



SETTERWALLS

Sustainability Report 2022

Contents

- 4 Management’s comments
- 6 Setterwalls for the long term
- 8 Sustainability in advisory services
- 12 Our contribution to the UN Sustainable Development Goals
- 14 Employees and social sustainability
- 28 Social responsibility
- 32 Responsibility for the environment and climate
- 38 Corporate governance and oversight
- 40 Business model and corporate structure

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For Setterwalls, sustainable and responsible business is a cornerstone of tomorrow’s society, which is why we want to contribute to a sustainable societal development for the future in various ways by long-term and responsible actions.

Management’s comments

We believe that sustainable and responsible business conduct are vital for long-term, continued success for both us and our clients. Market, regulatory and social requirements for sustainable development are increasing exponentially for us and our clients. Setterwalls is, and wants to remain, a key part of the sustainable and long-term development of society.

Setterwalls for the long term is an expression that everyone at Setterwalls is familiar with, and we have a genuine awareness of the importance of commitment and professionalism in achieving long-term, sustainable success. This approach is now more vital than ever, and our national business plan is clear about the priorities to build a sustainable future. For our society, our clients and our employees.

Our employees are our most important asset and their well-being, development and health are our top priority. We work hard to create and maintain the best workplace and environment for all our employees.

It’s not only Setterwalls that is building for the future. Care for the Earth’s resources and the demand for transparency is growing, covering the entire value chain of virtually all products and services. New legal requirements and coordinated global efforts are impacting the business of the future and, in our efforts to act as a role model in our own industry, we have taken new steps in our strategic sustainability work over the past year.

Early 2022 saw the invasion of Ukraine. The devastation caused by the war is immeasurable, and innocent people are seeing their lives, futures and democratic rights destroyed. Setterwalls has helped victims of the war in several ways and provided support for humanitarian aid efforts during the year. As a law firm, we are following the EU sanctions against Russia particularly closely.

2022 ended with the realisation that the world has recently faced serious challenges that threaten structures for fundamental rights and sustainable societies. We should never accept that. The legal profession contributes to and makes a difference in maintaining these vital functions. Equally, we should contribute to sustainable development in all areas of ESG (environmental, social and corporate governance).

Now and in the future. Together.

”*Setterwalls’ vision, as a leading business law firm, is to continue to support Swedish business and be the natural choice for clients and employees.”*



Henrik Kjellander
Managing Partner
Stockholm



Minna Skyman
CEO
Gothenburg



Marc Tullgren
Managing Partner
Malmö



”
Our employees are key to our ability to run a sustainable and successful business for the long term.

Setterwalls for the long term

Since Setterwalls was founded in 1878, our organisation and employees have had a strong sense of social responsibility and a commitment to social sustainability. We are committed to a way of working that ensures efficient resource management and an equal and inclusive work environment, with long-term investment in relationships with clients, employees and other stakeholders.

Our vision is clear, and in our ambition to support Swedish business and be the obvious choice for clients and employees, sustainability issues are integral to our working practices, our corporate culture and our product. We are seeing increased demand for ESG-related advisory services, and as the overall market becomes more involved in this area, combined with new legal requirements, we aim to remain at the forefront.

Sustainability has been included in Setterwalls’ Business Plan for some time, and the *Setterwalls for the long term* concept incorporates our structure for priority ESG sustainability issues, i.e. the environment, employees and social responsibility, and governance issues. Over the past year, we have paid particular attention to categorising and analysing initiatives and risks, action plans and policy documents based on the ESG matrix. This work was led by Setterwalls’ sustainability group, which has incorporated the results into other management functions.

Four pillars of sustainable development

Setterwalls’ sustainability work is based on four pillars: having stable and sustainable client relationships, ensuring long-term quality management in everything we do, being an attractive and responsible employer and contributing to achieving the UN’s Sustainable Development Goals.

In 2022, Setterwalls:

- Formalised a national sustainability group that analyses and prioritises Setterwalls’ efforts and needs based on ESG. The sustainability group reports to Setterwalls’ management functions, and the analysis tool is specifically developed for law firms by industry organisation IBA Law Firm Management Committee.
- Carried out a materiality analysis that prioritises and categorises our own and wider society’s initiatives and needs, and clarifies risks, opportunities and impacts within the ESG framework. The legal sector has a particular responsibility to pursue sustainable development in the social segment.
- Continued to develop sustainability in advisory services in several key business areas, where we also see increased demand from the market and clients both nationally and internationally. As a full-service law firm, we want to be a proactive partner in sustainable advisory services.

Setterwalls’ Sustainability Report 2022 provides an overview of our initiatives, measures and data for the past year under the headings *Employees and social sustainability*, *Environment and climate*, and *Corporate governance and oversight*.

Setterwalls’ Environmental Policy and Code of Ethics, combined with our overarching Business Plan, form the basis for how we conduct our sustainability activities and work towards achieving goals in all areas of ESG. More policy documents are listed under the respective subheadings in this sustainability plan.



Overarching policy documents

- Setterwalls Business Plan
- Setterwalls Environmental Policy
- Setterwalls Code of Ethics

Sustainability in advisory services

Setterwalls’ approach to sustainability and the sustainability perspective in our decisions and actions are integral to our values and the corporate culture we aim to create. By integrating environmental, human rights, ethical and anti-corruption issues into our advisory services, we proactively aim to contribute to more sustainable development for both our clients and society.

Our specialists have in-depth expertise and experience across all areas of the issues that could pose a threat to commercial operations. From anti-corruption and competition issues to money laundering, financial and other regulatory issues, data protection and corporate and stock market legislation. To reduce the risk of non-compliance, we help our clients develop structures, procedures and policies for good corporate governance and compliance. We also assist in planning and conducting investigative work to identify unlawful or risky behaviours and practices, including bribery, corruption and money laundering, and advise on how best to deal with various breaches. We also assist with training and the development of whistleblower systems.

Setterwalls’ practice groups provide sustainable advisory services in many areas of law:

- Banking and Finance, Mergers and Acquisitions, Corporate Law and Equity Capital Markets
- Compliance and Investigations
- Environment and Energy
- EU and Competition
- Data Protection
- Tax Law
- Labour Law
- *And other areas*

Setterwalls is the exclusive Swedish legal practice partner of TRACE International: a worldwide network of experts working for commercial transparency and to combat corruption.



We want to support sustainable businesses and communities

As one of Sweden’s leading full-service business law firms, we are proactive in our communication on sustainability issues. In 2022, our specialists were invited and participated in a number of publications, seminars and webinars on topics relating to compliance and sustainability. These included:

- A series of webinars on current energy issues: *Offshore Wind, Energy Storage, Water and Trends, Energy Transition and Environmental Assessment*, and *SMR (Small Modular Reactors)*, in cooperation with an external party.
- Nordic conference (*The largest Pan-Nordic conference on environmental and ethical marketing claims*), in cooperation with agencies in Denmark, Finland and Norway.
- Articles and webinars on popular topics such as *EU requirements for gender quotas on company boards, Tightening sanctions in the wake of the Ukraine crisis, Carbon tariffs on imports into the EU (Carbon Border Adjustment Mechanism)*, and *The top five issues regarding whistleblowing law*.

The background of the page is a photograph of three wind turbines on a grassy hill. The turbines are dark-colored and stand against a sky with soft, white and grey clouds. The lighting suggests it might be early morning or late afternoon, with a warm glow. The turbines are arranged in a diagonal line from the bottom left towards the top right.

Renewable energy and authorisation processes for green transition

In 2022, Setterwalls advised on a number of transactions involving the development, financing or acquisition of assets capable of producing renewable electricity. Investor interest in large-scale solar energy projects has become particularly significant in the Swedish market, with several large-scale energy projects either sold or under development. We are also seeing increased demand for advisory services relating to lengthy authorisation processes for wind power projects, which, combined with volatile energy prices, are complicating construction-ready projects within green energy transition.

Data privacy compliance and risk management

In 2022, Setterwalls advised a Swedish multinational company on issues related to the use of AI and its impact on IT security and personal data protection. We are seeing a strong increase in demand for advice relating to AI from a number of different perspectives, including IT security, compliance and intellectual property rights, particularly regarding risk management and third-party rights.

Our contribution to the UN Sustainable Development Goals

Setterwalls takes into account Agenda 2030 and the UN's 17 Sustainable Development Goals, with a particular focus on three areas in which we see the greatest opportunity for our business and employees to make a difference.

Goal 4 Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

Setterwalls has strong ties to education and research. We contribute to teaching at several universities and offer thesis project internships at all our offices. We sponsor a PhD programme in civil law at Stockholm University and also financially support the activities and research of the Stockholm Centre for Commercial Law.

To help more people get into higher education, we also support the Lärhjälpen Foundation in their important work of helping secondary school students achieve qualifications to continue their education.

Goal 5 Gender Equality

Achieve gender equality and empower all women and girls.

Setterwalls aims for long-term sustainability and increased gender equality in society, especially in business. In addition to continually promoting gender equality issues in our own organisation and in the legal profession, we also cooperate with 17 Nätverket as a step towards this goal. 17 Nätverket is an advocacy organisation that promotes women's entrepreneurship and business with the vision of equal numbers of women and men owning and running large companies.

Goal 12 Responsible Production and Consumption

Ensure sustainable consumption and production patterns.

Setterwalls aims to become a carbon-neutral company and is making continual improvements to minimise its carbon footprint. This work includes making ourselves, our partners and our suppliers aware of the importance of resource efficiency in everything from travel and transport to premises, purchasing and sorting recycling and waste.

A step towards this ambition is our support for Vi Agroforestry (Vi-skogen), a Swedish aid organisation that fights poverty and improves the environment through tree planting.



Business Law Student of the Year 2022–2023

We are proud to be the first to organise and select the winner of the Sweden-wide *Business Law Student of the Year* competition together with Universum.

ESG and materiality analysis

The results of Setterwalls' materiality analysis show that, as a law firm and service provider, we should continue to prioritise areas linked to social initiatives and governance. We have had rigorous procedures for internal control and risk management systems in place for many years, as well as a commitment to employee health, working conditions, gender equality and inclusion. A proactive approach is essential to ensure the organisation is not exposed to risks.

In the area of environment and climate, we see particular potential in the circular economy, prioritising alternatives with minimal impact throughout our supply chain. But also to mitigate and adapt to climate change by choosing travel and modes of transport, energy sources and other resources with reduced or no impact.

Setterwalls advises other businesses across all areas of ESG, supporting their objectives to achieve sustainability in society and their own organisation. Find out more about this on page 8.

Employees and social sustainability

Employees for the long term...

The expertise and commitment of our employees are key to a sustainable and successful business for the long term. This means our employees are our most important resource, so a significant part of our own sustainability work is about creating an attractive workplace where our skilled employees can develop and thrive.

Setterwalls takes a long-term approach to maintaining good employee participation and leadership to ensure our values are reflected throughout our culture and working practices. We attach great importance to employees being *professional, responsible and committed*, which in practice means that we take joint responsibility for an inclusive workplace with employees who grow in their roles.

... and being the natural choice for future employees

It is also important to attract new talent, keen to join Setterwalls and build the future together with us and our clients. Every year, we recruit new employees directly from university and it is important for our business that the talent of the future continues to see Setterwalls as an attractive employer.

Our presence at universities is important for building good relationships with future employees. Our cooperation with legal associations allows us to tell people about our company and what working at a business law firm involves. Our talent programme, our internship periods and the opportunity to work as a summer law clerk are other initiatives that give students a closer relationship with Setterwalls and provide an insight into working with business law.

Objectives and performance trend

Setterwalls endeavours to find improvements throughout its value chain. We aim to have an employee turnover rate of around 10% (from the current 14%) and as low a level of sickness absence as possible.

Our aim is to find good solutions for a quick return to work after sickness absence, with a particular focus on support for women, who have historically had a higher level of sick leave than men. We are already seeing the results of our work in this area, with both lower and more equal sickness absence between women and men in 2022 (see charts further on in this section). In-depth knowledge leads to lasting development and the achievement of results.

” ***To attract talent and retain our skilled employees, we proactively create a workplace and environment where everyone thrives and has the opportunity to develop.***





”

Setterwalls’ social networks are appreciated by students and employees. We engage actively to give our followers an insight into our day-to-day activities and show what working at Setterwalls involves.

Our work and progress in 2022

Setterwalls has long endeavoured to create a workplace where everyone thrives and has the opportunity to learn, interact and develop within their respective specialist areas. Over the past year, the emphasis has been on being an employer with responsibility under the headings:

Health and wellness:

- Joint fitness activities.
- Talks on healthy living, exercise and recovery.
- Opportunity to work two days a week from home.
- Regular health checks for all employees.

Leadership:

- Personalised leadership development for partners and managers.
- Opportunity to develop management and a coaching approach for legal professionals in cooperation with an external partner.

Equality and diversity:

- Talks to increase knowledge and awareness of inclusion and diversity.
- Focus on the fair division of work within and between teams.
- Clear career plans for all employees, aimed at creating the right conditions to achieve their full potential.

Forthcoming projects

- Training programmes in self-leadership and development of our corporate culture.
- Training for senior legal professionals in sales and presentation techniques.
- Leadership assessments and leadership training for management positions and partners.

Policy documents for employees and social sustainability

- | | |
|--|--|
| • Setterwalls Equal Treatment Plan | • Setterwalls Alcohol and Drug Policy |
| • Setterwalls Work Environment Policy | • Setterwalls Rehabilitation Policy |
| • Setterwalls Working from Home Policy | • Setterwalls Action and Contingency Plan Against Discrimination, Harassment, Sexual Harassment and Reprisals. |
| • Setterwalls Personal Data Policy | |
| • Setterwalls Whistleblower Policy | |

Gender distribution of roles in 2022

At year-end 2022, Setterwalls had 315 employees, of whom 169 were women and 146 men. The charts here show the breakdown based on different parts of the organisation, and we can see that our efforts to promote gender equal recruitment and ongoing investment in an inclusive and stimulating workplace are paying off.

In 2022, 57% of all new recruits were women, of which 52% of newly recruited legal professionals were women. This supports positive development in all parts of Setterwalls, particularly in those areas where challenges remain. The proportion of female partners and senior legal professionals (40% women) are priority areas for increasing gender equality.

Pay survey 2022

Setterwalls' pay survey covers all employees and is conducted annually using an external analysis tool. The pay survey examines and compares remuneration levels between women and men across all areas of activity and professional levels.

The 2022 survey found no unjustified pay differences between women and men, either for the same work or for equivalent work.

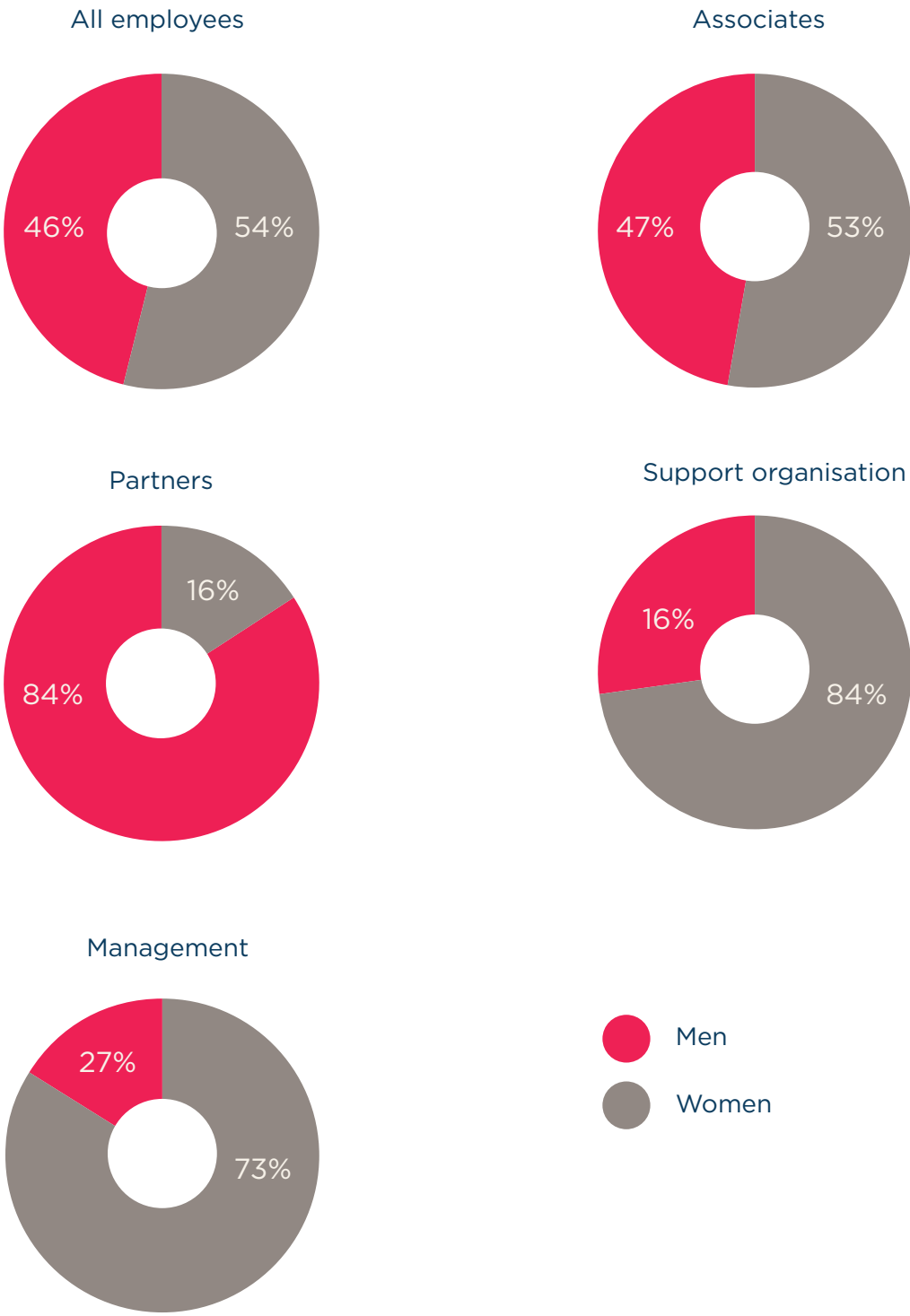
Sickness absence in 2022

Sickness absence in 2022 was 0.91% for women and 0.13% for men, showing a positive trend since 2020 for both genders and a significant improvement for women. Setterwalls is taking measures to reduce the amount of sickness absence by acting when we see a pattern in employees' absence.

For long-term sick leave, we have a well-functioning procedure developed in collaboration with our wellness partner.

	2022	2021	2020	2019
Women	0,91	2,50	2,70	2,60
Men	0,13	0,14	1,80	0,37

The table shows the percentage (%) of sick leave over the last four years.



Setterwalls Academy

All our legal professionals have an established, clear training programme that adheres to the rules of the Swedish Bar Association. All lawyers are obliged to maintain and develop their professional competence and undergo at least 18 hours of structured training per year, according to the statutes of the Swedish Bar Association.

New Setterwalls employees

Those who start their professional career at Setterwalls receive a comprehensive onboarding programme with the support of a mentor and a supervisor, as well as a number of skills and development initiatives to quickly learn the role and the business.

During their first two years of employment, all legal professionals participate in a general training programme aimed at ensuring a broad level of knowledge of business law. The programmes cover everything from business administration, business law English, to basic knowledge of our different areas of expertise. Employees also attend training sessions that include issues relating to our Code of Ethics, conflicts of interest, money laundering and GDPR. In addition, legal professionals who are not yet lawyers attend external training to take the bar exam.

Specialisation and leadership

For our more senior legal professionals who are further along in their careers, we offer more advanced and specialist training, as well as a tailored leadership programme. The leadership programme develops participants' self-leadership ability, taking responsibility for their personal career, and leading others through coaching and feedback. Knowledge about how to build solid and sustainable customer relationships is another key aspect. In 2023, we will continue providing targeted training programmes in sales and self-leadership.





Setterwalls Wellness

It is important to us that our employees enjoy their work and are happy at Setterwalls. Our employees are vital to our ability to operate a sustainable business for the long term, hence it is particularly important that the conditions for well-being are in place. A key factor in the risk assessment of our business is the health and well-being of our employees and that employees are given the best possible conditions to be able to perform, develop and thrive at Setterwalls.

Focal areas for Setterwalls Wellness are:

- Healthy living
- Physical activity
- Recovery and stress management

Employees' needs and motivations vary, so a wide range of activities, fitness and training activities and health checks are offered. These activities are important to both well-being and job satisfaction, and provide the conditions for success in a professional role.

Inspiration and motivation

In addition to offering our employees a generous fitness allowance and health insurance, in 2022 Setterwalls continued to develop its Setterwalls Wellness concept, aimed at inspiring and encouraging employee interest in well-being and a healthy lifestyle.



Leadership and employee participation

Every employee should be given the opportunity and conditions to achieve their full potential by receiving regular coaching and feedback. So Setterwalls continues to develop leadership and conduct leadership evaluations and leadership training programmes for company management and partners. Particular demands are therefore placed on partners and the management team, who have a greater responsibility to act as role models and support employee development.

Employees have an ongoing dialogue about their development and individual goals with their supervisor or manager, as well as a follow-up through performance reviews. To ensure that employees' views are captured on a regular basis, we have developed a system of discussion forums for different employee categories, where current issues that affect employee satisfaction, gender equality and work environment issues can be raised and then dealt with by management.

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The objective is for Setterwalls to be a diverse and inclusive employer. Diversity allows us to leverage the full potential of all employees. Setterwalls endeavours to achieve an even gender balance in all teams.



Equality and diversity

Setterwalls is proactive and focused in promoting equal rights and opportunities at work, regardless of gender, ethnicity, religion or other beliefs, disability, sexual orientation or age. We do not tolerate and work actively over the long term to combat all forms of discrimination and bullying in the workplace. We apply an equal treatment strategy and diversity policy, and have established whistleblower channels at our offices that allow employees to anonymously report irregularities.

We continually track and plan our diversity work and then follow up on the results of our work, and our communication, both internal and external, must be consciously wide-ranging and balanced. In 2021, an action plan was developed, focusing on ensuring that all employees feel included and are given the same opportunities to make a career at Setterwalls. Work on this action plan continued in 2022, including through training on unconscious bias and meritocracy, and through regular surveys of our organisation. We have discussed statements and hypothetical situations on diversity and inclusion in small workshop groups to challenge ourselves and address important issues.

To ensure all legal professionals are given the same opportunities to meet the requirements to become a partner, regardless of gender, we have introduced a clear career path for what is expected at different career stages and skills development in both law and leadership. This work also includes clear feedback on performance, target achievement and further development, and, in some cases, coaching and mentoring. We also take action to implement equal distribution of 'invisible labour'.

Parenthood and career

Setterwalls endeavours to make it easier for all employees to combine work and parenthood. Specific measures taken include providing supplementary parental benefit, scheduling internal meetings as far as possible between 9 a.m. and 4 p.m., and developing positive attitudes to parenthood through dialogue.

Skills-based recruitment for greater diversity

Our diversity efforts are based on a skills-based recruitment process. Several people participate in the process, a clear recruitment profile is used, all candidates are asked the same interview questions, all candidates undergo skills-based tests and we apply positive discrimination, i.e. if we have two candidates who are equally competent, we select the one who is most different from us. Furthermore, we ensure that we never set salaries according to gender by applying a clear salary scale for legal professionals and an annual salary survey of all employees.

Good work environment

Setterwalls aims to offer its employees an excellent work environment. Through continual improvement, we endeavour to create a safe, healthy and stimulating work environment and empower employees to influence their individual work situation in terms of variety, cooperation and social interaction in the workplace. Setterwalls has zero tolerance for bullying and discrimination.

One risk identified is that during intensive periods there may be a high workload. For preventive purposes, the focus has been on proactive recruitment and the introduction of new procedures for continual monitoring of utilisation levels and a more even distribution of work between different individuals and practice teams. In addition, flexible working hours are offered and technology creates opportunities for individuals to influence their own work situation, helping to create a sustainable work-life balance for the long term.

Employee pride reflected in 2022 surveys

Setterwalls checks the organisation's well-being through regular surveys and 'barometers'. These provide us with current insights and indicate any challenges, allowing management to act both easily and quickly.

In 2022, Setterwalls' questionnaires and 'barometer' surveys showed a high level of engagement (eNPS) among employees. This metric reflects employee loyalty and the results of our efforts to be an inclusive and attractive employer.

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Setterwalls offers employees regular health checks and ergonomic reviews to identify and prevent potential health-related risks.



Setterwalls' social responsibility

Setterwalls has a responsibility for the society we operate in and an obligation to contribute to positive social development based on fundamental freedoms, human rights and democratic principles in line with international frameworks.

We aim for long-term sustainability and increased gender equality in society, especially in business. We ensure we try to make conscious choices in our day-to-day business and contribute to the agendas and activities of other businesses and organisations, both large and small.



Objectives and performance trend

Setterwalls wants to make a difference through commitment to increased inclusion and the equal rights of all people in society. We always aim to identify areas of improvement throughout our value chain and work with organisations and networks that highlight inequalities and role models, and create opportunities for more equal and inclusive companies and communities.

In-depth knowledge leads to lasting development and the achievement of results.

Forthcoming projects

- We are extending and developing our sponsorship with the Läxhjälp Foundation, with whom we are partnering from 2023, supporting a group of 15 students and three homework support staff. Läxhjälp supports secondary school students to achieve qualifications to continue their education and fulfil their dreams.
- We continue to develop our sponsorship of 17 Nätverket, which in 2023 is collaborating with the Ownershift think-tank and its work on financial independence and business ownership for women.
- We are further developing our work on the Sustainable Development Goals and see opportunities and benefits in including more UN goals in our continued sustainability efforts in 2023.

Policy documents for social responsibility and sustainability

- Setterwalls Environmental Policy
- Setterwalls Code of Ethics
- Setterwalls Information Security Policy
- Guiding Principles on Good Legal Practice
- UNGP (UN Guiding Principles on Business and Human Rights)
- IBA Practical Guide for Business Lawyers

We safeguard human rights

Setterwalls safeguards human rights as an integral part of the service we provide for our clients. All our advisory and risk assessment services follow the human rights guidelines of the Swedish Bar Association. We provide our client companies with the right basis to observe and uphold human rights in their operations, which also reduces their business risks. Our internal guidelines on human rights are set out in our Code of Ethics and Code of Conduct.

As a business law firm, Setterwalls follows the Swedish Bar Association's guiding principles on good legal practice, taking into account the UNGP (UN Guiding Principles on Business and Human Rights) and the IBA's (Practical Guide for Business Lawyers) guidelines for business and human rights. These guidelines address the special responsibility of the lawyer's professional role in upholding human rights and the ability to protect them through the advice they give.

Based on the range of services and clients we have, we do not see any significant risks of human rights violations from our activities.

War in Ukraine

Our employees are highly committed to various social issues, which the company both encourages and supports. Last year saw the outbreak of a ruthless war in Ukraine, causing devastation and suffering at all levels. We have therefore been involved in contributing to aid organisations involved in helping victims of the war, both in Ukraine and in Sweden.



Setterwalls' engagement in 2022

Our values are evident throughout our business and help ensure that our corporate culture is also reflected in our social engagement. Our support of charities therefore not only encourages the development of society, but also gives a lot back by helping our employees grow both professionally and personally.

UNHCR

Financial support of the UNHCR and its work for victims of the war in Ukraine.

Läxhjälpen Foundation

Financial support for homework assistance programmes for secondary school students to help a higher percentage of students gain qualifications for upper secondary studies.

17 nätverket

Financial support and advocacy to promote women's entrepreneurship and business with the vision of equal numbers of women and men owning and running large companies.

Styrelselistan

Financial support and advocacy together with the West Sweden Chamber of Commerce, which promotes greater gender equality on boards of directors. Styrelselistan spotlights female expertise and facilitates the recruitment of qualified people to the boardroom.

Skåne Stadsmission

Personal involvement by collecting clothes, shoes and toys for families living in poverty. In addition, financial support for daytime activities for victims of the war in Ukraine who have come to Sweden.

Tourniquet supplies

Support in the form of the shipment of medical supplies to the frontline in Ukraine.

Rosa Bandet and Mustaschkampen

Financial support through engagement via our social channels in October and November for the fight against breast and prostate cancer.

FC Rosengård

Financial support for one of Sweden's best teams in the Damallsvenskan women's topflight football league, who is creating change for inclusion, gender equality and physical activity through football.

Spring för livet

Setterwalls contributed to both better health and charity as its employees participated in the 'Spring för livet' run. Participation fees in 2022 went to Unicef.

Faktum magazine

Financial support for Faktum magazine, which promotes a society free of homelessness, poverty and exclusion through support for self-help.

Setterwalls’ responsibility for the environment and climate

Setterwalls prioritises clear environmental goals to reduce our impact on the climate and environment. As part of this work, we have evaluated what more we can do to ensure that the use of resources and business travel is as environmentally friendly and sustainable as possible, and how we can further reduce waste and improve waste management and recycling procedures at Setterwalls.

We also continually evaluate our cooperation partners, organisations that we support and subcontractors from an environmental and sustainability perspective, prioritising suppliers that have a stronger environmental and sustainability profile. All our partnerships and procurement emphasise the importance of companies working continually to minimise their environmental impact.

Setterwalls’ offices are all centrally located near good public transport links. Many employees walk and cycle to our offices, and we facilitate and encourage transport that supports a healthy lifestyle and has a low environmental impact.

Objectives and performance trend

- Establishment of a complementary policy on purchasing and supplier practices, including a code of conduct.
- Enhanced reporting on energy consumption, impacts, targets and results of actions through in-depth dialogue and action plans with key suppliers and real estate companies.

Setterwalls endeavours to find improvements throughout its value chain. In-depth knowledge leads to lasting development and the achievement of results.

Forthcoming projects

- In late 2022, we initiated dialogue with international organisation Net Zero Lawyers Alliance on future cooperation.
- Development of our own expertise in and employee training on sustainability and the upcoming CSRD directive.
- Carbon offsetting of emissions from travel.

Policy documents

- Setterwalls Environmental Policy
- Setterwalls Travel Policy



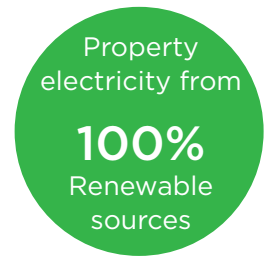
Setterwalls' impact on the environment and climate

As a service business, Setterwalls' impact primarily stems from travel, purchasing, office properties, and waste and wastage.

Office properties and waste

Environmental certifications

- Setterwalls' office property in Gothenburg is certified to BREEAM in Use with a 'Good' rating.
- Setterwalls' office property in Stockholm is certified to BREEAM in Use with a 'Very Good' rating.
- Setterwalls' office property in Malmö has LEED Silver 2022 environmental certification. Property company Vasakronan has ISO14001 environmental certification, with green leases.



Measures taken on indoor climate and lighting

- Ongoing replacement of light fittings with LED fittings and installation of smart lighting in corridors that automatically switches off in the evening and at night.
- Measures to improve indoor climate and reduce energy consumption.
- Measures on recycling, reducing food waste and paper use.
- Recycling systems for biodegradable food waste, card, newspapers and cardboard, plastic, glass, metal, hazardous waste and deposit-return containers.
- Minimised impact by prioritising digital files and resource-efficient printing.
- Prioritising the purchase of organic and eco-certified food products.
- Vegetarian meal options.

Travel and transport

We work systematically to reduce the carbon footprint of our travel by prioritising solutions that support digital meetings and, in accordance with our travel policy, employees should primarily use alternatives with a lower climate impact.

Bicycles and bicycle services

- We provide loan bicycles for our employees to use for transport during working hours.
- We offer bicycle storage and servicing for employees.
- We offer employees subsidised bicycles.

Couriers and deliveries

- Local deliveries and delivery of catering etc. are provided by bicycle courier.

External participation in 2022

WLG Impact Week

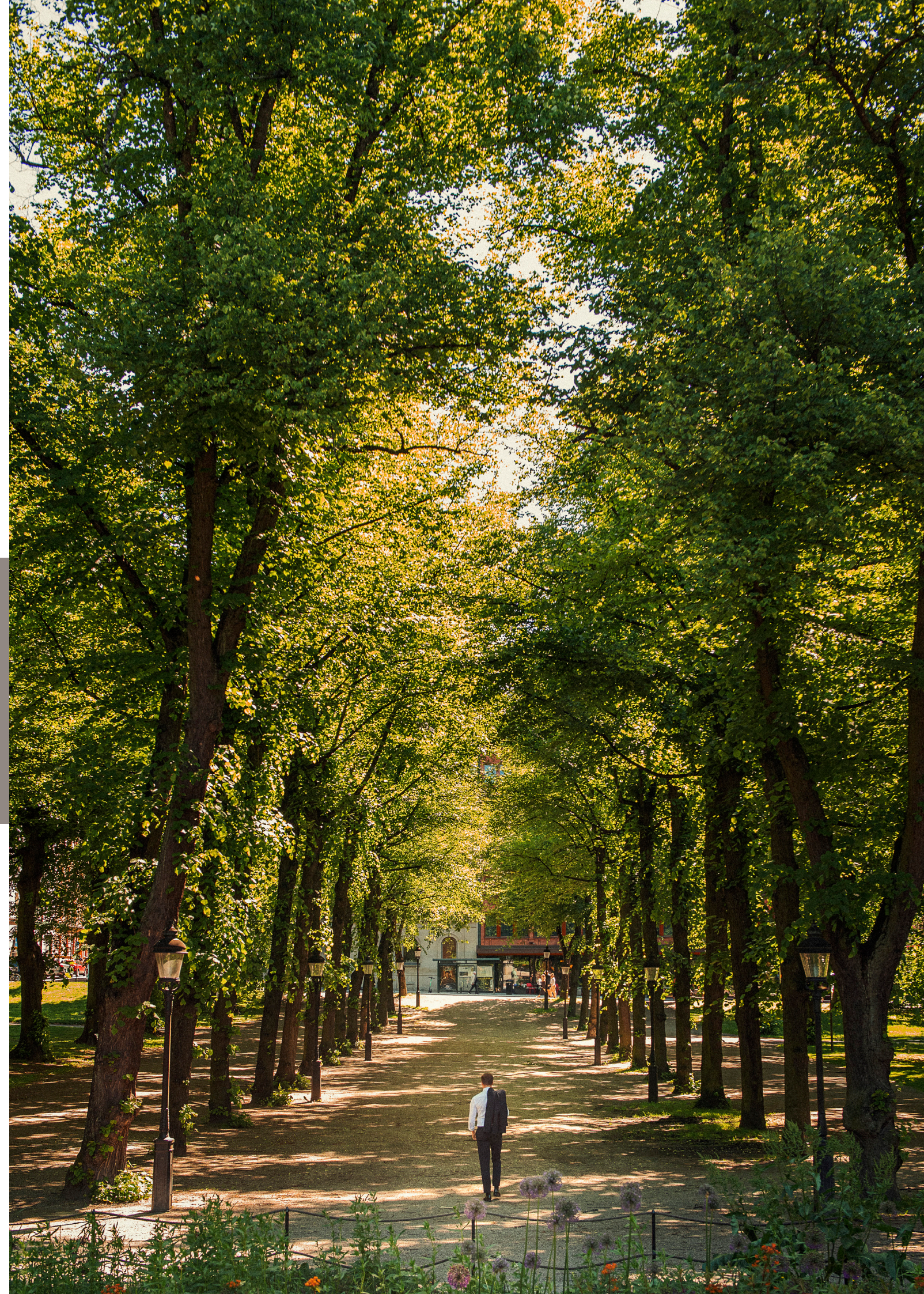
During this year's WLG Impact Week in June, extra tree planting efforts were made as part of our commitment, together with the global World Law Group (WLG) network, of which Setterwalls has been a member for many years.

Vi Agroforestry

Financial support for the aid organisation Vi Agroforestry, which combats poverty and improves the environment by planting trees.

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Environmental efforts at Setterwalls are an integral and prioritised part of the law firm's operations. Environmental considerations are reflected throughout our business and taken into account in our decisions. We endeavour to minimise our environmental impact and use of resources, and we encourage and support the efforts of the firm and its employees to promote environmental sustainability.



Corporate governance and oversight

Ethical values and anti-corruption efforts

Lawyers have and have always had a particularly important role in democratic states governed by the rule of law as independent advisors and advocates in relation to the state, authorities and courts. The core values of lawyers – independence, loyalty, confidentiality and no conflict of interest – are key elements for securing our clients’ interests, and provide the basis for everything we do.

We work systematically to maintain a high ethical standard in the form of a common set of values for our relationships within the firm and with our clients and counterparties. For us, it is important that both our clients and the public have confidence in the loyalty, ethics, morality and integrity of Setterwalls and its employees.

Setterwalls is subject to the supervision of the Swedish Bar Association, whose proactive oversight may involve voluntary and/or mandatory training programmes for our employees to draw attention to important issues in the area of business and human rights.

Objectives and performance trend

Setterwalls endeavours to find improvements throughout its value chain. Risk management and issues related to data security, ethics, anti-corruption, money laundering and terrorism financing are priority areas with clear procedures and objectives that are continually developed to avoid security risks. In-depth knowledge leads to lasting development and the achievement of results.

Our work and progress in 2022

- Enhanced checks concerning sanctions related to the outbreak of war in Ukraine.
- Annual mandatory anti-money laundering training for all staff.
- Ongoing IT training for employees to raise awareness of risks and strengthen security.

Forthcoming projects

- 2023 will see the implementation of enhanced technical information security protection.
- We are continuing to proactively prepare the organisation and our quality management for the upcoming CSRD directive as part of ESG and based on our entire value chain.

Policy documents for corporate governance and control functions

- Setterwalls Code of Ethics
- Setterwalls Internal Rules on Money Laundering and Terrorism Financing
- Setterwalls Whistleblower Policy
- Investigation Policy for Setterwalls

Risk management

Ethics

Trust is a cornerstone of the legal profession and we endeavour to actively combat corruption, both through our advice to clients and through our own actions. We reject corrupt marketing and follow the Swedish Anti-corruption Institute Code of Conduct, which supplements anti-corruption legislation.

In addition to current legislation and the Swedish Bar Association’s rules on legal practice, our internal regulations, *Setterwalls’ Code of Ethics*, also apply. They regulate issues including our behaviour, acceptance of clients and cases, insider issues, anti-bribery and corruption, risk management and IT security.

Combatting corruption, money laundering and terrorism financing

Setterwalls conducts rigorous anti-money laundering efforts with a working group across all offices. These efforts are continual, minimising risks through hard work and set procedures. A special internal regulatory framework regarding money laundering and terrorism financing has been established, known as *Setterwalls Internal Rules on Money Laundering and Terrorism Financing*. Detailed internal procedures are combined with systems support to verify sanctions and money laundering checks.

As one of the more significant risks in our business may relate to money laundering and terrorism financing, our employees receive regular training on these issues. For example, an annual compulsory anti-money laundering course is run for all employees. In addition, ongoing training on our Code of Ethics is provided to facilitate compliance with our quality assurance system.

Data management and IT security

Information security governance is a critical aspect of Setterwalls’ overall security status. It is particularly important in the face of an ever-increasing number of cyber attacks. Data and information systems are valuable assets to us, and maintaining confidentiality, privacy and availability is essential to our business. We attach great importance and commitment to working systematically on information security to protect our data and privacy and that of our stakeholders.

Based on our cybersecurity strategy and information security programme, we are creating the capacity to prepare for, detect, respond to and recover from cyber incidents. The strategy is comprehensive and consists of a set of controls, including policies, procedures, risk analyses, supplier checks, training and awareness programmes for our employees, and technical measures to protect critical assets. These controls are regularly reviewed and adapted as required to meet our and our clients’ specific security and business objectives.

Our information security management system is based on ISO 27002.

Business model and corporate structure

Setterwalls is, and has for many years been, one of Sweden's leading business law firms. We provide high-quality advisory services across the entire spectrum of business law, contributing to the success of our clients, which are primarily large or medium-sized companies, organisations, institutions and public authorities. Around one-third of our business is international in nature and our clients and cooperation partners are located all over the world.

Setterwalls has a decentralised company structure with group-wide management and cooperation. Each company has its own board, with an overall board acting centrally for Setterwalls Advokatbyrå AB. The Board of Directors has a control function that receives input from the CEO about events relevant to the company, and engages in relevant reports.

Setterwalls conducts legal practice through Setterwalls Advokatbyrå AB (company reg. no. 556774-5772), which is owned by the three branch companies in which all Setterwalls employees are employed:

- Setterwalls Advokatbyrå Stockholm AB (company reg. no. 556874-3230)
- Setterwalls Advokatbyrå Göteborg AB (company reg. no. 556594-3221)
- Setterwalls Advokatbyrå Malmö AB (company reg. no. 556624-3787)

Setterwalls' sustainability report for 2022 relates to Setterwalls Advokatbyrå AB and the aforementioned branch companies, and has been prepared in accordance with the provisions of the Swedish Annual Accounts Act.

The CEO and Managing Partners of all four companies and the board of Setterwalls Advokatbyrå AB participated in the process of verifying and signing off on the content of this year's sustainability report, in cooperation with representatives of the national sustainability team.



