

Through AI, leadership, legal reform, and political change

Workforce Wisdom: Insights from Our Clients Legal Watch: What's Changing and Why it Matters Meet the People Behind the Practice



From the **Editor**

"One-size-fits-all solutions no longer suffice - success depends on understanding local realities and crafting legal strategies that reflect the nuances of each jurisdiction." The modern workplace is evolving at lightning speed. From the rapid advances in Al to the growing demand for personalized experiences throughout the employee journey, today's organizations are navigating a landscape that calls for both agility and vision. For global companies especially, the challenge lies in making sense of a mosaic of local laws, cultural norms, and expectations. One-size-fits-all solutions no longer suffice - success depends on understanding local realities and crafting legal strategies that reflect the nuances of each jurisdiction.

In this edition of Magna Charta, we take a closer look at the forces reshaping the modern workforce across borders, industries, and disciplines. Employers are grappling with a complex web of local labor laws, fast-changing regulatory frameworks, and rising expectations around ESG, inclusion, and transparency. Meanwhile, geopolitical shifts are redrawing supply chains, influencing talent mobility, and testing business resilience. The challenge isn't just keeping up, it's to lead with clarity, flexibility, and strength.

With insights from across Europe, Africa, and the United States, this edition brings together legal experts, thought leaders and forward thinkers to explore how global organizations can thrive in this new reality. From M&A and litigation to leadership, inclusion, and harnessing Al to amplify human agency, we dive into both the legal and human sides of work in a world that's constantly in motion.

You'll also find a series of personal interviews on careers and leadership, featuring voices from politics, academia, and the corporate world, including senior executives shaping the legal agenda at companies like Nike, Novo Nordisk, Rituals, and Unilever. Their reflections offer not just strategic insight, but also candid, human perspectives on the future of work.

How can organizations align legal, HR, and business strategies to build teams that are ready for what's next? How do they balance global consistency with local compliance? This edition of Magna Charta is our invitation to explore those questions - together.

Enjoy the read.

Mirjam de Blécourt

hirjan de Blécourt

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An international comparison of employment law trends and reforms, revealing how global forces meet local legal and cultural contexts.



Think Beyond, Act Together

Message from the Baker McKenzie Amsterdam Board

At Baker McKenzie, we believe that meaningful legal change begins with people and with the conversations that connect them. In the constantly evolving world of work, our role as trusted advisors goes beyond supporting clients in navigating legal landscapes. It's also about understanding how such frameworks impact the lives, relationships, and culture of work behind them.

What makes this work truly valuable is the way we do it: together. Collaboration is at the heart of everything we do. Within our teams, across borders and disciplines, and especially in how we engage with our clients, partners, and stakeholders. We don't work in isolation, we build on each other's strengths, perspectives, and experiences to create solutions that are thoughtful, inclusive, and futureproof.

Magna Charta, aptly named after the 1215 charter of rights, is a powerful reflection of this spirit. The publication is an initiative of the Academie voor de Rechtspraktijk (AVDR), with whom we share a longstanding and valued relationship. Baker McKenzie first joined the initiative in 2017, thanks to the engagement of Mirjam de Blécourt. Her continued efforts and connections have been instrumental in bringing this edition to life.

This platform brings together a diverse range of voices, legal professionals, policymakers, partners,

and other thought leaders, to reflect on the shifting dynamics of the modern workplace. It reminds us of the importance of dialogue, not just within our firm, but across the broader ecosystem we are part of. Understanding our clients' perspectives is essential, but so is listening to the many voices shaping the future of work.

We are especially grateful to the clients and external thought leaders who have contributed their insights to this edition. Their openness and expertise have enriched the dialogue and helped us explore the legal and human dimensions of work more deeply.

It's this broad and open view that allows us to add real value. Because when we look beyond the legal frameworks and focus on the people they affect, we find opportunities to make a difference. Not just in compliance, but in culture. Not just in risk, but in relationships.

We are proud to be part of this Magna Charta edition, and even more proud of the people behind it. Their commitment to collaboration, innovation, and inclusion is what makes this initiative, and our work, matter.

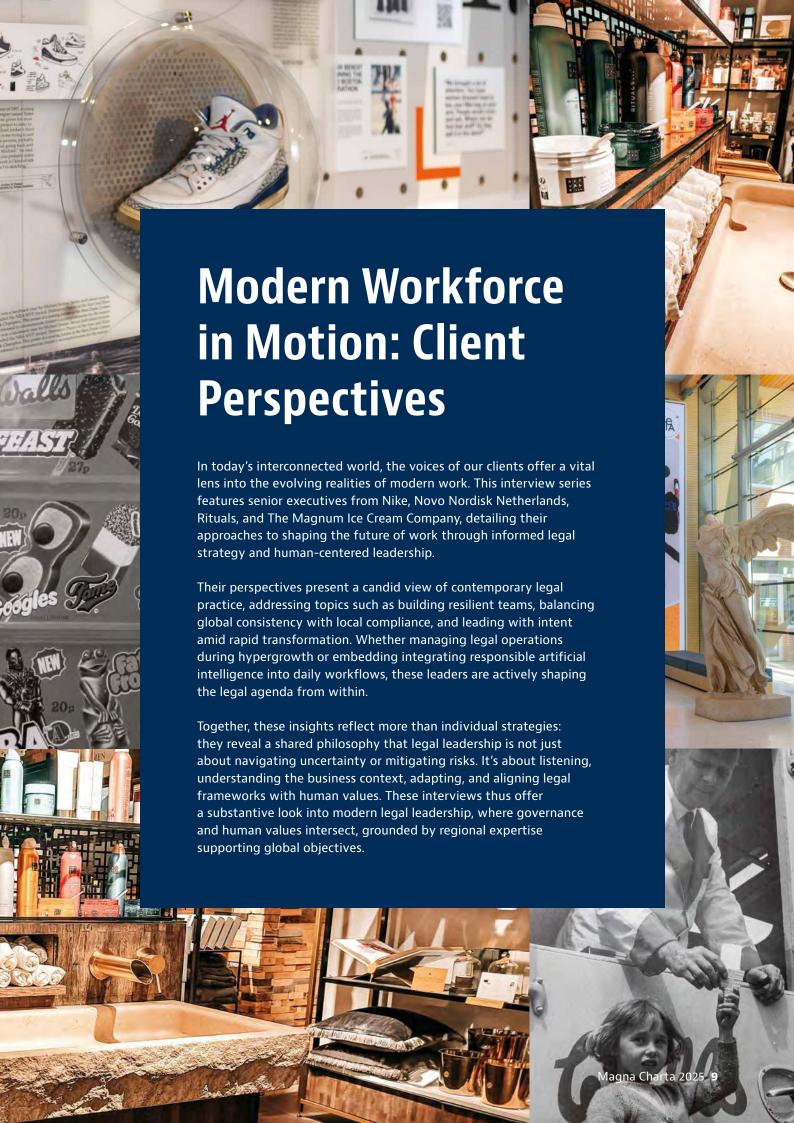
Baker McKenzie Amsterdam Board Kim Tan, Sandra Spek and Mirko Marinć

FROM WARDENS TO LEADERS, A NEW GENERATION AT THE TABLE

Inge Ernst, Sandra Spek, Danielle Pinedo, Mirjam de Blécourt, Laila Kouchi and Maya Boot.

In front of Rembrandt van Rijn's 1662 painting "The Wardens of the Amsterdam Drapers' Guild", known as "The Staalmeesters", a vivid portrayal of civic oversight and collective responsibility, capturing the moment five guild wardens look up from their work, as if interrupted, reflecting the dignity and duty of public service in the Dutch Golden Age.







Legal Leadership at Nike EMEA: Navigating Complexity with Agility

Legal departments are often seen as gatekeepers but under Milou Meijer's leadership, Nike's EMEA legal team is proving to be a driving force for agility and innovation.



In this conversation with Margreet Nijhof, Transfer Pricing Partner at Baker McKenzie, Milou shares how her team partners with the business to navigate complex legal landscapes and enable progress across the region.

Can you tell us about your journey at Nike?

"I joined Nike in 2010 as the first Europe Employment Counsel. Since then, I also spent three and a half years in Singapore as Legal Director for South East Asia & India. In my current role as VP, EMEA Counsel which I've held since 2021, I'm part of the EMEA leadership team and serve on the boards of several legal entities within our company. I was born and raised in the Netherlands, and have two daughters. Our weekends and evenings are filled with football, tennis, gymnastics, dance, cycling, and walks, reflecting the energy and spirit of Nike's sport culture."

What are you most proud of in your role?

"Without a doubt, the legal team, associated functions, and external legal counsel. They operate like a well-oiled machine; collaborative, responsive and deeply engaged with our wider business teams. They understand urgency, bring a strong 'one team' and 'can do' mentality, and are present at key leadership tables. They consistently deliver practical,

business-oriented solutions that are feasible within legal parameters. Their mindset is proactive, focused on enabling a 'yes we can' approach rather than 'legal says no' responses."

Nike's EMEA headquarters is known for its diversity. How does that influence your team?

"Our European headquarters in Hilversum, the Netherlands, is home to a diverse workforce. With over 2,500 employees representing more than 80 nationalities, the office is a microcosm of global collaboration. That diversity fuels energy, joy, and a shared passion for sport and the brand. The EMEA legal team itself is equally diverse, comprising of over 70 professionals, including those in supporting roles."

How would you describe the leadership style at Nike?

"Nike is a diverse, innovative and dynamic organization and the leadership style reflects this. We have many talented people with valuable ideas. Leadership is about facilitating the development of those ideas. Empowerment is key. We see leadership as guiding rather than directing. Setting priorities, offering support, and encouraging feedback. This approach fosters agility, allowing teams to respond swiftly to evolving business while adhering to Nike's core values."

Nike is an innovative company. How is the Nike Legal team engaging with emerging technologies?

"The legal team is actively engaged in exploring



"We aim to deliver creative, business-aligned legal solutions that drive progress - and that's the most rewarding part of our work."

how emerging technologies can enhance efficiency and effectiveness. Rather than resisting change, we are leaning into it, partnering with tech and risk functions. We're embracing the possibilities of technology, especially AI, while recognizing that human judgment remains essential to sound legal, business and moral decision-making. It's teamwork, and it's about moving things forward in a smart, responsible way."

What's the biggest challenge your team faces?

"We prioritize understanding the broader business context, not just interpreting the law or focusing on risk. Many initial initiatives are brought to us early, and we are involved from the start as proactive partners, not just a procedural checkpoint. Thanks to our strong collaboration with business teams, we tackle challenges together. Essentially, we aim to deliver creative, business-aligned legal solutions that drive progress and that's the most rewarding part of our work."

How do you approach employment law?

"Employment law is one of the centers of excellence within our legal function, alongside areas such as privacy, competition, litigation, intellectual property, real estate, sports marketing law and corporate commercial law. Each center of excellence works closely with relevant business teams, ensuring full

alignment on strategy and execution. Employment law is hands-on by nature because it involves people. Our team applies a similar approach for the other areas of law.

Operating across many countries in EMEA, the team must constantly balance what's the right approach for a certain situation. While the majority of the jurisdictions fall under EU regulations, there are material differences, especially in employment law, regarding what is permissible in labor relations. There's no one-size-fits-all approach, and that's true not just for employment law, but across all legal domains we cover."

How does the legal team balance global consistency with local compliance?

"At Nike, we aim for a global approach, but not a rigid, mandatory one. Policies must be adapted to local requirements, cultural nuance, and business realities. That's the balancing act we navigate daily. We're always mindful of the impact on consumers as well as our employees. The goal is to uphold consistent values and intent, while allowing for flexibility in execution, ensuring that legal strategies are both globally aligned and locally relevant."

What guiding principle shapes your legal approach at Nike?

"In a fast-paced company, like Nike, you need to ensure compliance with the legal framework in an appropriate manner, always taking into account both our consumers' and the business needs, and then thoroughly considering the legal aspects."



Building with Purpose: a Conversation with Sanne Groenemeijer and Inge Ernst

At Novo Nordisk Netherlands, leadership is grounded in purpose, and practiced every day through people. Over the past years, the company has gone through an extraordinary period of growth and visibility, becoming one of the most recognized health science names in the country. But behind that success is a clear, human approach to leadership: one that values patient impact, internal culture, and responsibility to the world outside the organization.



In this conversation, Danielle Pinedo, Employment Partner at Baker McKenzie, speaks with Sanne Groenemeijer, Vice President and General Manager, and Inge Ernst, Senior Director of People & Organisation – both of Novo Nordisk. They reflect on the challenges of recent years, the values that guide

their leadership, and what it means to lead in a fastchanging healthcare landscape.

What has been your biggest challenge so far?

Sanne: "In the last years, we've been confronted with unprecedented demand for our medicines. For us, it was extremely important to face this demand in a socially responsible way. Growth is important, but not 'growth at the cost of everything else'. We're motivated by a triple bottom line: social, environmental and financial.

The most important, by far, is the patient. When I look back, knowing we were globally delivering more than ever before, and that demand still outpaced production at times, I'm particularly proud we did absolutely everything possible for the patient who needed us most. Our patients come first and motivate all our decisions. Looking back now, I know

we as a company made every decision possible to be there for that patient in those unprecedented days. That is our core as Novo Nordisk, and while they were challenging times, we stayed true to our core and to our patients."

Inge: "When I joined Novo Nordisk, we were a local team of 60 people. Since then, we've grown significantly, each phase bringing new challenges and opportunities. We've moved from being a company 'behind the scenes' to one that's really center stage, and that's exciting. It can be a challenge, yes, but it's a good one, because we have a strong story to tell. We bring great innovations to the market, and we have great people. Today, people know who we are and what sets us apart."

What makes your job meaningful, and what do you enjoy most about it?

Sanne: "It's an honor to be part of Novo Nordisk, both in the Netherlands and globally. There's an incredible amount of knowledge, expertise, and passion for innovation in this organization. Across 80 countries, we're connected by the same core values, the Novo Nordisk Way, and that creates a strong sense of purpose and unity.

In the Netherlands, I'm constantly impressed by our people and how they deliver. We had the immense honor of being named a 'Clinical Development



Centre', meaning our clinical researchers are among the first trusted to study our newest innovations. On the other end of the spectrum, we also believe deeply in prevention. Last year, The Hague became the first Dutch city in the global 'Cities for Better Health' network. Seeing that community-up work makes me hopeful for a healthier future.

And of course, our medicines remain our biggest contribution. We have an over 100 year history of delivering innovation to the market, and as modest as we are (especially as a Danish company, where modesty is actually a way of life), I must say that I am proud every day of the real, measurable benefit we provide to patients, to the healthcare system, and to society as a whole. And if I look at my role as Board Member of the Association of Innovative Medicines in the Netherlands, then part of my job is also having an open and constructive dialogue with government, with policymakers and actually with every stakeholder, not only to ensure we have a modern and accessible innovation climate in the Netherlands for Novo Nordisk, but for all health science companies."

Inge: "What I love most is the people I work with and the fact that our environment is always evolving. It's a dynamic organization, and my role involves looking after our people and our broader organizational culture. It's a privilege to see people grow, not just professionally but personally, and to create the conditions that allow them to do that. Many people stay at Novo Nordisk for a long time, and that gives me the opportunity to really witness their journeys over the years. That's something I treasure."

How has your role evolved with the organization?

Inge: "As we've grown, I can't speak to everyone every day like I once did. That's something I miss, and it's why I'm especially excited about our new open-concept office in Amsterdam. Being on one floor again will help us bump into each other more often, those casual moments matter. It's important to me that, even as we scale, we hold on to the sense of closeness and connection that makes our culture so strong."

What's something you're particularly proud of?

Sanne: "I often think back to my early career. I started as an Intensive Care Nurse, and that was one of the great honors of my life. Working in those moments with a close-knit team, directly supporting patients, shaped everything that came after. It also gave me a deep understanding of what it really means to care for people.

It was during that time that I was diagnosed, as an adult, with Type 1 Diabetes. That changed everything. I didn't know it then, but that experience would eventually bring me to Novo Nordisk. Today, I'm proud to work for a company that helps people. I know from personal experience how different life would be without companies like ours. That's what motivates me every day."

Inge: "One of our most meaningful moments as a team was navigating Covid. Overnight, we went from working in the office to working remotely. My focus became making sure our people felt safe, not just physically, but mentally. The early days of the pandemic were full of uncertainty. So we introduced podcasts, virtual coffee moments, and online events. We worked hard to create connection and continuity.

People weren't just working from a different place, they were going through a very different mental and emotional experience. Our aim was to let them know: we're still here, we still care, and we'll get through this together."

And outside of work, what keeps you energized?

Sanne: "Staying active is really important to me. It's important for everyone, but for me, living with Type 1 Diabetes makes it essential. I try to walk eight to ten kilometers a day; I combine it with meetings if I have to and even in the rain if necessary. As we say in the Netherlands: there's no bad weather, only a bad coat.

I also love being in nature. There is nothing better than the peace of being surrounded by green in the garden. I do a lot of the gardening myself; it is also a sort of zen. And of course, spending time with my family, my wife and kids, and our dogs. We've had our newest dog Gus just under a year and he's already stolen a place in our hearts."

Inge: "Four years ago, I graduated from the University of Applied Photography. It was a 15-houra-week course alongside my day job. I'm still not sure how I did it, but I loved it. My background in psychology helps me observe behaviour, and photography, especially documentary, lets me capture emotion and story.

I also volunteer through a program called 'Language Buddies', where I help asylum seekers practice Dutch. It's a culture exchange that enables me to learn a lot about their story and culture as well."



Legal at Rituals: Shaping Strategy, Navigating Growth, and Staying Grounded



In a conversation with Itse
Oosterhoff, Litigation Partner
at Baker McKenzie, Anne
Veldhuizen, General Counsel at
Rituals, shares her perspective
on leading an agile legal team
in a company that opens a new
store every day, while staying
grounded in purpose and wellbeing.

Can you tell us about your role and journey at Rituals?

"I oversee all global legal affairs and compliance across the group. When I joined Rituals in 2016 as the first legal counsel, our annual revenue was roughly equivalent to what we now generate in a single month. We have experienced rapid expansion and currently open one store each day. We operate in over 30 countries and are organized across multiple lines of business, with retail being the largest. Other lines of business are wholesale, e-commerce, and travel.

What I love most about this role is that it's all about building: establishing the legal function, fostering trust, and contributing to brand development and growth alongside the business."

How is the legal team structured?

"Rituals is a Dutch brand with its headquarters in Amsterdam. Our legal team consists of ten colleagues: nine are based in Amsterdam, plus a local legal counsel in Germany who supports the DACH region: Germany, Austria, and Switzerland. We recently added a new role to the team focused on compliance and impact. This colleague oversees the compliance framework and ensures clarity around responsibilities across the organization.

Our focus is aligned with Rituals' business goals and centers on six key areas: brand, data, distribution, real estate, compliance, and impact. Naturally, privacy and competition compliance are core parts of our work, as well as codes of conduct."

What are some key projects and priorities right now?

"Hot topics include our expansion in Asia, which ties into the design of our distribution system, and Al. We started early to align with Rituals' ambition around Responsible Al. Currently we are working on various use cases, and it's exciting to be part of that. We also encourage our suppliers to embrace Al for its potential to streamline operations and enhance efficiency.

Everyone on the legal team uses Al. It's like having your personal intern, incredibly valuable as a starting point for research or brainstorming. For lease agreements, we're exploring how to use Al for contract reviews. We're still evaluating whether to build this capability in-house or purchase an external tool. If it proves successful, we'll scale it further."

How do you stay aligned with the business?

"Legal acts as a strategic horizon scanner, identifying emerging developments and assessing their business impact. Prioritization is key, as there is so much going on. The business itself is highly attuned to new developments, and we also leverage our international supplier network to monitor trends. Over time, we aim to enhance this scanning function with dedicated tooling.

While we don't scale at the same pace as the business, we're strategically positioned as a connective force within the organization. We define our legal objectives as a team and ensure each



"Legal acts as a strategic horizon scanner, identifying emerging developments and assessing their business impact. Prioritization is key, as there is so much going on."

project links clearly to a specific Rituals objective. Regular check-ins on strategic projects help us stay accountable and aligned."

What achievements stand out to you most?

"In 2025, we celebrate our third year as certified B Corp, committed to sustainability and reducing our environmental footprint. Starting in 2025, Rituals will donate 10% of net profits to charities supporting people and the planet. That makes me proud to work here and that the legal team is acknowledged for its role in responsible business.

Furthermore, we've implemented and actively enforce a selective distribution system. As part of our go-to-market strategy, we're working on our global ambitions and plans for further growth in Asia. We've designed a territory development agreement that includes future takeover scenarios. In green claim awareness, everyone has been trained to communicate in line with the green claim regulations. We have also built strong recognition when it comes to copycat cases."

And outside of work, what keeps you energized?

"I have a young family with three children, and I love spending time with them. Six in the morning is my time for 30 minutes. I meditate each day, which aligns beautifully with Rituals' ambition to be a well-being brand.

At the office, we host a 15-minute guided meditation every Wednesday morning. I recently became a meditation guide myself, which allows me to support colleagues in integrating mindfulness into their routines. I also enjoy utility gardening. Since the pandemic, working in my garden is really a way to get out of my head by getting into the earth."



What's the biggest challenge your team faces?

"Things move incredibly fast here, and we are involved in nearly all new initiatives. At the same time, we're actively steering and delivering strategic projects, such as Al compliance and green claim awareness. Absorbing the pace of hypergrowth while continuing to deliver the best possible support, that's our biggest challenge."

What are you most proud of in terms of your team's evolution?

"I'm incredibly proud of our legal team and the way we help shape the business, whether it's branding, communications, or market entry. We are now recognized not just as enablers, but as drivers of the business.

When I joined, my role was more of firefighter. Since then, we've evolved into trusted business partners and strategic advisors that have a seat at the executive leadership table. You can think of us as the SPF of the organization: protecting the business so it can thrive safely in the sunlight."





Scooping a New Future: A Legal Perspective on Building the World's Leading ice Cream Company

In March 2024, Unilever announced the decision to separate its Ice Cream division.
By the end of 2025, this transformation will culminate in the launch of The Magnum
Ice Cream Company, headquartered in the heart of Amsterdam and triple-listed on three separate stock exchanges. At the legal helm of this transition is Vanessa Vilar,
Chief Legal Officer of The Magnum Ice Cream Company.



In a conversation with Mirjam de Blécourt, Employment & Compensation Partner at Baker McKenzie, Vanessa discusses managing daily operations around the world, while preparing to launch a new publicly traded global company, with its own global structure, team, and governance model.

What does it mean to lead the legal function during the creation of The Magnum Ice Cream Company?

"The Magnum Ice Cream Company, headquartered in Amsterdam and listed in Amsterdam, London, and New York, will include five of the world's top ten ice cream brands. From a legal perspective, it's a once-in-a-career opportunity to build a global startup business, embracing Unilever's strong award-winning legal foundations while also evolving them at pace to unlock a rapidly changing category landscape."

What makes this transition unique from a legal perspective?

"We are literally creating a global ice cream parlor, a huge global startup. We are also ensuring that we have the right legal team, empowered to make wise business decisions and help unlock value for our customers and stakeholders. For me, it feels like a gift. How often do you get to help set up an 8-billion-euro ice cream business with three listings and a truly global footprint? This journey is special, and these are the types of work stories I will look forward to telling my grandchildren."

How would you describe the culture of the new company?

"Culture is fundamental to who we are. Our business is shaped around the product that we sell: ice cream, a treat that turns moments into memories. Our heritage spans over 100 years, with founders like Mr. Walls, who pivoted from hot sausages to cold ice cream, and Mr. Breyers, who pioneered industrialized ice cream back in 1876. Their entrepreneurial spirit continues to inspire us. We keep things simple, move with agility, and believe in winning, while having a lot of fun along the way. After all, life tastes better with ice cream!"

What has your personal journey at Unilever been like?

"I am originally from Brazil and started my legal career in private practice. I then joined Unilever in 2003 and held various legal roles, before moving to the Netherlands in 2023 to take on the Ice Cream Group General Counsel role, supporting the President of the Ice Cream business as a member of "From a legal perspective, it's a once-in-a-career opportunity to build a global startup business, embracing Unilever's strong award-winning legal foundations while also evolving them at pace to unlock a rapidly changing category landscape."

the divisions leadership team. Unilever has always inspired and stretched me. That's why I stayed for over 22 years. I was constantly learning and evolving."

How is the legal team structured in the new company?

"The business is set up in four regions and the legal team structure reflects this. It's a strong 50/50 mix of steadfast internal legal counsels who moved across from Unilever and also plenty of new external hires who bring a fresh perspective to the business. Each region has dedicated legal teams in the main countries where we operate. We're also establishing a lean corporate center in Amsterdam HQ focused on corporate legal topics and enabled by a global services hub in India."

"This structure allows the team to maintain local compliance while leveraging global best practices, a balance that I believe is critical for a listed company operating in diverse regulatory environments. By centralizing and standardizing the majority of our transactional tasks, we're also streamlining our function for greater efficiency and strategic impact. We are just starting, but I'm proud of the team's progress so far."

What does innovation look like in the ice cream business?

"We're a fast-moving consumer goods company, constantly looking to improve our products, systems,



and ways of working to support our consumers' evolving needs and preferences. Being the leader in the global ice cream market means we are also expected to lead in product, process, and category innovation. This year's launch of Magnum Bonbons, bite-sized treats perfect for any occasion, is a great example. My personal favorite is Magnum Almond, but I love them all. Another great example is Ben & Jerry's Sweet Mango Memories. You should try it - it's fantastic!"

What role does technology play in your legal strategy?

"One of our operating model design principles is to be data-driven and technology-enabled. This equally applies in the legal function with technology helping us elevate the quality and efficiency of our legal services. Al is already supporting our contracting work, and we're exploring its further use in areas like document creation and deep legal research. We're also looking at the role Al could play in the development of internal expertise to support responsible product innovation."

"Unilever's legal team was named the most innovative in Europe by the Financial Times last year, so we're starting with a pretty high bar and aiming to push it even higher. We are also blessed with some of the most talented IT colleagues in the industry who are essential partners on this journey. They help us make smart technology choices based on workload, volume and return on investment, so our lawyers can focus on strategic business partnering rather than routine tasks. There is still huge potential to streamline, standardize, and stay ahead. So, I am excited about our future as a datadriven technology-enabled ice cream company."

How do you balance global consistency with local compliance?

"We have lawyers on the ground to ensure compliance in the markets where we operate. But we're also one team, all working for the world's leading Ice Cream Company. Sharing best practices and avoiding duplication is key here. It's really all about striking the right balance with the business and consumer always front of mind."

What's your philosophy on the legal function's role in the business?

"Partnership with the business is at the heart of our legal function. We're here to help the business grow by delivering clear, practical legal advice that supports our core mission: making and selling the best ice cream. When legal guidance is tailored to business needs and grounded in compliance, it becomes a true enabler. We're not just protecting value; we're helping to unlock it."



Peter ter Kulve (CEO) and Jean-François van Boxmeer (Chair Designate) proudly reveal the new name for the world's largest ice cream company on March 19, 2025, during a special ceremony held at the new global headquarters in Amsterdam.

Five Questions to Sunny Mann

Global Chair-Elect, Baker McKenzie

entire legal career at Baker McKenzie. What drew you to the firm, and what shaped your decision to stay? "When I joined as a trainee back in 2000. little did I think that I would end up being elected by my fellow partners to serve as our global chair. Coming from a background where law in the City was not seen as readily accessible, it very much felt like entering a different world. But Baker offered something distinctive from the outset: not just its global nature, but also its willingness to provide an opportunity to everyone, irrespective of background.

I quickly discovered it was

a place that genuinely invested

in people, and not just in their legal skills. It helped shape me

both as a professional and as

a person.

You've spent your

The most significant development moments in my career came when I stepped outside my comfort zone. The feeling of being out of my depth became a signal of growth. That's something I now share with younger lawyers and business professionals: if you lean into this firm, it will give back tenfold. Baker McKenzie offers an extraordinary platform, it's up to each of us to explore it."

What do clients expect from their outside counsel in today's legal and geopolitical landscape?

"Clients today are operating in a state of constant flux.
They are grappling with economic uncertainty, political fragmentation,

wars (both trade and military), regulatory complexity and technological disruption, all at once.

What they want from outside counsel isn't just technical expertise; it's strategic partnership. That means understanding their business model, anticipating risk, and helping them make confident decisions amid uncertainty.

Consistency also matters. Clients value long-term relationships with advisors who understand their institutional memory and can help them navigate both the big picture and the granular detail. Baker McKenzie is uniquely positioned in that regard, with the breadth and depth to tackle complex challenges globally, and an environment that encourages collaboration across markets and cultures.

Besides legal acumen and business insight, clients increasingly expect technological fluency and innovation.

Al is already transforming how we deliver legal services: accelerating insight, enhancing speed and precision, and connecting knowledge across jurisdictions. The firms that embrace Al thoughtfully and combine it with human insight will be the ones that thrive.

Our global employment practice is a great example. They've developed innovative tools based on years of cross-border experience, allowing us to serve multinational clients more efficiently. That's the direction in which we must move - it's about freeing people up to do their best work."

How do you define your leadership mandate as Global Chair?

"I see this role as a shared responsibility.

With 13,000 people across nearly 50 countries, leadership at Baker McKenzie isn't about one person at the top - it's about collective leadership and a shared ambition. Some people asked me early on whether I was feeling overwhelmed following my election. The truth is, I don't, because I know I'm not doing this alone - I have over 13,000 brilliant professional minds right by my side.



Sunny Mann was recently elected Global Chair of Baker McKenzie, and will take office in October 2025. Based in London (or on a plane!), he brings decades of experience advising on international trade, compliance and investigations.

That said, I take the responsibility seriously. My approach to leadership is grounded in service: supporting clients, empowering our people, and ensuring we deliver value through clarity, judgment and consistency. The role is also outwardfacing - engaging with clients, understanding what matters to them, and bringing that intelligence back into the firm. I want our leadership to remain close to the market. And while I have to be realistic about time constraints, I'll continue to stay active in my own practice - that is one of the best ways to ensure I stay connected with clients. Clients want to hear from lawyers who are in the trenches with them - and right now, geopolitical risk, trade, sanctions and investigations are more relevant than ever."

Baker McKenzie is a truly global firm. How does that identity shape the strategy?

"We are, by design, a global firm - not a UK firm with

international outposts, or a US firm with foreign offices. We've grown with a mindset that's truly multinational. And that shapes everything: how we collaborate, how we approach diversity, and how we engage with talent and clients.

At the heart of it, we are a people business. Our greatest strength is the diversity of our 13,000 people around the world. We don't succeed despite our differences - we succeed because of them. That breadth of experience and perspective leads to better decisions, stronger teams, and ultimately better outcomes for clients.

I want our people to feel empowered to be their best, and their most authentic selves. That means creating a culture that values inclusion, recognizes potential and supports growth at every level. Whether you're a partner, associate, trainee, or in business services – everyone has a role to play. And everyone should feel they belong."

How do you find balance and recharge away from the office? "Like others in this profession, I give a lot of myself to the team because I care deeply about what we do. But I've also learned that to lead well, you need to be grounded. I value my time at home immensely. My 93-yearold father is a role model when it comes to staying mentally and physically healthy, whether through exercise, meditation, or simply making time for people who matter.

I also have two dogs, who keep me active. And I try to contribute outside of work too - whether as a visiting professor at King's College London, supporting the development of the next generation of legal minds, or as a board member for the Battersea Dogs & Cats Home. That wider sense of purpose helps me to keep perspective."



In the remarkable setting of the Gallery of Honour at the Rijksmuseum, Baker McKenzie celebrated its client relationships during an exclusive Key Client Event. The evening was dedicated to acknowledging and appreciating the strong partnerships built over time.

Surrounded by iconic works of art, guests enjoyed an inspiring atmosphere, meaningful conversations, and new connections - a memorable evening that reflected the shared value placed on trust and collaboration by Baker McKenzie and its clients.





Legislating with Impact: a Conversation with Senator Koen Petersen

Koen Petersen brings a broad blend of experience to Dutch politics: a deep understanding of international affairs, particularly U.S. politics, and a career shaped by both business and public policy. Since June 2023, he serves as a member of the 'Eerste Kamer' (Dutch Senate) for the VVD. Through this dual lens, he focuses not just on political ideas but on how laws land in the real world. In this conversation, Koen reflects on effective policymaking, the evolving world of work, and what Europe might learn from American democracy.

With a portfolio spanning foreign affairs, defense, social security, labor markets, and climate, Koen's role is as complex as it is consequential. "Daily, I see how legislation plays out in practice", he says. "Our job is to assess whether laws are enforceable, executable, and constitutionally sound. We don't amend, we approve or reject. That's a heavy responsibility. I want to focus on quality and feasibility, not just political intent. Good legislation should serve people while supporting a healthy business climate that sustains our social infrastructure."

Bridging Political Divides Through Collaboration

Koen's contribution is not just technical, he's a natural consensus-builder. "To create broad support for liberal policy and forge majorities, I'll gladly use my experience collaborating with people who think differently", he says. "That's the only way to get sustainable results."

He's also passionate about increasing public understanding of the Senate's role. Koen regularly invites groups of students, political organizations and businesses to visit and learn about the Eerste Kamer. He values the chamber's collegial atmosphere, where political differences don't erode mutual respect. "You can have fierce debates and still grab a drink afterward. That separation of personal and political is something we must cherish, especially in polarizing times."

A Changing Labor Market: More Freedom, More Rresponsibility

One of the biggest policy challenges ahead is how the Netherlands adapts to a modern workforce. Koen sees real shifts happening in how people work, and what they want from work. "People today want to combine professional ambition with personal goals. Whether it's sports, family, or other interests, work needs to make space for that. That flexibility is a huge step forward."

He also notes the growing individualization in employment relationships. "Employers now offer far more tailored terms - from hybrid working and DEI initiatives to support for reservists. That's a significant departure from the uniformity of 30 years ago."

But with greater freedom comes greater personal responsibility. "Those who thrive are the ones who make full use of the tools and opportunities around them, Al, digital platforms, everything. The more self-reliant and adaptable you are, the more resilient you become."

His message to younger professionals is clear: "Use every tool available, especially Al. Choose employers whose values align with your own. And above all, do what you love. Intrinsic motivation is the most important thing you can bring to your work."



New Regulation, and the Challenge of Execution

The evolving labor market is increasingly reflected in new legislative proposals. Koen highlights several key initiatives currently under review: reforms to the Participation Act aimed at restoring a more human-centered approach to social assistance; stricter quality standards for childminder care; and the 'Wet Toelating Terbeschikkingstelling van Arbeidskrachten' (WTTA), which seeks to better regulate temporary employment and combat exploitation in sectors such as construction and agriculture.

While he supports the intentions behind these proposals, Koen emphasizes that good intentions alone are not enough. "Well-meaning regulation can do harm if it's too complex or creates uncertainty for employers", he explains. "That's why I always focus on legislative quality: how is it written, how is it applied, and how does it function in the real world. That's where we can add real value."

His pragmatic stance was also clear in the debate on anti-discrimination legislation in recruitment and selection. While firmly opposing all forms of discrimination, he voted against a bill that would have imposed heavy administrative burdens on employers without proven effectiveness. "We asked for a pilot program to test its impact across different sectors, but that was rejected. We didn't want employers to become guinea pigs for a system that might not work", he explains.

"Let's build solutions together, not legislate them into stone."

Rather than imposing rigid mandates, Koen advocates for pragmatic solutions developed through dialogue and evidence. "Let's build solutions together, not legislate them into stone", he says, emphasizing the importance of piloting policies before full-scale implementation.

Lessons from the U.S.: Resilience, Rhetoric and Relevance

Alongside his legislative work, Koen is widely regarded as one of the Netherlands' most knowledgeable observers of American politics. "American politics is dramatic, competitive, and deeply consequential", he reflects. "The storytelling is powerful, and the stakes are high. It's endlessly fascinating."

He has spent decades studying U.S. elections, institutions, and political culture. While acknowledging the polarization and institutional strain visible from abroad, he also sees enduring strengths. "From the outside, American politics can seem chaotic or polarized. But there's also a lot of built-in resilience. Senators serve long terms, which gives them deep institutional memory. That continuity matters."

He is particularly struck by the rhetorical style of American politicians. "They speak more often to people's aspirations. They use language that lifts and inspires. In Europe, we tend to be more technocratic, sometimes too much so. But inspiration matters, especially when change is hard."

Koen is also candid about the challenges facing the U.S. political system. He points to the increasing reliance on executive orders as a sign of legislative gridlock. "Congress is losing its ability to compromise, and the judiciary is being forced to do work it wasn't designed for. That's troubling." He warns that this shift puts pressure on the separation of powers and risks politicizing the courts. "Even if the Supreme Court tries to rule on legal grounds, public perception is often political, especially given how polarized judicial appointments have become."

Despite these concerns, Koen remains a strong advocate for transatlantic cooperation. "We share more values than differences. Even if the tone from Washington is sometimes harsh, we should ask: does America have a point?" He believes Europe must take more responsibility for its own defense and geopolitical role, but not at the expense of its alliance with the U.S.. "The U.S. is still an important ally. We need to invest in that relationship, through diplomacy, trade, and cultural understanding."

A Workforce, and a World, in Motion

Throughout the conversation, he returns to a key theme: that politics and the labor market are both being reshaped by global forces, and require pragmatic, forward-looking responses. "What we're seeing is a workforce that's more flexible, more empowered, but also more on its own. People have the tools to shape their careers, but they need to be proactive. You can't rely on the old systems."

That shift requires smart policy, new thinking from policymakers and real dialogue between business, government, and society. It also requires attention to what works, not just in theory, but in practice.

Five Questions to Alex Chadwick

EMEA Chief Executive, Baker McKenzie

What is your role at **Baker McKenzie?** "I am the Chief Executive of the EMEA region and a member of the Firm's Global Management Committee. I joined the London office as a trainee in 1990, became partner in 1999, led the London Tax practice from 2006 to 2016, and served as London managing partner from 2016 to 2021 before moving into my current role. Each of these roles has shaped my leadership style and deepened my appreciation for the Firm's global culture."

What do you enjoy most about your work?

"Building strong, collaborative relationships - both within our firm and externally - has always been central to my work. I thrive on working with diverse teams across different markets. The variety of perspectives and approaches I encounter daily makes my work deeply fulfilling. It is also hugely rewarding to witness the growth and success of colleagues over the years."

Could you share a memorable experience or accomplishment?

"I am particularly proud of the development of the Tax practice over the past decades. Especially in Amsterdam, where this practice has always been seamlessly integrated in our business, and in London, where I had the privilege of leading the Tax team for ten years. Baker McKenzie's Tax practice is globally recognized, with more than 900 tax practitioners in over 40 countries, and it continues to go from strength to strength."



What are the key advantages of crossborder collaboration that you experience? "Our global

structure enables us to combine local insight with international reach. This blend of local expertise and global perspective allows us to align and bring together our markets and practices and enables us to deliver seamless, integrated service - efficiently, effectively, and with exceptional results."

What trends are likely to influence your work and team in 2025 and beyond?

"We are navigating a period of extraordinary global change presenting both challenges and opportunities. Agility will be crucial as we balance immediate demands alongside long-term strategic goals. Generative AI stands out as a game-changer, rapidly evolving to uncover patterns, analyze complex data, and facilitate informed decision-making. Our Firm's Al and Cybersecurity teams are at the forefront of this innovation,

uniquely combining legal expertise, advanced Al and deep domain insights. Such integration will help organizations tackle complex global challenges with greater clarity and speed."

Microsoft



NAVIGATING CHANGE

Reimagining Knowledge Management with **Generative Al in Pursuit** of Becoming an Al-first **Organization**

By Dervish Tayyip and Yessin Kada

In the dynamic and fast moving world of digital and AI transformation, knowledge management is the secret sauce for becoming a Frontier Organization. Becoming Frontier means becoming AI-first in everything you do. Now, imagine capturing, storing, sharing, and leveraging the collective wisdom of your workforce to supercharge efficiency and innovation, infusing AI in every business process.

In short, knowledge management is the holy grail for both employers and employees. When done well, it empowers employees by providing them with the tools and resources they need to succeed, while also benefiting the organization as a whole through improved efficiency, innovation and performance.

This article dives into the transformative power of generative Artificial Intelligence (generative AI) in reimagining knowledge management, drawing on real-world experiences from Microsoft legal teams, and the success framework for becoming a Frontier Organization.

The Knowledge Flood

Generative AI is a game-changer for managing the tidal wave of information that organizations face daily. Over the past year, Microsoft legal teams have harnessed the power of generative AI to revolutionize how knowledge is shared and applied at scale. Here are seven key insights that are reshaping the knowledge culture within the organization.

1. Taming the Information Tsunami

Generative AI can digest documents created internally and from external sources, transforming them into meaningful insights. This capability helps organizations pinpoint what matters and understand its significance, leading to smarter decision-making.

2. Building a Smart Information Architecture

While generative AI models like GPT-4 have read vast amounts of data, organizations need their own version of ChatGPT that has read their documents and selected external ones. This repository must be constantly curated, with new items added and outdated ones removed. Ownership and accountability are crucial for maintaining the integrity of this knowledge base. This is where AI agents come in.

3. Uncovering Trends

Generative AI can analyze specific sets of documents over time to identify key trends. This ability to uncover patterns and insights from large volumes of data is invaluable for strategic planning.

4. Crafting Executive Summaries

Al can distill long reports or documents into concise summaries, making it easier for executives to grasp the key points without wading through extensive text.

5. Analyzing Sentiment

Al can evaluate field reports or media articles for positive and negative sentiment towards



Dervish Tayyip is Head of Legal, Microsoft Netherlands

certain topics or entities. This insight is crucial for understanding public perception and making informed decisions.

6. Profiling Stakeholders

Based on public information and past interactions, Al can create profiles of stakeholders, such as customers and regulators. These profiles help organizations understand their priorities and meet their expectations more effectively.

7. Generating New Documents

Al can create new documents in specified formats, such as talking points for regulators, slides for customers, or white papers for publication. This capability streamlines the content creation process and ensures consistency in messaging.

Harvesting Meaning, Not Just Keywords

Generative AI allows organizations to converse with their repositories and convert knowledge into insights. AI tools can analyze and interpret real-time streams of information from external sources, helping organizations compare trends across regions and teams. This ability to harvest meaning, rather than just keywords, is a game-changer for knowledge management.

Creating Customized Content at Scale

Al can create content tailored to the needs of

different departments, regions, and stakeholder engagements. This includes creating formatted documents such as white papers or presentation slide decks. Sharing successful examples of how people are using Al tools to solve common problems is essential for fostering a culture of innovation.

Secure and Responsible AI

The integration of generative AI into the overall enterprise architecture must be done securely and responsibly. Microsoft has invested heavily in ensuring the security of data and applications and has experience building and testing responsible AI systems. This commitment to security and responsibility is crucial for maintaining trust and integrity.

Scaling Knowledge Culture

Generative AI requires and fosters a culture of conscious knowledge sharing. The value of using AI increases significantly as the volume of reports and white papers grows.

If you have a collection of 50 reports and white papers that no one on your team has the time to read, generative AI can liberate the content's value and shape it into more convenient content artifacts that you can use with your customers and stakeholders. Now imagine how much value generative AI can add if your organization has not 50 but 500 reports and white papers that are not being fully exploited.

Effective knowledge management, supported by generative AI, is essential for employee effectiveness and organizational success.

Here's what we're trying with large language models on Azure OpenAI:

- Summarizing lengthy reports into a paragraph, talking points, or an essay
- Searching for information using natural language queries
- Generating concise summaries from large document collections
- Automatically creating white papers or presentations from source material
- Extracting key details from ongoing news and field reports
- Monitoring legislative and policy changes
- Exploring policy options with an Al collaborator
- Detecting trends and key topics in public opinion and market issues

 Enabling teams to submit reports in various languages and receive polished outputs in English, Mandarin, or Hindi

Success Framework for Becoming Frontier

"Becoming Frontier" is a bold ambition to lead an organization through the AI transformation. This is not just about adopting AI technologies - it's about fundamentally reinventing how your organization operates and how you empower employees to do the same. To become Frontier, organizations should create a vision and strategy focused on enhancing employee experiences, transforming end-customer engagement, driving innovation, and redefining business processes. This requires a mindset shift: from waiting for opportunities to actively building them.

In conclusion, the transformative power of generative Al in reimagining knowledge management cannot be overstated. By harnessing the knowledge flood, building robust information architecture, discovering trends, creating executive summaries, analyzing sentiment, profiling stakeholders, and creating new documents, organizations can unlock the full potential of their collective knowledge. Embracing these Al-driven strategies and investing in the necessary tools, practices, and culture, organizations can unlock the full potential of their collective knowledge and lead the way in the Al transformation in pursuit of becoming a Frontier organization.



Yessin Kada is Senior Commercial Counsel, Microsoft EMEA

Five Questions to Karen Guch

Global Private Equity Chair, Baker McKenzie

What initially drew you to Baker McKenzie, and how has your journey developed over time? "Joining Baker McKenzie was a no-brainer for me as a Malaysian lawyer - it was the only international law firm in the country at the time. That made the decision easy. But what's kept me here for over 25 years is the fabulous journey that followed. It hasn't always been smooth sailing - what journey ever is? - but it's been full of opportunity, and I've gained experiences I truly value and have learned from."

Could you share a memorable experience or accomplishment?

"There are many moments I treasure, but two stand out. One of the earliest was running and closing my first deal entirely on my own as a transactional lawyer in London. As a young associate, you watch the partners doing this in so many different ways and wonder how you will ever manage it yourself. When the opportunity arrives, it's both terrifying and electrifying.

I remember the client's CEO whose daughter was my age would pat me on the head after hard negotiation days and say, "Please read carefully tonight", as we prepared documents for the next day's discussions. While that gesture might raise eyebrows today, it was meant kindly and remains a fond memory. They're still a fantastic client, and although the CEO has since retired, we've remained friends.

As for accomplishments, making partner was incredibly meaningful. I never assumed it would happen naturally or automatically for me, so when it did, it felt like a true achievement."

What key leadership insights have you gained throughout your career?

"Leadership, while rewarding, is actually quite challenging in whatever form it takes because of the responsibility it carries. One of the most valuable lessons I've learned is the importance of having a few people around you whom you can trust completely - people who will act as a sounding board, tell you when you need to rethink something

or simply listen. I've been very fortunate to always have those people around me."

likely to influence
your work and
team in 2025
and beyond?
"As a private equity
lawyer, I think we're all hoping
dealmaking will pick up pace
soon. We have already seen some
bigger deals hit the market this
year, which is a positive sign.

What trends are

Digitization and geopolitical shifts will continue to drive deal opportunities, and I expect the healthcare and tech sectors to be particularly active."

What do you enjoy most about your work?

"Without a doubt, it's the people - both clients and colleagues - I get to collaborate with."

Karen joined Baker McKenzie's Kuala Lumpur office in 1998 and has been a partner in the firm's London office since 2007. She currently is the global chair of Private Equity and a member of the Global Management Committee.



Doing Business in the Netherlands



Your 2025 personal guide to the Dutch legal and taxation system and beyond.
Scan the QR code to access a wide-ranging guide to doing business and investing in the Netherlands.



NAVIGATING CHANGE

What Happens when a Lawyer Becomes an Al Entrepreneur?

Douwe Groenevelt, founder of Viridea and former Head of Legal at ASML, has been exploring that question first-hand. After more a than a decade in-house, where he grew a world-class legal team that continuously tried to work smarter with data, process and tech, and another decade in private practice before that, he now helps organizations to embed AI into their operations. In this conversation, Douwe outlines how AI is reshaping knowledge work, why culture beats tooling, and what leadership should consider doing next.



"Don't treat AI as a tech project. It's a change management project with a technology component."

You've gone from big law to in-house to Al advisory. What connects the dots?

"I've always been drawn to solving problems. Even in private practice, it wasn't about 'advising on the law', it was about delivering legal solutions to practical problems, and doing so effectively. How could we work better? How could legal become more effective? That really crystallized during my time at ASML. The legal department was growing fast, but we quickly realized that headcount alone wouldn't keep pace with business demands. We had to think differently.

I started exploring how technology, specifically AI, could support the legal function. At first, I experimented in my own time, building simple tools. The more we tested it, the clearer it became: this could transform legal operations. Not replace legal thinking, but enable it.

Eventually, that interest became part of my role. I was asked to contribute to ASML's broader AI strategy beyond legal. This 'side job' became such a significant part of my day-to-day that I had to ask myself: does it still make sense to stay in a legal leadership role? The answer was no. I realized I wanted to 'practice AI' instead of law full-time, That's when I made the decision to start Viridea."

What does Viridea do, and what made you launch it?

"Viridea helps organizations navigate the practical and ethical integration of AI, especially in complex, regulated environments. We provide support with strategy, governance, use case ideation, responsible deployment, and embedding tools into workflows, not just piloting them. Together with our partner Datacation, we also help build custom AI tooling and integrations, with a fast-growing team of talented data scientists and AI engineers.

While working with AI at ASML, I saw that many legal teams, and corporates more broadly, were struggling with the same questions. They weren't sure where to start. They were focused on tools, but the real challenge was organizational and behavioral. What is the strategy? What does good governance look like? How do you create internal alignment and foster sustained adoption? I felt there was a need for

independent guidance from a party that understands legal, compliance, technology, and business."

Why do you believe AI needs to be a leadership priority?

"Al will fundamentally reshape how organizations operate. If leadership doesn't own that transformation, it risks becoming fragmented, inefficient, and even dangerous. You can't delegate Al to IT or a working group. You need leadership clarity: What is the vision? Do we go all in, or is Al optional? What are we using it for? What risks are we willing to take? If leadership doesn't take those decisions, then you'll be stuck with only the forward-thinking people experimenting in isolation, without gaining sufficient critical mass to accomplish significant sustained adoption.

Al touches everything: productivity, security, ethics, trust. That's why I always say: don't treat this as a tech project. It's a change management project with a technology component."

What should legal teams be doing now to prepare?

"Start simple. Don't wait for perfect clarity or regulation. Focus on high-impact, low-risk use cases. A lot of early wins are about productivity: drafting, summarizing, translating. It's not about deploying cutting-edge models, it's about embedding new ways of working. Then, put guardrails in place. What tools are allowed? What data are you using? Who's responsible for what? And critically, how do you document that?

The best legal teams I've seen aren't just reacting to AI. They're using it to strengthen their own operating model. They're becoming more strategic, not just more efficient."

You've said culture matters more than tooling. What do you mean by that?

"Tools come and go. But the willingness to adapt - to try, test, and improve - comes from culture. If your team is afraid to fail or speak up, no Al tool in the world will help.

At ASML, one of the things we focused on was psychological safety. Can people say, 'This isn't



working'? Can they iterate? That's the environment where innovation takes root. It's also about trust. If people don't trust leadership to handle AI decisions well, they'll work around the system. That's why alignment, not just control, is so important."

Looking ahead, how do you see legal work changing because of Al?

"Al will change the nature of legal work, but not in the ways some people think. It's not about replacing lawyers, it's about changing what they spend their time on.

The best lawyers will become more like problem solvers, advisors, architects of decision-making. They'll still need deep legal knowledge, but also systems thinking: understanding how law interacts with data, tech, and business goals. In the long run, Al will separate the procedural from the strategic. It will free lawyers up for judgment and complexity, if we let it."

You've worked in very complex, high-performing organizations. What's your biggest lesson from that environment?

"That scale magnifies both strengths and weaknesses. If your legal function is well-designed, Al will make it better. If it's fragmented or misaligned, Al will just expose that more clearly.

The other big lesson is 'don't be afraid to lead'. Some of the best progress came not from consensus, but from someone saying, 'Let's try this.' As legal professionals, we're trained to minimize risk - but sometimes, boldness is what's needed."

What advice would you give to in-house lawyers today?

"Start learning now. Play with the tools. Read about the risks. Talk to your peers. You don't need to be a technologist, but you do need to be curious. Also, understand that this isn't a passing trend. Al is becoming part of the infrastructure of how companies work. If you want to stay relevant, you need to understand the terrain. And finally: bring your team with you. Make it a shared learning journey. That's how you build capability, and culture, that lasts."

"The best legal teams I've seen aren't just reacting to Al. They're using it to strengthen their own operating model. They're becoming more strategic, not just more efficient."

NAVIGATING CHANGE

From Algorithms to Exit Interviews: Rethinking Employment and Dismissal Law in the Al Era

By Danielle Pinedo

Artificial Intelligence is rapidly reshaping the workplace, accelerating task automation and challenging long-standing employment norms. As predictions of drastically reduced workweeks gain traction, a pressing question emerges: how does AI affect the employer-employee relationship? This article offers a high-level overview of the legal and regulatory landscape that employers must navigate when integrating AI into the workplace.

Section 2 explores AI's impact on dismissal law, while Section 3 provides practical guidance for developing effective AI policies.*

^{*}This article is excerpted from Danielle Pinedo's publication, 'Al-effect: is het arbeids- en ontslagrecht klaar voor een 'robocalyps'?, featured in the journal Tijdschrift voor Ontslagrecht (TvO) dated 1 June 2025.



1. Relevant Laws and Regulations

The EU Artificial Intelligence Act

The EU AI Act, which will be implemented from February 2025 to August 2030, categorizes AI systems by risk level. High-risk systems used in recruitment, promotion, termination, and performance monitoring face strict obligations under Article 26 of the regulation. Employers must implement appropriate technical and organizational measures to ensure that the systems are used according to the accompanying instructions, which are governed by European legislation.

These employers must ensure effective supervision by individuals with the necessary competence, training and authority. Furthermore, they must ensure that input data is relevant and representative for the intended purpose. They must also implement proper data retention practices, retaining logs for a period appropriate to the intended purpose of the AI system, and in any case for at least six months.

The preamble to the AI Regulation pays particular attention to potential infringements on rights including privacy, data protection, freedom of expression and information, freedom of assembly and association, non-discrimination, and workers' rights. A Data Protection Impact Assessment (DPIA) is mandatory. Additional obligations arising from Article 26 include the duty to inform employee representatives as well as affected employees about the deployment of the AI system.

Equal Treatment and Working Conditions Legislation

The use of algorithm-based Al systems can improve neutrality in recruitment, selection and dismissal processes but carries risks such as biases embedded in training data, and potential unreliability of the data itself. Furthermore, the complexity of many Al systems can lead to lack of explainability and transparency. This can cause unintentional discrimination based on gender, race, or age, potentially violating equal treatment and anti-discrimination laws.

If discrimination is suspected, the burden of proof may shift to the employer, who must demonstrate that no direct or indirect discrimination has occurred. A notable case involved a student at the Vrije Universiteit Amsterdam (VU), whose face was not recognized by the university's online proctoring software during an exam due to her dark skin tone, raising suspicion of algorithmic discrimination. Although the Human Rights Board on 17 October 2023

(ruling 2023-111) determined that no discrimination had occurred in this specific case, it acknowledged the broader risks of algorithmic bias in such systems.

Where employers have a working conditions policy, it must be supplemented by specific policies on the prevention of (safety) risks regarding the use of Al systems. Risk Inventory and Evaluation (RI&E) should reflect Al risks, and designated employees must be trained to monitor Al systems, just as employers have the obligation to have an adequate in-house emergency service.

Privacy Legislation

Al systems that track and monitor employees must comply with the data protection obligations directly incorporated in the Al Regulation, such as the conduct of a DPIA in high-risk Al systems as well as the obligations under the General Data Protection Regulation (GDPR).

Works Councils

The AI Regulation explicitly grants an information right to workers' representatives and employees regarding the deployment of high-risk AI systems. The Dutch Works Councils Act (WOR) provides for information rights for the works council, and the introduction or use of an AI system can also trigger advisory rights.

Copyright Law

Employee use of Al may infringe third-party copyrights or complicate employer claims to copyright protection. Key issues include whether Al-generated material qualifies for copyright or inadvertently committed copyright infringement. Potential risks include disclosure prohibition, damages, profit loss, required corrections or removal of infringing material, and reputational damage.

2. Al in Dismissal Law

Job Dismissals for Business Economic Reasons

When assessing job loss in Al-driven reorganizations, it is important to distinguish between job or function elimination and task automation. Employers must substantiate that the job or function is structurally obsolete. Since Al inherently automates tasks, this is often straightforward.

Substantiating Other Grounds for Dismissal

Termination for dysfunction, misconduct or disrupted labor relations requires a well-documented, consistent and carefully considered file. Algorithmic management, common in platform work, raises

questions about judicial treatment of Al-generated data. It should be assumed that there is inherent asymmetry of information as the employer typically has exclusive access to inputs, decision-making processes and algorithms involved.

The Amsterdam Court of Appeal reviewed a case where an employee was summarily dismissed based on algorithm-detected anomalies in banking system access. The employer's automated system issued warning emails upon detecting anomalous access to banking systems, with a third warning triggering an internal investigation. The employee in question, who had 34 years of service, received three such emails over a period of more than a year and a half, leading to her dismissal following the investigation.

On 31 August 2021, the Amsterdam subdistrict court found that dismissal was unjustified due to a lack of immediacy and urgency, as the behaviour persisted over time and did not merit immediate termination (case 9282240 EA VERZ 21-408). However, in ECLI:NL:GHAMS:2022:2878 the Amsterdam Court of Appeal upheld the dismissal, giving weight to the employer's structured, data-driven monitoring and response to the employee's conduct.

The use of AI by an employee was at issue in a recent ruling (ECLI:NL:RBMNE:2024:6707) by the Amersfoort subdistrict court, where the employment contract was dissolved due to a disrupted employment relationship. The disruption partly stemmed from the employee having misrepresented himself during the application process and during employment by using AI tools to appear more competent than he actually was.

The court considered whether the use of AI in the application phase and during employment constituted reproachable conduct and/or deception. It answered in the negative, noting, among other things, that the use of AI was not prohibited within the company and that deception was not involved. However, the employee had damaged the employer's trust to such an extent that the employment relationship had been seriously and permanently disrupted, and dissolution had to follow.

Al Policy Violation as Reasonable Grounds for Dismissal

Whether a violation of AI policies can constitute grounds for dismissal should be assessed using the same framework applied when employees violate reasonable instructions from their employer. General considerations such as the duration of employment, the employee's performance history, and any prior warnings or incidents are relevant. In addition, several factors should be taken into account: whether there is a written policy in place; whether the employee is familiar with the policy or can reasonably be expected to be; whether the policy is applied consistently across the organization and whether the consequences of violating the policy are clearly communicated or can reasonably be understood by the employee.

3. Practical Recommendations

Employers should establish clear AI policies. For organizations opting to prohibit AI use, they should include clear directives forbidding the operation of AI systems on company devices. Alternatively, an AI policy may delineate permissible applications, specify approved AI platforms, and articulate the consequences of policy violations.

The following recommendations are particularly relevant when developing an Al policy:

- Assessment of Al systems Identify all Al systems currently in use and determine whether any qualify as high-risk.
- Rules on permitted Al systems Clearly define which Al systems are allowed and which cannot be used within the organization.
- Consistent sanctions policy Establish rules on Al use in a written policy, preferably incorporated in employment contracts, and enforce them consistently. The policy should specify the penalties for violations.
- Transparent usage guidelines Outline which functions and applications AI systems may be used for, what types of data may be entered (with attention to privacy and data security), how AI-generated information may be used in job performance, how such information is to be controlled, which accounts may be used to log in to an AI system, , and what training is required. The policy should also state the consequences of non-compliance.
- Confidentiality clause extension Include
 a clause in employment contracts that explicitly
 prohibits sharing confidential or sensitive
 information with Al chatbots, as part of the
 broader confidentiality agreement.
- Working conditions policy Address the psychosocial impacts of Ai use, such as career uncertainty, (techno)stress, performance pressure and role ambiguity, by incorporating these risks into the organization's working conditions policy.



SPARK THE CONVERSATION



Five Questions to Paul Goedvolk

Real Estate partner, Baker McKenzie

What is your role at **Baker McKenzie?**

"I'm a partner at Baker McKenzie Amsterdam, where I lead the Real Estate team."

What do you enjoy most about your work?

"I take great pleasure in working with a team of talented people from various backgrounds, all committed to delivering the best possible outcomes for our clients. This I find both inspiring and energizing."



Could you share a memorable experience or accomplishment?

"What stands out is how we built up the Real Estate practice within Baker McKenzie Amsterdam after our move from another firm in 2021. We would not have succeeded without the trust and loyalty of our clients, some of whom we've worked with since the 1990s. Many of those relationships have lasted decades, and that continuity means a lot to me. I'm also proud of the strong bond within our team. Several of us have worked together for over ten years, and we've also welcomed a new generation of talented colleagues who bring fresh energy and ideas. It's a close-knit group, and I believe we've built something

What are the key advantages of cross-border collaboration that you experience?

special together."

"Working internationally allows us to support clients operating across various countries and

cultures, broadening our perspective, and creating a dynamic work environment. International clients benefit from having a single firm with professionals accustomed to international operations represent them in all regions where they conduct business. This for instance enables managing multi-country transactions from Amsterdam, enhancing both efficiency and consistency. Moreover, being part of a global network of professionals who are both experienced and genuinely collaborative is highly rewarding for us."

What trends are likely to influence your work and team in 2025 and beyond?

"Al is already reshaping how we organize our work processes. We have incorporated AI into our systems, which is increasingly expected by clients. Another key trend is ESG, which is becoming a central factor in both our advisory services and our clients' decisionmaking. Our regular advice in sustainable energy projects like solar parks, wind farms, and liquid hydrogen as well as on corporate responsibility are strong examples. In addition, Inclusion, Diversity & Equity will continue

to shape how we collaborate with our clients and each other. Not because it's expected, but because we genuinely believe it contributes to our continued success."

LEGAL WATCH

Bridging the Gap: Legal Requirements for Gender Pay Equity in the EU

By Laila Kouchi (legal director M&A) and Maya Boot (associate Employment & Compensation)

As organizations strive towards equal and inclusive workplaces, laws and regulations on equal pay and gender reporting continue to evolve. The EU Pay Transparency Directive (EU PTD) and the Corporate Sustainability Reporting Directive (CSRD) introduce new gender-related reporting obligations. While the EU PTD mandates detailed disclosures on gender pay gaps, the CSRD requires broader ESG-related reporting, including gender equality. It's essential for companies to understand the current, forthcoming, and - at times - overlapping requirements.



Gender Reporting

Companies may be required to report on gender diversity, particularly the female-male ratio within their organizations. In the Netherlands, this includes reporting obligations to the Social Economic Council (SER). Listed and large non-listed companies must set ambitious gender diversity targets and report on gender diversity at the board and executive and senior management levels. Furthermore, for supervisory boards of listed companies, each gender must be represented by at least one-third of the members. If this ratio is not met, new appointments to the supervisory board will be considered invalid. Ensuring compliance with local legal requirements is crucial, especially for companies operating across multiple jurisdictions with varying obligations.

The EU PTD and the CSRD

The EU Pay Transparency Directive (EU PTD) aims to enhance pay transparency and ensure equal pay for equal work, addressing gender-based pay disparities. All EU member states must implement its provisions by 7 June 2026. The Dutch draft implementation legislation is still pending.

The directive requires employers to provide detailed information on average pay levels for male and female employees, broken down by categories such as job type, seniority, and working hours. This level of transparency is intended to highlight existing pay disparities and encourage corrective action. Employers must also explain significant pay gaps and outline the measures they plan to take to address them.

Beyond transparency, the directive is expected to increase the involvement of workers and their representatives in addressing pay equity. It may also impose more demanding requirements for regular equal pay audits, including assessments of work of equal value. Identifying non-compliance areas now is crucial. Employers operating in the EU must assess how the directive will affect their recruitment, pay, progression, and reporting practices, and develop a compliance strategy accordingly. Since the directive sets minimum standards, implementation may vary by country, and local legislation may enhance worker and representative rights. The directive is expected to elevate the importance of equal pay and pay transparency rights across the EU, potentially leading to more equal pay litigation.

The CSRD requires in-scope businesses to report on cross-cutting environmental, social and governance (ESG) matters in their management reports. In the

Netherlands, this is to be done as part of their annual accounts. This includes disclosures on a wide range of sustainability issues such as gender equality and equal pay for work of equal value. Member states need to implement the provisions of the CSRD by 31 December 2025, following a postponement under the EU Omnibus package. Dutch draft implementation legislation is still pending.

Unlike the EU PTD, the CSRD does not mandate specific gender pay gap reporting metrics. Instead, it requires more general disclosures on pay gaps, the measures implemented to address them, and contextual information to explain how the data is compiled. The CSRD's reporting is intended for audiences such as investors, consumers, and civil society organizations, rather than focusing mainly on employees.

| EU Pay Transparency | Corporate Sustainability |
|---|---|
| Directive: | Reporting Directive: |
| Detailed gender pay gap metrics Mandatory audits and corrective measures Employee-focused | General disclosures on gender equality ESG context Investor and stakeholder-focused |

Risk Management Implications

Adhering to gender target and pay reporting obligations is essential not only for compliance but also for managing reputational risk and maintaining strong relations with employees and investors. While some reporting obligations, such as gender target reporting in the Netherlands, may not directly incur penalties, non-compliance with the CSRD can result in monetary fines. Additionally, these reports are public, exposing companies to scrutiny regarding their gender diversity strategy - or lack thereof.

Key Takeaways

The EU Pay Transparency Directive and the Corporate Sustainability Reporting Directive represent significant steps towards gender (pay) equity across the EU. To stay ahead of compliance deadlines, it is important to remain informed about evolving gender and pay reporting requirements, and closely monitor national implementation timelines.



Five Questions to David Díaz

EMEA Chair Employment & Compensation, Baker McKenzie

What initially drew you to Baker McKenzie, and how has your journey developed over time? "What first attracted me was the firm's genuinely global platform and the opportunity to collaborate on cross-border matters. Its deep-rooted commitment to innovation and diversity also resonated with my values. It's a place that encourages you to be your best self. Over the years, I've had the privilege of taking on diverse leadership roles and actively contributing to shaping our strategy, both in Spain and across the EMEA region. Through this experience, I've witnessed firsthand the strength of our integrated global approach and the meaningful value it delivers to both our clients and our teams."

Could you share a memorable experience or accomplishment?
"A recent highlight was supporting the National Football League in its first game in Spain: an exciting, high-profile project that blended legal expertise with sports industry insight. Another proud moment was celebrating Baker

McKenzie's 60th anniversary in Spain. It was a milestone that reflected the firm's long-standing presence and impact in the market, as well as the trust we've built with clients and colleagues. We were the first international firm to arrive in Spain, and that pioneering and entrepreneurial spirit has been instrumental in everything we've done over the years.

Other memorable experiences include advising on complex multi-jurisdictional restructuring projects for major multinational clients. These projects require legal precision, cultural sensitivity and seamless collaboration: an excellent example of the strength of our global platform."

What key leadership insights have you gained throughout your career?

"For me, effective leadership is fundamentally about listening more than speaking. One of the most critical lessons I've learned is the value of empathy: understanding what motivates your team and fostering an environment where individuals feel empowered to contribute their best.

In today's rapidly evolving legal landscape, adaptability is also paramount. Leaders must remain open to new ideas, embrace emerging technologies, and be flexible in their ways of working, all while staying firmly grounded in their core values. Rolling up your sleeves and leading by example is vital because cultivating a culture of continuous learning and support is essential for both individual and collective success."

What trends are likely to influence your work and team in 2025 and beyond?

"The rapid

evolution of AI will significantly impact the workplace, particularly in recruitment, performance management, and global restructurings as the concept of workforce is being redefined by technology. The EU AI Act will require employers to navigate strict compliance standards, especially regarding high-risk applications like emotion recognition. At the same time, flexible work models and the 'right to disconnect' remain central across EMEA.



David has been with Baker McKenzie since 1999. He leads the Employment & Compensation and Sports Law practices in Madrid and currently serves as EMEA Chair for Employment & Compensation.

In parallel, ESG considerations are becoming increasingly relevant in labor law. The EU Pay Transparency Directive, along with growing expectations around inclusion, diversity and equity, will require companies to go beyond legal compliance and address sustainability and reputational concerns. These developments reflect the growing complexity of employment law and the need for integrated, forward-looking legal advice across all regions."

How do you find balance, and recharge away from the office? "I make it a priority to dedicate quality time to my family and to truly disconnect whenever possible. Beyond that, I find great value in reading - especially Latin American literature and history - listening to good music, and engaging in outdoor sports like running, skiing and playing Sunday football with longtime

friends. Ultimately, prioritizing personal well-being is not just restorative; it's foundational to being an effective leader and a well-rounded individual."

LEGAL WATCH

The Cybersecurity Imperative: Strategy, Compliance and Culture

By Francesca Gaudino, head of Baker McKenzie Italy's

Data Privacy and Data Security practice

Hackers stealing data from a laboratory involving at least 485,000 individuals who participated in the Netherlands' national cervical cancer screening program. The national police suffering a cyberattack involving the work-related contact details of 65,000 officers. These aren't isolated incidents, they reflect the ongoing realities in a digital world where cybersecurity is no longer a technical concern but a strategic imperative.



As digital transformation accelerates across industries, cybersecurity has become the linchpin of organizational resilience. Technologies like artificial intelligence and machine learning enhance threat detection and response, yet also

empower cybercriminals with new tools. Meanwhile, the growing reliance on cloud computing presents its own set of risks - from insecure application programming Interfaces to vulnerabilities associated with third-party vendors. At the same time, the proliferation of Internet of Things (IoT) expands the attack surface, with each connected device representing a potential access point.

In this evolving landscape, organizations must move beyond reactive defenses. Cybersecurity today demands an integrated, enterprise-wide approach, one that balances innovation with vigilance, and regulation with agility.

The Human Element

Despite technological advances, people remain both the weakest link and the first line of defense. Phishing, social engineering, and credential theft continue to exploit human error. Building a culture of security awareness through continuous training and clear communication is essential. Cybersecurity must be a shared responsibility, embedded in daily behavior and decision-making.

Zero Trust Practices

The Zero Trust model - "never trust, always verify" - is becoming a cornerstone of cybersecurity strategies. This principle operates on the premise that no entity, whether inside or outside the network, should be trusted by default. Instead, all access requests should be accurately verified and authenticated.

The rise of hybrid and remote work further underscores the importance of multi-factor authentication (MFA), advanced endpoint detection and response (EDR) solutions, and the adoption of Zero Trust security frameworks. However, this proactive approach - relying on real-time analysis of vast data volumes - raises concerns from a data protection and employment perspective.

Balancing Privacy and Protection

In practice, the overarching cyber protection strategy generally necessitates employee monitoring.

Balancing cybersecurity measures with employee privacy and trust is a delicate task, which should be considered through the lenses of the often complex employment and data privacy applicable legislation.

Transparent communication is key. Employees should be clearly informed about what personal data is collected, how it is monitored, and why. Building trust while fulfilling legal obligations requires clarity and accountability.

Regulation and Collaboration

Regulatory requirements and industry standards such as the EU Digital Operational Resilience Act (DORA) and the NIST Cybersecurity Framework are having a significant impact on how companies approach compliance and risk management. They encourage organizations to prioritize breach prevention through threat intelligence tools and predictive analytics. Moreover, a collaborative ethos is emerging: companies are increasingly sharing threat data and best practices with peers, government bodies, and cybersecurity alliances to bolster the collective defense against cyber threats.

Industry Benchmarks and Best Practices

Several industries are setting benchmarks for cybersecurity resilience, offering valuable lessons for others. The financial services industry, one of the first targets for cybercriminals due to the attractive nature of financial data, has made significant strides. The healthcare industry has also made notable progress, driven by the increasing digitization of patient records and the adoption of telehealth services. Implementation of encryption, multi-factor authentication, secure communication channels and continuous monitoring, coupled by regular security assessments, audits and employee training are common best practices across these industries.

Legal Leadership

Cybersecurity affects many aspects of business operations, and is crucial for any organization that relies on code, data, and algorithms. Even minor security incidents can have substantial impacts. As digital threats change and regulations tighten, organizations should respond with innovation, collaboration, and consistent protection of digital assets and user information. By understanding the technologies, anticipating regulatory developments, and fostering collaboration, legal professionals can play a pivotal role in building resilient digital ecosystems.

IN THE MIRROR OF HISTORY, WE SEE TODAY'S VALUES

Douwe Groenevelt, Danielle Pinedo, Inge Ernst, Mirjam de Blécourt, Koen Petersen, Sandra Spek and Kim Tan.

In front of Cornelis Ketel's 1588 painting "The Corporalship of Captain Dirck Jacobsz Rosecrans and Lieutenant Pauw", a group portrait of Amsterdam's civic guard, formed under William of Orange to uphold civic duty and public order, featuring thirteen proud officers, a muzzled fighting dog, and a lively lapdog as a humorous contrast.



Five Questions to Kirsty Wilson

Corporate partner, Baker McKenzie

What is your role at Baker McKenzie?

"I'm a Corporate partner at Baker McKenzie London, focusing on corporate reorganizations and post-acquisition integrations.
I also chair the Global Reorganizations practice group as well as the global Inclusion, Diversity & Equity Committee."

I especially enjoy the teamwork involved in reorganizations, working with clients, advisors, and colleagues across different cultures to find practical solutions. Whether it's a complex multi-country project or a single-country issue, finding common ground and viable paths is always rewarding."

and support their growth.



"In my over 30 years with Baker, a highlight has been developing the Global Reorganizations practice, which now includes over 500 team members across all offices. Another meaningful experience has been working with our colleagues in Kyiv over the past three years. Their resilience, humanity, kindness, and positivity in adversity are truly inspiring."

What are the key advantages of cross-border collaboration that you experience?

"This collaboration brings diverse viewpoints and perspectives as well as a strong sense of global camaraderie. I can rely on colleagues worldwide as much as those nearby. Their dedication, working across time zones and going the extra mile, makes a real difference. A client once noted how cohesive our global team was, especially under pressure, which led to a better outcome. Such clients really see us operating as one team, which is wonderful feedback to get."

What do you enjoy
most about your
work?
"I value the longterm collaboration
with clients,
which allows us

to understand their businesses

What trends are likely to influence your work and team in 2025 and beyond?

"From remote work to AI, change is constant and affects both

businesses and daily life. We must adapt and learn new skills. It is important how we work through this together - by embracing the change, understanding it, and addressing any discomfort associated with it. Having diverse teams also plays into these changes. Neurodiversity is gaining recognition. That's close to my heart as someone who is dyslexic. Embracing and

comprehending the shifts brought by Al can further support greater inclusion of neurodiverse talent within professional services, particularly in the legal sector."



LEGAL WATCH

Getting Internal Investigations Right: Principles and Pitfalls

By Emma Glazener and Sjef Janssen

When a concern is raised - whether formally or informally - organizations face a pivotal decision: take action or risk the consequences of inaction. What follows may be routine, but more often, it's complex. A well-handled internal investigation can bring clarity, restore trust, and resolve issues. Mishandled, it can create confusion, damage reputations, and trigger legal exposure. The difference lies in the process: its structure, transparency, and consistency determine whether a risk is managed or amplified.



Do's and don'ts according to **Emma Glazener** and Sjef Janssen

Emma Glazener, senior associate Employment & Compensation, and **Sjef Janssen**, legal director Dispute Resolution, are both members of Baker McKenzie's Investigations Workgroup - a multidisciplinary team advising companies on how to approach internal complaints and allegations. Drawing on years of experience with workplace disputes, whistleblower procedures and sensitive cross-border matters, they outline some of the core principles that guide a fair and reliable investigation.

Six Essentials of a Well-run Investigation

Janssen and Glazener distinguish six essentials in the investigative process, each crucial for making investigations comprehensive, impartial, and effective.

1. Intake: Establish the Nature of the Complaint

Before an investigation begins, clarity is essential. What exactly is being reported - and under which framework? Not all complaints are equal. Some qualify as whistleblower reports, invoking additional legal protections under national and EU legislation. "Classifying the complaint correctly isn't just a legal formality", Glazener explains. "It sets the standard for how the organization responds, and how the complainant is treated." From the moment the complaint is received, the organization should acknowledge it promptly and ensure it is processed according to internal protocols. Early missteps, such as mislabeling the issue or failing to communicate receipt, can undermine trust and trigger avoidable legal risk.

2. Setup: Define the Structure and Secure Privilege

No investigation should begin without a clear framework. Who is investigating? What is their

mandate? Who will receive the findings, and who will decide what happens next? "The structural separation between investigation and decision-making teams is non-negotiable", says Janssen. "If the same people investigate and then discipline, it erodes the integrity of the process." Equally important is establishing whether the investigation or any resulting report should be protected by legal privilege. This assessment must be made at the outset, not retroactively. If handled improperly, privilege may be lost altogether. Exposing sensitive information in later proceedings.

3. Engagement: Hear All Sides, Objectively

A credible investigation requires input from all relevant voices. That begins with informing the subject of the complaint, outlining the allegations, and offering a reasonable opportunity to respond. "Natural justice requires it", Glazener says. "And more practically, no picture is complete until all perspectives have been heard." Investigators should also identify and speak with witnesses - not just those named by the complainant, but anyone with first-hand knowledge of the events. Investigative scope should be led by relevance, not rank or convenience. The goal is not consensus, but completeness.

4. Confidentiality: Keep it Controlled

Information must be handled with care. Investigations often involve sensitive details, reputational, personal, or both, and unnecessary disclosure can have lasting consequences. Confidentiality does not mean secrecy, but it does mean restraint. Only those who need to know should be involved. "Loose circulation of details leads to gossip, internal pressure, and potential retaliation", says Janssen. "And it damages the credibility of the process before it even concludes." Organizations should also be cautious not to promise anonymity when it cannot be guaranteed, especially in smaller teams or incidents involving a limited number of individuals.

5. Communication: Deliver Findings with Clarity

Once the investigation concludes, the outcome must be communicated with care. If possible, the complainant should be informed of the result in a timely and appropriate manner. The subject of the investigation should be provided with the findings and the opportunity to respond. Janssen advises a two-step approach: "First, share the report and explain the conclusions. Then, give the subject space to digest and respond - ideally in a second meeting. It creates room for fairness, not just compliance." Documentation of these communications is equally important. A clear record strengthens the organization's position, especially if outcomes are later challenged.

6. Closure: Decide, and Do So Deliberately

With the facts in hand, the organization must reach a decision - and act on it. Whether disciplinary measures are taken or not, the decision should be well-reasoned, timely, and properly recorded. Many processes falter at this stage, often because decision-makers hesitate or defer action. But delay is rarely neutral. "It creates uncertainty for everyone involved", Glazener notes. "It also opens the door to claims of unfair treatment, retaliation, or procedural failure." Even when the conclusion is that no misconduct occurred, communicating that outcome clearly, and explaining why, is essential to restoring confidence.

Some Pitfalls That Undermine Investigations

Even structurally sound investigations can be compromised by common, avoidable errors. According to Janssen and Glazener, these are among the most damaging:

 Keeping the subject of the investigation in the dark - always inform them and allow a response to the allegations

- Telling the subject that the investigation team is there to represent their interests as well (with the team generally acting on behalf of the company)
- Disclosing or attempting to identify the complainant if they wish to remain anonymous
- Retaliating against the complainant or anyone who has assisted in the complaint or investigation
- Suspending the subject during the investigation, unless there are exceptional circumstances
- Including all potential decision-makers in the investigation team, leaving no one to decide on potential disciplinary actions
- Unreasonably delaying decisions on disciplinary actions, such as summary dismissal (if required)

Control the Process to Ensure Fairness

Internal investigations often involve uncertainty. The facts may be contested, and the stakes can be high. In such cases, outcomes can't always be predicted - but the process can, and should, be clearly defined and consistently applied. By focusing on transparency, independence and documentation at every stage, organizations can navigate investigations with greater confidence, and reduce the risk of procedural challenges or unintended consequences. "A well-structured process helps ensure that all parties are treated fairly", Janssen concludes. "It also strengthens the organization's position if questions arise later."





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"The core question is: what kind of leader do people want, and what do we consider good leadership?"

Micky Adriaansens

Chair of Nyenrode Business University

Leading with Purpose: Building Bridges Between Education and Business

After serving as Minister of Economic Affairs and Climate Policy, where she focused on strengthening the business climate, innovation, and industrial sustainability, Micky Adriaansens transitioned to the education sector in early 2025. Now leading the Executive Board at Nyenrode Business University, she prioritizes preparing future leaders who are both responsible and equipped to build a more sustainable world.

In conversation with Mirjam de Blécourt, Employment & Compensation partner at Baker McKenzie, Micky shares her perspective on what it takes to lead in today's world, highlighting the importance of agility, resilience, and the skill to manage complexity with a clear sense of direction.

Can you tell us about your role at Nyenrode Business University?

"Nyenrode was founded by business leaders in 1946 as an international university specializing in business and management. Since then, accountancy, controlling, and tax law were added to our portfolio, always with a strong connection to practice areas and current themes such as artificial intelligence and sustainability. We provide programs at various levels, including bachelor's, master's, MBA, executive courses, and board governance.

Our main location is a 60-hectare estate in Breukelen, with 27 historic buildings such as a castle, two hotels and a coach house, university buildings, offices, and housing for between 300 to 350 students. Additional locations are in Amsterdam and The Hague. I chair the three-member University Board, alongside the Rector Magnificus and the CFO."

How is Nyenrode responding to changes in the business world?

"Business is in a turbulent phase due to geopolitical tensions, sustainability pressures, and rapid technological developments. At Nyenrode, we help individuals and organizations navigate this through education and research, focusing on knowledge, skills, personal development, and adaptability.

Take AI, for example. It's not a fixed concept. It's as transformative as an industrial revolution. No one knows exactly what the world will look like in ten years. What we can do is prepare people to be agile and future-oriented. At Nyenrode, we take a broad approach. Not just teaching how to use AI, but what it means for decision-making, strategy, management, processes, and competitiveness. One of our professors is researching the skills needed in an AI-driven world. We've also developed an AI boardroom game to help participants understand AI's impact."

As a former minister, how do you view today's geopolitical uncertainty?

"You have to chart your own course, no one can predict exactly where things are headed. There's considerable unrest, especially with the shifting stance of the US compared to previous decades. Europe also faces a growing technology gap with the US and China. If we don't invest, we'll fall behind, which harms our economic prosperity.

Closing that gap requires people and public support for business activities, innovation, and investment. We must make choices whose effects may not be visible for another decade. The solution lies in collaboration, not just in parliament, but with civil society organizations, industry associations, and labor unions. It's about sustainability, innovation,

and resilience, but also about social responsibility: what do you contribute to society?

We try to facilitate that. As a private university, we're closely connected to the business world, which sets us apart from other universities. Just this afternoon, we hosted a meeting with pension funds about impact investing. That's what it's all about: building bridges and overcoming bottlenecks. We're deeply engaged with current events, which makes the work here so exciting."

Do you see any bright spots?

"What I see as positive is that we've woken up and are taking action. The fragmentation of the global economy has been happening since 2008, even longer. The fact is, we're no longer the open economy we once were. That's challenging for a trading nation like the Netherlands. But much of our export goes to Europe. Maybe it's time to look closer to home.

Draghi also pointed this out in his report on European competitiveness: we've become complacent. We often assume things will work out. But today's developments show we can no longer take that for granted. That awareness is crucial.

But there are serious risks, including international partnerships under pressure or even breaking down. That makes the world less safe - not just for our prosperity, but for our values, the rule of law, and democracy. That calls for vigilance and action."



You advocate for more collaboration between universities and businesses, can you elaborate?

"In the triple helix model - education, business, and government - I see huge opportunities. But we're still too often at odds. If we aligned our innovation agendas and discussed commitment, we could really make progress."

What's your view on today's leadership?

"The core question is: what kind of leader do people want, and what do we consider good leadership? In the past, a good leader was someone who looked to the long term and could translate vision into daily practice, acting with respect for existing values while maintaining a focus on both financial results and positive societal impact.

That type of leadership has always appealed to us. At the same time, society now leans more toward high-profile leaders, those who make quick decisions and speak boldly. That's because today's uncertainties attract that kind of leadership. Whatever your opinion, it's important to engage with it.

Ultimately, everyone must discover what leadership style suits them best. Then you'll see whether it aligns with an organization. What's great about this place is that you have the space to explore that; to recognize your core and become aware of your values. We try to instill that in our programs, not with the idea that there's one right path, because there isn't."

And how do you view the younger generation attending your university?

"We see different generations, such as students who live here for three years, and those already working at accounting firms who come one or two days a week to complete their studies. I find today's young professionals very mature and wise. They're switched on. While some say this generation views work differently, I haven't really observed that myself. Maybe they approach work-life balance differently, and there's nothing wrong with that."

As Micky reflects on her journey from the business world to government to academia, one message stands out: leadership today requires not only vision and adaptability, it also calls for a deep sense of responsibility. "At Nyenrode, we create lasting impact by combining substance, experience, and meaningful connection," she says. "That's never been more important than it is today."





"We must constantly ask ourselves: how do we stay relevant in a rapidly changing world? How do we ensure that what we preserve and present continues to resonate with future generations?"

Janneke van der Wijk
Director Audiences of the Rijksmuseum

Bridging Purpose and Strategy: a Dual Perspective on Leadership in Transition

How do leaders stay grounded when the world around them keeps evolving? In this conversation, we meet two women who lead from very different corners of society one from the arts, the other from the legal world - yet find striking common ground in how they navigate complexity, inspire teams, and stay grounded in their purpose.



Janneke van der Wijk is Director Audiences at the Rijksmuseum, the Netherlands' largest museum, home to over 800 years of Dutch art and history. With a career rooted in the arts and education, she combines cultural vision with strategic leadership.

Sandra Spek is General Manager of Baker McKenzie Amsterdam. With a background in finance and executive roles across insurance, pensions, healthcare, investment wholesale, pharmaceuticals and infrastructure, she brings a pragmatic, people-centered approach to leadership in the legal services sector.

What drives you as leaders?

Janneke speaks with calm conviction about her enduring commitment to the arts. "I've always worked in the cultural sector. What drives me is the way leadership within a cultural institution intersects with broader developments in society. It's never just about managing a museum; it's about shaping how we connect people with history, beauty, and with one another. As director of the Rijksmuseum, I feel a profound responsibility to ensure that we fulfil our national role with relevance and impact in an ever-changing world. For me, true leadership means empowering others to excel, while remaining firmly grounded in our shared purpose."

Sandra, who came to the legal world from outside the legal profession, focuses on building an organization that is not only operationally excellent but also strategically agile. "What I love is helping organizations create smoother pathways: removing barriers, aligning people and processes, and enabling everyone to do their best work. For me, leadership is about creating an environment where people can flourish, empowering individuals by aligning what drives them with the organization's goals."

How do you experience the modern workforce within your organization?

When asked about their teams, both Sandra and Janneke light up, as they describe what makes their colleagues exceptional.

Janneke reflects on her early impressions at the Rijksmuseum: "What immediately stood out to

me was the dedication. People here truly love the museum. That passion is invaluable. It drives everything we do. There are so many wonderful ideas, projects and programs. We're currently working on long-term plans for the coming years. Development, marketing, education; every team has its own ideas and plans. My task is to connect those visions, ensure they're financially sustainable, and keep them aligned with the Rijksmuseum's identity and strategy. That's where leadership becomes truly meaningful: enabling people to see how their individual contributions strengthen the bigger whole."

Sandra notes a similar dynamic. "I believe everyone wants to work with passion and drive. People want to do good work. As leaders, it's our job to awaken and support that commitment. I've seen this drive across every sector I've worked in, and here at Baker McKenzie, the desire to achieve high-quality results is particularly evident."

What does this demand from you as leaders?

Sandra is clear: "Clarity is everything. It starts with a vision and articulating that destination in a way that inspires and aligns. Strategy, then, becomes the bridge, translating ambition into action. If you don't say what you want, you can't expect people to deliver it. But the path to get there can vary. I always say: be clear about the destination, but flexible about the route."

Janneke adds: "It all comes down to trust. There is no shortage of ideas. Our task is to create the conditions in which those ideas can take shape, and to connect them to the bigger picture. At the Rijksmuseum, we are constantly balancing ambition with resources. That requires making difficult choices, but also staying open to what possibilities as they arise."

How would you describe your leadership styles?

Janneke describes her approach as connective and collaborative. "The Rijksmuseum is one big box of stories," she says. "My role is to help shape those stories into a shared narrative that resonates both with the public and within the organization." She sees leadership not as a top-down directive, but as an ongoing process of aligning people, ideas, and purpose. "You can sense it the moment you enter the building - whether or not there is flow in the organization."

For Sandra, leadership entails recognizing individual motivations and capabilities, empowering team members to be their true selves, providing direction, offering support where needed, and stepping back to let people grow into their potential. "It's about

bringing ideas to life from start to finish, guided by a well-defined vision and strategy."

You lead in very different sectors: legal and cultural. How do these contexts shape your view on leadership?

Janneke reflects on the unique role of the Rijksmuseum as a national institution. "We're a place of stories, heritage, and connection. That societal role carries a responsibility to remain firmly rooted in the public domain and guided by the conviction that culture must be accessible and meaningful to everyone. We must constantly ask ourselves: how do we stay relevant in a rapidly changing world? How do we ensure that what we preserve and present continues to resonate with future generations?"

Sandra operates in a different but equally complex landscape. "As a commercial organization, we're always balancing client needs, operational efficiency, and long-term strategy. But in the end, it's about people. And people thrive when they feel connected, to each other, to their work, and to a shared goal. Whether you're working in a museum or a law firm, people want to feel seen, valued, and part of something that matters."

Both leaders agree that while the sectors may differ in purpose and pace, the essence of leadership remains the same: creating clarity, fostering trust, and enabling people to contribute in a meaningful way.

What makes a leader future-proof?

"Curiosity", Janneke Janneke says without hesitation. "You must keep learning and evolving. And you have to stay deeply connected to the world outside your organization, because that's where the signals for change originate."

Sandra adds: "An open mindset. And self-awareness. Knowing what you're good at, and what you're not. And being okay with that. Leadership isn't about having all the answers, it's about building a team that does."

If you could change one thing in your organization, what would it be?

Janneke smiles. "There are so many good ideas.

I wish we had more space, more time, more resources to bring them all to life."

Sandra nods. "Same here. But I also believe in starting small. Just begin. Once the snowball starts rolling, it picks up momentum. That's the essence of leadership, getting things moving."

The Rijksmuseum and Baker McKenzie: a Happy Marriage

Baker McKenzie and the Rijksmuseum have collaborated for 18 years. Kim Tan, Managing Partner of Baker McKenzie Amsterdam, and Taco Dibbits, General Director of the Rijksmuseum, reflect on the significance of photography and the value of social collaboration and integration.

"We're a global firm with Amsterdam roots", Kim says. "That's why we find it important to connect locally. The Rijksmuseum is the perfect partner for that. You get the Netherlands, Amsterdam, and an international perspective at the same time." The partnership, he explains, is grounded in both shared goals and personal rapport. "A good collaboration starts with people. From the beginning, we had a natural click. That personal foundation has only strengthened the relationship over the years." Taco adds: "Because Baker McKenzie has been involved for so long, we've built something meaningful. The photography collection that we have built up over 18 years would not have been possible otherwise."

Internal and External Activation

When asked how Baker McKenzie is visible in the museum, Kim responds with nuance: "We have visibility in places like the gallery where our name is displayed, but it's not about name recognition for us. What matters is the substantive connection. We organize events in the museum, invite clients to openings, and use art to spark conversation." Internally, employees enjoy free access to the museum, office art, and networking and themed events. Gifts often come from the museum shop. "We notice that young talent values content and social relevance. A collaboration like this contributes to that sense of meaning and connection."

American Photography as a Milestone

The successful exhibition 'American Photography', which was held at the museum from February 7 to June 9, 2025, is a tangible highlight of the

collaboration. Taco: "American photography has been hugely influential on visual culture in the 20th century. What made this exhibition special is that we not only showed iconic images but also amateur photography, press images, and commercial photography. This way, you get a rich and complex picture of America."

Kim sees the exhibition as the crowning achievement of the partnership. "It resonated with our colleagues and clients. Many of the works also hang in our office. Photography is powerful and accessible. It evokes stories and invites conversation. Even during the pandemic, the collaboration continued digitally with an online photography masterclass for employees and clients. That was so successful that it people still talk about it."

A Relationship, not a Transaction

Both Taco and Kim stress the importance of long-term commitment. Taco: "For us as a museum, it's important that a partner understands us. Thanks to the long relationship, we understand each other's choices better, we can build the collection together, and a dialogue develops that goes far beyond a transaction." Kim adds: "At first, a few people in the organization feel connected to such a collaboration. And over the years, that grows. New generations within the firm feel involved. The story resonates - especially with young talent looking for development and meaning."

The long-term nature of the collaboration also allows for depth. "You build something together. Not just



a collection, but also trust and mutual understanding", Taco says. "You can see that in how decisions about acquisitions are shared and discussed. A shared responsibility for the content emerges."

Stability in a Dynamic Environment

In a time when cultural institutions are regularly confronted with social unrest, the partnership remains strong. Taco: "We are a museum for everyone. We like to have conversations about current themes, but that happens within the frameworks of our museum and with respect for our visitors and our partners." Kim: "If you base a collaboration on content, on mutual understanding and long-term commitment, it can withstand social noise. We know what we have in each other and why we are doing this."

Financial and Social Value

Baker McKenzie's support is vital to the museum's photography domain. Taco: "Without their contribution, we would never have been able to build this collection. But it's not just about money. Companies also bring a network, an audience, and

involvement. And that broad mix - of government, business, and private individuals - is essential for museums. This way, you ensure support and relevance." Both agree that long-term collaboration requires flexibility and trust. "We keep challenging and inspiring each other", says Kim. "And precisely because of that, the partnership remains lively and meaningful."

The collaboration shows how cultural sponsorship can evolve into something mutually enriching. A relationship based on trust, shared values, and a common mission: to stand in the middle of society, with an eye for tradition and actuality. "We keep each other sharp, inspire each other, and build something lasting", says Kim. Or, as Taco puts it: "A good partnership is like a marriage: you share something, grow together, and get to know each other better and better. That, ultimately, is what it's all about."

This article is a condensed and translated version of an interview conducted by Martijn Beenen for the June 2025 edition of SponsorReport.



"Leadership must be deliberate and intentional in inviting and including voices, ensuring that everyone feels seen and valued"

Lerisha Naidu

Managing partner, Baker McKenzie Johannesburg



Practicing Leadership in Law: a Conversation with Lerisha Naidu

As managing partner of Baker McKenzie Johannesburg, Lerisha Naidu is helping reshape how leadership works in the legal profession, starting with people. A competition lawyer by background, Lerisha has become known for her inclusive, intentional style of leadership that balances high performance with deep humanity. She stepped into leadership at a young age, led her practice group through transition, and now plays a key role in building the next generation of legal talent at the firm.

In this conversation, Lerisha shares her perspective on practicing authenticity, driving inclusion, and leading with clarity in a rapidly changing legal landscape.

How did your leadership journey begin?

"Even back in my school days, I was interested in convening groups for a greater purpose. That tendency carried through university and into my early legal work. Over a decade ago, I joined Baker McKenzie from another law firm where I was already involved in junior-level leadership initiatives.

A few years in, there was a significant shift: two senior leaders left the Competition team, and I had just become a partner. I was asked to lead the practice. It was daunting, especially being relatively young, but I took the challenge. We built the team, won high-quality work, and held our own against very senior lawyers. That success eventually led to my appointment as practice group leader.

Later, I was invited to join the Baker McKenzie Johannesburg Management Committee. The idea was to bring in generational diversity and fresh ideas. In 2022, under the mentorship of inclusive leaders like Mirjam de Blécourt, I became the managing partner of Baker McKenzie Johannesburg. At first, such a position for an almost 38-year-old, queer, brown woman in a conservative legal services sector felt totally unheard of. I was persuaded to consider being part of the change, charting a way forward, taking a leap of faith, being bold and daring, even through

voices of self-doubt. Initially, I thought I'd do it for a year. And here we are."

What is your approach to leading a legal team?

"I believe in eliminating power dynamics early on to get the best out of people. Hierarchy and fear can inhibit authenticity and high performance. While law firms often emphasize client service and the quality of work, I think it's equally important to focus on people. Demonstrating to people that they matter, that they are seen, and that they can make mistakes is crucial for developing a high-performance culture."

How do you structure team performance and accountability?

"Team members are held accountable for being holistic contributors to the business. This includes not just billable hours, but also client visits, training and developing juniors, building out their teams, and business plans. They need to consider the diversity of their teams and how they are bringing innovation into their practice.

I mentor several people, and our sessions include a short part about how they are doing and feeling but mainly focus on moving forward and co-creating solutions. The word 'co-create' is super important to me because it ensures that people feel taken along on the journey."

What role does inclusion play in your leadership?

"Inclusion is also a key part of my approach. It's about breaking down barriers, acknowledging differences, and finding commonalities through storytelling. Leadership must be deliberate and intentional in inviting and including voices, ensuring that everyone feels seen and valued. This inclusive leadership is essential for nurturing talent and ensuring sustainable success."

Authenticity is a theme that comes up often in how you lead. How do you practice it?

"Often people advise to 'be authentic' but I find that pressurizing. Instead, I suggest 'practicing authenticity.' This approach is less daunting and allows people to find opportunities to share and show up gradually.

Incremental change is more sustainable than radical change. Practicing authenticity involves finding moments where you feel comfortable to show up and doing that more and more. It requires courage, especially in situations where you might feel vulnerable.

Struggles and experiences, such as being a queer woman, can accelerate the process of becoming authentic. It's about choosing to live a life that is truly yours and practicing it until it becomes natural."

How do you see legal work evolving, and what will lawyers need to succeed?

"A dynamic, future-focused workforce needs to be entrepreneurial, solution-oriented, and empathetic. We need to shift our mindset from being service providers to understanding and solving clients' problems as if they were our own. We need to be facilitators of connections, using enablers like Al to enhance our capabilities. The future-focused workforce will leverage Al for good, aiming to be the best versions of themselves."

You speak often about the opportunity across Africa. What are you seeing right now that's exciting?

"I think we are on a continent that is ripe for growth. Africa has the youngest workforce in the world, presenting opportunities to use that workforce productively and invest in infrastructure, digital transformation, and sustainability. Businesses are forming around assisting unbanked people within the informal sector to access banking systems and send money across borders. These businesses are thriving.

Large FMCG companies are engaging with the informal sector to create *spaza shops*, small corner cafes. However, much of the informal sector and the unbanked population are not recorded in GDP and economic metrics. We've faced electricity and water issues, and significant investments are needed in rail, road, and other infrastructure. These areas are ripe for opportunity."

What does your global platform allow you to bring to clients?

"When we talk to our clients, we emphasize how we work as one integrated team globally. This genuine integration, connection, and engagement are true benefits of being part of a firm like ours. The seamless interaction across borders is a huge selling point for our clients.

We can share best practices from around the world and connect clients with relevant people, making us a one-stop shop that brings global best practices to a developing economy."

What advice do you give to young lawyers starting out?

"There are a couple of things. Try to walk through the door and practice authenticity as early on as you can. This helps you show up quicker and break down barriers. Being an agent in your own story is super important. Have a sense of agency and purpose. Know your personal purpose and ensure it aligns with the organizational purpose. This alignment is crucial for your career.

It also helps to have your own personal board of directors: people who advise, counsel, and support you. These should be people who sponsor you and advocate for you when you're not in the room.

And lastly, start business development early. Build your confidence, network, write articles, and profile yourself. These activities are within your control and can significantly impact your career.

One last thing: don't get distracted by global politics or corporate noise. Focus on the people around you. Build sustainable teams. Tend to your own garden. That's where real change begins."

Five Questions to Thijs Bogaers

Legal director, Baker McKenzie

What is your role at Baker McKenzie Amsterdam? "As a candidate civillaw notary and legal director in the Corporate department, my team and I assist clients with the notarial and corporate law aspects of complex M&A and intricate cross-border transactions. I also handle the corporate law aspects of the Banking & Finance and Restructuring practices. It's a dynamic role that keeps me engaged by regularly presenting diverse challenges. My aim is to further develop our practice and to add to the growth of our team."

What do you enjoy most about your work? "I find great joy in collaborating on inspiring and complex projects for distinguished clients, alongside colleagues with whom I share a strong professional bond. During my academic journey, my internship here was particularly memorable, leading me to join the firm full-time in February 2016. The friendly, supportive environment and wonderful colleagues influenced my decision. I now contribute to maintaining this culture by coaching and mentoring colleagues and acting as an ambassador for the firm."

Looking back over the past ten years, what 'life lesson' would you give to every young starting lawyer?

"Stay focused on what motivates you. Keep engaging in activities you love and keep curiosity alive. By doing this, you'll find that far more is possible than you think. For example, I have a progressive visual disability, which means I am gradually losing my vision. It is realistic to assume that in a few years, I won't see anything at all. Despite this, I am determined to live life as fully as I can and continue developing myself while doing so."

Could you share a memorable experience or accomplishment?

"I can think of several notable transactions and highlights. However, one transaction that I still regularly think of involved a two-and-a-half-year case for a Czech company parting ways with a couple of their partners. This was unusually long for such a transaction. Successfully concluding this case in the offices of our client, to the satisfaction of all parties involved, was incredible after those long years. It was rewarding to witness the joy your work can bring. I also take immense pride in my

ability to perform at a high level. This would not have been possible without the unwavering support of my colleagues."

What trends are likely to influence your work and team in 2025 and beyond?

"Staying up-to-date with emerging technologies and incorporating them into workflows will be vital for maintaining competitiveness and boosting productivity. Al is becoming a powerful tool for legal practitioners, streamlining our work and freeing up time for strategic thinking. The challenge is not just adopting it, but doing

so thoughtfully and ethically."

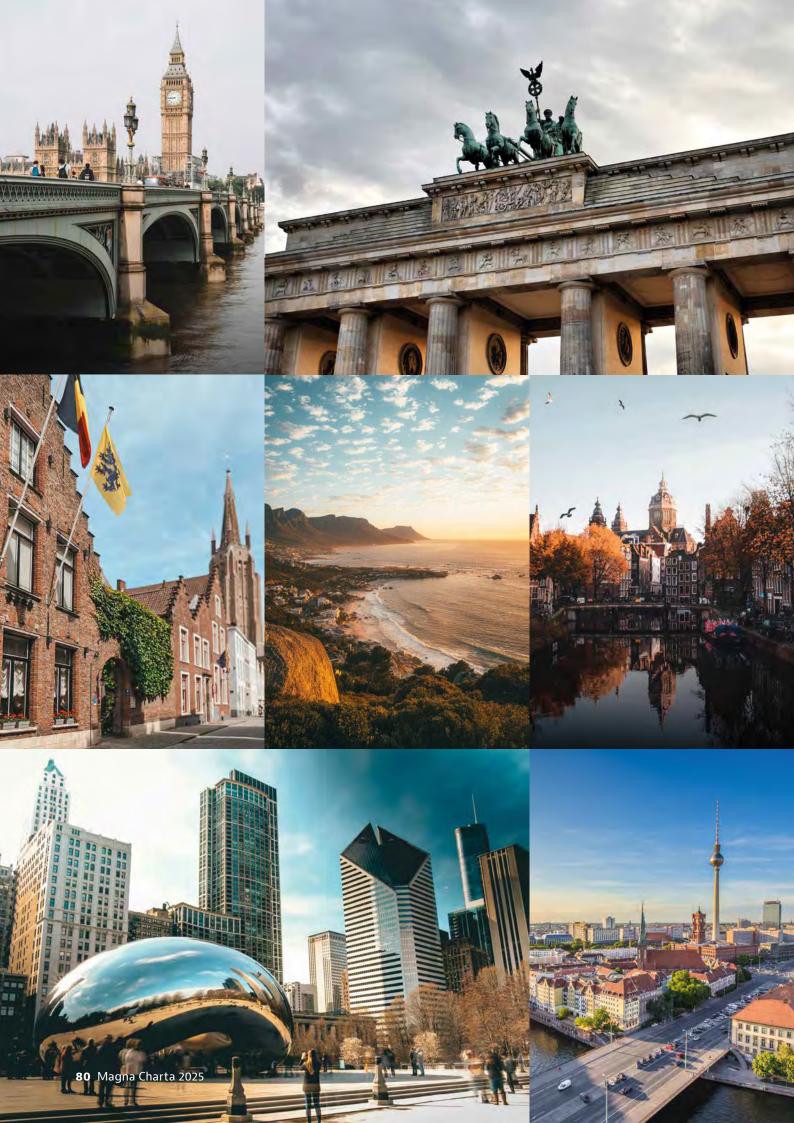


FROM HERITAGE TO HORIZON

This year, Amsterdam celebrates 750 years of history, culture, and community. Since 1945, Baker McKenzie has been proud to grow alongside this community, contributing through legal excellence, creative insight, and collective action.

As we reflect on its remarkable journey, we reaffirm our commitment to a future shaped by individuality, inclusion, and shared progress.









Dutch employment law continues to evolve alongside modern workforce expectations, driven by cultural shifts, legal developments, and a steady move toward EU alignment. This year has seen a combination of new legislative proposals and judicial decisions, all of which reflect growing demands for legal clarity, workplace flexibility, and stronger employee protections.

From clarifying the status of individual contractors to rolling out pay transparency obligations and pension reform, the Dutch legal landscape remains dynamic. Employers must also be mindful of trends such as the push for a right to disconnect, expanding hybrid work models, and increasing scrutiny on workplace conduct.

A key theme in 2025 is how employers manage change: legally, operationally, and culturally. The modern workforce expects autonomy, inclusivity, and fairness, and regulators are increasingly holding businesses accountable to those expectations. For HR professionals and legal counsel, this means carefully navigating legal grey zones while updating internal practices to remain competitive and compliant.

Employment Classification: Individual Contractors and Legal Uncertainty

The line between employee and individual contractor (zzp'er) continues to cause friction in Dutch employment law. Despite guidance from the Supreme Court, including in landmark cases like Deliveroo and Uber, the criteria remain complex and context-specific.

The Uber ruling confirmed that all relevant factors, such as autonomy, integration into the organization, and entrepreneurial risk, carry equal weight in determining status. This means two workers doing the same job could fall into different categories based solely on one's external entrepreneurship. Unsurprisingly, this has created confusion for employers and contractors alike.

In response, the government introduced two legislative proposals. One builds on the current legal framework, offering further clarification of the assessment criteria. The other proposal introduces for the first time a legal definition of individual contractors and would allow the parties' intent to factor into classification - an approach that could finally bring much-needed legal certainty.

The outcome of these proposals will shape how businesses contract external workers going forward, and employers are encouraged to begin assessing their workforce structures in light of potential reforms.

Pension Liabilities and Pseudo Self-employment

The Dutch Tax Authority has ramped up enforcement against pseudo self-employment, with significant consequences for employers. Workers incorrectly classified as zzp'ers may now claim pension benefits retroactively from industry-wide pension funds - even without having contributed. Known as the 'no premium, but right' principle, this can result in large back payments, often years after the employment ended.

There is no statute of limitations on such claims. Pension funds, unable to recover premiums from defunct employers, may raise future contributions for all participants. This creates a financial ripple effect through entire sectors.

In high-risk industries, some employers are exploring pension waivers with contractors, though these come with legal and ethical complications. Proactive classification audits and contractual reviews are recommended.

Unlimited Leave and Employee Wellbeing

Unlimited leave policies are gaining traction in the Netherlands, offering flexibility and autonomy. KPN was among the first large employers to implement such a policy, sparking both interest and concern. Trade unions have raised questions about whether such freedom might dissuade some employees from taking adequate time off.

Under Dutch law, statutory leave must still be guaranteed, regardless of how generous a policy appears on paper. Employers are encouraged to introduce internal guidelines or monitoring to ensure employees meet the legal minimum and that leave policies are applied fairly across teams.

Successfully implementing unlimited leave requires careful communication, clear expectations, and a strong culture of trust and self-management.

Pension Reform: the Future Pensions Act

The Future Pensions Act (Wtp), effective since July 2023, represents a fundamental overhaul of the

Dutch pension system. It phases out defined benefit schemes in favor of flat-rate defined contribution plans.

Employers with existing pension schemes have until 1 January 2028 to comply. This includes submitting a transition plan by 1 October 2027, consulting with works councils, and potentially maintaining dualtrack schemes through grandfathering provisions.

The Wtp allows transitional arrangements, such as preserving age-related contributions for existing employees while introducing flat-rate schemes for new hires. However, this creates additional complexity and requires precise legal and actuarial planning.

Despite the urgency, many organizations have yet to act. Delays risk non-compliance and discontent among employees. Businesses should begin consultations promptly and document all choices and justifications in their transition plans.

Work-Life Balance: Right to Disconnect and Work Anywhere

Workplace flexibility has become the norm in the Netherlands. The right to disconnect, 'employees' ability to switch off outside of working hours', is increasingly included in collective agreements. A legislative proposal formalizing this right is now under consideration.

Similarly, work-from-anywhere clauses have become standard in employment contracts. Unlike other countries pushing for office returns, Dutch employers appear more comfortable with decentralized working models.

These shifts reflect broader changes in employee expectations and workforce demographics. For employers, embracing flexibility can enhance retention and productivity but it must be supported by appropriate policies, communication protocols, and managerial training.

Pay Transparency: Preparing for 2026

In March 2025, the Dutch government launched a consultation to implement the EU Pay Transparency Directive, with legislation expected by June 2026. Key measures include:

- Publishing salary ranges in job postings
- Avoiding questions about previous salaries

- Providing gender-neutral recruitment processes
- Responding to employee requests for comparative pay information

Employers with 100 or more staff will be required to report pay gaps, both base and variable, and conduct evaluations if disparities exceed 5%. The Labour Inspectorate will enforce compliance, with fines reaching up to EUR 10,300 per violation.

Importantly, a reported pay gap does not automatically imply discrimination. Employers may justify wage differentials based on objective criteria such as experience, education, performance, or role complexity. However, those criteria must be transparent, documented, and applied consistently.

Works councils will gain new consultation rights over remuneration structures. Employers should start auditing pay systems now to identify discrepancies and assess whether their current frameworks meet the forthcoming standards.

Wage Disputes: the Duty to Complain

A 2024 Supreme Court ruling extended the 'duty to complain' principle to wage claims. This means employees must raise concerns about unpaid wages or overtime within a reasonable time frame or risk forfeiting the claim.

Courts will consider the nature of the work, the employee's ability to speak up, and whether poor recordkeeping by the employer contributed to delays. Employers should maintain accurate timesheets and take early action on complaints to reduce risk.

In practice, this ruling places a stronger emphasis on internal complaint procedures and documentation. Employers are advised to revisit wage policies and train managers on how to handle disputes proactively.

Workplace Conduct and Legal Reform

Codes of Conduct on Undesirable Behavior

A pending legislative proposal would require employers (except micro-enterprises with fewer than 10 employees) to implement a formal code of conduct on undesirable behavior. The code must define misconduct, provide examples, and outline disciplinary measures.

While the goal is to reduce workplace harassment and misconduct, concerns have been raised about

vagueness in the definition of 'undesirable behavior' and the potential compliance burden. Practitioners warn that implementation must remain flexible to accommodate different workplace realities.

The code should be integrated into broader compliance frameworks, and employers must ensure employees know who to contact in case of violations. A one-size-fits-all policy is unlikely to succeed, tailoring content to the workplace environment is critical.

Transition Payments for Long-term Illness

A separate proposal seeks to limit government reimbursement of transition payments for long-term sick employees to small businesses only. This would reintroduce the problem of 'dormant' contracts, where employers avoid formal dismissal to sidestep severance payments. Critics argue this shift undermines fairness and burdens employers disproportionately.

The proposed change also contradicts the intent behind the original compensation scheme, which aimed to reduce perverse incentives and support reintegration. For larger employers, this could increase the cost and complexity of managing long-term illness cases.

Collective Redundancies and Severance

Dutch law sets out a structured process for collective dismissals- defined as 20 or more terminations within three months in one labor region. Employers must notify the Labor Office (UWV), inform trade unions, and consult the works council before making any final decisions.

The works council must receive a detailed plan explaining the reasons for dismissal, the number of affected employees, the proposed timeline, and the selection criteria. Failure to do so can result in delays or legal challenges.

Employers typically negotiate a social plan with trade unions, outlining the severance package, redeployment support, and any retraining or transition assistance. While not mandatory, social plans are considered best practice and can reduce litigation risk.

Supervisory boards, if present, should also be consulted before implementation. Any failure to follow proper procedures may lead to reinstatement claims, financial penalties, or reputational damage.

Employees dismissed for economic reasons are entitled to a statutory transition payment: one-third of a monthly salary for each year of service, capped at EUR 98,000 or one year's salary (whichever is higher). In many cases, additional compensation is negotiated to secure voluntary departures or avoid court proceedings.



- Individual contractors and employees may perform identical work, yet qualify differently under Dutch law
- Retroactive pension claims from pseudo self-employed workers may span years with no statute of limitations
- Employers offering unlimited leave must still monitor statutory minimum usage
- The Future Pensions Act requires full transition by 2028, yet many employers haven't begun the process
- Remote work clauses are now standard in Dutch CBAs and contracts
- Wage complaints fall under a duty to complain - timing matters
- Pay gap reports become mandatory in 2026 for companies with 100+ employees
- Codes of conduct on undesirable behavior may soon become mandatory
- Employers may lose reimbursement rights for severance linked to long-term illness
- Collective dismissals require consultation with unions, works councils, and the Labour Office
- The legal definition of an individual contractor may soon change, with party intent playing a role
- Gender-neutral pay structures will require works council approval if large pay gaps are reported



Belgium is witnessing a broad reshaping of employment law, combining more detailed regulation of workplace investigations, renewed political priorities through a new federal coalition agreement, and reforms to pension and social security systems. From the rise of internal investigations to sweeping proposals for work-life balance, part-time work, flexible pay, and longer working lives, employers will need to rethink compliance and employee relations alike.

Private Investigations and the New Compliance Standard

One of the most significant developments is the Private Investigations Act (PIA), which came into force on 16 December 2024. Designed to regulate private investigations, the PIA now also governs much of what employers can and cannot do when probing (mis)conduct.

Crucially, the law extends not only to professional investigators but also to internal HR teams, provided they engage in occasional or structured investigations. Though licensing requirements for internal investigation services apply only where investigations are conducted structurally, HR departments must still comply with strict rules around documentation, consent, and interview practices.

A company must have a written policy outlining authorization and procedures for private investigations. Investigations into sensitive areas such as political beliefs, union membership, or health are prohibited. Interviewed employees must be informed, consent voluntarily, and may be accompanied by someone of their choice. A full investigation file must be compiled, and any resulting legal proceedings could give courts access to the complete record.

Non-compliance is not without risk. Administrative fines may reach up to EUR 25,000. In serious breaches, such as unlicensed investigations or violations of forbidden topics, evidence gathered may be ruled inadmissible. Other formal mistakes may not automatically render evidence void, but they could weaken its credibility in court. Employers have until December 2026 to implement the internal investigation policy, but proactive alignment is strongly recommended.

The Federal Coalition Agreement: Blueprint for Reform

The coalition agreement adopted in January 2025 sets the tone for employment reform through 2029. While not yet law, it signals strong legislative intentions across multiple areas of labor policy.

Modernizing Unemployment and Career Models

Unemployment benefits will, in principle, be capped at two years, depending on the worker's previous career. In a significant change, employees may now resign once in their career, subject to conditions, and still qualify for up to six months of unemployment. Long-term unemployed will be required to register with job services after three months.

A new 'family credit' leave system will harmonize and simplify child-care-related leave across sectors and employment types. Each child will carry a birthright to leave benefits, which can also include grandparents. Similarly, different forms of career interruption and time credit will be unified.

Unemployment with company allowances (formerly 'bridge pensions') will be closed to new entrants, barring medical exceptions. However, existing entitlements and ongoing restructurings announced before 31 January 2025 will remain protected.

A Flexible Labor Market: new Rules for Working Time and Conditions

Important changes are planned to increase flexibility. The minimum one-third threshold for part-time hours will be abolished, though a three-hour daily minimum remains. The cap on student work has already been raised to 650 hours annually, and the minimum age lowered to 15.

Night work regulations will be relaxed, particularly in the e-commerce sector, where working hours after 8 pm will no longer automatically qualify as night work. The statutory mandatory closing day will also be eliminated. Probation periods are slated to return by the end of 2025.

Temporary agency work rules will be expanded. It will become possible to employ temporary agency workers on open-ended contracts. Meanwhile, voluntary overtime will be streamlined: up to 360 hours annually may be agreed with the employee, with 240 hours qualifying for tax and social security exemptions.







Notice pay will also be capped for new hires at 52 weeks. Multiple dismissal indemnities will be streamlined to avoid cumulative awards where legal protections overlap.

Administrative Simplification and Reintegration

The coalition agreement aims to reduce administrative burdens. The Federal Learning Account will be abolished and replaced. Part-time work registration requirements will be eased, and wellbeing risk assessments will no longer need annual renewal unless conditions change.

For reintegration of long-term sick employees, new cost-sharing obligations and timelines are proposed. Employers (excluding SMEs) must now contribute 30% of social security benefits paid during the first two months of absence following the period of guaranteed salary. After eight weeks, a workability assessment becomes mandatory, and employers with over 20 staff will face penalties if reintegration efforts are not launched within six months.

A return-to-work fund contribution of EUR 1,800 will now apply in all medical force majeure terminations. Other changes include stricter relapse rules: only an eight-week gap between illnesses will reset guaranteed salary entitlements.

Salary Systems and Benefits Reform

While indexation remains untouched for now, social partners have been asked to examine possible reforms by 2026. Meal voucher values will rise to EUR 12, and their use will be expanded, while other voucher systems will be phased out.

Various existing bonus systems will be harmonized, although the tax impact is expected to remain neutral. A legal framework for cafeteria-style flexible pay will limit the conversion of salary to 20% of gross pay, with room for separate bonus awards.

The mobility budget will become mandatory for all employees entitled to company cars. It will replace various commuting and travel expense schemes and enjoy favorable tax treatment.

Social Dialogue and Strike Law

Social partners are being tasked with reducing the number of sectoral committees by 2027. Protection for elected worker representatives remains unchanged, but unelected candidates will only be

protected from dismissal for six months, down from two years. The right to strike is also under review, with clarification expected by the end of 2025.

Occupational Pensions: Regulatory and Fiscal **Adjustments**

Several key pension updates are underway. As of 1 January 2025, the statutory guaranteed return on employer-funded pensions has risen from 1.75 to 2.5%. Employers must fund any shortfall between this rate and actual returns on pension contributions.

From 2026, pension providers must comply with new cost transparency rules, disclosing both entry and ongoing charges on their websites using standardized formats. This applies to all second-pillar occupational schemes, whether managed by insurers or pension funds.

Looking further ahead, from 2035 employers will be required to contribute at least 3% of gross salary to an occupational pension - currently not mandatory. This aligns with broader efforts to boost second-pillar pension coverage.

Reforms to first-pillar state pensions are also coming. Employees who delay retirement will receive bonuses, while early retirees may face penalties. These changes will influence exit negotiations for older employees, making retirement planning more complex.

- The Private Investigations Act also applies to HR teams conducting occasional misconduct investigations
- Failing to follow PIA formalities may reduce evidence value in court, or nullify it entirely
- Belgium is reintroducing probation periods by the end of 2025
- Voluntary overtime may now reach 360 hours, with tax and social security relief on 240 hours
- Guaranteed returns on occupational pensions rise to 2.5% in 2025, funded by the employer if
- Flexible pay plans will be capped at 20% of gross salary, separate from cash bonuses
- New rules for long-term sick leave introduce employer costs, medical reviews, and reintegration deadlines
- From 2035, employers must offer occupational pensions worth at least 3% of salary

Modern Workforce and Investigations: Trends and Challenges in Italy

By Massimiliano Biolchini and Tiziana de Virgilio, Baker McKenzie Milan



Italy's employment framework in 2025 is undergoing meaningful evolution. While tradition and formality remain embedded in the structure of Italian labor law, recent trends are leaning towards flexibility, compliance standardization, and worker empowerment. Several legislative and judicial developments signal a growing alignment between national labor law and wider EU goals such as fair outsourcing, regulated AI deployment, and enhanced worker participation. Employers are being called to navigate stricter rules around temporary work, heightened liabilities in outsourcing, and an emerging framework for corporate co-governance, all while maintaining operational resilience and legal certainty.

Fragmented Employment Models and Outsourcing

Italy's historical reluctance toward third-party employment models has given way to a more pragmatic legal architecture. Since the Biagi Law, employment via service contracts, secondment, or agency work arrangements has become formalized. Italian courts now distinguish between:

- The functionalist approach, where the real employer is determined by substance over form; and
- Co-employership approach, where both formal and de facto employers share liability.

Legislative trends are consolidating these structures under a unified lens, standardizing sanctions and protections where misuse or misclassification occurs. Courts remain quick to requalify disguised outsourcing as direct employment when entrepreneurial independence is lacking. Employers must ensure genuine business autonomy in contracting partners, especially when outsourcing labor-intensive operations.

Agency Work and Staff Leasing

Legislative Decree No. 203/2024 introduced significant amendments to Article 31 of the foundational Decree 81/2015, followed by clarifying guidelines from the Ministry in March 2025. Key highlights include:

- Reinforcement of the 24-month cap on temporary assignments, now including assignments started after 12 January 2025
- Exclusion of certain permanent agency workers (engaged temporarily) from workforce size thresholds

Exceptions allowing disadvantaged workers to be engaged on fixed-term basis without standard justification

Recent case law, including decisions from the Milan Labour Court and Italian Supreme Court, reinforces the notion that misuse of successive fixed-term work agency contracts can result in automatic conversion into permanent employment vis-à-vis the user company.

The Milan Labour Court declared the unlawfulness of staff leasing contracts on open-ended basis, concerning workers hired on permanent contracts by the staffing agencies. The courts found such arrangements to be in breach of the principles set out in Article 5(5) of Directive 2008/104/EC, regarding the temporary nature of work agency agreements.

Employers are advised to reassess staff leasing arrangements to avoid litigation and unexpected regularizations.

Service Contracts: Clarifying Operational Boundaries

The boundary between legitimate service provision and illegal labor supply continues to receive judicial scrutiny. Under Article 1655 of the Civil Code and Legislative Decree No. 276/2003, genuine service contracts must demonstrate entrepreneurial autonomy including control over resources, workforce, and risk related to the management of the business.

Notable developments:

- Law Decree No. 19/2024, effective March 2, 2024, reinstated criminal penalties for fictitious outsourcing
- Employers may face imprisonment or fines for each day, and each worker engaged under illegal terms reaching up to EUR 50,000

Penalties are harsher for repeat offences, entailing the application of 20 per cent increase in the amounts of the above-mentioned penalties applies. The February 2025 Supreme Court ruling (No. 3280) affirmed that outsourcing loses legitimacy when the user company exercises control over the staff or tools. Contracts predating the March 2024 cutoff remain under the older administrative penalty regime, unless their performance continues after 2 March 2024.



Al in Employment

The EU AI Act (Regulation 2024/1689) has prompted Italy to introduce a national draft law, approved by the Senate in March 2025, to regulate artificial intelligence in the workplace. The bill focuses on ethical usage and human dignity.

Core elements:

- Employer notification obligations when AI systems are used
- Transparency and oversight for high-risk AI applications
- Creation of a national Observatory to oversee implementation

However, concerns remain. The draft bill does not yet address this intersection, nor does it clarify alignment with Italy's statutory provisions on employee surveillance (Article 4 of Law No. 300/1970) require trade union or the Italian Labor Authority involvement for monitoring tools. Conversely, the draft bill requires that the implementation of AI systems must comply with the Transparency Decree (Legislative Decree No. 104/2022), which mandates

prior union information for full automated decisionmaking.

Employers using AI tools should proactively assess legal gaps and engage with employee representatives to mitigate risk and preserve trust.

Workers' Participation in Corporate Governance

Law No. 76/2025 introduces a voluntary yet significant legal structure for employee participation in enterprise management. It aligns with constitutional principles and broader ESG goals.

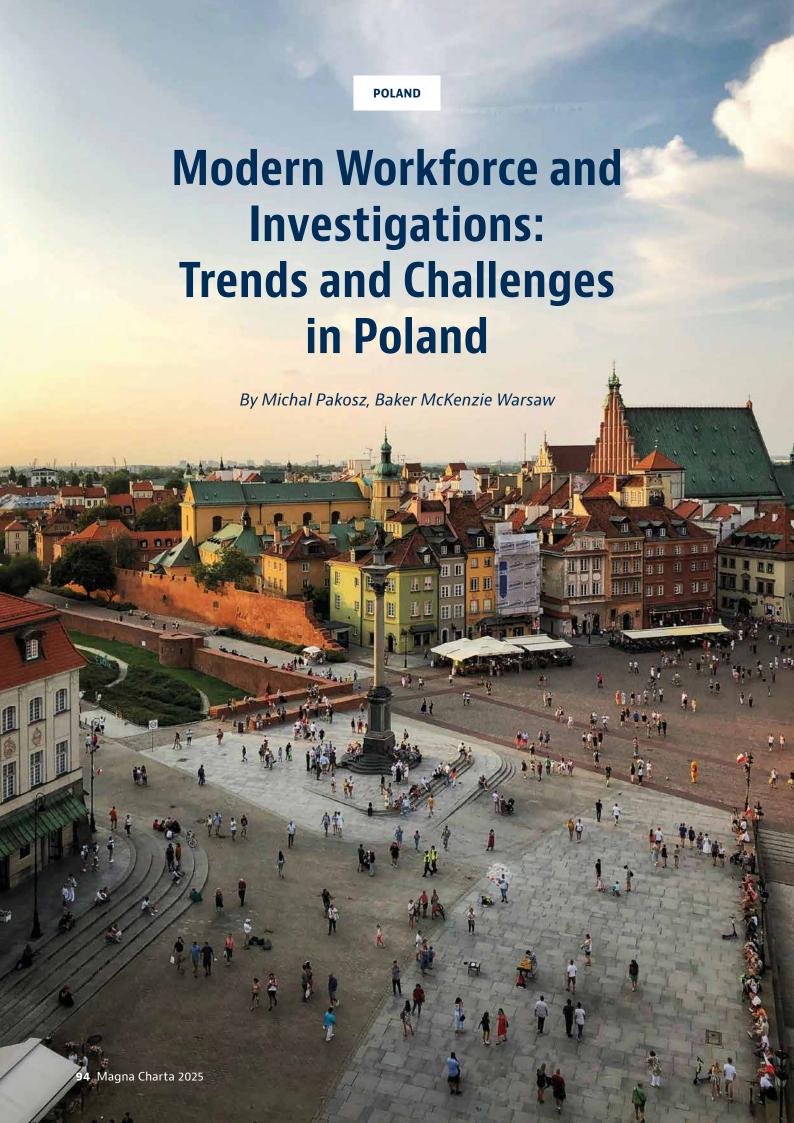
Four forms of participation are defined:

- 1. Managerial participation Employee board representation via collective bargaining
- 2. Economic/ financial participation Profitsharing and equity incentives, with favorable tax treatment
- 3. Organizational participation Joint committees proposing innovations in workplace organization
- 4. Consultative participation Strategic input rights within a structured process.

The law also mandates at least 10 hours of annual training for employee representatives. A national commission under CNEL will monitor implementation and guide legislative refinements. While not mandatory, this framework may drive larger companies and SMEs alike to adopt more inclusive governance models, linking productivity with stakeholder engagement.

- Supplied workers must enjoy equal rights as direct hires including union protections
- Repeated fixed-term contracts can be reclassified as permanent roles
- A service contract lacking entrepreneurial risk is deemed illegal outsourcing
- Since March 2024, criminal sanctions apply to sham contracting arrangements
- Workers in outsourced positions may assert their right to direct employment with the user company
- Italy's AI draft law focuses on human dignity, but lacks clarity on union consent





In 2025, Poland's employment landscape is marked by progressive legal developments, an assertive regulatory stance, and an ongoing push towards digitalization and transparency. Policymakers are responding to a modern workforce that is increasingly mobile, flexible, and digitally engaged. At the same time, enforcement measures are tightening to address misclassification, promote lawful employment practices, and enhance the integrity of labor standards.

Key themes include the digitization of work permit processes, proposals for reducing the working week, and ongoing debate around reclassification of civil law relationships. The intersection of EU directives, such as the Pay Transparency Directive, with local practices is also driving change, prompting employers to reassess compliance protocols and hiring strategies.

Labour inspections can be more comprehensive and unpredictable, while employment laws are increasingly geared towards protecting vulnerable groups, including foreign workers and those in nonstandard employment. Changes affecting collective dismissals, fixed-term employment, and employee seniority calculations suggest a future legal landscape that is both more protective and administratively demanding.

Employment of Foreigners: Digitization, Oversight and Stricter Rules

As of 1 June 2025, significant changes to the legal framework for employing foreigners were introduced via the Act on the Conditions of Permissibility of Entrusting Work to Foreigners. Key developments include:

- Digitalization The work permit application process has transitioned online, allowing employers to track progress in real time.
 Transitional rules apply until the full system is operational.
- Permit validity limits Work permits are now capped at one year for companies operating for less than a year or those employing a foreigner for fewer than 20 hours per week.
- Higher fines Fines for illegal employment of foreigners now range from PLN 3,000 to PLN 50,000, depending on the number of affected workers.
- End of labor market test Local authorities may now publish lists of occupations in which permit

- issuance may be denied based on labor market conditions.
- Contract submission Employers must file a copy of the employment contract with the appropriate local labor office.
- Expanded inspections Labour and border authorities are authorized to conduct unannounced inspections, including simultaneous inspections at multiple sites.

Temporary work agencies face new requirements. They must now have at least two years of operational history before employing foreigners and must provide:

- Contracts in a language understood by the worker
- A physical office (digital-only services no longer suffice)

Seniority and Alternative Work Forms

Poland is preparing legislation to include certain types of non-standard work arrangement, such as civil law contracts (e.g. contracts of mandate) and self-employment, in the calculation of employee seniority. These changes could affect entitlements to paid leave . Final legislation is pending, with changes expected to take effect no earlier than 2026.

Working Time Reform: Towards a Shorter Week

Two legislative proposals are under review: one reducing weekly hours to 35, the other shifting to a four-day week. Both proposals aim to preserve existing pay levels. A pilot program is planned for late 2025 or early 2026 to assess implementation models and impact on productivity and employee wellbeing.

Strengthened Labour Oversight: Reclassification Powers

A proposed reform would empower the National Labour Inspectorate to unilaterally reclassify civil law contracts or self-employment arrangements as employment contracts through administrative decisions. Currently, such reclassification requires court intervention. No draft legislation or timeline has been issued.

Pay Transparency: Legislative Dual Track

Poland's approach to implementing the EU Pay Transparency Directive involves two tracks:

Parliamentary draft amendment - Employers

must provide applicants with the pay range for a position. This can be done in the job ad, before the interview, or by the time the employment contract is concluded. However, the flexibility of timing may limit the practical effect of the rule.

 Government task force - A dedicated team is working on a broader legislative package aligned with the Directive. This includes legal analysis, legislative drafting, and an economic impact study. No timeline for draft publication has been announced.

Collective Dismissals: Legal Process and Consultation Framework

Polish law imposes specific procedural requirements for mass redundancies:

Thresholds:

Dismissals are considered collective if they affect within 30 days:

- 10 or more employees (companies with 20-99 employees)
- 10% of employees (companies with 100-299 employees)
- 30 or more employees (companies with 300+ employees)

Key stakeholders:

- Trade unions or employee representatives (if unions are absent)
- Works council (for employers with 50+ employees)
- District Labour Office (DLO)

Information and consultation:

- Employers must provide written notification outlining the reasons, categories of affected employees, redundancy timelines, and proposed severance payments
- A 20-day consultation must address redundancy alternatives, retraining, and redeployment

Social plan:

 Not mandatory unless agreed with unions. If no agreement is reached, employers must issue internal regulations reflecting union proposals. (if possible)

Government notifications:

- First notification to DLO at the start of consultations
- Second notification post-consultation before dismissals may proceed
- A 30-day waiting period for the effective termination date follows the second notification

Sanctions:

 Procedural errors can lead to nullified dismissals or compensation claims. Labour courts can order reinstatement or damages.

Individual Dismissals: Process and Entitlements

Individual terminations may occur due to:

- Organizational changes or job liquidation
- Misconduct or poor performance

Notice periods vary:

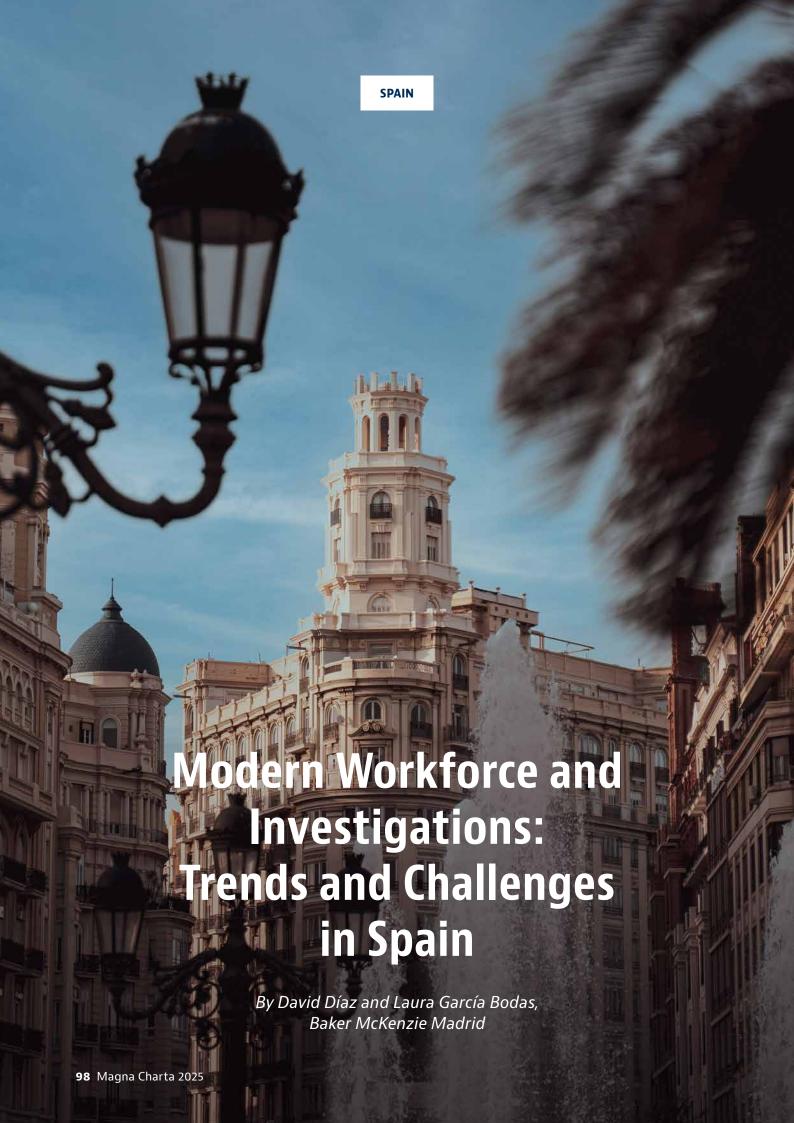
- 3 working days to 2 weeks for probationary contracts
- Based on seniority for indefinite or fixed-term contracts

Severance pay applies to dismissals for reasons not attributable to the employee and is based on length of service. For companies with 20+ employees, the statutory cap is 15 times the monthly minimum wage (PLN 69,990 in 2025).

Trade union consultation is required before terminating protected union members or those who have sought union protection.

- Work permits are now fully digital and tracked in real time
- Penalties for illegal foreign employment can reach PLN 50,000
- Civil law contracts and self-employment may soon count toward seniority
- A 35-hour or 4-day working week may be piloted in 2025/26 to companies which volunteered to the program
- Labour Inspectorate may soon reclassify contracts without court involvement
- Contracts for foreigners concluded by work agencies must be written in a language they understand
- Consultation with trade unions or employee reps and notification of labor office is mandatory in collective dismissals





In 2025, Spain's employment landscape is defined by regulatory refinement, ongoing political negotiations, and increasing alignment with broader European labor trends. The focus remains on safeguarding employee rights while balancing modern workforce realities - remote work, digitalization, and flexible arrangements. Courts and lawmakers continue to prioritize protection against precarious work, including the misclassification of workers, while also exploring legislative simplifications and employeefriendly adjustments in areas like working time.

While several major legislative initiatives remain pending due to political uncertainty, Spain has taken definitive steps in specific areas such as employee leave entitlements, digital rights, and the classification of independent contractors. The employment environment continues to evolve under a legal framework that requires employers to remain vigilant, particularly around procedural obligations and statutory entitlements.

Classifying Individual Contractors: a Narrow Window for Independence

Determining whether a worker is an employee or an independent contractor remains a core challenge in Spanish labor law. Labour courts interpret this issue expansively: unless the individual operates a fully autonomous business structure and markets their services independently, the relationship is likely to be deemed employment. Factors like flexible hours or remote working are increasingly irrelevant in the court's assessment, given the prevalence of these arrangements across standard employment relationships.

This expansive interpretation aims to prevent misclassification and ensure proper contributions to social security. For legal teams, the takeaway is clear: formal contracts and operational independence must be demonstrable when asserting that a relationship is not employment.

Employment Contracts: Formalities, Terms and Trials

Spanish employment contracts can be oral or written although the vast majority of contracts are made in writing to provide legal certainty to the parties.

Fixed-term contracts require written form and must meet specific legal criteria to avoid automatic conversion into indefinite contracts. If a fixed-term



arrangement continues beyond the legal maximum or is entered into fraudulently, it is presumed to be indefinite.

Probation periods must also be carefully managed. Typically lasting one to six months, they must be agreed in writing and vary by role. For fixed-term contracts under six months, the probationary period is limited to one month. Employers should ensure all contracts are registered with the National Public **Employment Service.**

Remote Work and the Right to Disconnect

Remote work is not a universal right in Spain. However, employees can request remote or homebased work for reasons related to caregiving or disability. Courts generally uphold such requests unless employers demonstrate serious organizational impediments. While employers retain discretion, their decisions must be grounded in practical realities and documented clearly.

Remote work is very prevalent in Spain, primarily driven by the pandemic and the subsequent years. However, we could say that there is a notable trend towards returning to in-person work and regaining

personal contact as a team tool.

Separately, a legislative proposal aims to strengthen the existing right to disconnect. If passed, it will explicitly prohibit employers from contacting employees outside working hours, whether by phone, email or other digital means. The right to disconnect would be non-waivable and place a positive duty on employers to prevent out-of-hours communication.

Leaves and Entitlements: Expanding Protections

Recent changes to leave entitlements broaden employees' rights to time off in critical personal and public interest scenarios. Key developments include:

- Five-day leave for serious illness or hospitalization of close relatives or cohabitants.
- Four-day leave in cases of access barriers to the workplace due to official restrictions or adverse weather.
- Leave for time needed to undertake preparatory acts for organ or tissue donation.
- Up to four days per year for urgent family care due to force majeure (e.g. serious illness or accident).

These developments reflect the increasing role of family obligations and personal well-being in Spanish employment law.

Dismissal: Procedural Obligations and Compensation

In disciplinary dismissals, Spain's Supreme Court ruled in 2024 that a prior hearing with the employee is mandatory. Although not explicitly required by statute, the court derived this duty from ILO Convention No. 158. Failure to hold such a hearing could invalidate the dismissal.

The adequacy of severance pay for unfair dismissal has also been tested. Despite international criticism, Spanish law's formula, based on salary and seniority, remains in force. The Supreme Court has maintained that it aligns with Spain's international obligations, meaning any changes would need to be legislated.

For objective dismissals, employers must provide 15 days' notice and pay 20 days' salary per year of service (up to 12 months). For unjustified dismissals, compensation rises to 33 days' salary per year (up to 24 months), with more generous terms for those hired before 2012.

Working Time and Legislative Reform

The government has proposed reducing the statutory full-time working week from 40 to 37.5 hours. Though not yet enacted, the bill prohibits any reduction in wages as a result of the working time cut. Employers could choose to implement the reduction through fewer hours per day, a shorter week, or additional leave days.

The bill also strengthens enforcement of working time records and the right to disconnect. Whether this reform passes depends on political developments, but its direction reflects a push toward improved work-life balance.

Pensions and Social Security

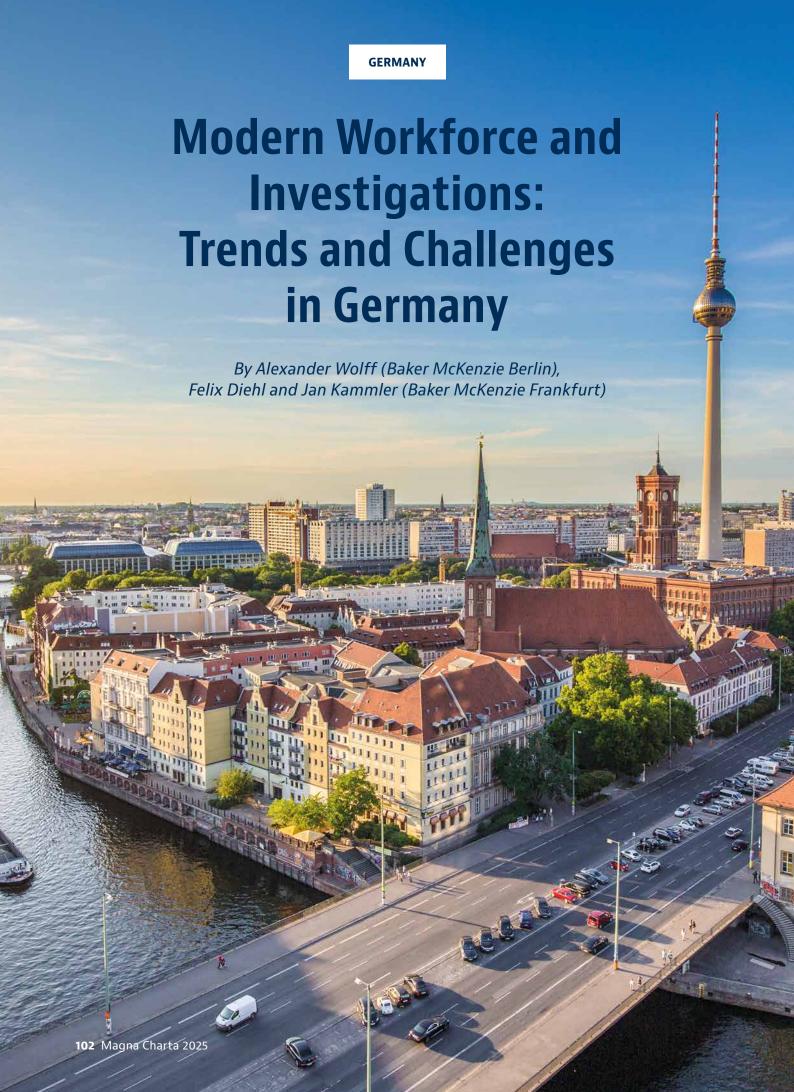
Recent pension reforms aim to boost social security funding and encourage later retirement. The statutory retirement age continues to rise and will reach 67 by 2027. Companies now face higher contributions, including:

- The solidarity contribution, taxing income above the maximum contribution base
- The intergenerational equity contribution (0.8% in 2025, with future increases)
- Ongoing increases in maximum contribution bases

These changes elevate the cost of employment, particularly for senior roles, and should be factored into workforce planning.

- Disciplinary dismissals now require a prior hearing
- Fixed-term contracts may convert to indefinite by default
- Misclassifying contractors remains a high litigation risk
- Spanish law mandates 14 public holidays plus 30 calendar days' vacation
- Legislative proposal would cut the workweek from 40 to 37.5 hours without wage loss
- Employers must justify rejection of remote work requests tied to caregiving or disability
- Higher social security contributions apply in 2025, including a 0.8% equity levy





In 2025, Germany's employment law landscape is balancing tradition and transformation. Long recognized for its formalistic labor system culture, Germany is cautiously embracing modernization - introducing digital employment processes and exploring new models of working time. These reforms respond to evolving workforce expectations, technological change, and mounting economic pressure, all while preserving Germany's foundational commitment to employee protections and social partnership.

Against the backdrop of rising sick leave rates, increased scrutiny over employment status, and the expansion of remote and flexible work models, employers must adapt swiftly. From digital contracts to Al implementation frameworks and equal pay rulings, businesses operating in Germany in 2025 face an intricate and evolving regulatory matrix that demands both compliance rigor and strategic foresight.

Digitalization and Practical Simplifications

Recent legislative changes mark a significant modernization in German employment processes. Most notably, employers are now permitted to fulfill key documentation obligations digitally. Employment contracts for indefinite-term roles can now be fully created, signed, and stored electronically. This marks a significant shift away from paper-based workflows, helping international employers streamline onboarding processes.

However, fixed-term agreements and post-contractual non-compete clauses still require traditional wet-ink signatures. Similarly, employee requests for parental leave can now be submitted in text form, such as via email, and many legally required notices, such as those relating to working hours or compensation, can also be delivered electronically. These developments simplify HR operations and reflect Germany's cautious yet deliberate embrace of digital transformation in the workplace. That said, when it comes to the termination of employment, the traditional wet ink requirement continues to apply.

Managing Sick Leave and Medical Evidence

High absenteeism rates continue to challenge German employers, compounded by the legal strength of the *Arbeitsunfähigkeitsbescheinigung* (AU): the medical

certificate confirming an employee's inability to work. According to the Federal Labor Court (*Bundesarbeitsgericht*, BAG), a properly issued AU is considered full proof of the employee's inability to work. Employers can rebut this presumption by presenting concrete facts that cast serious doubt on the illness. For example, if an AU precisely matches a notice period and is issued immediately after a termination, courts may scrutinize its legitimacy.

Suspicion alone is insufficient; employers must carefully document their doubts and, where appropriate, involve the *Medical Service of the Health Insurance Fund* (MDK) to assess validity. Additionally, in 2024, a pivotal BAG court ruling expanded data protection liability in this space. If an employer uses a private investigator to monitor an employee's health status without due cause, this may constitute unlawful processing of health data under the General Data Protection Regulation (GDPR), potentially triggering compensation claims. Employers should handle such cases cautiously and prioritize proportionality when responding to suspected sick leave abuse.

Freelancers, Temporary Work, and the Misclassification Challenge

The delineation between self-employed workers and employees remains a legal minefield. German authorities are placing increasing scrutiny on flexible work models, particularly in IT, media, and consulting. Key risks include retroactive liability for social security contributions, application of employee protection rights, and even criminal charges. Assignments must match the contract terms in practice - formal freelancer status will not shield companies if day-to-day operations suggest employee-like integration.

Crowdworkers and Platform Workers: Future Obligations

Germany's courts have clarified that digital platform workers, often referred to as 'crowdworkers', may be considered employees if their relationship exhibits dependency and control, such as through structured incentive systems. The 2020 BAG decision (9 AZR 102/20) remains a key reference point. Further complexity is expected with the upcoming transposition of the EU Platform Workers Directive by December 2026. The directive presumes an employment relationship when control or instruction is exercised, with platforms bearing the burden of proof to demonstrate independence.

Stricter Guidelines for Intra-group Employee Transfers

Intra-group personnel transfers also face new compliance hurdles. In November 2024, the BAG narrowed the scope of the 'group privilege' in temporary assignments. If an employee is permanently assigned to another group company from the outset, this may no longer qualify as temporary, and the receiving company may be deemed the true employer. This places added pressure on multinational companies to audit internal personnel transfers.

Earlier in October 2024, the Federal Employment Agency issued updated administrative guidelines on the German Temporary Employment Act (*Arbeitnehmerüberlassungsgesetz*, AÜG). These guidelines introduce stricter criteria for determining whether a personnel assignment is exempt from labor leasing licensing requirements, particularly in the context of intra-group transfers and the engagement of solo freelancers.

Under the new guidelines, if temporary workers are exclusively working from home abroad or performing telework from their foreign residence, the application of the AÜG depends on whether the employment has a domestic connection. This is generally the case if the employment is arranged from within Germany or if the worker is virtually working for a German borrower. The new guideline opens a broad range of potential difficulties for cross-border temporary workers. If and how the guideline is to be interpreted by the labor courts is still unclear.

Equal Pay Developments and the Pending EU Directive

Germany has yet to fully implement the EU Equal Pay Directive, but recent case law demonstrates the judiciary's increasing focus on pay transparency and equality. In a landmark ruling, the BAG had held that male employees negotiating higher salaries is not a valid justification for pay discrepancies. The decision underscores that subjective negotiation success is insufficient to defeat a claim for equal pay where employees perform equivalent work.

These judicial trends anticipate stricter enforcement once the EU directive is formally implemented. Employers should proactively review their compensation structures and internal pay equity metrics to mitigate potential litigation risk.

Al in the Workplace

The EU AI Act has triggered a new wave of employer obligations. Works councils increasingly demand transparency around how AI systems are trained, how decisions are made, and what oversight mechanisms are in place. Framework agreements on AI deployment are becoming common, especially in larger organizations. Employers must also offer appropriate training for employees interacting with AI systems and ensure that decisions with significant impact on employment (e.g. hiring, promotion, or discipline) are not left solely to algorithmic outcomes.

Working Time Reform and Flexibility

Germany's traditional working time framework is being re-examined. Calls for more flexibility, driven by demographic shifts, talent shortages, and worklife balance priorities, are fueling policy debate around weekly rather than daily working hour limits. Although a proposed reform to the Working Time Act remains under discussion, the BAG has already clarified that employers are obliged to fully record working hours. Thise has significant implications for trust-based working time and flexible scheduling models.

At the same time, the four-day workweek is gaining traction. Sector-specific collective bargaining agreements (CBAs) are increasingly incorporating flexible scheduling models. Some employers are piloting arrangements with reduced hours at full pay, while others maintain full hours across fewer days. The federal government, meanwhile, is exploring bonuses or tax incentives to encourage overtime, creating a dynamic - and at times contradictory - policy landscape.

Remote Work and Collective Engagement

Remote work remains a key pillar of post-pandemic workplace strategy. However, no statutory right to remote work exists. Instead, terms are typically governed by CBAs with unions, works council agreements, or supplemental contracts. Many such agreements are highly detailed, covering accident insurance, time tracking, and the right to return to office.

Employers are encouraged to retain the flexibility to reassign employees to on-site work and avoid overly rigid designations of home as the sole workplace. A balanced, adaptable approach not only ensures



compliance but preserves future organizational agility.

Notably, trade unions are also advocating for enhanced digital access to employees, and the government is considering granting digital communication rights to unions within company systems - a significant shift in how labor organizations may engage in digital environments.

Legislative Outlook: Social Partnership Meets Digital Innovation

Germany's current coalition forming the government continues to emphasize labor reforms grounded in social partnership. Planned legislative updates include:

- Codifying digital time recording requirements, with carve-outs for smaller employers and trust-based models
- Modernizing the Working Time Act, allowing weekly maximums rather than daily caps
- Expanding collective bargaining coverage through compliance-linked public procurement
- Digitizing works council operations, including virtual elections and further digital assembly rights
- Strengthening occupational pensions, supported by portability and tax incentives

- Employment contracts and parental leave requests can now be signed and archived digitally, but fixed-term and termination documents still require wet ink signatures
- Germany's BAG ruled that higher pay due to 'better negotiation' does not justify pay gaps between men and women
- Employers must fully record working time even under trust-based models
- Sick leave abuse investigations may trigger GDPR liability if not handled with care
- Cross-company employee transfers may violate temporary employment laws if not correctly structured
- New EU rules on Al trigger training obligations for employers
- Remote work remains a matter of agreement - not a statutory right
- Senior court rulings and EU directives are narrowing justifications for unequal pay
- The government is considering allowing trade unions digital access rights to communicate with employees
- Four-day workweeks are gaining ground via collective agreements, but there's no universal model yet

Modern Workforce and Investigations: Trends and Challenges in South Africa

By Johan Botes, Shane Johnson, Kirsty Gibson and Bhekithemba Mbatha, Baker McKenzie Johannesburg



In 2025, South Africa's employment landscape is undergoing some of its most substantial reforms in recent years. Legislative amendments focus on creating equitable, transparent, and modern workplaces, while proposed amendments also look to ease regulatory burdens, where possible, to encourage job creation. New legislation and proposed amendments reflect an evolving balance between employee protections and employer flexibility, shaped by both economic necessity and constitutional values.

For employers, especially multinationals and those with large operations in South Africa, understanding this shifting landscape is vital. Key changes include revised employment equity obligations, proposed updates to dismissal procedures, increased scrutiny on equal pay, and proposed restructuring of statutory severance. These developments aim to accelerate transformation, address inequality, and update labor practices in a way that supports long-term stability.

Employment Equity: Sectoral Targets and Compliance Overhaul

Recent amendments to the Employment Equity Act (EEA), signed into law in January 2025, introduce a redefined threshold for who qualifies as a 'designated employer'. Previously, both staff size and turnover determined this status. Now, only employers with 50 or more employees fall within the scope. This means that many smaller companies are no longer required to comply with affirmative action requirements and meet sector specific numerical targets.

Designated employers, however, face heightened obligations. As of September 2025, they must adopt a five-year Employment Equity Plan and align it with newly published sector-specific numerical targets for senior occupational levels. These targets, released by the Department of Employment and Labour (DoEL) in April 2025, reflect the government's intent to accelerate transformation and improve representation of designated groups (women, Black, Colored and Indian SA citizens) in leadership.

Non-compliance with these targets does not automatically result in penalties, provided employers can demonstrate justifiable reasons for failing to comply, such as limited recruitment opportunities or a shortage of qualified candidates. Designated employers must track and report their progress annually. Reports are either approved with an

acknowledgment letter or rejected, indicating areas of non-compliance or errors which must be rectified. If rejected, employers may face compliance orders and fines, ranging from R1.5 million or 2% of turnover to R2.7 million or 10% of turnover for repeat offences. A fine will likely be imposed after failing to comply with a compliance order.

The challenge for designated employers is not only meeting the numerical targets but documenting compliance efforts thoroughly and managing internal transformation progress.

Equal Pay for Equal Work: Justifications and Compliance Risk

The EEA also prohibits unfair pay disparities for employees performing work of equal value. The accompanying Regulations outline four key factors to assess job value:

- Responsibilities (including people, budgets, and materials)
- Skills, experience, and qualifications
- Physical and emotional effort
- Working conditions

While these criteria provide structure, they are not exhaustive. A difference in terms and conditions of employment for work of equal value is not unfair discrimination as long as the difference is fair, and rational. Examples of fair and rational grounds for differentiation include:

- Seniority or length of service
- Individual performance or productivity
- Qualifications or special skills
- Temporary status (e.g. interns or trainees)

Crucially, the burden is on employers to justify any pay differentiation. As awareness around pay transparency grows, legal teams should anticipate and prepare for equal pay claims, particularly in sectors with legacy disparities or opaque remuneration systems.

Dismissals and Procedural Duties

Collective Dismissals

Under South African law, dismissals for operational requirements trigger consultation and reporting requirements. Employers must:

 Consult with trade unions (if applicable) or affected employees

- Issue a consultation notice under Section 189 of the Labour Relations Act (LRA)
- Provide details on the timing, business rationale, selection criteria, and proposed severance to be paid for the redundancies

Failure to consult in good faith may result in legal challenges, or the dismissals being found to be unfair. Employers with more than 50 employees who contemplate making at least 10 employees redundant within a 12-month period must comply adhere to a statutory timeframe of 60 days before issuing termination notices. Parties to a large-scale redundancy process may call for facilitation by the employment tribunal, or by a person agreed on between the parties.

Individual Terminations

Dismissal for misconduct, incapacity, or operational requirements must follow a fair process. Recent proposed updates to the Code of Good Practice: Dismissals emphasize that while formal hearings are not mandatory before dismissals for misconduct or incapacity, the employer must still:

- Investigate the issue
- Inform the employee of the facts based on its investigation
- Give the employee a chance to respond

Proposed updates to the code aim to reduce complexity in dismissal procedures, especially for smaller employers, while ensuring fairness in the process. Notable proposed amendments include:

- Employers dismissing senior or highly skilled employees for underperformance without prior warnings
- Incompatibility, defined as the inability to work within a team or culture, being formally recognized as a valid ground for dismissal under incapacity

Legislative Reform: Severance, Probation and High Earners

In March 2025, NEDLAC proposed sweeping amendments to South Africa's labour framework, which are now awaiting parliamentary approval. These include:

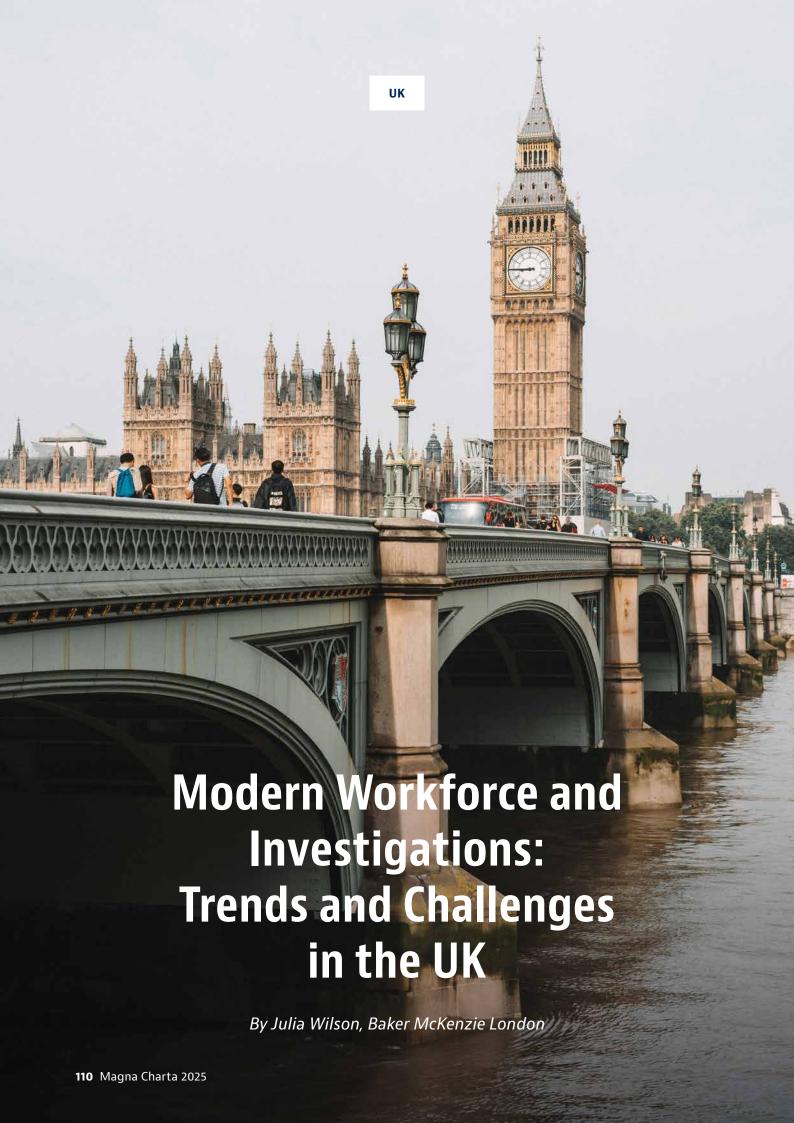
 High-earner threshold - Employees earning above a certain threshold would be limited to compensation-only remedies for unfair dismissal, with no entitlement to reinstatement. This

- measure is intended to reduce litigation volumes.
- Probation period protections Protection against unfair dismissal would only begin after three months of employment. The aim is to encourage first-time hiring by reducing early-stage legal risk.
- Redundancy litigation timing Legal challenges to large-scale retrenchments could only be filed after the process concludes - not during. This seeks to encourage genuine consultation and limit strategic delays.
- Unfair labor practice scope Certain disputes over promotions, benefits, and re-employment would be excluded from unfair labor practice claims, though alternative remedies (e.g. discrimination claims) would remain available.
- Statutory severance increase Doubling severance pay from one to two weeks per year of service would significantly impact restructuring costs.

These proposals, if enacted, would signal a shift toward streamlined, employer-friendly processes while maintaining core employee protections.

- Employers with under 50 staff are no longer 'designated employers' under the EEA
- Sectoral specific numerical targets now apply at senior levels for all industries
- Differentiation between terms and conditions of employment must be backed by rational, fair reasons - the burden is on employers in unfair discrimination claims
- Incompatibility may soon be recognized as a form of incapacity
- High earners may lose the right to claim reinstatement in unfair dismissal cases (if proposed amendments are enacted)
- Statutory severance could double to two weeks per year of service, based on the suggestion from NEDLAC currently before parliament
- Fair consultation is a legal requirement in all redundancies
- Employers must give employees a chance to respond before dismissal - even informally





The Employment Landscape in 2025

The UK employment landscape is entering a new chapter in 2025, shaped by regulatory reform, emerging legal precedent, and shifting political priorities. Following the election of a new Labour government in July 2024, the legislative agenda has centered on improving workers' and trade union rights, redefining employment status, and strengthening compliance across sectors. This piece explores the major developments now shaping the legal and operational considerations for employers across the United Kingdom.

Defining Employment Status: Ongoing Legal and Tax Debate

The UK recognizes three categories of employment status: employee, worker, and self-employed contractor. For tax purposes, only employees and the self-employed are recognized. The key legal test for employment status derives from *Ready-Mixed Concrete Ltd v Minister of Pensions*, considering mutuality of obligation, control, and whether the relationship reflects an employment arrangement overall looking at the factual context and terms of the relationship.

Recent litigation, including *Kickabout Productions* and *PGMOL*, continues to refine these concepts. In the latter, the Supreme Court held that short-term contracts without a guaranteed offer of work still met the criteria for employment for tax purposes, placing emphasis on the mutuality of obligation and control between the parties. These cases underscore the growing importance of the third stage of the test, the overall context of the working relationship, and have heightened awareness of the potential tax and employment law consequences tied to classification decisions.

For employers, this legal complexity demands careful documentation of the terms of engagement, as well as practical consistency between contract language and day-to-day management of workers.

Employment Changes on the Horizon?

The Labour government's pre-election proposals included merging the employee and worker statuses into a single category. While no formal consultation has taken place, the government now describes this reform as a longer-term objective, citing the need for detailed stakeholder engagement.

Still, some immediate reforms are in motion. The Employment Rights Bill, introduced in October 2024, proposes to make unfair dismissal a 'day one right' eliminating the usual two-year service requirement. This could recalibrate employment status disputes, as the need to establish continuity of service may become less significant in many cases.

Employers using alternative staffing models, such as umbrella companies, face new compliance requirements. Pending legislation will align umbrella companies with employment business rules and transfer tax liability for employment income to the staffing agency or, where no agency exists, to the end client. These changes may prompt employers to reassess the commercial viability and risk profile of these flexible labor arrangements.

Annual Leave Reforms: Focus on Flexibility and Compliance

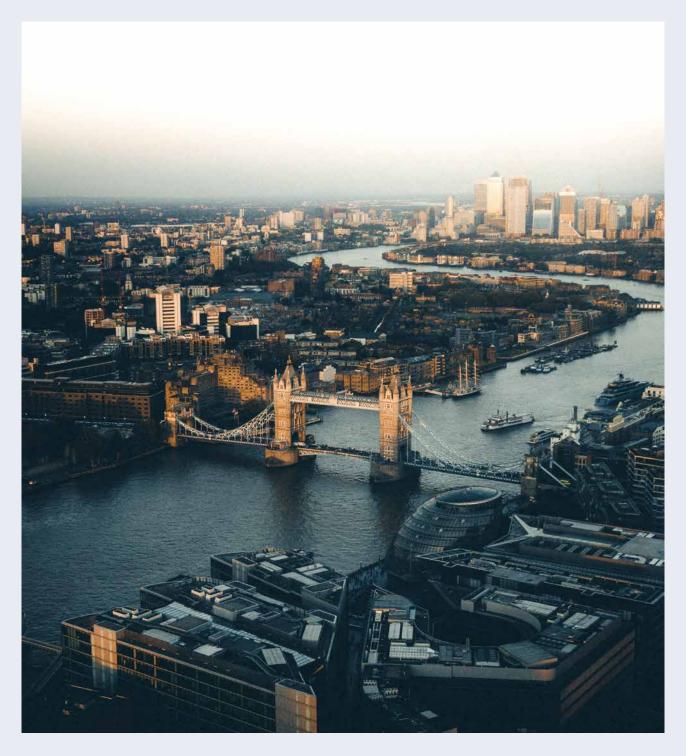
The Working Time Regulations have been significantly amended post-Brexit. For holiday years beginning on or after 1 April 2024, irregular hours and part-year workers can be paid 'rolled up' holiday pay at 12.07% of earnings, reintroducing a model previously disallowed under EU law. This provides clarity and flexibility but also places a premium on payroll compliance.

If employers do not use rolled-up pay, they must adhere to detailed accrual calculations and ensure correct leave is granted and paid. Accrued but unused holiday entitlement must also be paid on termination. For workers on family-related or sick leave, holiday entitlements now carry forward within statutory timeframes, and employers must actively encourage use of leave and issue reminders to avoid liability for untaken leave.

The government has proposed the creation of a Fair Work Agency, with potential powers to investigate compliance and pursue claims on behalf of employees. Employers may be required to retain evidence of holiday pay and accrual compliance for up to six years - an additional recordkeeping obligation.

Pensions: Surpluses and Structural Shifts

Following decades of focus on managing deficits, some defined benefit (DB) schemes are now in surplus. Employers and trustees are exploring their options: whether to use surplus funds to enhance member benefits, reduce employer contributions,



or, where permitted, return funds to the sponsoring employer. These decisions hinge on the scheme's governing rules and the chosen long-term strategy, including possible buy-out or wind-up scenarios. Expected future legislative changes in relation to surplus release are likely to ensure that discussions between trustees and employers continue in this area.

In the defined contribution (DC) space, regulatory pressure and expected future legislative changes for smaller schemes to consolidate into 'master trusts' continues. The UK government wants employers to

engage more actively with pension providers and ensure workers are in cost-efficient schemes. Over time, this may drive employers to review their default arrangements and consider switching providers to deliver better value or, in some scenarios, providers transferring employees out of arrangements with potentially little involvement from the employer (or the employee).

Right to Disconnect: Still Uncertain

Although the Labour party initially floated a legal right to disconnect, this was downgraded to

a commitment to publish a statutory Code of Practice. The October 2024 Employment Rights Bill did not include relevant measures.

For now, employers must manage expectations through policies and informal practices, such as delayed email sends or clear messaging around non-urgent communication, to mitigate risk and support employee wellbeing. Some sectors are already experimenting with protocols to reduce out-of-hours digital engagement, but these remain voluntary.

The Return to the Office: Managing Hybrid Expectations

The return to the office continues to challenge employers. Hybrid working policies vary widely, from minimal in-office presence to full return mandates. Many businesses report difficulty in achieving even limited weekly attendance. Conversely, some have moved to increase onsite requirements in response to collaboration, performance, or cultural concerns.

Employers must strike a balance between operational needs and staff preferences, often tailoring policies to role type, seniority, or department. Flexibility remains key, but policy consistency and clear communication are equally important.

Pay Transparency and Equal Pay

Though the UK is not bound by the EU Pay Transparency Directive, it continues to pursue its own transparency agenda. Employers with 250+ staff must publish annual gender pay gap reports, covering mean and median differences in average hourly pay and bonuses, bonus disparities linked to protected characteristics, and quartile breakdowns. The government has signaled an intention to extend these duties to include race and disability reporting and also bring in measures akin to the Pay Transparency Directive.

The concept of equal pay for equal value is well established in UK law. Group actions involving retail chains and public sector employers have highlighted the scale of potential liability - Birmingham City Council, for example, faced claims exceeding GBP 1.8 billion. The government has promised to prohibit outsourcing arrangements that undermine equal pay protections, though details are pending.

Legislative Priorities for 2025 and Beyond

The Employment Rights Bill remains under review but contains proposals with wide-ranging implications for employers. Among them:

- Making unfair dismissal a day one right
- Extending union access and simplifying the statutory recognition process
- Replacing the 50% turnout threshold for strike action with a simple majority requirement
- Increasing strike mandate validity to 12 months
- Mandating guaranteed hours offers for low-hours and agency workers after qualifying periods
- Establishing shared liability for late shift change notices in agency arrangements

The Bill also seeks to strengthen sexual harassment laws, requiring employers to take 'all reasonable steps' to prevent sexual harassment, and explicitly covering third-party harassment related to all other protected characteristics.

Investigations: a Cultural and Legal Focus

Workplace investigations are on the rise, often prompted by whistleblowing, grievances, allegations of misconduct or broader cultural audits. The quality and independence of investigations are under increasing scrutiny. Employees may challenge not only the substance but also the process, particularly if conducted in-house.

Employers are advised to maintain clear investigation protocols, ensure impartiality, and consider external support in complex or sensitive cases. Regulatory expectations around transparency, fairness, and follow-up action continue to evolve.

Did you Know?

- A week's pay for statutory redundancy is capped at GBP 719, with total payments capped at GBP 21,570
- The proposed Fair Work Agency may soon enforce holiday rights and intervene in disputes
- Employers may be required to retain annual leave compliance records for six years
- Equal pay litigation has triggered payouts exceeding GBP 1 billion in some public bodies
- The national minimum wage is now GBP 12.21 per hour for workers aged 21+, and will rise annually

Modern Workforce and Investigations: Trends and Challenges in the U.S.

By Susan Eandi (Baker McKenzie San Francisco), Elizabeth Ebersole and Autumn Sharp (Baker McKenzie Chicago), and Adeola Olowude (Baker McKenzie Washington, DC)

The Employment Landscape in 2025

In 2025, the U.S. employment landscape remains fragmented and fast-evolving. Shaped by a complex interplay of federal, state, and local laws, employers face mounting challenges in compliance, workforce flexibility, classification disputes, and growing pressure for pay transparency and Al oversight. Meanwhile, the U.S. political landscape continues to influence how key issues like diversity, remote work, and algorithmic decision-making are governed.

While federal standards provide a baseline, employers must stay attuned to the often stricter or divergent rules imposed by the states and cities in which they operate. Employment law in the U.S. is undergoing subtle but impactful shifts that require proactive legal and HR strategies to manage risk, retain talent, and uphold employee rights.

Worker Classification and Independent Contractors

Worker classification remains a hotbed of regulatory activity. In May 2025, the Department of Labor (DOL) issued Field Assistance Bulletin (FAB) 2025-1, halting enforcement of the 2024 rule under the Fair Labor Standards Act (FLSA) and signaling a shift back toward the more employer-friendly 'economic reality' test. The DOL will now rely on prior guidance, Fact Sheet #13 (2008) and Opinion Letter FLSA 2019-6, to assess whether a worker is economically dependent on the employer.

This test examines seven factors, including:

- Worker's opportunity for profit or loss
- Investments in equipment
- Degree of permanence
- Employer's level of control
- Integration of work into the business

The previous administration's rule remains effective in private litigation, and a change in administration could swing policy once again. Meanwhile, state laws often impose different standards:

- California, Massachusetts, and New Jersey apply the ABC test, making it significantly harder to classify workers as independent contractors
- Texas and Florida continue to follow more lenient approaches

The result: employers must navigate varying standards across jurisdictions. Misclassification can lead to substantial penalties, back pay claims, and

reputational harm.

Paid Leave and Time Off

The U.S. remains one of the few developed nations without a federal mandate for paid annual leave. Paid time off (PTO) varies widely by employer and geography. While approximately 80% of private-sector workers receive paid vacation, access is inconsistent and often lower in hospitality and retail.

Federal framework:

The Family and Medical Leave Act (FMLA)
mandates up to 12 weeks of unpaid leave for
specific health and caregiving reasons for eligible
employees

State-level developments:

- Connecticut requires up to 40 hours of paid sick leave for employers with 25+ workers
- Michigan expanded its Earned Sick Time Act
- New York added 20 hours of paid prenatal personal leave
- Missouri and Nebraska introduced sick leave laws in 2025 but face possible legislative rollback

Some states, like Illinois, Maine, and Nevada, now allow leave to be used for any reason, marking a trend toward more flexible PTO models. This creates compliance complexity for employers operating across multiple states.

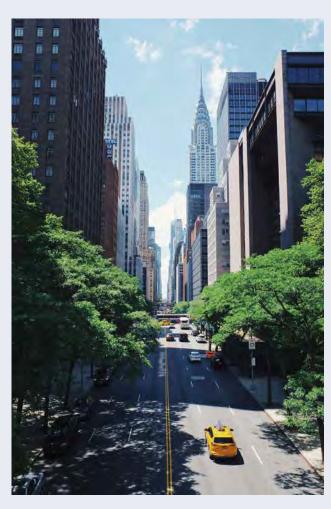
Work from Anywhere and Right to Disconnect

As hybrid and remote work arrangements persist, employers continue to adapt policies. About 68% of U.S. employers offer location flexibility, but many now require 2-3 days in-office per week.

Key considerations:

- Americans with Disabilities Act (ADA) May require accommodations like remote work.
- CBAs and employment contracts Can restrict unilateral return-to-office (RTO) mandates.
- Talent attraction Flexible arrangements remain a competitive advantage.

Unlike many EU countries, the U.S. has no federal or state right to disconnect laws. Proposals in California and New Jersey stalled, but the topic remains under scrutiny. Employers should track state legislative activity and consider voluntary policies to support







work-life balance.

Pay Transparency: a Growing Patchwork

A wave of pay transparency laws is reshaping job posting and compensation practices:

- Jurisdictions including California, Colorado, Illinois, New York, Washington, and Maryland now require salary ranges in job ads
- Additional mandates include disclosure of bonus and equity compensation (e.g., Colorado, Maryland)
- Some states require demographic pay reporting by gender, race, and ethnicity

Washington state's recent law (SB 5408, effective July 27, 2025) caps statutory damages in class actions at USD 5,000 per violation, with a floor of USD 100, and introduces a five-day grace period to correct violations.

Failure to comply can result in:

- Private rights of action
- Government investigations
- Costly class actions

Recommendation: Employers should conduct privileged pay audits, revise job postings to include good-faith pay ranges, and stay informed on jurisdiction-specific requirements.

Al in Employment

Al tools used in hiring and employee evaluation are under growing legal scrutiny. States like Illinois, Colorado, and New York have introduced laws requiring:

- Bias audits of automated decision-making systems
- Notification to applicants when Al is used
- Transparency around data usage

At the federal level, policy direction varies with each administration. While the previous administration emphasized fairness and oversight, the current administration's 2025 agenda focuses on maintaining U.S. Al leadership, with less emphasis on regulation.

Employers should:

- 1. Inventory and review AI tools
- 2. Monitor legal developments in key jurisdictions
- 3. Implement human oversight
- 4. Use data minimization and ethical design principles
- 5. Build governance frameworks around algorithmic accountability

Diversity, Equity and Inclusion

In January 2025, the President issued executive orders targeting federal DEI programs and urging public and private institutions to dismantle what are labeled 'illegal DEI policies'.

While these executive orders:

- Do not alter Title VII or other foundational antidiscrimination laws
- Do not outrightly ban private-sector DEI initiatives

They reflect a policy shift toward scrutinizing DEI as potentially divisive or discriminatory. These orders are under legal challenge and signal increased enforcement risks for aggressive DEI programs.

Recommendation: Employers should audit DEI initiatives under legal privilege and document the business rationale behind their programs to defend against potential challenges.

Did you Know?

- Worker classification rules vary widely across states
- Paid leave mandates differ by jurisdiction and may expand further
- There is no U.S. federal right to disconnect from work
- Over 60% of companies require 2–3 in-office days per week
- Employers must include pay ranges in job postings in many states
- Washington state allows class actions for pay transparency violations
- States like New York and Illinois require demographic pay data reporting
- Al bias laws require audits and applicant notifications in certain states

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AvdR General Counsel & Legal Counsel Dinner 2025



On April 3, 2025, Waardenburg Castle set the stage for the first AvdR Legal Counsel and General Counsel Dinner - an engaging event that brought together legal professionals for an afternoon of thought-provoking discussions and meaningful networking.

With contributions from Mirjam de Blécourt, Danielle Pinedo, and Lerisha Naidu of Baker McKenzie, as well as Dutch Senator Koen Petersen, the event concluded with a lively reception and dinner, leaving guests with fresh perspectives and valuable new connections - a successful and memorable first edition.

Want to see more highlights from the day? Scan the QR code to revisit the event, including speaker sessions and photos.



A key player in supporting legal professionals through education and interesting dialogues.



We would like to thank the AvdR. A partner in legal progress and proud supporter of this magazine.