

BUILDING SUSTAINABLE SUCCESS STORIES

SUSTAINABILITY
REPORT 2020



CASTRÉN & SNELLMAN





CONTENT

5	Greetings from our Managing Partner
6	Castrén & Snellman
8	Sustainability
10	Advice for Clients
14	Impact on Society
18	Human Rights
22	Our People
26	Environment
32	Anti-Corruption

GREETINGS FROM OUR MANAGING PARTNER

The year 2020 will be remembered as a year unlike any we have experienced before and that few of us came through unscathed.

Despite this, as a company we took some major steps in sustainability work. We were the first Finnish law firm to join the UN Global Compact at the start of 2020. We mapped our carbon footprint and will reduce our emissions by 25% by 2025. At the end of the year, we joined the Science Based Targets business initiative.

Our sustainability work started in 2008 when we joined WWF's Green Office programme as the first Finnish law firm. We have been able to promote several of the UN Sustainable Development Goals over the years, but from year 2020 on, our work as a company and as attorneys will be guided by the Ten Principles of the UN Global Compact.

I am confident that 2021 will be a better year. However, it would be a mistake to think that things will now be easy. There are massive economic and social issues to be tackled this decade. The largest of these ultimately impact everything else: climate change and biodiversity loss.

We are not without hope. Europe and the United States have achieved concrete results in reducing the consumption of coal, and our goals for the future are ambitious. China announced that it would achieve carbon neutrality by 2060.

However, we are only at the beginning of this shared journey. Saving our planet will require all of us to act responsibly, and above all to act.

As lawyers, we can make the biggest difference by helping our clients develop their own sustainability. To do that most effectively, we have to understand the demands that sustainability puts on our clients inside and out. To us, that means that we can't just talk the talk, we have to walk the walk. We work to develop the sustainability of our own activities to benefit our clients.

Castrén & Snellman is committed to continue to build sustainable success stories in the coming years and bind our work to the Ten Principles of UN Global Compact.



SAKARI LUKINMAA
Managing Partner

CASTRÉN & SNELLMAN



Our mission is to build sustainable success stories

Castrén & Snellman Attorneys Ltd is a full-service business law firm that advises Finnish and international clients in transactions, dispute resolution and a wide range of other specialised facets of business law.

We help our clients build sustainable success stories and achieve their sustainability goals.

Founded in 1888, we are the oldest and also one of the largest law firms in Finland, with over 240 employees.

We are based in Helsinki, and in other parts of the world we work with an extensive international network of law firms.

- Over 240 employees.
- 50/50% gender ratio of lawyers.
- 22 services in the field of business law.
- Annual turnover MEUR 48 in 2019.
- 1,000 partner firms in 90 countries.
- Law firm of the year 2017 in Finland (Chambers Europe).
- Dispute resolution law firm of the year 2019 in Finland (Benchmark Litigation Europe).
- Most desirable law firm employer in Finland for 12 years (Universum).

OUR VALUES



SUSTAINABILITY

Sustainability is a goal that we share with our clients. The climate crisis, the depletion of natural resources and increasing social inequality call for solutions on the scale of the entire economic system. This change will require a great deal from companies.

We promote equality, diversity and the meaningfulness of work in our field and fight climate change. Our firm has changed with the world many times over the course of its 130-year history. This legacy is the foundation for our sustainability work today.

Our sustainability work covers three areas:



The UN Sustainable Development Goals are the basis for our sustainability work. We want to play a role in promoting equality. The work to fight climate change concerns us all. As attorneys, we promote the rule of law.

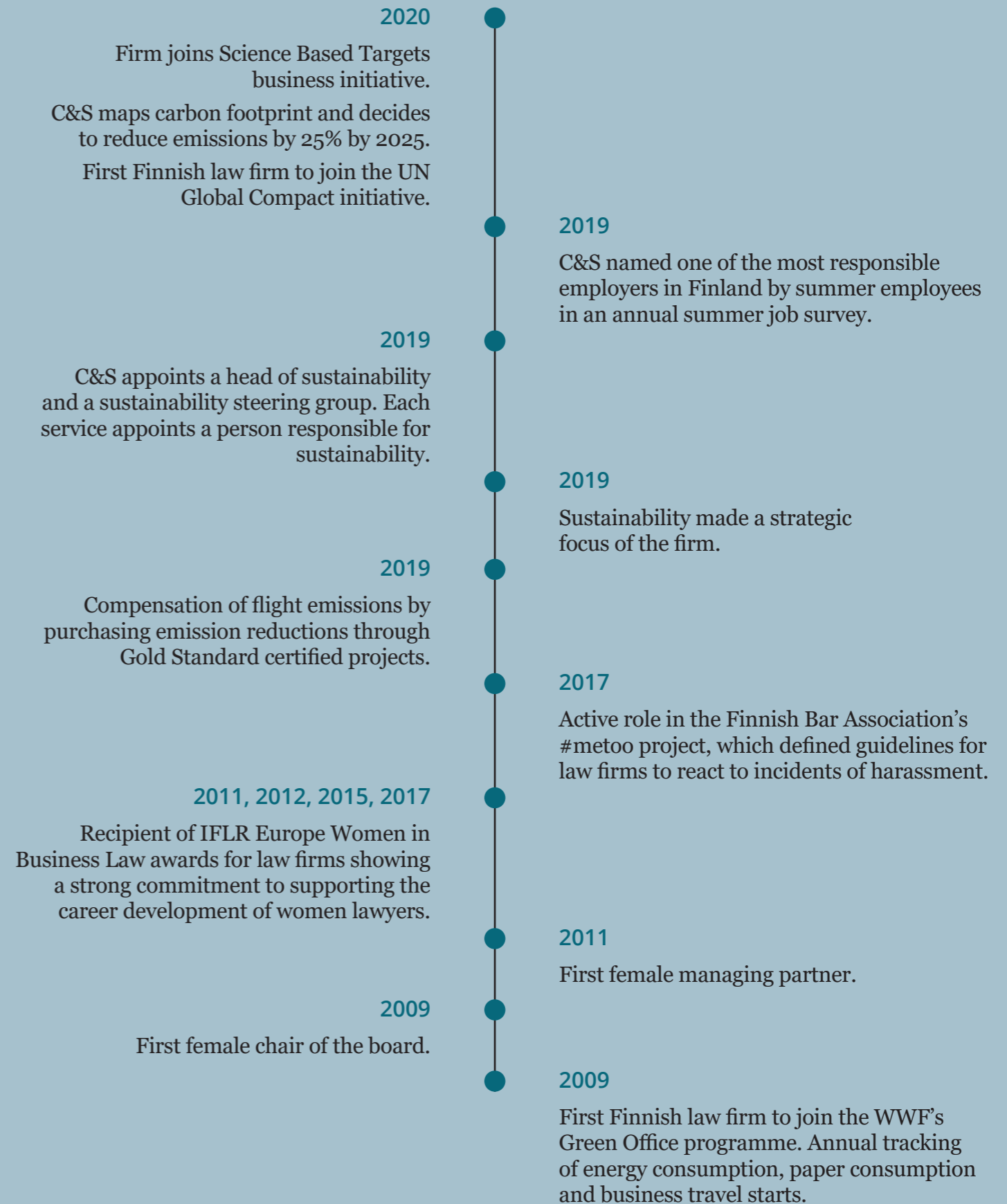
Sustainability in our organisation

Sustainability is a strategic focus for our firm and is incorporated into our strategy and action plan. Our management group is responsible for implementing the strategy, our sustainability steering group coordinates and develops sustainability on the level of the firm, while our service categories are responsible for taking sustainability into account in client services. All of our employees are committed to complying with our Code of Conduct, and we arrange sustainability training for our personnel.

Our guidelines:

- Code of Conduct
- Professional Code of Conduct of the Finnish Bar Association
- Risk Management Instructions for Client Relationships and Assignments
- Guide for Preventing Money Laundering and Financing of Terrorism
- Conflict checks including Know Your Client checks
- Insider Guidelines
- Guideline against Bribery and Corruption
- ICT Security Instructions
- Gender Equality Plan
- Green Office Guide

OUR SUSTAINABILITY WORK IN THE 2000s



ADVICE FOR CLIENTS



The global economy is at the start of a massive course change. We help our clients build sustainable success stories and achieve even their most ambitious sustainability goals. We participate in projects that develop society and give rise to innovative, impactful new ways of operating. We engage in sustainability work across the breadth of our service offering.

In client work, we are able to promote several of the UN Sustainable Development Goals:

- Affordable and clean energy
- Decent work and economic growth
- Industry, innovation and infrastructure
- Responsible consumption and production
- Climate action

National and international laws and internationally proclaimed human rights are the baseline for everything we do, and we expect no less from our suppliers and business partners. Our advice enables our clients to exceed their statutory responsibilities.

Sustainability is a clear priority for our clients. They frequently ask for assistance in incorporating sustainability and best practises into their organisations and advice on ways to surpass the requirements of the law.

- We help our clients to achieve their sustainability goals, for example, in carbon reduction and carbon neutrality. Our Energy

service offers solutions for renewable energy projects.

- Our Environment, Infrastructure and Natural Resources service helps our clients in environmental management initiatives.
- Our finance experts frequently provide advice in sustainable and green finance.
- We perform occupational health and safety audits and provide advice to support our clients' compliance work in all areas of occupational health and safety. We also offer employer compliance audits that will ensure that companies meet their statutory obligations.
- We offer companies strategic advice in compliance and in the investigation of irregularities, e.g. in the fields of competition law, data protection and anti-corruption.
- We offer advice on sustainable public procurement practices.

SUSTAINABLE SUCCESS STORIES

Here are a few examples of assignments in which we have been able to support our clients' sustainability goals.



We are the legal advisor to **Gasum** in its transformation from a traditional Finnish gas distributor to a modern energy company and significant circular economy operator in the Nordic countries.



We represented **OP Financial Group** and the **Finnish Fund for Industrial Cooperation** in the establishment of Finland's first impact fund that invests into emerging markets. The fund will promote the achievement of the UN Sustainable Development Goals in a measurable way.



We advised Finnish asset management company and private bank **FIM** in the establishment of two social impact bonds focused on employing long-term unemployed persons and promoting child and youth welfare.



We advised energy company **Helen** in a transaction whereby Helen agreed on the implementation of the Lakiakangas 3 Wind Farm. The project supports Helen's target to increase the company's wind power production fivefold in two years.



We are the legal advisor to **Cargotec**, a leading Finnish provider of cargo and load handling solutions, in a contemplated merger with **Konecranes**, a Finnish world-leading group of lifting equipment and solutions. The future company aims to be a leader in sustainable material flow.

IMPACT ON SOCIETY



Attorneys secure the rule of law. We do this not only through our client assignments, but also by sharing our knowledge and skills to the benefit of society. We promote the adoption of sustainability practices throughout society.

Participating in the development of society has always been a central part of the legal profession. As a firm, we promote the rule of law, share our expertise with our multiple stakeholders and engage in pro bono work.

- Promoting the rule of law. As attorneys, we have an important role to play in the realisation and development of the rule of law and we actively participate in the preparation of new legislation. In this way, we put our extensive practical experience of business life to use when new laws are being drafted. We participate in the legislative process through the Finnish Bar Association's expert groups.
- Training future generations. We cooperate with universities to help train future generations of attorneys. Our experts frequently give lectures at universities and we host student events. We also work closely with universities that train assistants.
- National and international associations. Our memberships in a wide variety of national and international legal and sustainability associations and organisations are

important forums for us. The work we do in these organisations promotes the rule of law and allows the exchange of best practices and new ways of working in the legal services industry.

- Social debate. Cooperation between the public and private sectors is vital in sustainability work. We promote dialogue by bringing together different parties in our seminars and other events. We also generate public debate in our statements to the media and by participating in public events.

Our work in 2020

- Our experts are among the driving forces and founding members of the Finnish Corporate Responsibility Law Association and our office is a member.
- We submitted a statement to the Ministry of Economic Affairs and Employment on the legal analysis of a contemplated Finnish Corporate Responsibility Act.
- Our lawyers provided pro bono legal counselling through the Finnish Bar Association's on-call service.
- We held a number of webinars and shared numerous blogs on the legal aspects of the COVID-19 pandemic with our clients and stakeholders.





- 1** Principle 1:
Businesses should support and respect the protection of internationally proclaimed human rights; and
- 2** Principle 2:
make sure that they are not complicit in human rights abuses.

HUMAN RIGHTS

We support and respect human rights. We refuse assignments where our advice would assist in human rights violations. We also took a new approach to our pro bono programmes in 2020.

Respect for and protection of human rights are the guiding principles of the UN Global Compact. As part of our commitment to the UN Global Compact, we will be reorienting our pro bono work towards the promotion of human rights and supporting an equal and participatory society.

This includes work for NGOs that support immigrants, at-risk children, youths, women, LGBTI people and other minorities that may face discrimination.

Our pro bono partners in 2021 are:

- Finnish Refugee Advice Centre, legal advice and support.
- Finnish Olympic Committee, prevention of discrimination and promotion of equality.
- Uusimaa District of the Mannerheim League for Child Welfare, legal advice and support.
- Red Cross Youth Shelter, legal advice and support.

We also take on individual pro bono assignments selected by the management group.

In addition to this, our personnel can dedicate one paid workday to pro bono work each year.

Our targets in 2021

- We will develop our services to include human rights advice for clients.
- We will conduct a human rights impact assessment.
- We will organise human rights training for our employees.



OUR PEOPLE



LABOUR

- 3** Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4** Principle 4: the elimination of all forms of forced and compulsory labour;
- 5** Principle 5: the effective abolition of child labour; and
- 6** Principle 6: the elimination of discrimination in respect of employment and occupation.

Our people are our greatest asset. We want to ensure that our employees and trainees are treated equally and have equal opportunities. We support our employees in every stage of life.

We respect the principles of UN Global Compact in our operations and employee policies. Our Code of Conduct and employee policies are implemented, for example, through HR tools and processes and supervisor work.

- We are committed to promoting gender equality. Over half of our staff, including lawyers, are women.
- We have zero-tolerance for discrimination and harassment, be it based on gender, age, nationality, religion, sexual orientation or any other similar factor.
- We treat everyone equally and ensure all of our employees have equal opportunities to advance in their careers and develop their expertise. We ensure that our working environment is safe.
- We promote continuous learning and development of our professional skills beyond the requirements set by the professional standards of the Finnish Bar Association.

Professional conduct

Our business is based on trust and integrity. We always act in accordance with the professional and ethical standards of the legal profession in relation to matters such as client relationships, loyalty to the client, independence, conflicts of interest, confidentiality and integrity.

Caring for our people in 2020

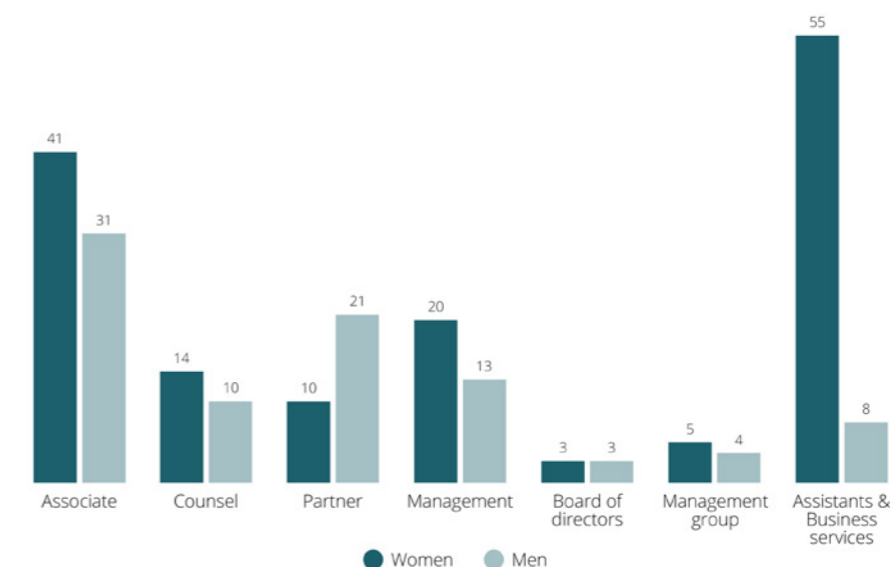
At the start of the COVID-19 outbreak, we established a coordination team tasked with monitoring the development of the situation and authority instructions as well as with drafting and updating instructions for our staff. Our management group reviewed the coordination team’s reports on a weekly basis and our managing partner held regular updates for our personnel. In order to ensure the safety of our personnel, we primarily shifted to remote work and provided instructions for personnel working at the office. We made masks and hand sanitiser available at the office and provided our personnel with the option to get coronavirus tests through occupational healthcare services.

The Bridge initiative

Work-life balance is a burning question in the legal services industry. To support our employees, we launched the Bridge initiative as part of our sustainability strategy in 2019. It was aimed at making it easier for our employees to balance daily life and work by changing attitudes, day-to-day practices and goals. The program was designed particularly to support staff members who are parents with young children and to encourage people, especially women, to continue working for the firm by helping them when they return to work from parental leave. The work practices designed to improve work-life balance include:

- Equal, four-month paid parental leave for men and women in addition to Finnish statutory requirements.
- Mentorship programme to support parents returning to work from parental leave.
- Recommendation to schedule internal meetings within normal office hours.

GENDER DIVERSITY IN 2019



- Flexible possibilities for remote work.
- Childcare for sick children.

Diversity

We started a diversity programme and held an initial training session and discussion sessions. In addition, we conducted a survey at the end of 2020 and will continue this work in 2021.

On-going measures

- Our Personnel Advisory Board presents our personnel’s views and concerns to the Management Group. The PAB is entrusted with the responsibility to give a voice to any equality concerns from our personnel, to monitor our equality situation and also to promote the continued improvement of equality in our firm.
- Our Gender Equality Plan guarantees, e.g. the same salary for the same work.
- We provide occupational health care.

- We offer free gym and other benefits for both sports and culture.
- The Annual Personnel Survey measures the wellbeing of our personnel. The survey helps management focus on what is most important to our employees and issues revealed in the survey are targeted as goals.
- We offer extensive orientation for new employees, including sustainability.
- We offer continuous learning: training, additional studies, secondments and court training for lawyers as well as language courses.

Our targets in 2021

- We will continue our diversity programme.
- We will continue to support the improvement of work-life balance (incl. the Bridge initiative).
- We will train our personnel in sustainability matters.



- 7** Principle 7: Businesses should support a precautionary approach to environmental challenges;
- 8** Principle 8: undertake initiatives to promote greater environmental responsibility; and
- 9** Principle 9: encourage the development and diffusion of environmentally friendly technologies.

ENVIRONMENT

We care for the environment and work towards a cleaner future by leaving as small an environmental footprint as possible. Working on our own environmental impact also helps us to understand the needs of our clients.

We recognise that climate work is urgent, and that reducing emissions from the current level is not enough to curb global warming. Therefore, our policy is to be carbon neutral.

Our carbon footprint

We completed our first greenhouse gas inventory and estimated our carbon footprint in 2020.

- In 2019, C&S's carbon footprint was approximately 750 tonnes of carbon dioxide equivalent – 75 times the footprint of an average Finn. Approximately 80% of our footprint comes from two sources of emissions, namely business travel and heating, which respectively account for 50% and 30% of the total.

Emissions reduction targets and carbon neutrality

We want to reduce our emissions in line with climate science and international climate agreements and we compensate our annual emissions to achieve carbon neutrality.

- We joined the Business Ambition for 1.5°C campaign and pledged to reduce our scope 1

and scope 2 emissions by 50% by 2030 from a 2018 base year. This is the campaign's defined target for all companies with less than 250 employees. It corresponds to 16% of our total carbon footprint.

- In addition, we have set a target of reducing our total carbon footprint by 25% from the 2019 base year by 2025. This target covers scope 3 emissions, which account for more than a half of our carbon footprint. We will focus on our main emission sources: business travel and heating.

Compensation of 2019 emissions in 2020

- We purchased Verified Emissions Reductions (VERs) worth 750 tonnes of CO₂-e from a safe community water supply project in Rwanda, which reduces greenhouse gas emissions from cutting forests for firewood. The project is certified by the Gold Standard.
- Mitigating climate change also requires removing carbon dioxide already in the atmosphere. To this end, we are participating in a reforestation project. Over its 60-year lifecycle, the forest will bind an estimated 750 tonnes of carbon dioxide, which is the size of our carbon footprint in 2019. This supplements the emissions compensation investment we have made. The reforestation project also adds to forest biodiversity.

Sustainable office

- Energy renovation 2020-2021. We are co-operating with our landlord, which has commenced an energy renovation of the building where our office is located. After the renovation, the energy costs and emissions of the whole building will decrease by approximately 20%. All the electricity used at the property is already green energy.
- Green Office. We have kept track of and set targets for our energy and paper consumption and business travel as a member of WWF's Green Office programme. In the future, we will link the Green Office indicators more closely with our greenhouse gas accounting. Our 2020 figures were not yet available at the time of writing.

Our targets in 2021

- We will calculate our carbon footprint and compensate our emissions.
- We will reduce our GHG emissions in accordance with our commitment to Science Based Targets Initiative. We will reduce business travel from the 2019 level. The energy renovation of our office building will reduce our energy consumption. We will continue negotiations with our landlord to transition to renewable district heating.

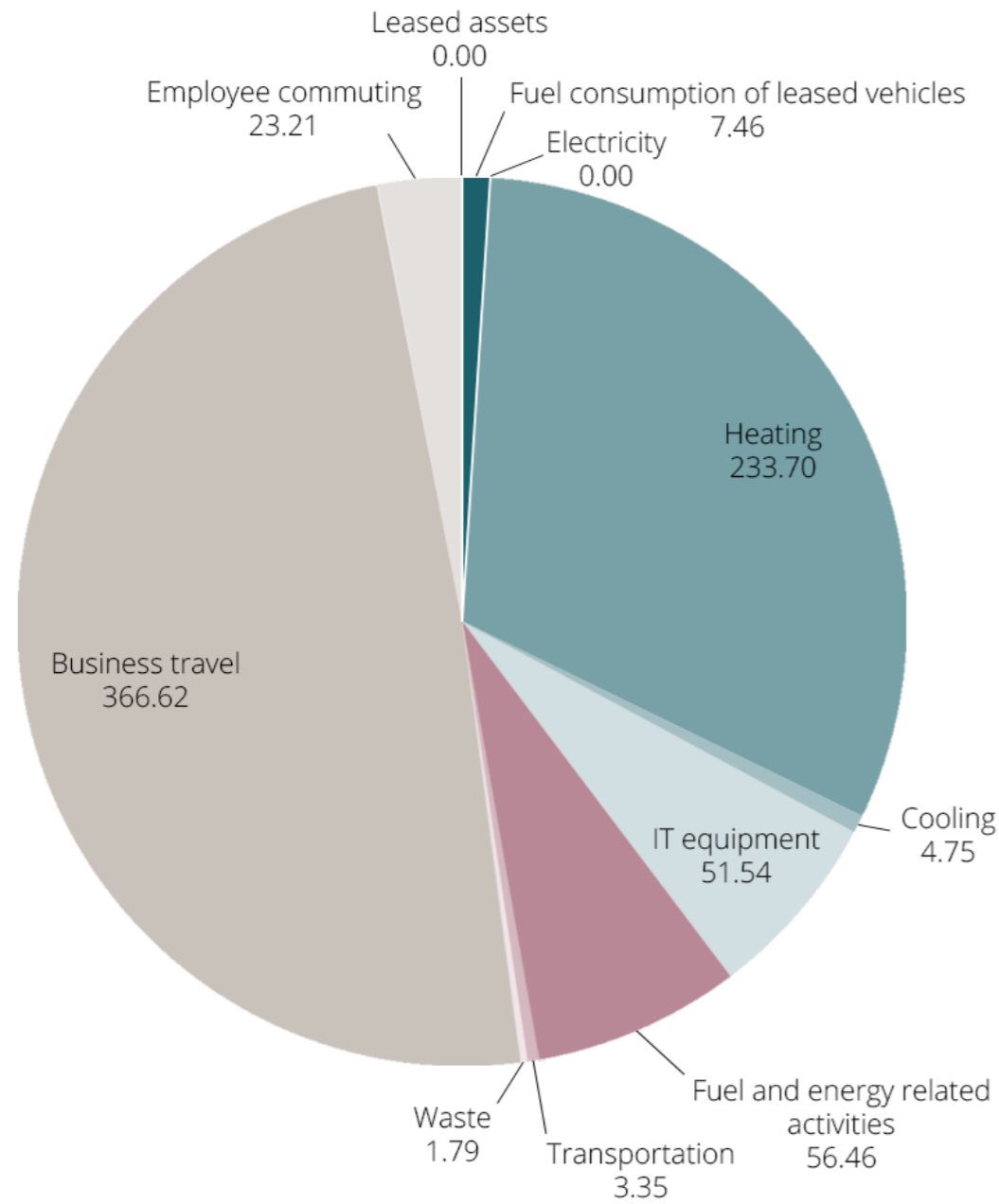
HOW WE MANAGED OUR ENVIRONMENTAL IMPACT IN 2020

AREA	TARGET	STATUS
Climate	2030: Reduce our scope 1 and scope 2 emissions (in accordance with GHG Protocol standard) by 50% from 2018	Set in 2020
Climate	2025: Reduce our total carbon footprint by 25% from 2019	Set in 2020
Paper consumption	Reduce paper consumption based on an annually set targets (sheets/person)	Large annual variation with a slightly declining trend
Electricity consumption	Reduce electricity consumption based on an annually set target (kWh/person)	Slow declining trend in line with target
Business travel	Limit air travel and use of taxis in favour train travel	Target achieved in 2020

Read more about our emissions scope targets <https://www.castren.fi/the-firm/sustainability/>



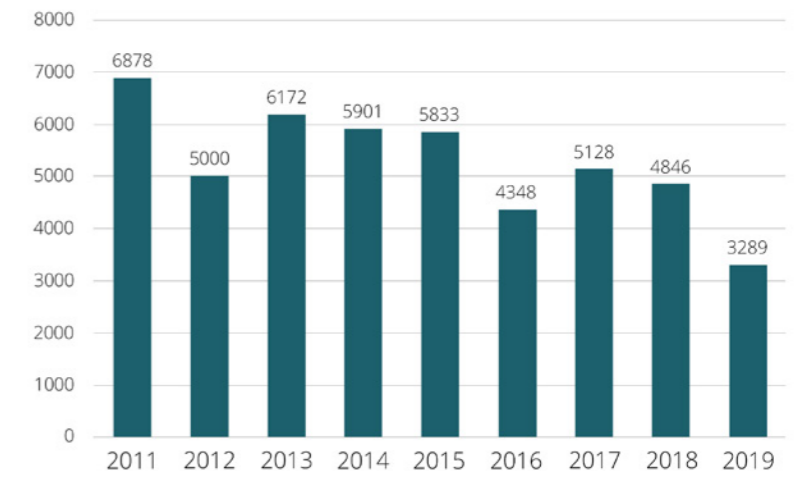
CARBON FOOTPRINT IN 2019



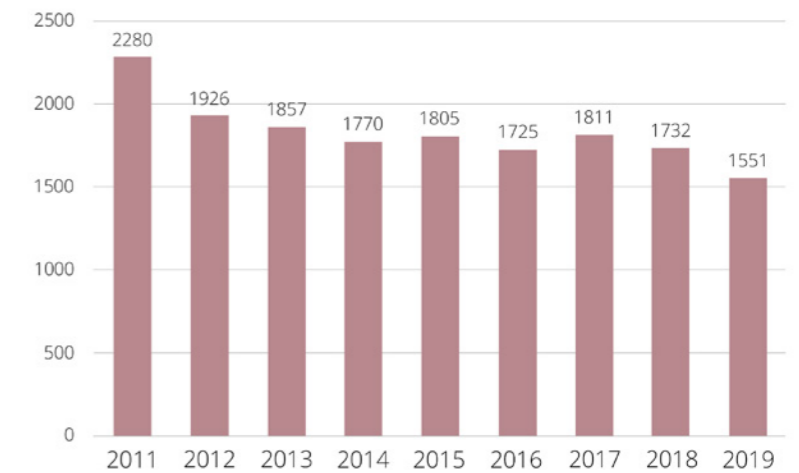
Our greenhouse gas accounting and carbon footprint are based on the GHG Protocol standards.

GREEN OFFICE IN 2011-2019

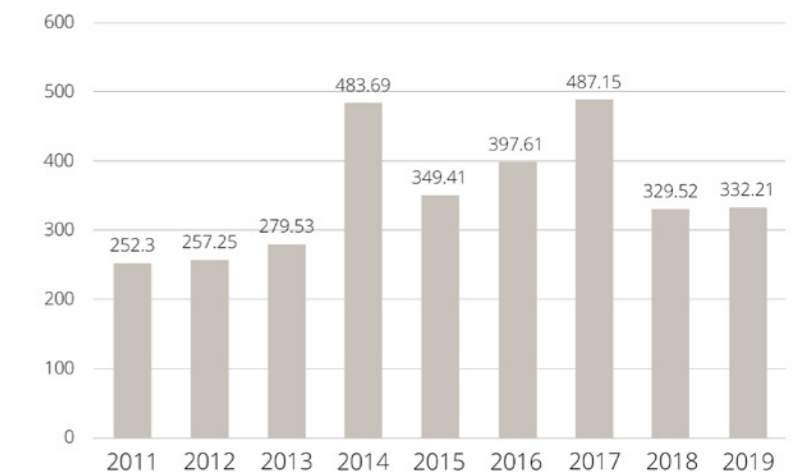
ANNUAL PAPER CONSUMPTION (SHEETS/PERSON)



ANNUAL ELECTRICITY CONSUMPTION (KWH/PERSON)



FLIGHT EMISSIONS (TONNES OF CO2)



ANTI-CORRUPTION



10 Principle 10:
Businesses should work against
corruption in all its forms,
including extortion and bribery.

We support our clients' anti-corruption work in managing the risks in their business. We do this, for example, by offering compliance services to our clients. At our firm, we work against corruption through our own internal guidelines and training.

Our business is based on trust and integrity. We always act in accordance with the professional and ethical standards of the legal profession, which regulate matters such as client relationships, loyalty to the client, independence, conflicts of interest, confidentiality and integrity. We are bound by the Finnish Advocates Act as well as the Professional Code of Conduct of the Finnish Bar Association.

We comply with national and international laws and regularly monitor all applicable sanction lists including the UN Security Council sanctions. We do not accept assignments that include a risk of money laundering or financing of terrorism. Before accepting a new client or an assignment, we conduct a conflict check as well as a sanctions check and other Know Your Client procedures required by law.

We do not accept corruption in any form. We have internal guidelines against bribery and set limits for hospitality and gifts, which all of our employees are obliged to follow.

Data security is crucial when dealing with highly sensitive client information in today's world. We have internal guidelines for data security.

Risk management in 2020

- We implemented DAC6 in client and internal work.
- We conducted an internal audit in risk management.
- We provided data security refresher training for all employees.

On-going measures

- Obligatory training in the prevention of money laundering and financing of terrorism as a part of orientation for new employees.
- Obligatory risk management training for lawyers, assistants and our financial administration team.
- Whistleblowing channel.
- Risk management assistants supporting our services.
- Standard procedures and management oversight prior to accepting assignments.

Our targets in 2021

- We will review our Code of Conduct and its practical implementation in relation to our suppliers.
- We will appoint a compliance officer.



