal department. She discussed important lessons to be learnt from developments, and the way forward.

“Leadership is extremely important, particularly in its social aspects. When we do not see each other physically, and professional and private life merges into

one, we tend to forget the social glue,” she says.

Larsson considers that digital tools and meeting forms must include questions and subjects with little or no connection to work. We need to see, confirm and show interest in our colleagues even when we do not actually meet them in person.

“My impression is that the business sector has become more empathetic and personal during the pandemic. But it’s obvious that we have to develop our social and empathetic leadership even more, particularly in contact with our newest recruits,” says Jan Dernestam, Managing Partner at Mannheimer Swartling.

Covid-19 will not be with us forever. But whether or not a vaccine brings things back to some kind of “new normal”, digital meetings and tools are here to stay. Jens Näsström is convinced that we will continue to work from home after the pandemic, and believes that the model for the future is a hybrid of physical and digital working. But if a “hybrid solution” is to work to maximum effect, we must all promote and foster social contact. One approach is to schedule social meetings between colleagues. Another is to have the courage to say no when a client or a colleague makes telephone contact.

“Most people do not enjoy life when there is only a diffuse boundary between their private and professional lives. For lawyers it can often be especially difficult to say no,” Näsström says. •

Towards a more humane society

Driven by a strong desire to create change, Stadsmissionen ("City Mission") has worked for many years to see and support those most in need of help. Employees and volunteers are united in their common desire to make a difference. In 2020 collaboration between Stadsmissionen and Mannheimer Swartling deepened and intensified.

In 1856 a group of Christians got together and formed Stockholm Stadsmission. They came from different strata of society, but all of them were frustrated over the widespread social and economic deprivation in the royal capital, and the lack of involvement by the Swedish church. Sweden had begun to industrialise and urbanise, and the streets of Stockholm were crowded with people with no fixed income or social safety net.

Under the charismatic leadership of a preacher called Carl Olof Rosenius, the group began to collect money to fund an outreach operation to alleviate suffering among those most in need – people who were down and out, starving and sick. In 1857 Stockholm's Stadsmission opened a free school for poor children; six years later the doors opened at their first two children's homes.

Today, 163 years later, Stadsmissionen is one of Sweden's largest and best-known charitable organisations. The original organisation now has nine sister organisations, in Gothenburg, Skåne, Uppsala, Linköping, Västerås, Kalmar, Eskilstuna, Umeå and Örebro, as well as a national association, which coordinates Stadsmissionen's work and represents a common voice in the public debate.

Among other things, Stadsmissionen runs assisted living facilities for young people and adults, emergency accommodation, foster homes, activity centres for the elderly, daytime →

The firm's engagement in social issues is gathered under the umbrella term "Mannheimer Swartling in Society". As a major player, and not least as a legal adviser, we have a responsibility and the ability to make a difference and pursue issues that are important, not only for our clients and ourselves, but for society at large.

A SELECTION OF OUR ALLIANCES IN 2020

- Centre for Justice
- Gapminder
- Global Compact Network Sweden
- Norrskens Foundation
- The Restart Commission (Omstartskommissionen)
- Race for the Baltic
- Stadsmissionen
- Open House

"We are here for Gothenburgers who are homeless, poor or at risk. We meet parents who skip meals so their children can get enough food, people who come in to warm up after a night outside, and families seeking a social network. We help in emergencies and support our visitors in their efforts to change their vulnerable situation." – Gothenburg Stadsmission

"Our experienced staff cope with a wide variety of situations every day – from emergency assistance to structured efforts to change an individual's situation. Some of the people we meet have a whole life of difficulties in their baggage. Every day, the whole year round, more than five hundred people turn to Skåne Stadsmission. Their needs are many and complex." – Skåne Stadsmission

"Our activities are driven by a strong desire to make a difference. Stadsmissionen's employees and volunteers work every day to see and support people in need, whatever their situation."
– Stockholm Stadsmission

activities for young people, advice and support for asylum seekers and EU migrants, hostels for the homeless, work integration centres, homework help and night patrols to help the homeless.

In addition, the organisation runs upper secondary schools, a vocational training college, an independent adult education college, restaurant and café, second-hand stores and a food store. The basic premise – to help those most in need – remains the same as it was more than 160 years ago. The organisation works to promote inclusion regardless of economic situation and background, and to prevent exclusion.

Åsa Paborn, Director of Stockholm Stadsmission, heads a multi-faceted operation united by a common desire to make a difference – to the individual, but also to society at large. Today, Stadsmissionen's credo is "A more humane society for all".

"In everything we do we are driven by a strong desire to make a difference. Stadsmissionen's employees and volunteers work every day to see and support people in need, whatever their situation," Paborn says.

The work by the branches of Stadsmissionen is funded by income from social enterprises and stores, agreements with municipalities, and donations and grants. Its financial results cannot be measured in terms of profit or return on capital, but are otherwise very similar to those of a typical large company.

"Stadsmissionen's branches in Stockholm, Gothenburg and Skåne are professional organisations that do a fantastic job. On the board of directors of Stockholms Stadsmission I am principally concerned with legal issues. There are a wide variety of matters to be dealt with – from memorandums of association and partnership agreements to contact with donors," says André Andersson, Senior Adviser at Mannheimer Swartling and Vice-Chair of Stockholm Stadsmission.

Mannheimer Swartling's involvement with the Stockholm,

Gothenburg and Skåne branches of Stadsmissionen goes beyond representation on the board of directors. The firm is also legal adviser to all three branches. The work is performed in line with the firm's strategy for pro bono work, which is that the potential for contributing to positive societal development is greatest within what the firm knows best – legal advice. Mannheimer Swartling therefore contributes not only funding, but also expertise, experience and consulting hours without charge.

"People in our immediate vicinity are living in poverty, consigned to economic and social exclusion. Using simple means, we as individuals and the firm as a whole can really make a difference," Andersson says.

"Virtually all categories of people at risk are in need of legal assistance: those who have lost their home, those who have recently arrived in Sweden, the long-term unemployed. I am convinced that working together, we at Mannheimer Swartling will be able to make a difference," adds Åsa Paborn.

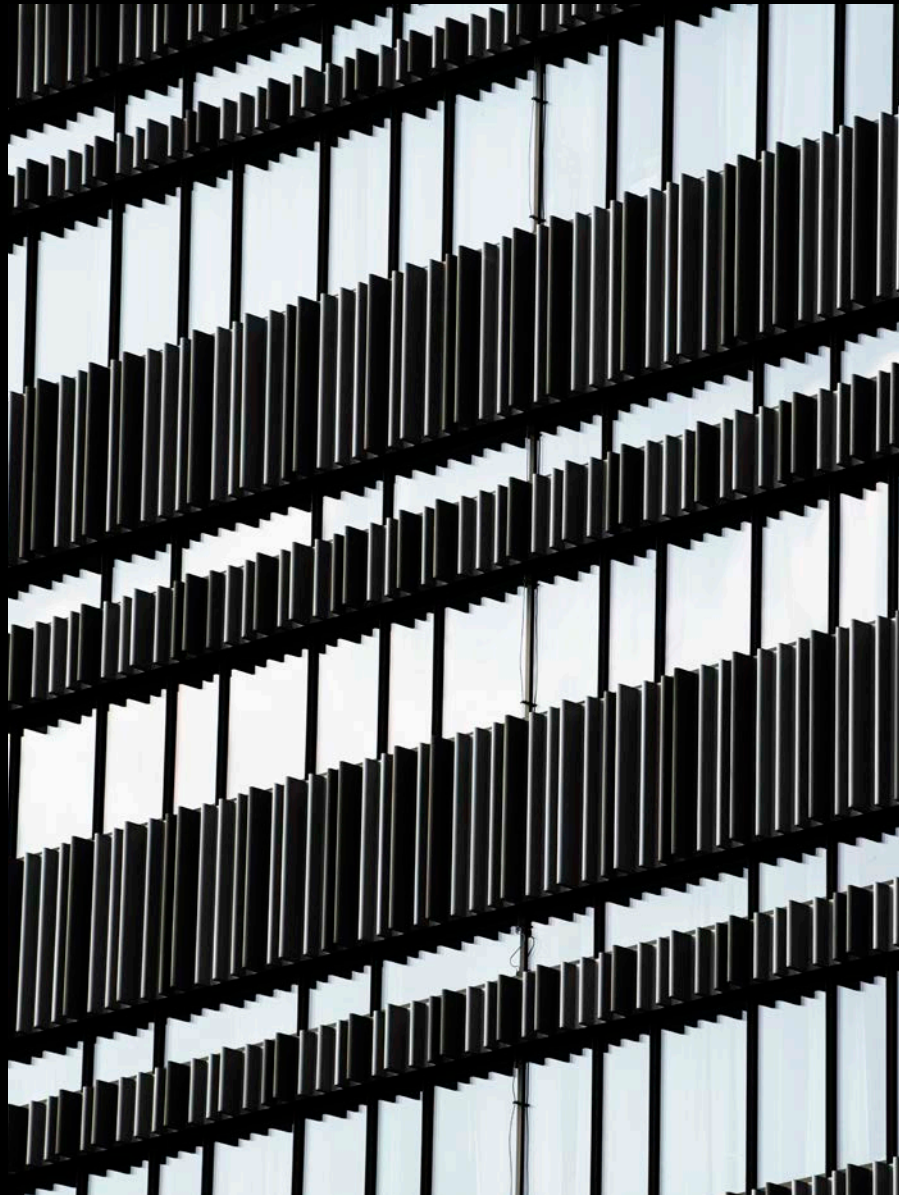
In 2015 Stadsmissionen purchased Saint Paul's church at Mariatorget in Stockholm. The building is scheduled for extensive renovation and alterations in 2021. The aim is to transform the old Methodist church into a meeting place both for the needy and for those who are interested. Practical help and daily activities will be alternated with meetings, seminars and concerts. Converting the church in this way also fulfils a purpose in addition to accommodating various activities: it demonstrates Stadsmissionen's breadth to the general public, as well as the difference it makes in the community.

"It's very gratifying to be able to give pro bono legal advice in the project. I am proud and happy in the knowledge that not having to pay for our advice allows Stadsmissionen to devote more of its resources to its true purpose," says Sara Johnsson, Senior Associate at Mannheimer Swartling. ●



MSA Innovation Lab

MSA Innovation Lab is a business unit established to drive innovation, accelerate digital development and help our clients to excel. Specifically, we identify and invest in new technology to improve our lawyers' working methods. We work with clients, technology providers, entrepreneurs and academia to advance the Lab's work. Our innovation work accelerated during 2020, partly as a direct result of the changes in working practices throughout the business world.



MSA
Innovation
Lab

01 Digital tools
We use various digital tools to streamline our legal service and maximise value for our clients.

02 Partnership with legal tech entrepreneurs
MSA Innovation Lab houses a legal tech incubator to support entrepreneurs and innovators.

03 Partnership with academia
Our partners within the academy research how digitalisation affects the legal and services industry sectors and on how to face the future in the best way possible.



Board of Directors

- Peter Linderöth**
born 1962, Partner, Member of the Board since 2015.
- Jan Derneham**
born 1969, Partner, Member of the Board since 2009.
Managing Partner since 2011.
- Jesper Prytz**
born 1970, Partner, Member of the Board since 2016.
- Erica Wiking Häger**
born 1970, Partner, Member of the Board 2011–2016 and
since 2020.
- Klas Wennström**
born 1965, Partner, Member of the Board 2005–2009 and
2015. Chair of the Board since 2016.

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