



SZA[']
Studio Legale

TODAY
TOMORROW
TOGETHER


INTEGRATED REPORT
2018



The purpose of the corporation
must be redefined as creating
shared value, not just profit per se.
This will drive the next wave of
innovation and productivity growth in
the global economy.






Michael E. Porter



For further information on the
content of this Integrated
Report please contact
Raffaella Cosentino - cosentino@sza.it
(GRI 102-53)

Specific reference is made throughout
this report to Global Reporting Initiative
(GRI) reporting standards.



TODAY TOMORROW TOGETHER

SOMMARIO

Why an Integrated Report	pag. 4
How to Read the Report	pag. 6
About Us	pag. 8
Highlights	pag. 9
Philosophy	pag. 10
Our Background	pag. 12
Reference Market	pag. 14
SZA Today	pag. 16
Risk Assessment	pag. 18
2018 Commitment and Results	pag. 20
How we Conducted our Materiality Assessment	pag. 22
An overview of 2018	pag. 26
Financial Capital	pag. 27
Human Capital	pag. 28
Infrastructural Capital	pag. 30
Intellectual Capital	pag. 34
Relational Capital	pag. 38
Prospects, context and objectives	pag. 41





Why an Integrated Report?

(GRI 102-14)

To observe ourselves with a wide-angle lens, capture an image of a broader perspective of our perimeters, feel ourselves an active part of a necessary and complex change process: these are the principles – the hopes – that have guided us as we have begun to reflect on a way to recount our presence in the world.

Carrying on an organised economic activity – and in a certain sense “doing business” – has not only to do with profit-making in the strictest sense; financial indicators cannot and must not be the only reasons that guide our decision-making.

We consider that personal wellbeing is an integral part of the vitality of SZA and that “doing business” does not concern ourselves only and that we have a responsibility that embraces society. We believe that it has to do with creating the common good as well as that of each individual.

Reflecting on how to make the world a better place is the prerogative of every citizen and we want to make our contribution.

We have decided to start telling our story by using an ever more recognised and shared tool, drafting our Integrated Report for 2018. Through this medium we report our paths to value creation in the broadest sense: from the economic, to the social, to the reputational - all aspects to which we are deeply committed, both as professionals and as people.

We wish to illustrate not only what we do, but how we do it, with our characteristic traits and uniqueness, to share our successes and strengthen our capacity to build solid, long-lasting relationships.

Reflecting on how to make the world a better place is the prerogative of every citizen and we want to make our contribution.



We are lawyers: the social relevance of our profession, the impact our work generates in the community, our day-to-day interaction with numerous categories of stakeholders - clients, colleagues, counterparties, judges and judicial institutions - are all issues that the legal profession's Code of Ethics describes, considers and regulates.

And all SZA professionals hold the firm conviction that respecting the principles set out in the Code of Ethics is a cornerstone of our way of working.

In a cultural and socio-economic context that requires all players not only to adopt ethical behaviour but also transparency as their litmus test, reporting is the next step forward against which we must measure ourselves.

We are aware that we are proposing something new; we know that publishing a report integrating economic aspects and sustainability aspects is not commonplace in the legal world, either among domestic law firms or international firms operating in our country.

We have decided to take on this challenge.

As professionals and as a firm we feel that we are part of a whole, of a value creation journey shared with our stakeholders that we contribute to on a daily basis with our skills and our capabilities to take care of our clients, and more in general, of society.

This is what we are, and what we want to be, and what we are beginning to recount also through this first Integrated Report.

Marisa Meroni and Luca Guffanti
Managing Partners SZA Studio Legale

How to Read the Report

(GRI 102- 1, 50, 45)

SZA is delighted to publish its first Integrated Report with the aim of sharing how the firm is committed to creating value in the broadest, most diversified sense not only in the short term, but also over the medium- and long term, for all our stakeholders.

The “extended” concept of value creation refers to all those elements required to achieve good results – for example, in terms of innovation and development of know-how, skills and people’s sense of belonging, client care, environmental sustainability – yet which do not find sufficient acknowledgment in traditional reporting tools. This is true in particular for Law Firms, which are not under any obligation to draft financial statements.

In line with the evolution in international reporting, SZA’s Integrated Report has been drawn up in compliance with the International Integrated Reporting Framework <IR>, published in December 2013 by the International Integrated Reporting Council (IIRC) and uses a set of indicators, selected from among those put forward by GRI Standards 2016 for the reporting of significant issues.

The scope of the report includes SZA’s professional activities and refers to 2018 (1 January 2018 – 31 December 2018).

We also considered it necessary to provide information judged to be of particular importance concerning certain facts which occurred up to the date of publication of this Integrated Report.

The main sources of the data and information reported in the Integrated Report are:

- Management and accounting systems;
- Documents provided by individuals in charge of processes;
- Results of internal and external assessment, with particular regard to the definition of the Materiality Matrix.

The Integrated Report is available in digital format on our website, at www.studiosza.it and 150 copies have been printed.



MEETING ROOM

06



About Us

(GRI 102-2)

For over 25 years SZA has been providing legal services to state enterprises, private companies, non-profit entities and individuals in the areas of:

- **Civil and commercial** law, including litigation.
- **Corporate, Employment and Compliance**, in matters relating to company law and extraordinary transactions, employment law and all compliance issues.
- **Administrative** law, focusing on public entity contracts and local public **Services**.
- **Credit management**, with over 1500 cases amounting to an overall Business Value of over one billion Euro.

We have built up solid expertise mainly in the following sectors:

- **Insurance**
- **Banking**
- **Energy**
- **Pharmaceutical**
- **Fashion and Luxury Goods**
- **Food and Beverage**
- **Family Businesses**
- **IT**
- **Leisure**
- **Logistics**
- **Health**
- **Staff leasing**
- **Start ups**
- **Not-For-Profit**
- **Transport and Public Utilities**



Highlights

(GRI 102-7)



People

49 of whom 37 lawyers



Gender balance

57% women - 43% men



Average age

42



Number of clients

395



Turnover in 2018

Euro 6 million



4 Departments

9 areas of expertise



Markets

15



Smart office in Milan

Over 900 sq. m.



Average case value

300.000 euro



Philosophy

(GRI 102 -16)

From complexity to simplicity:
our commitment is to provide legal services that are

 **Legible**

 **Close**

 **Conclusive**

 **Effective**

 **Transparent**

We have a strong belief in the importance of interaction and debate among a variety of skills, experience and professionalisms. Teamwork is our winning asset.

We are aware that transparency in human relations and business relations is an opportunity for human enrichment.

We believe that the quality of the relationship between team members and the client is the cornerstone of excellent results, and that the best relationships are based on empathy, courage and determination.



Our Background

1991/2001

SZA was set up in 1991 under the name Sciumè & Associati; Alberto Sciumè and Marisa Meroni were the founding partners.

The firm initially focused on the areas of civil and commercial litigation, specialising particularly in civil liability and credit collection.

At the turn of this century, between 1999 and 2000, SZA decided to invest in extending its offer, adding the corporate law and public law departments. This expansion led to the arrival of Giuseppe Di Masi (who had previously operated out of his own independent firm) and Danilo Tassan Mazzocco and to Stefano Bombelli and Luca Guffanti being promoted to partner.

2001/2011

Growth continued apace thanks to the merger with Prof. Massimo Zaccheo's firm. Thus was born Sciumè Zaccheo & Associati, a name that came to affirm itself at national level over the following decade.

2011/2015

The firm began a rebranding process, adopting the name SZA and consolidating its presence in the market.

A dream you
dream alone is
only a dream.
A dream you dream
together is reality.

John Lennon



2016/2018

Over the last three years SZA has embarked on a path of in-depth renewal through a series of fundamental steps:

- The organisation of the firm's partnership structure into equity and salary partners;
- The development of an expertise expansion strategy, leading to the addition of an employment law department;
- The rationalisation of the firm's fixed costs, in view of a further increase in human capital;
- The implementation of a strategic communications plan;
- The consolidation of our presence in the international market.

The following pages of this Report will dedicate much space to the events and facts that have characterised our 2018.

We remember with particular warmth the arrival in the firm in April 2018 of Sergio Barozzi, only a few months before the tragic event that took his life on 31 August 2018.

Sergio contributed greatly to the firm's process of renewal, especially with respect to international communications and partnerships; the arrival of Sergio and his team enabled SZA to definitively consolidate our presence in the employment law market, bolstering the department set up in 2017 when Studio Borghi joined the firm.





Reference Market

For over a decade, the legal services market offer has been characterised by overabundance and fragmentation.

Since 2008 the number of lawyers registered with Cassa Forense (the legal profession's social insurance fund) has consistently topped the 200,000 mark, reaching 242,000 members in 2018.

Of these, only a part operate in associated firms. Milan accounts for over 1,000 partnerships, mainly small to medium sized.

Approximately 50 Milanese firms can count on the services of over 50 professionals; and half of these employ more than 80 lawyers.

During the 2018 financial year, despite its hypertrophic supply, the legal services market continued its growth in terms of overall turnover.

This figure is confirmed both by surveys which reviewed the top 50 firms by turnover and by those which analysed a more varied sample.

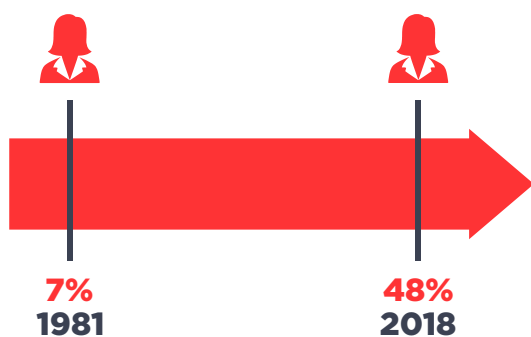
More specifically, the group of the first 50 firms has seen 6.4% growth over 2017, according to figures released by Legalcommunity; while the sample examined by Top Legal shows an increase of 8% in 2017-2018.



Top Legal's survey - which also includes firms of a similar size to SZA in its sample - highlights how growth in revenues generally goes hand in hand with an increase in the number of a firm's professionals. With regard to profitability measured in accordance with the turnover/number of lawyers ratio, the average figure was Euro 273,000 in the sample examined.

Concerning gender in the legal profession, the situation today is quite balanced, with a slight prevalence of men at the end of 2018, with women showing a steady growth trend, increasing from 7% in 1981 to 48% in 2018. Careful attention to the gender pay gap is required, which in 2018 stands at 5.3% (in any event lower than the national average of 11%), but with a high of almost 40% in the 35-39 year age group (source: Cassa Forense 2018 data).

LAWYERS' SOCIAL INSURANCE FUND FIGURES ON THE PROFESSION



**Gender
Pay
Gap** **5.3**

SZA Today

(GRI 102-18)

Governance and internal organisational model.
SZA operates as a partnership.

The firm is run by two Managing Partners, the equity partners Marisa Meroni and Luca Guffanti, first appointed for the period 2016-2018, and re-confirmed for the following three years, 2019-2021.

Since 2016 the SZA partnership structure has featured two levels of partnership.

The salary partner category has been introduced in addition to the original equity partnership.

At the end of December 2018, the firm counted five equity partners and three salary partners; subsequently, during 2019, the partnership was enlarged to include two new equity partners and six new salary partners.

The firm currently boasts the services of two of counsel, including one of the founding partners.

Professionals

At the close of 2018, 32 professionals worked for the firm, while this number has risen to 37 in 2019.

Staff

There are 12 members of staff, covering administration, paralegal and IT support roles.

Our offices

(GRI 102-3)

SZA Milan office is to be found at 13 Corso Italia, in the iconic “Ship” building designed by Luigi Moretti, one of the most representative ‘palazzi’ of Milanese architecture.

A headquarters designed and experienced as the vehicle of a clear message of courage and innovation.

The innovative energy of the Ship also animates SZA and has led to our experimenting with an open space layout aimed at facilitating the fluid, direct, involving and synergetic organisation of work.

The legal market is in a state of constant ferment and SZA wants to distinguish its offer and make it immediately recognisable, starting with our work space.


International Partnerships

In 2018 SZA joined League of Lawyers, a network of independent law firms present in the main western European countries and in South East Asia. Despite being a very new member, SZA has already gained significant collaborations with other members of the network.

SZA attends the annual LAWASIA conferences with League of Lawyers, an association which promotes the interests of the legal profession in Asia and in the Pacific, along with the transnational exchange of legal know-how, encouraging compliance with the reciprocally respected principles governing rule of law, professional integrity and protection of human rights.

SZA representatives, along with other League of Lawyers members, attended the 31st LAWASIA Conference held in Siem Reap from 2 to 5 November 2018. At this event the SZA representatives were the only Italian lawyers among 500 delegates.





In order to carry out a positive action we must develop here a positive vision.

Dalai Lama

Risk Assessment

(GRI 102-15)

La piena consapevolezza relativa ai rischi e alle opportunità di natura interna ed esterna che lo Studio è chiamato a fronteggiare nel proprio percorso di sviluppo è un aspetto strategico dell'azione di governance e management.

SZA affronta oggi una profonda trasformazione al contempo delicata ed entusiasmante: crescere verso i traguardi che ci siamo posti significa abbandonare alcune caratteristiche da realtà dimensionalmente contenuta, senza tuttavia snaturarci e perdere alcuni tratti identitari che, riteniamo, siano la nostra forza.

Per razionalizzare alcuni aspetti di questa transizione abbiamo focalizzato attraverso un'analisi SWOT i principali ambiti di rischio/opportunità che riteniamo fondamentale presidiare nel nostro percorso trasformativo così come rappresentati nella figura a seguire.

Strengths

Background
Expertise and quality of work
Multi-disciplinary approach
Cohesion of partners
Innovation: workplace and way of working
Closeness to clients and speed

Opportunities

Brand awareness
Smart office and Smart Working
Consolidated relationships
Growing demand from clients for specialisation, and resulting new alliances between firms

Weaknesses

Complexity of procedures
Integration of viewpoints among professionals and staff
Management systems in evolution

Threats

Evolution of the legal market with the entry of new players and reducing of entry barriers
Artificial intelligence and widespread accessibility to standardised contract forms and templates
Globalisation and fragmentation of the market



In short

Our strength lies in the quality of our work and in our ability to work together.

Proof of this comes from our solid background and continually reiterated confirmation by our clients.

This is determined by the values that animate us and by the relationship style that has always defined us: close to the client, fast and transparent.

The context is prone to change and the legal profession can no longer rely on any type of comfort zone. What the market demands from lawyers evolves more rapidly than in the past and as a result firms are equipping themselves to deal with this.

The key words are internationalisation, multi-disciplinary approach, and flexibility. The lawyer's role is now characterised by a fluidity unknown until just a few years ago.

SZA intends to take these elements of risk as drivers of our growth and transformation.



2018 Commitment and Results

Change Management

We initiated a process of change management in 2018, aimed at building up the firm's ability to renew its internal organisation style and both internal and external communications.

Working groups on specific issues, flanked by plenary accompanied the developments over the year and produced a variety of results: presence on Social Networks, Integrated Report, cycles of meetings on specific issues open to all.

Yet our drive towards innovation did not stop there, but pushed ahead to initiate a debate with our stakeholders within the scope of a process of defining our common ground on important issues.

Materiality (in the Anglo-Saxon meaning of "relevance") is one of the main inspirations underlying the integrated reporting (IR) framework which invites organisations to design the content of reports by focusing on strategic issues which may have a significant bearing on their capability to create lasting value.

What are these 'material' topics?

To reply to this query, SZA conducted an analysis which involved the partners, professionals, and staff and included a quality listening phase aimed at external stakeholders, which will be further implemented in 2019.



A Materiality Assessment, presented in the following paragraph, was undertaken, which aims to compare those aspects considered strategic for the development of an organisation, from the organisation's own perspective, with the stakeholders' perspectives.

The goal is to understand whether and to what extent the different points of view are aligned and the firm's internal efforts are going in the same direction as the external expectations or, as may occur, certain aspects are over- or underestimated.

How we Conducted our Materiality Assessment

(GRI 102 - 40, 42, 43, 44, 47)

The internal viewpoint

In order to be able to understand and share the material issues as perceived from inside the firm, three focus groups involving SZA partners, professionals and staff were set up and tasked with delineating the identifying features, the 'key words' to describe the firm's current and future success.

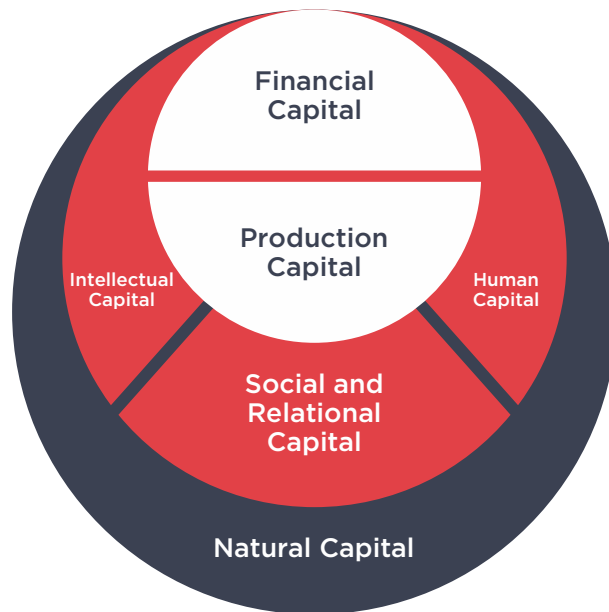


The words chosen were then aggregated into four main dimensions characterising the firm's identity as we see it:

- sense of belonging
- reputation, which derives from our history and grows thanks to competence
- capacity to innovate
- care towards people, relationships and spaces



A critical reading of these dimensions provides a summary representation of the nature of SZA, a firm committed from the outset to fostering the balanced development of different types of 'capital': specifically financial capital, human capital, intellectual capital, social and relationship capital, manufactured or infrastructural capital and natural capital.



The Six Capitals Framework for value creation (Source IIRC 2013)

This framework is used to assess organizations under the magnifying lens of six areas in which value may be created, known as 'capitals':

financial, human, intellectual, social and relationship, manufactured/infrastructural and natural. The nature of the business carried on by SZA means that the creation of value

and the impact generated by SZA may be seen mainly in 5 of the 6 "capitals": our commitment to the protection of the environment, while duly considered, expresses itself in the firm's actions for the development of other capitals - particularly infrastructure (the sustainability of our head office) and human (internal policies and the culture of sustainable development).





The stakeholders' point of view

The defining of material topics cannot be considered complete if evaluated only from the point of view of the organisation itself.

To this end, SZA put considerable effort into seeking a non-conventional dialogue with our stakeholders for the purposes of analysing the reciprocal expectations, and pursuing innovative paths, also taking our shared needs into account.

15 categories of stakeholders of the firm were identified, as may be seen from the following diagram:

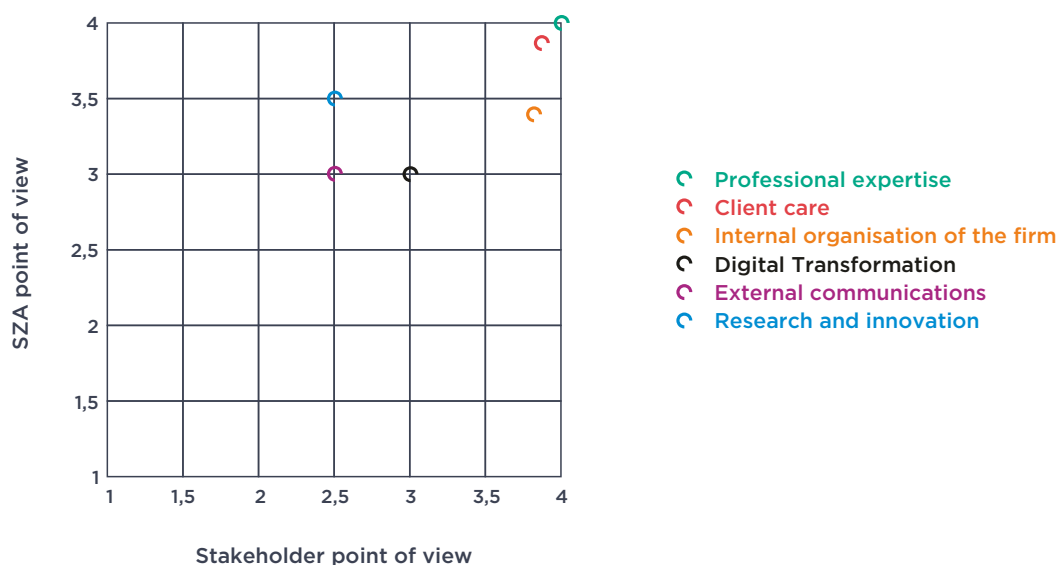


Downstream of the firm's internal involvement phase, a list was drawn up of stakeholders belonging to what were considered the most significant categories (clients, suppliers and other professionals) who were encouraged, through individual interviews, to express their points of view on the main features of SZA's identity, starting from the information which emerged during our internal analysis phase.

The joint - internal and external - consideration of factors of importance enabled priority areas and those of major consequence to the firm to be identified for the purposes of value creation, as described in the "Materiality Matrix" set out below.

Six areas require strategic vision, operational commitment and transparency in reporting:

- *Professional expertise*, as it represents the core of the firm's - and the professionals' - actions, and is also recognised and appreciated externally.
- *Client care*, as it has been a distinguishing feature of the SZA model from the outset and is an indispensable trait of success which no-one would wish to be without, either inside the firm or in dealing with external players.
- *The firm's internal organisation*, because it ensures quality in both process and result, is useful for the professionals, clients and staff and is fundamental for a smart office and smart working mentality.
- *Digital Transformation*, because the way of working is evolving and clients expect the same evolution from those they interact with.
- *External communications*, because the reputation we have, built on our background, is a strength and deserves to be reinforced even more not only when handling issues at work, but also in the capacity to communicate effectively.
- *Research and innovation*: because our times require constant renewal of the lawyer's role and expertise, consistent with the evolution of the economic and social framework.





An overview of 2018

The following is a brief overview of the year 2018, where we set out a series of reasoned qualitative and quantitative indicators, based on their creation of value in different forms of capital (financial, human, infrastructural, intellectual, and relational), as proposed by the IIRC model.



Financial Capital

At SZA, the development of our financial capital means a commitment to ensuring the right deployment of resources to reach our goals, including using appropriate criteria for the allocation of the firm's profits.

General outline

2018 was a positive year from the business point of view, with a turnover of more than Euro 6 million.

Some statistics

The firm had approximately 400 active clients in 2018, broken down as follows:

68%

Businesses

20%

Individuals

12%

Public administration bodies and partially state-owned enterprises

In 2018, the firm also acquired new multinational corporations as clients.

A total of 1,385 new cases were opened in 2018.

In litigation and credit recovery cases, the average value of each case was approximately Euro 300,000, with peaks of over Euro 20 million in civil cases and of over Euro 300 million in the administrative law area.

Human Capital

At SZA, the development of human capital means promoting the value of work as a fundamental element of each person’s fulfilment by fostering his or her professional skills in a stimulating and collaborative work environment.

General outline

	Women		Men		Average Age	
	2018	2019	2018	2019	2018	2019
Partners and Of Counsel	3	4	6	13	41,84	41,81
Professionals	12	13	11	7		
Support staff	10	11	1	1	47,64	44,50
Total	25	28	18	21		

Professional Training

At SZA, we have always given prime importance to, and invested in, the ongoing professional training of the members of the firm.

Throughout 2018, the firm invested in specific training programmes for a number of our professionals, as part of our move to enhance the services we provides in the market.

Earlier this year, 2019, we began to provide courses in professional English for all our lawyers who choose to participate; this programme is of special significance because it has been developed in response to an informal survey carried out among the firm’s lawyers in 2018.

Remuneration

We make sure that salaries are proportionate to a person’s experience and to the contribution he or she has made to the firm; we ensure they are in line with general living standards and make no distinction regarding gender. We have, in fact, cancelled out the gender pay gap, which is still prevalent among the professions in Italy and throughout the world.

Diversity and maternity care

At SZA we have always had a low turnover of personnel. 2018 was something of an exception in this regard, when a new team joined the firm.



The firm is a multi-gender and multi-generational group of people.

The fact that women lawyers have been part of the firm since its inception is an indication of the type of firm we are. In 2018, women made up almost half of the professionals on our team.

Statistics aside, it is important to point out that at SZA we have always protected female workers and their maternity rights. Standard maternity leave is five months; the firm also integrates the social security payments made by the National Lawyers' Social Insurance Fund to bring the sum up to the amount equal to a regular monthly salary.

At the firm, we are always willing to listen to younger colleagues and to involve them in strategic decision-making.

In 2018, when the firm moved to new premises, the managing partners took the opportunity to form a small group of "influencers", or ambassadors of positive change, made up of four associates, two of them junior.

The role of the group of "influencers" was to work as consultants alongside the managing partners in making decisions about the refurbishment of the new offices and to act as an information hub for the other lawyers in the firm.

No less important in 2018 was the involvement of the entire legal team in developing our strategic communications plan.

A particularly successful initiative was the group project that involved drawing up and organising a programme of seminars designed specifically for clients, in which younger members of the team were also involved as speakers on panels during the year.

In recognition of our younger colleagues' creativity and the ideas they contribute to the firm, we decided to open accounts on the principal social media sites (LinkedIn, Facebook and Instagram).



Infrastructural Capital

For SZA, developing infrastructure means having chosen an open-plan office space, interpreted as a privileged place that conveys a contemporary and forward-looking identity and is ideally suited to the current technological context and smart working.


General outline

On 1 July 2018, we moved from our premises at Via Amadei, 8 in Milan to our new offices at Corso Italia, 13.


Every aspect of the choice of the firm's new premises was the result of a project co-designed with DEGW architects, with careful consideration of the historical context, the changes in the practice of the legal profession, and of SZA's specific requirements.

The choice of the actual building was in itself significant. Luigi Moretti's iconic 1950s building, la Nave (The Ship), innovative at the time of its conception, perfectly symbolises SZA's desire for change and for voyaging towards new ways of conceiving work and workspaces.

In planning the layout of the new premises we analysed how our lawyers used the office space, how long people spent at each workstation and the frequency of meetings with clients.



The urgent challenge to protect our common home includes a concern to bring the whole human family together to seek sustainable and integral development.



Pope Francis

The results of our analysis showed that:

- For the most part of the working day, individual work stations were not being used, due to the fact that the lawyers were either engaged in court hearings, were out at appointments, or were in meetings with clients elsewhere in the firm;
- Meeting rooms and common spaces are mainly used for occasions when the lawyers need to work together on a task. The number of meetings with clients in the firm's offices has fallen, in favour of meeting clients in their own offices or conducting meetings by video or conference call;
- There has been an increase in the need for multifunctional rooms, which, when the occasion requires, can also be used to host SZA events.

Given the outcome of the survey, we decided to abandon the traditional model of individual closed offices and instead opted for an open-plan workspace, considering it more efficient for the following reasons:

**The rationalisation of space management costs;
The mobility of workers and work flexibility;
The increased cooperation and exchange of information between people.**

Caring about the Environment

The interior design of the space places special emphasis on fittings and materials that prioritise good acoustics and good air quality:

Textile floor coverings: these ensure there is good sound absorption, by reducing the vibrations and noise caused by footsteps while at the same time improving air quality by capturing dust particles. They also have a higher resistance to microbial contamination compared with other types of flooring, both in terms of quantity and quality.

Sound-absorbing panelling: coverings for walls and for soft furnishings were chosen for their ability to absorb sound, particularly in the case of vertical surfaces.

Radiant ceiling: the steel ceiling panels have excellent sound absorption properties, absorbing even the slightest vibrations and making for a comfortable and pleasant environment. The metal ceiling contains 90% fewer cables than other systems, facilitating quick installation and flexibility.

DALI lighting system: not only is an integrated DALI system technically advanced, it also guarantees significant savings in energy and management and maintenance costs; movement sensors and light dimmers allow optimisation of energy consumption and guarantee a consequent reduction in electricity used.



Smart Office and Smart Working

The use of portable devices is a feature of the dynamic nature of our new office layout. Each lawyer is provided with a light laptop and a smartphone in order not to necessarily be tied to his or her workstation and, at the same time, to be immediately contactable by clients, without an intermediary receptionist or secretary.

Work can therefore be carried out when away from the office, thanks to the possibility to connect remotely to the firm's IT system and network via a VPN, which can also be accessed through the mobile phone's hotspot if Wi-Fi is not available.

All our archives are stored in the cloud on remote servers, with guaranteed top security standards and access to content.

The firm's largest meeting room boasts an 86-inch display screen for comfortable viewing of documents and can be connected to other devices by means of a handy plug-in. Visiting lawyers or clients can also easily use it to display relevant documents (presentations, slides, tables, graphs, etc.).

Environmental awareness is reflected in our work practices. Professionals and support staff have made significant reductions to the amount of paper they use and for several years now most of our documents have been digitally archived.

Likewise, the use of cloud technology in the workplace means that it is now possible for several people to work on one file simultaneously, so reducing the need to print numerous copies of drafts and other documents.



Intellectual Capital

At SZA, growing our organisational capital means undertaking to organise our work processes in innovative, structured and homogeneous ways, with a view to increasing client satisfaction and the quality of the work done by the firm's professionals and support staff.

General Outline

The firm is divided into four internal legal departments:

- Civil and Commercial;
- Company, Employment and Compliance;
- Administrative;
- Credit Recovery.

Each department is headed by at least one equity partner, assisted in the management of resources by salary partners.

Tasks are assigned within each department after careful assessment of the complexity of the matter in hand and the level of experience of individual lawyers.

Our lawyers in the four departments are used to working together and in teams, pooling their various fields of expertise.

There is particularly close professional dialogue between the Company Law department (in the company, employment and compliance sectors) and the department of Administrative Law; similarly, the overlapping of features of Civil and Commercial Law with those of Credit Recovery leads to constant dialogue between the specialists in those areas.

Characteristic procedures

We have perfected an operational and organisational model that sets out how we communicate and interact with clients and a timeline for our various activities, enabling the firm to act in real time.

The continuous exchange of information is a constant feature of every case and is achieved by means of:

- sharing strategies;
- real-time updating of the status of each case;
- filing periodical reports;
- in certain areas (for example, credit recovery), integrating our management models with those of the client.

Technological support

Current technology has considerably facilitated the organisation of work, both between colleagues and with clients, with cloud software allowing files and documents to be shared easily and several people to work simultaneously on the same file.

Our conference call system has been greatly simplified, allowing each professional to reserve a space for a call with dedicated access codes as required.

The advanced technological tools available in our meeting rooms are an important element in making meetings with both colleagues and clients run more smoothly.





The pursuit of innovation

One hallmark of SZA is our constant pursuit of innovation.

We have, for example, invested in the creation of our own IT system and in the use of electronic filing of submissions in civil law cases.

In 2018, the firm's spirit of innovation led to our decision to carry out change management and to thoroughly revise our approach to legal marketing and communication.

Our boldest move was undoubtedly the decision to adopt the model of an open-plan office space for all the professionals in the firm (partners included).

The traditional hierarchical organisation of the workplace, where the more senior a lawyer's position in the firm, the larger his or her office size, was abandoned in favour of a horizontal system, where all the professionals work in the same shared space, regardless of whether they are a partner, an associate or a trainee.

Such a radical re-organisation of the workplace had never been attempted (at least until 2018) by any of the structured law firms (of a similar or greater size).

One year on, results confirm that the firm made the right decision. We have seen the effect that an open-plan workplace has had on the way our people go about their work: there is increased collaboration and teamwork, a sharing of ideas and objectives, and a greater overall inclination towards transparency among colleagues.

At the end of 2018, the decision was taken to publish an annual report on the firm's non-financial activities, making us the first Italian law firm (including branches of foreign firms) to do so.

These radical choices have made SZA a trendsetter in the legal profession in Italy.





Relational Capital

At SZA, growing our relational capital means undertaking to meet our clients' needs, both from the point of view of providing our services and, in a broader sense, of promoting legal awareness and culture, with the ultimate aim of fulfilling the social responsibility that is part of being a lawyer.

General Outline

In 2016, we began to reassess our approach to legal marketing and communication within the profession.

As a result, in 2018 we:

- Joined the main social media networks (LinkedIn, Facebook, Instagram);
- Started a publishing programme, contributing a series of articles to the online platform, 4cLegal and participating in video tutorials organised by Key Editore on themes relating to aspects of Public Law;
- Organised an event to inaugurate the new offices, to which our stakeholders were invited;
- Promoted a series of in-house seminars on current legal topics, for our clients.



The events and other communications initiatives undertaken by the firm were an opportunity to not only embark on or strengthen our professional relationship with clients, but also to reflect more generally on future scenarios of the legal profession and its market.

As a case in point, the inauguration event was dedicated to the themes of artificial intelligence, its possible impact on the legal market, and the advantages it might bring to both the legal profession and clients.

Membership of Associations

In our commitment to the development of relational capital, we have also turned our attention to becoming involved in associations and in 2018 became a member of the League of Lawyers and of Pro Bono Italia.

The latter is an association of lawyers, law firms and associations of legal professionals whose common aim is to promote the culture of pro bono work in Italy. One of the ideals that inspire the association is the conviction that *“pro bono is a direct expression of the social function of the legal profession, instrumental to the upholding of human rights and the improvement of the legal system. We therefore believe that lawyers have a professional, social and ethical responsibility to volunteer their time and legal expertise for the public good and to help ensure equal access to justice. Further, we believe that providing pro bono services makes for better lawyers, increasing our motivation, cross-disciplinary skills and standards of professional conduct”* (from the internet site <http://probonoitalia.org/it>).

The firm has also established links with the principal Italian and international law directories, our Employment and Corporate departments being mentioned and reviewed in Legal Community's 2018 reports.



Acquiring clients: tenders and beauty contests

In 2018, we reaffirmed our credentials as a competitive player in the market, both by taking part in bids for public and private tenders and by enrolling in professional registers those members of our firm who had been preselected by public and private enterprises.

One of our team is charged with performing a weekly evaluation of contracts out for tender and as a firm we subscribe to the beauty contest platform run by 4cLegal.

During the course of 2018, we acquired 11 engagements through tenders¹, which generated revenue of about 3% of total turnover.

We therefore confidently maintain our position as a competitive force in the market, even in a recently expanding and evolving area.

Performance of engagements

Thanks in part to constant direct monitoring of client satisfaction, no disagreements or litigation with clients arose in 2018.

¹ By tenders, we mean a) public, or in any case competitive, procedures organised by public entities or by partially state-owned enterprises; b) beauty contests run by independent platforms. For the purposes of these statistics, informal tenders organised by clients, by means of requests for proposals (RFPs) from two or more law firms, have not been taken into account.



Prospects, context and objectives

General outline

On 3 July 2019, the SZA Partners' Meeting renewed the positions of the leaders of the firm, confirming Marisa Meroni and Luca Guffanti as Managing Partners for the next 2019-2021 three-year period.

The items that the managing partners included on the meeting's agenda and to which the firm will give special consideration in the coming three years relate to:

Position in the market

We have already begun an analysis of the firm's current identity and our new objectives in relation to our market position.

In considering ways to grow and strengthen the firm, we are favourably disposed towards increasing our number, both at partner and associate level, and towards consolidating our current international partnerships and forging new alliances.

We shall continue to use marketing and communication strategies and to identify areas of potential development, of content marketing and of speaking opportunities.



Reinforcing assets: human capital and infrastructure

We are aiming to rationalise our expertise management systems and to invest in upgrading and updating our technology assets.

Sustainability

At SZA, we have renewed our commitment to a policy of sustainability for the coming three years, including, among other things:

- publishing an integrated report;
- adopting a policy of reduced environmental impact;
- promoting diversity;
- pursuing the objectives of the UN Agenda 2030.



Our commitment to achieving the goals of Agenda 2030

When deciding to approach integrated reporting and, therefore, the reasoning inherent in the creation of “extended” value - not only an analysis of the purely financial but also of the broader social and environmental impact that our actions, as professionals and as a firm, have - one of our sources of greatest inspiration was undoubtedly the 2015 United Nations plan of action, Agenda 2030 for Sustainable Development.

SUSTAINABLE DEVELOPMENT GOALS



With its 17 SDGs (Sustainable Development Goals) and 169 specific targets, the Agenda sets out the actions which must be taken to meet some of the greatest challenges facing the world today, by means of a multidisciplinary approach bringing together economic, social and environmental issues and calling on everyone to act: from the single individual to countries and, particularly, to businesses.

The UN “call to action” has not left us indifferent and it is something we strive to embrace in our own long-term personal vision as well as in the everyday life of the firm.

We have begun to develop at least two complementary lines of reasoning as part of an ongoing process that will become increasingly more efficient over time, thanks especially to the use of precision tools to measure results:

1. SZA and the sustainability challenge
2. The legal profession and Agenda 2030

With regard to the first point, which is strongly connected to our firm’s specific identity, we are prioritising Goals 5, 8 and 12:



Gender equality is central to our culture and identity: our firm promotes the equal dignity of the work performed by male and female workers alike, valuing competence regardless of gender, having completely eliminated the gender pay gap within the firm and offering support to women at those times when it is most needed (for example, during maternity).



Being part of the SZA team means participating in a common project that has solid roots and broad horizons; it also means being able to reconcile the values of the legal profession with the human dimension of multidisciplinary cooperation and of consideration for the individual. These are concepts which are amply evident in our innovative use of spaces and technology in our offices.



Our commitment to integrated reporting (the first law firm in Italy and among the first international players to use such reporting) is consistent with target 12.6, which encourages organisations to “adopt sustainable practices and to integrate sustainability information into their reporting cycle”.

Goal 12.5 is also a priority (*12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse*); in this regard, the Firm has been at the vanguard of the profession in its use of digital technology, greatly reducing its consumption of paper in favour of digital archives. More recently, earlier in 2019, we eliminated the use of plastic bottles and cups, issuing all the team with personalised stainless steel bottles and providing glass bottles and biodegradable cups for meetings with visitors to the firm.

In relation to the second point, which concerns the legal profession in a broader sense, our commitment lies mainly with Goals 4 and 6:



At SZA, we have always risen to the challenge of promoting an awareness of the law and the legal profession in society. To this end, we run training courses on specific topics for our clients, hold informal events open to all our stakeholders, and maintain an ongoing relationship with the major universities in Italy. These are only some of the activities that are a testament to our engagement with this particular target.

Promoting legal culture and bringing it into closer contact with everyday life is an integral part of who we are and who we wish to continue to be.



Of all the SDGs, Goal 16 is the one which is most closely related to the legal profession: to guarantee a just society based on the rule of law is the principle that directs and guides us as lawyers.

As a firm, we give particular importance to achieving the following specific targets:

- 16.3 Promote the rule of law at national and international levels and ensure equal access to justice for all;
- 16.5 Substantially reduce corruption and bribery in all their forms;
- 16.6 Develop effective accountable and transparent institutions at all levels;
- 16.7 Ensure responsive, inclusive participatory and representative decision-making at all levels;
- 16.10 Ensure public access to information and protect fundamental freedoms, in accordance with national legislation and international agreements;
- 16.b Promote and enforce non-discriminatory laws and policies for sustainable development.

In order to achieve these targets, we are committed to charging fair fees and to providing pro bono assistance to those who should need it.

We view participation in public and private tenders and contests as an effective way of fighting corruption and the abuse of power.

QUIET ROOM

04



This report was prepared in conjunction with



SZA^{''}
Studio Legale

Corso Italia, 13 - 20122 Milano
+39 02 76 02 45 58
milano@sza.it
www.sza.it