

# BUILDING SUSTAINABLE SUCCESS STORIES

SUSTAINABILITY REPORT 2022



CASTRÉN & SNELLMAN





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## GREETINGS FROM OUR MANAGING PARTNER

If someone thought that business ethics roughly equal hospitality guidelines, this perspective surely changed at the latest when Russia attacked Ukraine in February 2022. Companies present in Russia had to make decisions with far-reaching impacts. Strong pressure from customers and citizens favoured a quick withdrawal, but many companies were rightly concerned over the future of their local staff.

This balancing act has been hard also for companies whose products and services support civil society and the realisation of fundamental rights in Russia, such as the freedom of expression. And of course, withdrawal in many cases meant significant losses for the company and its shareholders in the short term.

‘Doing the right thing’ is a deceptively simple phrase. In practice, it can mean navigating messy situations where good options are scarce and there is no sight of reward in near future.

The war set off an energy shock and contributed to a soaring inflation. These crises are now acutely felt, yet they are a manifestation of more profound ones. Just days before the war broke out, the Intergovernmental Panel for Climate Change published a report that showed how the window for action to mitigate the climate crisis is narrowing. In the autumn, the United Nations Development Programme warned that its Human Development Index, which measures health, education and standard of living, declined globally for the second year in a row.

The grim news can be paralysing, but it also calls us to leverage our resilience to do good. It is encouraging that multiple problems can often be addressed with the same solutions. The transition towards renewable energy reduces emissions and strengthens Europe’s energy independence. What is more, it is progressing at great speed. Overall, adjusting our economy to the planetary boundaries creates enormous business opportunities and improves conditions of living.

However, the transition is not easy to achieve. It calls for cooperation and dialogue between the sectors and actors of the economy. We need to ask ourselves how we want to live in the future and what kind of business we are willing to stand behind. It is time to see our resources from a new angle and to harness our collective ability for new ideas and brave actions.



**SAKARI LUKINMAA**  
Managing Partner



# CASTRÉN & SNELLMAN

## – WHO WE ARE



### Our mission is to build sustainable success stories

Castrén & Snellman Attorneys Ltd is a leading Finnish 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 300 employees. We are based in Helsinki, and in other parts of the world we work with an extensive international network of law firms.

- Over 300 employees
- 45% of lawyers are men and 55% are women
- 25 services in the field of business law
- Annual turnover MEUR 68 in 2022 (unaudited)
- 1,000 partner firms in 90 countries
- UN Global Compact participant
- Scandinavian Firm of the Year in 2022 and 2021 (Women in Business Law Awards)
- Law Firm of the Year: Scandinavia and the Nordics in 2022 and 2021 (The Lawyer European Awards)
- Most desirable law firm employer in Finland for 14 years running (Universum)

### OUR VALUES

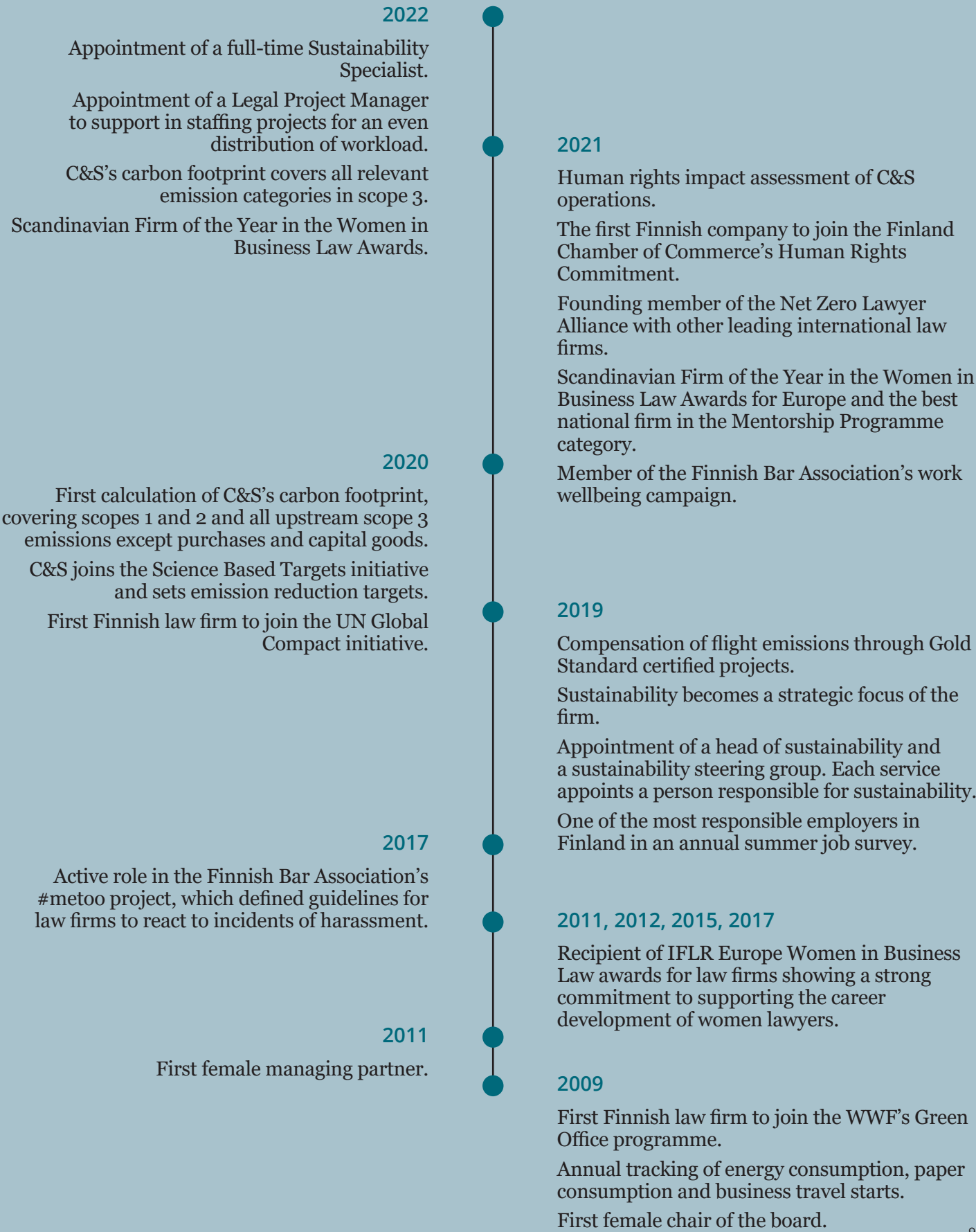




2022 IN BRIEF: PLANS AND PERFORMANCE

OUR TARGET FOR 2022	WHAT WE ACHIEVED
Developing our services to include human rights advice for clients	We recruited a lawyer with experience in human rights.
Organising human rights training for our employees	We did not organise trainings explicitly focused on human rights, but we continued diversity training. <i>See page 18.</i>
Continuing pro bono work with select NGOs to promote human rights	We continued work with our pro bono partners. <i>See pages 26–27.</i>
Updating our diversity programme and goals based on our personnel survey	We set new goals for 2023. <i>See page 19.</i>
Rolling out our new project management principles	We made our project management principles a strategic theme in 2022. <i>See page 22.</i>
Improving how we anticipate the distribution of workload at different stages of projects	We developed reporting tools for monitoring the workload of lawyers. <i>See page 22.</i>
Hiring a Legal Project Manager	Our first Legal Project Manager began work in our M&A service. <i>See page 22.</i>
Developing benefits so that employees can choose the benefits that suit them best	We launched a new benefits programme. <i>See page 22.</i>
Piloting anonymous recruiting	We prepared principles for anonymous recruiting and are ready to pilot upon a suitable job opening.
Calculating our carbon footprint and compensating our emissions	We calculated our carbon footprint, including all scope 3 emissions categories. We compensated our emissions. <i>See page 29–31.</i>
Reducing our GHG emissions in accordance with our commitment to the Science Based Targets initiative	Our emissions increased from the previous year as the pandemic restrictions were lifted, but remained lower than in 2019. <i>See pages 30–31.</i>
Continuing negotiations with our landlord to transition to renewable district heating	We agreed with our landlord to begin using renewable district heating. <i>See page 30.</i>
Continuing our cooperation with Carbon Deed with the aim of establishing a foundation	We assisted in preparations for the establishment of the foundation. <i>See page 26.</i>
Establishing an anonymous whistleblowing channel based on national legislation and organise training for personnel and stakeholders for its use	We opened the whistleblowing channel at the beginning of 2023 when the Finnish Whistleblower Protection Act entered into force. <i>See page 37.</i>
Launching insider guidelines training for the entire personnel	We are developing an online training for the entire personnel. We organised live training for selected personnel groups.

OUR SUSTAINABILITY TIMELINE





# ADVICE FOR CLIENTS



**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.**

Our **Energy** team works to advance the energy transition. They have been important actors in Finland's wind power sector since the start of the commercial development some 15 years ago. In many cases, we have created new market practices with our clients. The first project-financed wind power project and the first commercial PPA in Finland were both conducted by our team.

Our **Banking & Finance** team is deeply involved in the market for green loans and bonds. Their assignments can be roughly divided into two groups: either the financing is green based on what it is used for, such as investments into sustainable construction or wind power; or the question is of performance-based financing, in which the borrower complies with external ESG principles in its own operations and is benchmarked against credible ESG targets. The team closely monitors the European Loan Market Association's ESG updates and integrates them into practice.

Our **Private Equity & Venture Capital** team assists clients in the establishment of



sustainability and impact funds and advises these funds as they invest in sustainable companies. They have also worked with clients to define investment policies and mechanisms to incentivise emissions reductions.

Our **Mergers & Acquisitions** team advises clients in the identification and selection of acquisition targets with an eye to ESG matters. Together with our PE&VC team, they have drafted ESG due diligence review documentation for domestic and cross-border deals. The service also carried out a client survey concerning compliance and ESG matters in M&A, the results of which were published in a client webinar in the spring of 2022.

Our **Competition & Procurement** team advances sustainable procurement practices in their client work and in the training they provide. In addition to client assignments, they frequently provide training to professionals on, for example, how to incorporate climate criteria into public tenders. They actively factor in sustainability considerations in their competition law advice. In 2022, the team submitted a statement to the European Commission on the draft horizontal guidelines and cooperation between competitors on sustainability agreements.

Our **Corporate Governance** team keeps a close eye on corporate sustainability regulation and informs our clients about recent developments.

## Our work in 2022

- We launched a Corporate Sustainability service which groups together our expertise in the domain across practices.
- To help our clients achieve their climate targets, we began a project to incorporate climate clauses in the types of agreement often used by our clients.
- We introduced a series of webinars and seminars on sustainability and business law for our clients and stakeholders.
- We launched a sustainability newsletter to help our clients keep abreast of sustainability regulation.
- We continued our cooperation with Simmons & Simmons as the Finnish contributor to their Green Energy Tool, which helps clients compare country-specific legal frameworks for renewable energy.

## Our targets for 2023

- Strengthening our human rights competence.
- Building firm-wide expertise on corporate sustainability regulation.
- Continuing to incorporate climate clauses in model agreements.

## ‘COMPANIES WILL HAVE A GREAT DEAL OF OPPORTUNITIES TO STAND OUT WITH SUSTAINABILITY’



**ANNA KUUSNIEMI-LAINE**  
Partner, Head of Sustainability

### Corporate sustainability is increasingly becoming law in the European Union. What does it mean for companies?

Regulation will lead to a giant scale-up. For large firms, sustainability ceases to be an optional strategic choice and becomes part of compliance. Although the new obligations do not concern all companies, their effect will ripple across the private sector through value chains. In terms of substance, the change is smaller. Regulation draws from established soft law, such as the UN Guiding Principles and the OECD guidelines for multinationals. Firms that have already begun integrating them can carry on.

### Does regulation make it harder for firms to get competitive advantage out of sustainability?

In sustainability, you can always do better. Regulation focuses on processes but does not set absolute standards for outcomes. Besides, the sheer magnitude of the green transition guarantees that companies will have a great deal of opportunities to stand out with sustainability.

In many industries significant investments will be required. For example, consider the construction sector and construction material industry. The transition to emissions-free concrete and other climate-friendly materials means heavy investing in R&D. After that, you need to make your new products mainstream and start producing them at a commercially viable scale, these two steps being often intertwined. There is work ahead, and hopefully rewards to be reaped, for years to come.

### Attorneys are known to always put their client's interest first. What happens if that interest conflicts with sustainability objectives?

We have to remember the core role of attorneys in safeguarding the rule of law, which is also part of UN Sustainable Development Goal 16. Sustainability objectives can even conflict with each other. Defending our clients' rights will remain a key part of the lawyers' work, sometimes also to ensure a just transition. For the environment, the best option would often be massive changes at lightning speed. But for individuals and communities, such changes would be unsustainable. Negotiations and modifications are necessary.

### What has made you glad recently?

I'm glad every time I meet a new colleague who has realised the importance of sustainability in our work. It seems that lawyers are gradually becoming more open to taking a stance. We see this, for example, in our firm's diversity work: many colleagues have chosen to participate and bring their ideas to the table. This change is particularly clear in the young generation of lawyers, and it helps develop our corporate culture.

# SUSTAINABLE SUCCESS STORIES

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



We advised **Vattenfall** in an arrangement whereby Vattenfall and Metsähallitus, the manager of the land and water areas owned by the Finnish State, agreed on the development and construction of Finland's first offshore wind farm in the open sea area. The wind farm's planned nominal capacity of 1.3 GW corresponds to over a third of Finland's wind power capacity in 2021. The estimated value of the investment is 2–3 billion euros.



We are advising the wind energy company **OX2** in the development and permitting of two offshore wind farm projects. The planned offshore wind farm projects called Halla and Laine are located in the exclusive economic zone of Finland. If completed, they would significantly increase Finland's wind power capacity.



We advise **Fortum** in a collaboration project with Microsoft, whereby Fortum will capture the excess heat generated by a new data centre region to be built by Microsoft in the Helsinki metropolitan area. Fortum will transfer the clean heat from the server cooling process to homes, services and business premises that are connected to its district heating system.



We advised the **Finnish Climate Fund**, a Finnish state-owned special-assignment company, in a cornerstone investment in the Taaleri Bioindustry I alternative investment fund. The fund is one of Finland's first private equity funds to be classified as dark green under the Sustainable Finance Disclosure Regulation.



We acted as the sole legal advisor to **Finnfund**, a Finnish development financier and impact investor, in the issuance of a EUR 75 million sustainability bond. The bond is Finnfund's first issuance under its newly established Sustainability Bond Framework. The proceeds from the issue will be used to finance and refinance eligible green lending, equity investments and mezzanine financing.



# OUR PEOPLE



**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 through HR tools and processes and supervisor work.

- We are committed to promoting gender equality. We pay the same salary for the same work.
- 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 that all our employees have equal opportunities to advance in their careers and develop their expertise. We ensure that our working environment is safe.

We believe that high-quality and uniform people management and supervisor work is a prerequisite for recruiting and attaining the best experts regardless of their background. Our supervisors receive leadership induction training and are offered supervisor coaching. We have articulated our shared expectations for supervisors by formulating leadership promises in collaboration between supervisors and other personnel.



## Diversity

The objectives of our diversity work are

- to recruit, retain and respect a heterogeneous group of employees
- to create an atmosphere that values diversity and allows everyone to shine
- to leverage our employees' existing expertise and resources as extensively and efficiently as possible
- to develop the creativity, problem-solving abilities and agility of our organisation
- to improve minority experience at the workplace.

Our diversity programme consists of training, internal policies and outreach initiatives. We review the programme every year and set new targets based on our annual equality survey and employee feedback.

We do not publish data on the minority statuses of our employees because Finnish law only allows employers to collect such data under strict conditions.

### Our work in 2022

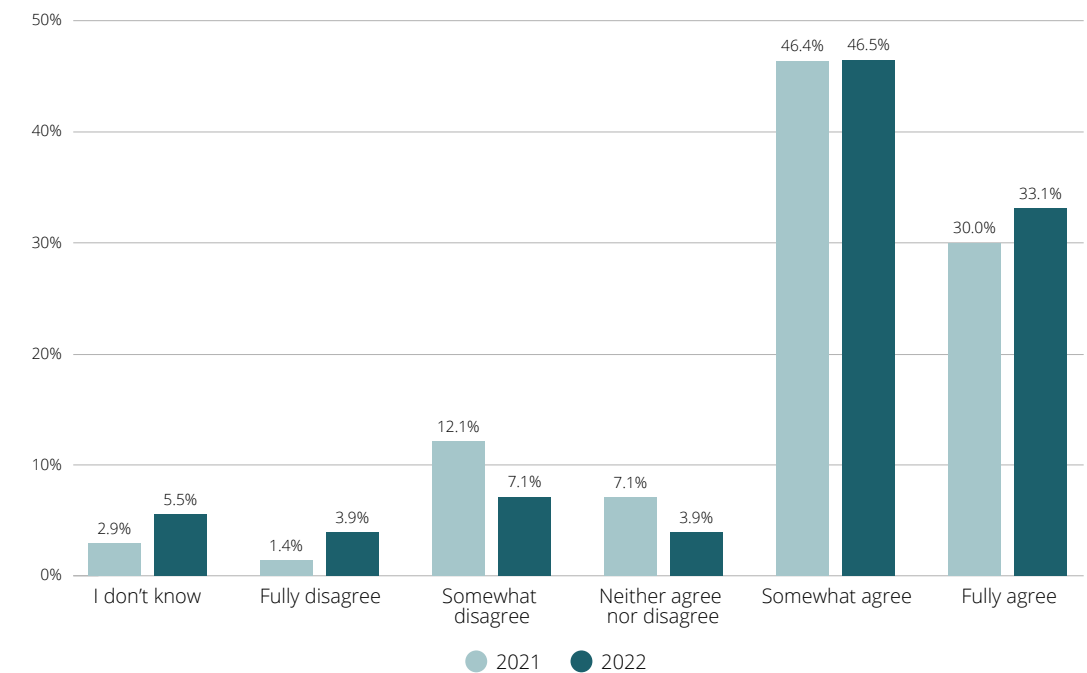
- Anonymous whistleblowing channel: Establishing a whistleblowing channel was part of our diversity programme in 2022. However, whistleblowing channels in accordance with Finland's new Whistleblower Protection Act cannot be used for reporting harassment and discrimination. We continue to rely on our previous practices and instruct our employees to report harassment and discrimination to their supervisors or designated colleagues at our HR department.
- Diversity training: We ran a targeted diversity training for supervisors focused on

their role in promoting diversity and equality at the workplace. We organised a panel discussion where colleagues shared their experiences and best practices for diversity.

- Diversity induction training module: We introduced a diversity training module in our induction programme, which is obligatory to all new employees.
- School work experience concept: We continued working with a secondary school in Helsinki to offer their students work experience opportunities. Our choice of school is based on the City of Helsinki's criteria for preventing youth marginalisation. In 2023, we will expand the cooperation to a school in the city of Vantaa.
- Cooperation with schools: We created a kit of materials that our lawyers can use when visiting schools to present law studies and the legal industry. We also became a partner of Oikismentorointi, a mentoring association that connects law students and lawyers with young people from marginalised backgrounds to encourage them to pursue law studies.

We measure our diversity performance with our annual equality survey. Our employees are asked to evaluate if the atmosphere of our work community supports the expression of a minority identity. While most employees agree that this is the case, the share of respondents who disagree or are undecided was comparatively high at 20% in 2022 (see figure on the next page). The percentage of disagreeing or undecided responses declined slightly from 2021 to 2022.

## THE EXPRESSION OF MINORITY IDENTITIES IS SUPPORTED



*Full statement:* I feel that the atmosphere of our work community offers equal support to employees expressing different minority identities if they wish (e.g. sexual minorities, religious or nonreligious groups, language minorities or political parties).

### Our targets for 2023

- Building interest in law studies among young people and offering support in applying to law schools through school work experience, school visits and mentoring.
- Increasing attention to diversity at our premises by improving accessibility and updating instructions.
- Supporting diversity through everyday practices, such as gender-neutral language.

- Supporting employees approaching retirement by offering annual medical checks after 60 years of age.
- Continuing diversity training.
- Piloting anonymous recruiting.



## Gender equality

It is our strategic target to have the best experts now and in the future, whatever their gender. We have had a statutory gender equality plan since 2015. The responsibility for implementing the plan has been assigned to our Personnel Advisory Board (see page 23).

Women make up a majority of our employees, and most of our lawyers are also women at all levels of seniority, excluding partners. Overall, 67% of our employees and 55% of our lawyers are women. Women's share of leadership positions is slightly lower: 49% of our supervisors and 42% of employees in executive roles are women. In 2022, we appointed our third woman chair of the board, Partner Carola Lindholm.

Our data reflects a binary gender distribution because of our current HR system, in which employees are classified as either male or female. We are switching to a new system that allows employees to determine their gender with at least three options to choose from.

Our work for promoting gender equality covers three themes.

### Encouraging women's partnership

The majority of our partners are men. The share of women has varied around 30% since 2016. Partners are always appointed based on multiple business criteria. Increasing the number of women in senior lawyer positions is a prerequisite for increasing the number of women partners.

We offer our counsel lawyers personal mentoring with an external coach to support their professional development and to help them achieve work-life balance. We organise regular sales training for lawyers to help a larger num-

ber of them meet the conditions to be considered for partnership.

### Encouraging equal responsibility for childcare

Encouraging men to take parental leave was identified as a key action for gender equality in a 2019 survey by the Finnish Bar Association. We pay all employees going on parental leave full salary for the first four months of their leave. The prerequisite for salary payment is that the employee receives parental allowance. After Finland's parental benefit system was reformed in 2022, this prerequisite will be fulfilled for a larger number of male employees.

We offer mentoring for employees returning to work from parental leave. The mentors are colleagues who have themselves recently been on parental leave. Mentoring takes the form of peer support and sharing of best practices for balancing the demands of work and family.

### Working hours

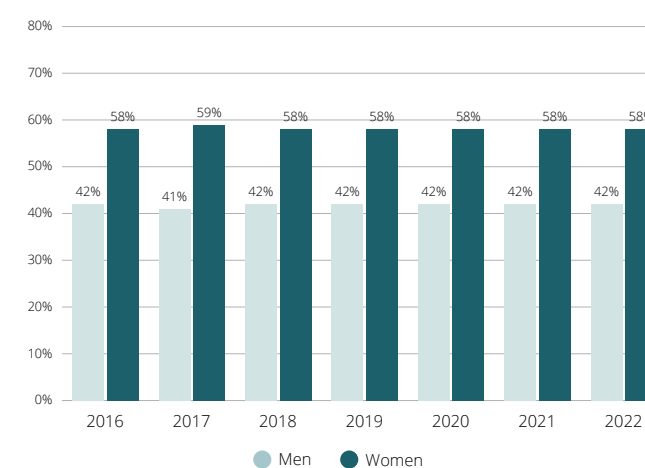
We have adopted practices to help employees control their working hours. To read more, see the section on work-life balance on page 22.

### Our targets for 2023

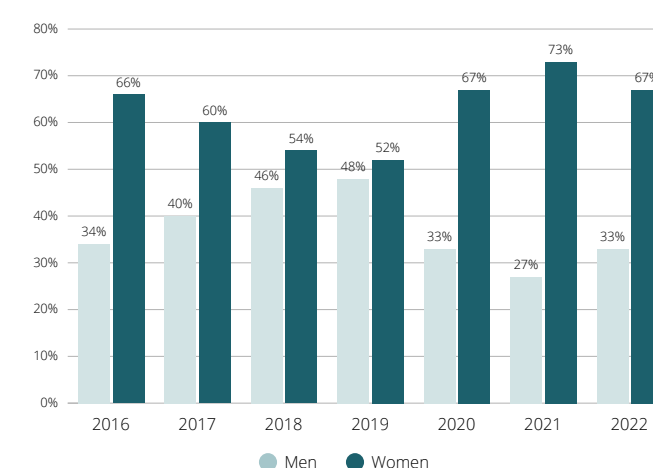
- Beginning to keep track of parental leave days by gender.

## GENDER RATIO OF LAWYERS

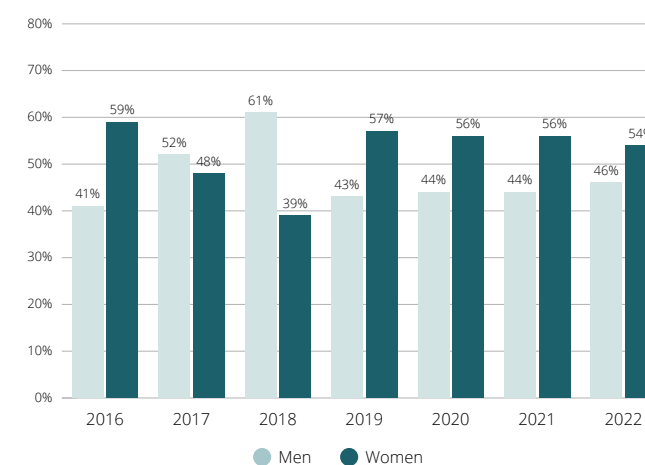
### ASSOCIATES



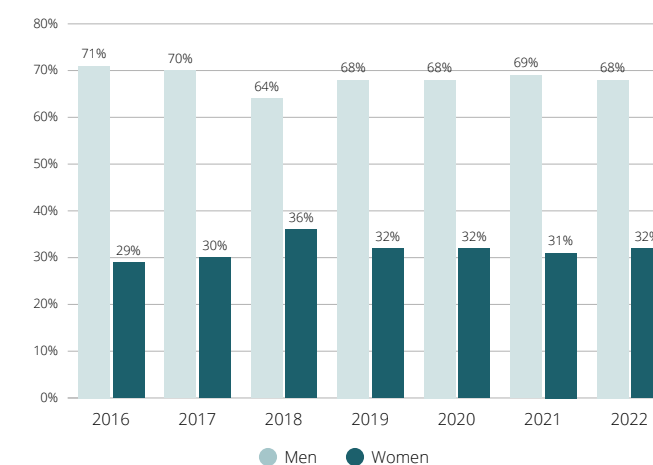
### SENIOR ASSOCIATES



### COUNSEL



### PARTNERS





## Work-life balance

Work at a law firm is project work by nature. It entails a risk of occasionally high workloads, which in turn creates a risk of stress and a risk to work-life balance. Recognising these risks, we have a set of measures in place to keep track of workloads and improve work-life balance.

We measure the workload of lawyers using the C&S capacity utilisation rate, which we calculate as actual billable hours divided by target billable hours per day and per lawyer. We monitor the C&S capacity utilisation rate in bi-weekly meetings between experts from our finance and HR departments, who raise observations that require action with supervisors. Our management group reviews capacity utilisation rates at its meetings once a month. In addition, our management group and partners receive a weekly report on team-level capacity utilisation rates. We also monitor non-billable hours.

In 2022, we hired a Legal Project Manager for our transaction teams. The Legal Project Manager supports team leaders in staffing projects and works with our Finance and HR teams to develop tools for monitoring our lawyers' workload and its distribution.

Work-life balance at a law firm depends to a large extent on project management. We have agreed on ten principles for project management to bring predictability and help draw a line between work and free time. These project management principles were one of our strategic themes in 2022. Each team chose the principles they deemed most important and committed to monitoring the realisation of these principles in their everyday work.

Workplace habits also have an impact on work-life balance. In 2019, we launched an initiative to change our practices, attitudes and goals to make it easier for employees to achieve bal-

ance in the daily life. The practices we agreed upon include the following:

- recommendation to schedule internal meetings between 9:30 and 16:00;
- flexible possibilities for remote work and flexible working hours;
- possibility to request childcare for sick children, including when working remotely;
- opportunity for shorter working hours, e.g. a four-day working week;
- discounted home cleaning services.

Our primary objective is to prevent excessive workloads. However, sometimes an intervention by health professionals may be required. Our employees have access to preventive, low-threshold mental health support through the Auntie online service. In addition, our occupational health services cover ten sessions of short-term therapy and psychotherapy.

To reduce negative health impacts from office work, we pay attention to ergonomics. During the COVID-19 pandemic, we introduced an employee benefit that allows employees to choose equipment and furniture for their home offices for a fixed value. We support physical well-being with sports and leisure benefits, and we have a workplace gym. We also offer comprehensive occupational health services.

In 2022, we changed our benefits programme to allow employees to select a set of benefits that best suits their situation. Our employees may now choose from given options up to a determined maximum value. Options range from lunch, broadband and bike benefits to different services, such as tutoring for schoolchildren and companions for elderly family members.

### Our targets for 2023

- Continuing to develop internal metrics for work-life balance.



## Learning and development

We promote continuous learning and the development of our professional skills beyond the requirements set by the professional standards of the Finnish Bar Association. All employees have annual professional development discussions with their supervisor in which they set their own learning objectives.

Each team has a training budget to develop their expertise. We also organise training aimed at the whole personnel, such as language classes. New colleagues go through an extensive orientation programme, including topics such as sustainability, diversity and anti-corruption.

Our personnel can take study leave and pursue postgraduate studies. In addition, our lawyers can go on secondments and court training.

We want to promote a culture of learning and encourage continuous feedback in day-to-day work both from colleagues and clients. Fostering a feedback culture is one of our strategic development projects for 2023.

## Personnel Advisory Board

We have appointed a Personnel Advisory Board to facilitate dialogue between personnel and management. The PAB members, elected by vote for two years, represent all personnel groups. They meet every month together with our HR Director and Managing Partner.

The PAB gives a voice to equality concerns from personnel, monitors the equality situation and promotes the continued improvement of equality in our firm.



# IMPACT ON SOCIETY



**Participating in the development of society by promoting the rule of law, sharing expertise and engaging in pro bono work has always been a central part of the legal profession.**

- Promoting the rule of law. As attorneys, we have an important role to play in the realisation and development of the rule of law. We participate in the preparation of new legislation through the Finnish Bar Association's expert groups, putting our practical experience of business life to use.
- Training future generations. We cooperate with universities to help train future generations of attorneys. We also work closely with universities that train assistants.
- National and international associations. Our work in national and international legal and sustainability associations promotes the rule of law and allows the exchange of best practices in the legal world.
- Social debate. We promote dialogue between the public and private sectors by bringing parties together in our events and by participating in public debate.

## Examples of our work in 2022

We are active members of the Finnish Corporate Sustainability Law Association and organise events in cooperation. Our Head of Sustainability, Partner Anna Kuusniemi-Laine, is the association's board member.



Our Partner Merja Kivelä continued to serve in the board of the Climate Leadership Coalition (CLC), the largest non-profit climate business network in Europe. The CLC consists of companies that strive to be among the leaders of their respective fields in terms of climate change mitigation ambition.

Experts from our Competition and Procurement team participated in drafting the submission of the Net Zero Lawyers Alliance (NZLA) to the European Commission on the draft horizontal guidelines and cooperation between competitors on sustainability agreements. The NZLA seeks to mobilise commercial lawyers, law firms and the law to accelerate the transition to net zero.

Our employees spoke about the role of lawyers in promoting sustainable development in several events during the year.

As the headline partner of Legal500's Green Guide in Finland, we hosted an event for in-house counsel on the role of lawyers in the green transition in June.

## War in Ukraine

We condemn Russia's invasion of Ukraine. It is a violation of international law and an attack on the basic principles of the rule of law.

We comply with all sanctions imposed on Russia. Furthermore, our customer due diligence team (see the Anti-corruption section) reviews all new assignments with a connection to Russia or Russian companies and turns down such assignments as a rule.

To support the Ukrainians, we donated money through the Red Cross and Unicef in 2022. Our colleagues organised an internal Ukraine support group, which has spread the word about

ways to help Ukraine on our internal communications channels. One example of the ideas brought up by the support group was offering work to a refugee. In August 2022, we had the pleasure of welcoming a Ukrainian colleague to our ranks as a catering assistant.

## Pro bono work

Our pro bono work promotes human rights and supports 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 are the Finnish Refugee Advice Centre, the Finnish Olympic Committee, the Uusimaa District of the Mannerheim League for Child Welfare and the Red Cross Youth Shelters.

We also take on individual pro bono assignments selected by the management group. Our employees can dedicate one paid workday to pro bono work each year.

### Examples of our pro bono work in 2022

- Lawyers from our Data & Technology team assisted the Red Cross Youth Shelters in data protection matters as the organisation launched a digital support chat service. The Youth Shelters now reach a larger number of young people regardless of where they live.
- Lawyers from our Corporate Governance and Tax & Structuring teams assisted Carbon Deed, a Finnish startup, in preparing the establishment of a foundation. Carbon Deed plants new forest on unused land to increase the carbon sink in Finland. The foundation will ensure the longevity of the forests.



**The Finnish Refugee Advice Centre** is a non-governmental organisation and law firm specialised in immigration law, which provides legal aid to asylum seekers and refugees. It is one of three Finnish partners of UNHCR, the UN Refugee Agency.

Together we promote the realisation of human rights and the position of refugees in Finland. The partnership with C&S has enabled the Finnish Refugee Advice Centre to take more cases to supranational courts than it otherwise would have.



**Red Cross Youth Shelters** offers youths and their loved ones support in managing everyday life and becoming independent. The youth shelters offer a variety of digital services. The importance of reliable and accessible support has increased during the pandemic, and recent development work has focused on youth services, for example the Sekasin online chat service. Our experts have helped with accessibility and data protection issues and participated in development workshops for the chat service.



**The Uusimaa District of the Mannerheim League for Child Welfare** works to ensure that every child has a good childhood by providing support to families. Volunteers help over 700 families annually, family houses support parenting, and multilingual family cafes and parent groups support immigrant parents with integration and parenting.

The COVID-19 pandemic has had a major negative impact on the wellbeing of families. Our legal assistance helps the organisation focus its resources on its most important work: helping families with children.



We have been a partner and legal advisor to the **Finnish Olympic Committee** since 2013. Our partnership supports the Olympic Committee's excellent work on behalf of athletics in Finland. During the Olympics, we help athletes and national sports associations, for example, in interpreting the rules relating to sponsorships. Between games, we advise the Olympic Committee in sports law matters and in supporting a physically active life for children and youths.





**We contribute to a cleaner future by seeking to minimise our effect on the environment. Working on our own environmental impact also helps us to understand the needs of our clients.**

We recognise that the climate crisis is urgent and that reducing emissions from the current level is not enough to limit global warming in accordance with the Paris Agreement. Our policy is to be carbon neutral. This means calculating our carbon footprint every year, setting emission reduction targets in line with climate science and compensating our emissions with high-quality emission credits.

### Bulk of impact from indirect emissions

We calculate our carbon footprint in accordance with the GHG Protocol. In 2022, we expanded our carbon footprint to include all emissions from purchases and capital goods. Our carbon footprint now covers all relevant emission categories across scopes 1, 2 and 3.

# ENVIRONMENT



The inclusion of purchases and capital goods shifts the bulk of our climate impact to indirect emissions, as these two categories account for about 70–80% of our carbon footprint. They contain critical inputs, such as office equipment, information systems and insurance products. In many cases, we can influence these indirect emission categories only by cooperating with our suppliers. Most emissions in these categories are estimated based on spending, which involves uncertainty. For more information about the data used, see Appendix 2 on page 41.

The main emission sources that we control more directly are business travel (scope 3) and heating (scope 2). They accounted respectively for 14% and 7% of our carbon footprint in 2022.

Emission reduction targets

As a member of the Science Based Targets initiative and the Business Ambition for 1.5 °C campaign, we have pledged to reduce our scope 1 and scope 2 emissions by 50% by 2030 compared to 2019, in accordance with the standard target for companies with fewer than 500 employees. These emissions have declined steadily over the last four years and were 40% smaller in 2022 than in 2019. The district cooling company switched to carbon neutral cooling in 2020, and we agreed with our landlord to start using renewable district heating at our premises in 2022.

Although we are on track to meet our pledge, it only covers about 10% of our carbon footprint. We therefore have an additional target of reducing emissions by 25% from 2019 to 2025. This target covers scope 3 emissions excluding

purchases and capital goods.

The emissions covered by our 25% reduction target declined sharply in 2020 and further in 2021 due to the COVID-19 pandemic but rebounded in 2022 as the pandemic restrictions were lifted. Nevertheless, they remained 14% lower than in 2019. Approximately 45% of the total were business travel emissions, which increased tenfold from 2021. About 37% of the travel emissions resulted from a staff trip to Berlin.

Our total carbon footprint in 2022 was 2,046 tonnes. It grew by 38% from 2021 but was 12% lower than in 2019. See the graphic on page 32.

In 2023, we plan to review our climate targets against the net-zero standard of the Science Based Targets initiative.

Compensating emissions

We compensate our emissions with high-quality emission reduction credits from projects that support biodiversity and local communities. Our 2021 emissions were compensated with VCS credits from [the Rimba Raya biodiversity reserve](#) in Indonesia, the first project certified to address all 17 UN Sustainable Development Goals. Previously, we have purchased credits from [the Kariba biodiversity reserve](#) in Zimbabwe and a [safe drinking water project](#) in Rwanda. At the time of writing this report, we had not yet selected the credits for 2022.

On top of emission reduction credits, we support projects that remove and store carbon from the atmosphere.

- In 2022, we purchased credits from [Compensate's portfolio](#), which contains a mix of emission reduction projects, carbon removal projects and carbon capture technologies.
- We have also acquired CO<sub>2</sub> removal certificates (CORCs) through [the Puro.earth platform](#). Our first purchase was CORCs related to an insulation product made of recycled materials; however, the additionality of these credits can be questioned. In 2022, we switched to CORCs from biochar produced by [Carbofex](#).
- To increase Finland's carbon sink, we initiated a reforestation project with [Carbon Deed](#) in 2020.

HOW WE MANAGED OUR ENVIRONMENTAL IMPACT IN 2022

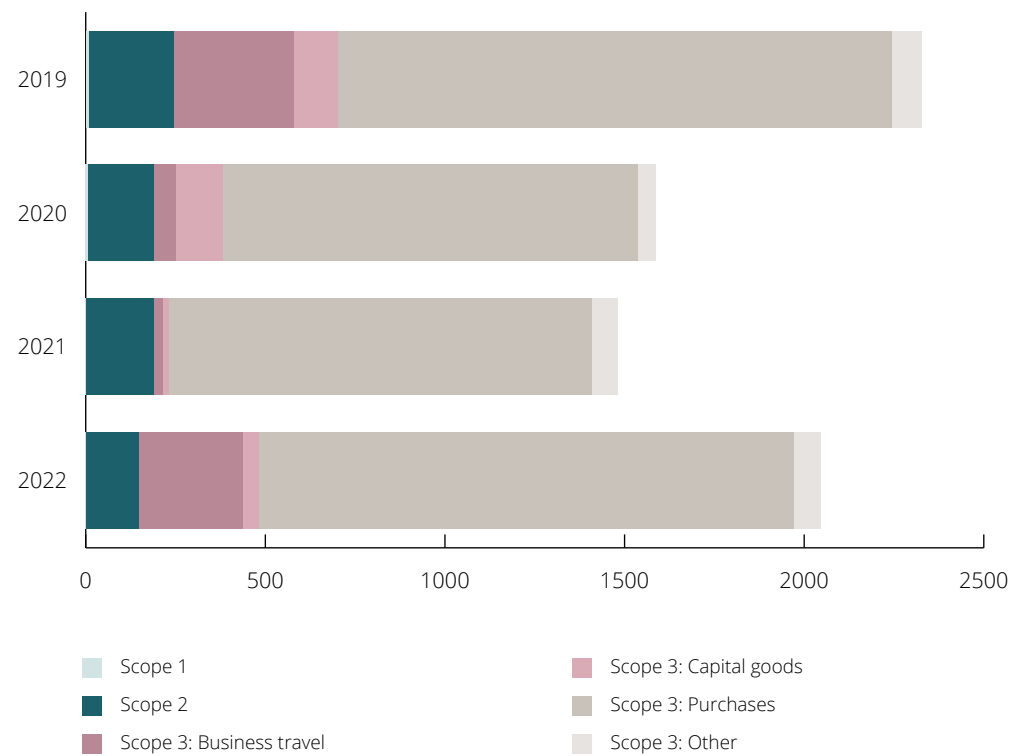
AREA	TARGET	STATUS
Climate (Science Based Targets initiative)	2030: Reduce our scope 1 and 2 emissions by 50% from 2019 <sup>1</sup>	2019–2022: –40% 2021–2022: –22%
Climate	2025: Reduce our overall emissions by 25% from 2019 (excluding purchases and capital goods)	2019–2022: –14% 2021–2022: +78%
Paper consumption (Green Office)	Reduce paper consumption based on an annually set target (sheets/person)	Target set for 2022 missed but consumption significantly below the 2020 level.
Electricity consumption (Green Office)	Reduce electricity consumption based on an annually set target (kWh/person)	Target set for 2022 missed but consumption significantly below the 2020 level.
Business travel (Green Office)	Limit air travel and use of taxis in favour of rail travel	Target set for 2022 missed as air travel increased close to prepandemic levels.

<sup>1</sup>The standard wording of the target has 2018 as the base year. Our application to the SBTi was approved with a 2019 base year, the year of our first carbon footprint calculation.





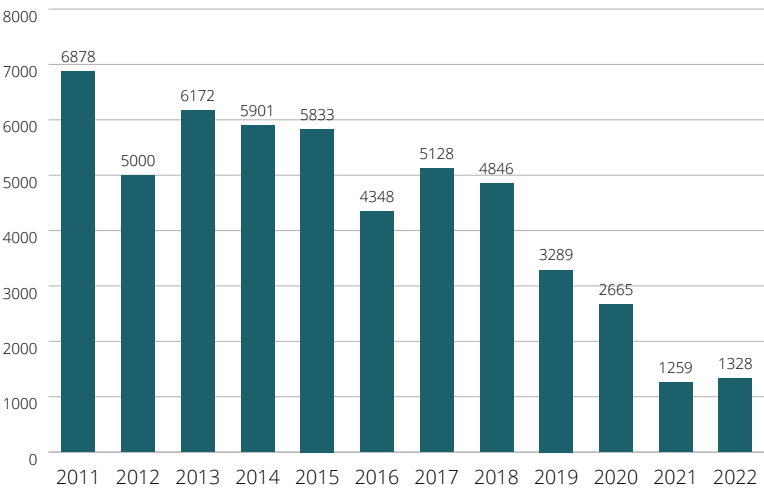
CARBON FOOTPRINT IN 2019–2022 (TONNES OF CO<sub>2</sub>)



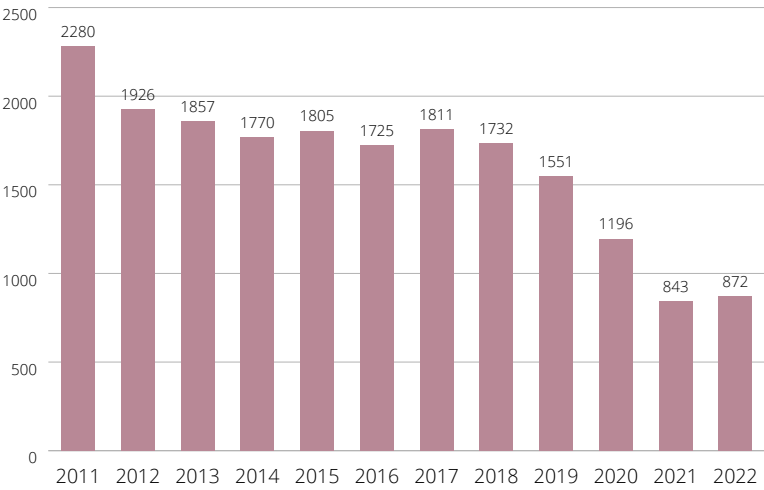
The emissions reported for 2019 and 2020 differ from those reported previously due to adjustments made retrospectively as more up-to-date data has become available. The emissions from purchases and capital goods have been fully included from 2021 onwards. Emission factors have been updated for office equipment, flights, trains and passenger cars. The emission factor for waste district heating has been corrected to reflect the energy product actually used, and the well-to-tank emissions for liquid fuels have been included. The emissions from commuting and working from home have been calculated based on person-years instead of the number of employees. The inclusion of purchases and capital goods has a major impact on overall emissions, as these categories account for 70%–80% of the total. The impact of the other adjustments is minor. Our carbon footprint has been validated by Gaia Consulting.

GREEN OFFICE IN 2011–2022

ANNUAL PAPER CONSUMPTION (SHEETS/PERSON)

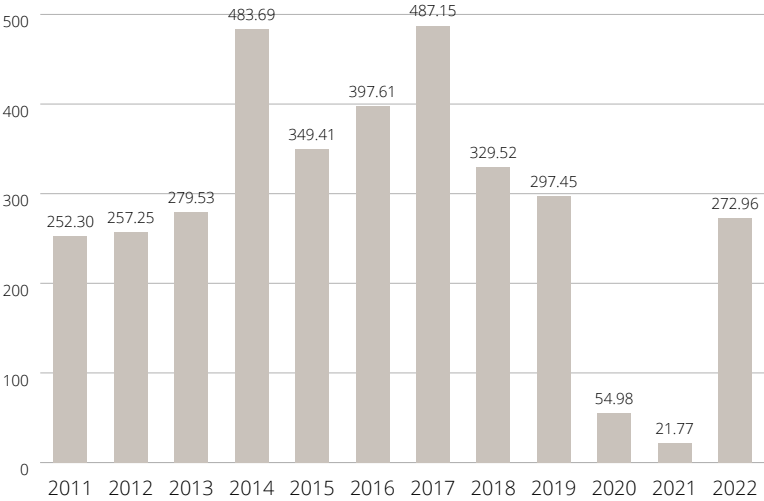


ANNUAL ELECTRICITY CONSUMPTION (KWH/PERSON)



FLIGHT EMISSIONS (TONNES OF CO<sub>2</sub>)

Emissions up to 2018 are not directly comparable with emissions from 2019 onwards due to a switch to more accurate emission factors.





# GOVERNANCE



## Sustainability within 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.

Our sustainability work covers three areas:

- Advice for clients (see pages 10–12)
- Impact on society (see pages 24–27)
- Our own sustainability (see pages 16–23 and 28–31)

We are a UN Global Compact participant and committed to its ten principles since 2020. Our sustainability work focuses on three UN Sustainable Development Goals: gender equality (goal number 5), climate action (goal number 13) and peace, justice and strong institutions (goal number 16). An overview of how our sustainability work links to the ten principles can be found on page 40.

Our code of conduct, which is based on our values and the ten Global Compact principles, lays down our key principles regarding the respect of human rights, the treatment of people, professional conduct, caring for the environment, participating in society and representing our firm. The code of conduct is a mandatory



part of induction training for new employees. Its key principles are included in our supplier code of conduct, which we apply to our key suppliers.

### Human rights impact assessment

We assess our human rights impacts in accordance with the Human Rights Commitment of the Finland Chamber of Commerce, which we joined in 2021. The commitment, which is built on the UN Guiding Principles, covers our operations and our purchases. In addition to an annual impact assessment, it includes setting targets, communicating on our impacts and developing corrective measures. We report to the Finland Chamber of Commerce annually and receive feedback.

Our main impacts relate to the risk of stress and the risk to work-life balance that stem from the nature of our operations. The feedback also flagged the freedom to express minority identities measured by our equality survey as requiring attention. We address these issues through our longstanding efforts to improve work-life balance (see page 22) and through our diversity work (see pages 18–19).

As regards purchases, risks of negative human rights impacts are associated with cleaning services, in which workers often have immigrant backgrounds and can be in a vulnerable position. We use a responsible cleaning service provider and have received their commitment to our supplier code of conduct.

Our policy statement concerning human rights can be found in our code of conduct: We respect internationally proclaimed human rights in everything we do. We expect our suppliers and business partners to do the same. We refuse assignments where our advice would assist human rights violations.

### Competence development

We organise internal trainings on sustainability themes led by colleagues or guest speakers and encourage our employees to participate in training offered by our sustainability networks. In 2022, we appointed a full-time sustainability specialist and recruited a lawyer with expertise in human rights.

#### Our targets for 2023

- Launching an internal training series on sustainability, with an initial focus on social responsibility.
- Enhancing employee awareness of our code of conduct with a focus on practical situations.
- Developing our human rights impact assessment procedure in line with our Human Rights Commitment.

### Anti-corruption

Our business is based on trust and integrity. Our daily conduct is governed by the professional and ethical standards of the legal world that regulate matters such as client relationships, loyalty to the client, independence, conflicts of interest and confidentiality. We are bound by the Finnish Advocates Act as well as the Professional Code of Conduct of the Finnish Bar Association, and we also comply with other national and international laws.

Before accepting a new client or assignment, we conduct a conflict check and ‘know your customer’ procedures. This is our statutory duty as a law firm. We do not accept assignments that include a risk of money laundering or the financing of terrorism. In addition, we regularly monitor all applicable sanctions lists, including the UN Security Council sanctions, and run sanctions checks on new clients and assignments.

We are governed by the laws and regulations on insider information, and we have internal guidelines for handling such information. Our employees must request permission before trading in securities.

We do not accept corruption or bribery in any form. This principle is enshrined in our code of conduct and internal anti-corruption guidelines. We apply maximum limits for gifts and hospitality that can only be exceeded with advance permission from our Managing Partner. Our zero-tolerance policy with respect to corruption and bribery is also stated in our supplier code of conduct.

We have a whistleblowing channel through which employees and other stakeholders can report misconduct and unethical behaviour anonymously. The whistleblowing channel can be accessed via our intranet and our website.

### Our approach to risk management

We manage risks through a combination of dedicated resources, standard procedures, management oversight and personnel training. We have assigned day-to-day risk management work to a team led by our compliance officer. The risk management team carries out statutory KYC and sanctions checks, runs our insider regulation process and grants securities trading permissions.

We have made a risk assessment concerning money laundering and the financing of terrorism as required by Finnish law and the Finnish Bar Association guidelines. We update the risk assessment regularly and whenever significant changes occur. The risk assessment forms the basis for our internal risk management instructions. Both of these documents are approved by our board of directors.

All new employees must complete training on the prevention of money laundering and the financing of terrorism and familiarise themselves with our risk management instructions during orientation.

In 2022, we established a customer due diligence team for reviewing proposed assignments with potential corruption risks and reputation risks.

#### Our targets for 2023

- Updating our risk management tools to speed up work and further reduce the likelihood of errors through automation.
- Preparing an online training on insider information.
- Reviewing the work of the customer due diligence team and CDD practices and laying down guidelines for the team’s future work.



## Information security and data protection

Information security is crucial when dealing with highly sensitive client information in today's world. In the legal services business, information security protects the confidentiality of information between attorney and client.

Information security at our firm is implemented in accordance with our Information Security Policy, which is owned by the board of directors. This year, we established an information security steering group to oversee the operation of our Information Security Management System.

All employees must complete regular training on information security. Such training is also included in the induction programme for new employees.

An independent auditor audits the operation of our Information Security Management System annually.

### How we assess and treat risks

During 2022, we built a comprehensive Information Security Management System (ISMS) based on the ISO 27001 standard. The ISMS includes a comprehensive risk assessment process which we update regularly in a management review process. We will also update the assessment when significant internal or external changes occur or are planned and when we evaluate suppliers.

We use a scenario-based risk management approach in which we classify risks based on their likelihood and impact. We evaluate impact across six areas, including customers; financial impact; health and safety; and legal, contractual and organisational obligations. Based on the classification, we plan how to treat each

risk. We prepare a risk assessment report and a risk treatment plan which are approved by our management.

### How we process customer information

We comply with data protection laws and the recommendations of the Finnish Bar Association.

We use the following technical and organisational measures to protect personal data and confidential customer information:

- We instruct our personnel and restrict access to personal data and confidential customer information.
- We use a secure e-mail solution when sending personal data or confidential customer information.
- We avoid printing documents and storing data on unencrypted USB devices.
- We categorise data and select the most appropriate data protection and information security measures for each category.

### Handling data breaches

We have processes in place for investigating data breaches and reporting them to the Finnish Data Ombudsman if needed. In 2022, we registered two data breaches involving personal data. One of them was reported to the Ombudsman and one was deemed to not require reporting. We are not aware of data breaches involving confidential customer information or receive complaints concerning our processing of data.

## DATA PROTECTION CALLS FOR A FOCUS ON THE PERSON



**EIJA WARMA-LEHTINEN**

Partner, Head of Castrén & Snellman's  
Data Protection & Privacy practice

### What is the significance of data protection regulation for fundamental rights and human rights?

The right to privacy is a fundamental right, and data protection is an element of privacy. However, until a few years ago, fundamental rights and human rights were felt to be distant from business law. That has now changed. These days, data is the most valuable asset in many organisations. The force of law and the existence of enforcement mechanisms – through individual data subjects exercising their rights and through data protection authorities – has obligated companies to raise the bar.

### How are fundamental rights reflected in your work with companies?

Our data protection team balances fundamental rights against each other fairly often; for example, the right to privacy against the right to free speech or the right to property. Data protection is not a 'super-right' that overrides all other rights. Rather, one should always view data protection in context and assess its importance in the space provided by other rights.

### What role do you and your team play in this field?

Our job is to help our clients understand regulation and do the right thing as a result. We help them develop sustainable models for processing personal data so that the people who use their services have a sufficient level of protection.

### How would you advise companies who want to 'do the right thing'?

Focus on the person. Quite often, we view data protection as something abstract. We may plan to run analytics on various kinds of personal data to develop our business, or to outsource the processing of data. However, such decisions have an impact on human beings. Depending on the scenario, the impact may be insignificant – or it may be shattering. Think of the Vastaamo data breach, in which the database of a Finnish psychotherapy centre was hacked and patient data leaked.

### How do you expect data protection to evolve in the future?

Individuals are increasingly aware of their rights and have higher demands. It forces organisations to be aware of their data protection impacts. I believe that the ones that can build trust with their users and show that they are worth the trust will have a competitive edge.



APPENDIX 1: The Ten Principles of the UN Global Compact

THE TEN PRINCIPLES	OUR WORK
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and	We have committed to respecting human rights in our <a href="#">code of conduct</a> and expect the same from our suppliers and business partners. Our pro bono work promotes human rights (pages <a href="#">26</a> and <a href="#">27</a> ).
Principle 2: make sure that they are not complicit in human rights abuses.	In accordance with our code of conduct, we refuse assignments where our advice would assist human rights violations. Our customer due diligence team reviews proposed assignments for, e.g. corruption risks. We assess the human rights impacts of our operations and purchases annually (pages <a href="#">36</a> and <a href="#">37</a> ).
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	We have assessed the risk of violations of the freedom of association and the right to collective bargaining as very minor in our human rights impact assessment. We do not operate in or have direct suppliers in high-risk areas (page <a href="#">36</a> ).
Principle 4: the elimination of all forms of forced and compulsory labour;	We have assessed the risk of forced and compulsory labour as very minor in our human rights impact assessment. We do not operate in or have direct suppliers in high-risk areas, but the risk exists in cleaning services (page <a href="#">36</a> ).
Principle 5: the effective abolition of child labour; and	We have assessed the risk of child labour as very minor in our human rights impact assessment. We do not operate in or have direct suppliers in high-risk areas (page <a href="#">36</a> ).
Principle 6: the elimination of discrimination in respect of employment and occupation.	Discrimination is addressed by our statutory equality plan and gender equality plan, the implementation of which is entrusted to our Personnel Advisory Board. We promote a non-discriminatory workplace through our diversity work and monitor our performance in an annual equality survey (page <a href="#">18</a> ). We work for gender equality (page <a href="#">20</a> ).
Principle 7: Businesses should support a precautionary approach to environmental challenges;	In accordance with our code of conduct, we contribute to a cleaner future by seeking to minimise our effect on the environment.
Principle 8: undertake initiatives to promote greater environmental responsibility; and	We participate in the Science Based Targets initiative since 2020 and in the Green Office programme since 2009 (pages <a href="#">30</a> and <a href="#">31</a> ). We are a member of the Net Zero Lawyers Alliance and we are engaged in pro bono work promoting environmental initiatives (page <a href="#">26</a> ).
Principle 9: encourage the development and diffusion of environmentally friendly technologies.	We get to participate in developing, diffusing and arranging financing for environmentally friendly technologies in our client work (pages <a href="#">10–15</a> ). We strive to influence legislation and the interpretation of law to promote cooperation between companies to develop such technologies (pages <a href="#">12</a> and <a href="#">26</a> ).
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	Our code of conduct and supplier code of conduct establish zero tolerance for corruption. We address corruption risk through our own and industry guidelines and through internal procedures (page <a href="#">37</a> ).

APPENDIX 2: Data used in calculating our carbon footprint

EMISSIONS CATEGORY	ACTIVITY DATA	EMISSION FACTOR	EMISSIONS IN 2022 (tCO <sub>2</sub> e)
Company vehicles (scope 1)	Fuel consumption of leased vehicles	<a href="#">Defra's greenhouse gas conversion factors 2022</a> : Liquid fuels, Petrol (average biofuel blend)	0.46
Purchased electricity (scope 2)	Electricity consumption as shown on electricity bills	Landlord disclosure (renewable electricity)	0.00
Purchased heating (scope 2)	Heating consumption reported by landlord and allocated based on leased area	Energy company disclosure	147.27
Purchased cooling (scope 2)	Cooling consumption reported by landlord and allocated based on leased area	Energy company disclosure (carbon neutral cooling)	0.00
Purchased goods and services, office equipment (scope 3)	Number of equipment (for certain small equipment categories, the number is estimated)	Cradle-to-gate emissions estimated in <a href="#">ICT-päätelaitteisiin liittyvät materiaali-, energia- ja ilmastokysymykset</a> (The material, energy and climate impact of ICT terminals), Ministry of Transport and Communications (2020) Supplemented with emission factors from the Finnish WWF's Climate Calculator online service	120.01
Purchased goods and services, food and related services (scope 3)	Amount of food based on vouchers (if the amount cannot be established, price is used instead)	Average emission factors estimated in Hartikainen and Pulkkinen, <a href="#">Summary of the chosen methodologies and practices to produce GHGE-estimates for an average European diet</a> , Natural Resources Institute Finland (2016) Supplemented with emission factors from the <a href="#">Cool Food Calculator</a> , published by the World Resources Institute Price-based emissions estimated using the Exiobase emission factors (see below)	149.23
Purchased goods and services, other (scope 3)	Spending as shown in statement of profit and loss	Average European emission factors for 2013–2016 from the <a href="#">Exiobase</a> database (inflation-adjusted for 2022)	1220.93
Capital goods (scope 3)	Spending as shown in balance sheet (capital expenditure)	Average European emission factors for 2013–2016 from the Exiobase database (inflation-adjusted for 2022)	43.91
Fuel and energy related activities (scope 3)	Electricity, heating and cooling consumption	Upstream emission factors and transmission losses for district heat from Defra's greenhouse gas conversion factors Transmission losses for electricity: <a href="#">World Bank</a> Emission factor for residual mix: <a href="#">Finnish Energy Authority</a>	59.85
Transportation (scope 3)	<i>Transport company A</i> : Emission report <i>Transport company B</i> : Number of deliveries by country	<i>Transport company A</i> : Emission report <i>Transport company B</i> : Emissions estimated based on company A's report	0.66
Waste (scope 3)	Waste management company's emission report, allocation based on leased area	Waste management company's emission report, allocation based on leased area	4.69
Business travel, flights (scope 3)	Number of flights as reported by travel agency	Emissions by flight from <a href="#">Compensate's calculator</a>	272.96
Business travel, passenger cars (scope 3)	Taxi costs and kilometre allowance costs from statement of profit and loss	<i>Taxis</i> : Defra's greenhouse gas conversion factors 2022: Business travel – land, Taxis / Regular taxi <i>Employee cars</i> : Average emissions of employee cars based on internal commuting survey	6.30
Business travel, trains (scope 3)	Kilometres as reported by railroad company's client system	Railroad company disclosure	0.00
Business travel, hotels (scope 3)	Number of overnight stays estimated based on per diem allowances and company card transactions	Defra's greenhouse gas conversion factors 2022: Hotel stay	9.50
Employee commuting (scope 3)	Average distance to workplace and distribution of transport modes from internal commuting survey (2020)	Defra's greenhouse gas conversion factors 2022: Business travel – land, Cars, Bus Railroad company, public transport company disclosures	9.08
Leased assets (scope 3)	Electricity consumption	Lessor disclosure (emission-free electricity)	0.00

Downstream scope 3 emission categories are not deemed material in our business. Our carbon footprint is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and it has been validated by Gaia Consulting.



