

Change Starts with Us

Sustainability Report 2022

Reporting period: 1 January 2021 – 30 June 2022



SORAINEN

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"Our region's long-term prosperity depends on the commitments and initiatives being undertaken now."

Letter to readers from our managing partner

The last few years have brought a lot of new uncertainties and challenges to our region, as around the world. In this environment some organisations have chosen to scale down their sustainability efforts. We, however, have done quite the opposite. For instance, when Covid-19 hit, we launched our Shared Mission initiative to provide *pro bono* assistance to projects working to reduce the negative consequences of the pandemic; when Russia invaded Ukraine, we immediately donated to Red Cross efforts in Ukraine and offered *pro bono* support to Ukrainians; and so on. Overall, we have accelerated our sustainability and ESG efforts to new levels, with the understanding that our region's long-term prosperity depends to a significant extent on the commitments and initiatives being undertaken now.

During the reporting period we increased our focus on the well-being and development of Sorainen team, and on creating a more diverse, equitable, and inclusive environment. As a result, our people displayed increased engagement and loyalty.

We continued to strengthen our operations by launching new ESG services, investing in innovation and tech solutions, streamlining and intensifying our *pro bono* endeavours, reinforcing our security and compliance systems and procedures, and achieving even more alignment in everything we do. All the while, we remained firmly committed to our core purpose: helping our clients succeed.

I am glad to present this, our first sustainability report, describing our initial progress on a journey that is, of course, only starting. I hope that this report will not only shed light on our sustainability and ESG initiatives, but will also encourage other businesses in our region to promote a sustainability mindset, forge partnerships, and build sustainable businesses.

A handwritten signature in dark ink, appearing to read 'LS', with a stylized flourish extending to the right.

Laimonas Skibarka,
Managing Partner of Sorainen

Sorainen and sustainability

Our sustainability mindset is firmly encoded in our firm's core purpose – to grow prosperity in the region by helping clients succeed in business. Sorainen has adhered to sustainability principles since the day of its creation by keeping our impact on society front and center in our minds and by following best-governance practices, as well as by ensuring fair, safe and engaging work conditions for our staff.

Over the years we have matured and evolved. We have created new education projects, such as the Sorainen Student Academy and an e-learning platform for our team; we expanded *pro bono* initiatives such as legal clinics and our Shared Mission programme; we increased the environmental friendliness of our offices in a number of areas, including recycling and purchasing energy from renewable sources; and we put additional focuses on diversity, equity, and inclusion.

In 2021 our approach to the concept of sustainability became more streamlined and strategic, and we **created a dedicated cross-functional team** to monitor and improve our efforts at the regional and local levels. The work of the sustainability team is guided by the Steering Committee, which consists of the firm's partners, senior management, and board members.

We continue to look for ways to expand our efforts, and at the beginning of this year we completed two major steps in this regard. First, we **launched a new Environment, Social and Governance (ESG) service** line dedicated to helping clients navigate the constantly-changing landscape of sustainability-related regulations.

Second, we **established the position of Sustainability Officer** to embed sustainability and social-responsibility principles into the firm's processes, teams, and projects. Our Chief Operating Officer Leda Iržikevičienė leads the firm's sustainability-strategy development and execution.



Leda Iržikevičienė
Chief Operating Officer



Even though we are still at the beginning of our journey, we believe that transparency in our sustainability endeavours will increase the confidence and trust of our stakeholders, as well as inspire other businesses to follow a similar path in their activities. This report is the first in what will become an annual series, with each year's report describing Sorainen's sustainability efforts in all four of the firm's offices¹ between 1 July of the preceding year and 30 June of the year the report is produced. This year's report, however, covers the period of 1 January 2021 to 30 June 2022.

These annual reports will address our strategy, targets, success stories, and points for improvement. We plan to align the methodologies we apply to the production of these reports with internationally recognised reporting standards such as the Global Reporting Initiative and United Nations Sustainable Development Goals (UN SDG), as our data gathering matures.

In defining Sorainen's sustainability strategy and setting targets and directions for action we started with the UN SDGs² closest to our heart:



Our sustainability endeavours are built on four pillars: our business and clients, our people, our impact on society, and our impact on the environment.



¹In Estonia - Advokaadibüroo Sorainen AS, Reg. No. 10876331, in Latvia - Sorainen ZAB SIA, Reg. No. 50203349641, in Lithuania - Advokaty kontora Sorainen ir partneriai, Reg. No. 9400025, and in Belarus - Sorainen and Partners FLLC, Reg. No. 190961147.
² Sorainen supports the Sustainable Development Goals, and in this report SDG logos are included for informational and illustrative purposes. This report will also refer to SDG targets and indicators as provided in the Work of the Statistical Commission pertaining to the 2030 Agenda for Sustainable Development that was adopted by Resolution of the United Nations General Assembly A/RES/71/313 (2017), available at <https://undocs.org/A/RES/71/313>.

Business and clients

Sorainen is an international business law firm working as one integrated team to fulfil its core purpose – to grow prosperity in the region by helping clients succeed in business.

With 44 partners and more than 250 lawyers and tax specialists, we have the resources to support our clients in all business-law and tax issues in Estonia, Latvia, Lithuania, and Belarus. Since its founding in 1995 the firm has worked on the most significant mandates for international and local clients in the region, in the process improving the business culture and growing investments and prosperity.

We are committed to:



Enhancing inclusive and sustainable economic growth and entrepreneurship, as well as employment and decent work in the region through innovation.



Building just, peaceful, and inclusive societies by promoting the rule of law and ensuring access to justice for all by providing the highest level of legal advice, including *pro bono*.



Working to eliminate bribery and corruption, as well as taking measures to combat terrorism and crime.



Contributing to the development of effective, accountable, and transparent institutions and businesses.

In working towards our core purpose, we adhere to the firm's corporate values:



Client Focus & Business-Mindedness: We help clients succeed by providing exact solutions for their business needs.



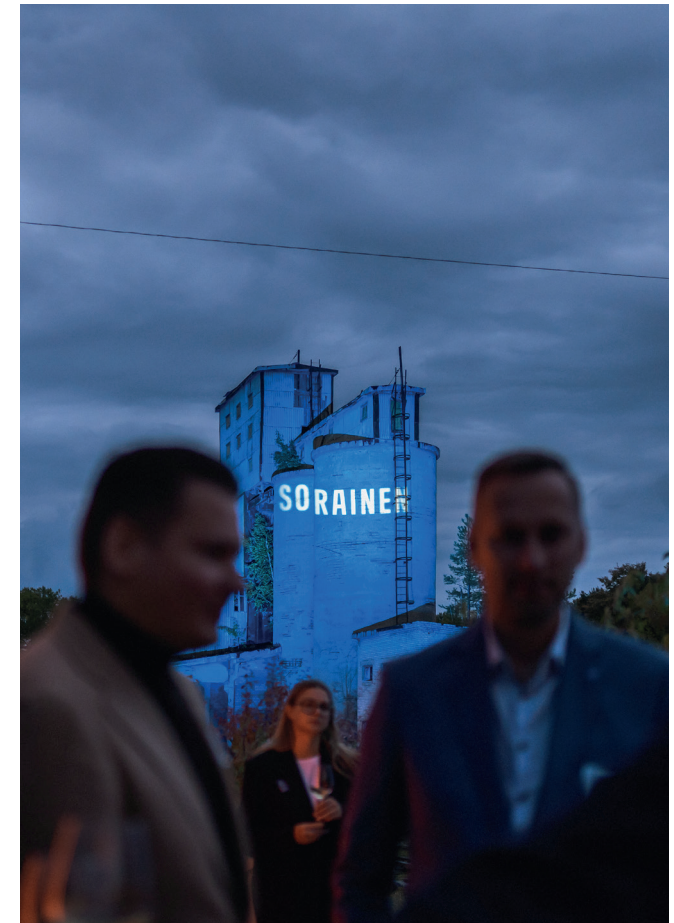
Excellence & Innovation: We strive for excellence in everything we do, and everyone on our team plays a part in it. We excel through constant personal development and innovation.



Teamwork & Sharing of Know-How: While individual initiative and creativity are always encouraged, teamwork is at the root of everything we do.



Ethics & Respect: Reliability, integrity, and honesty are at the heart of our business. We act courteously and respectfully towards each other and towards everyone we work with.



1995

Founding year

44

partners

350+

people in four countries

80,000+

mandates

15,000+

clients

EUR 33.7 million

in revenue in 2021

Operating as a single ecosystem

Sorainen offices operate together as a single ecosystem under a single **ISO 9001-certified quality management system (QMS)**.



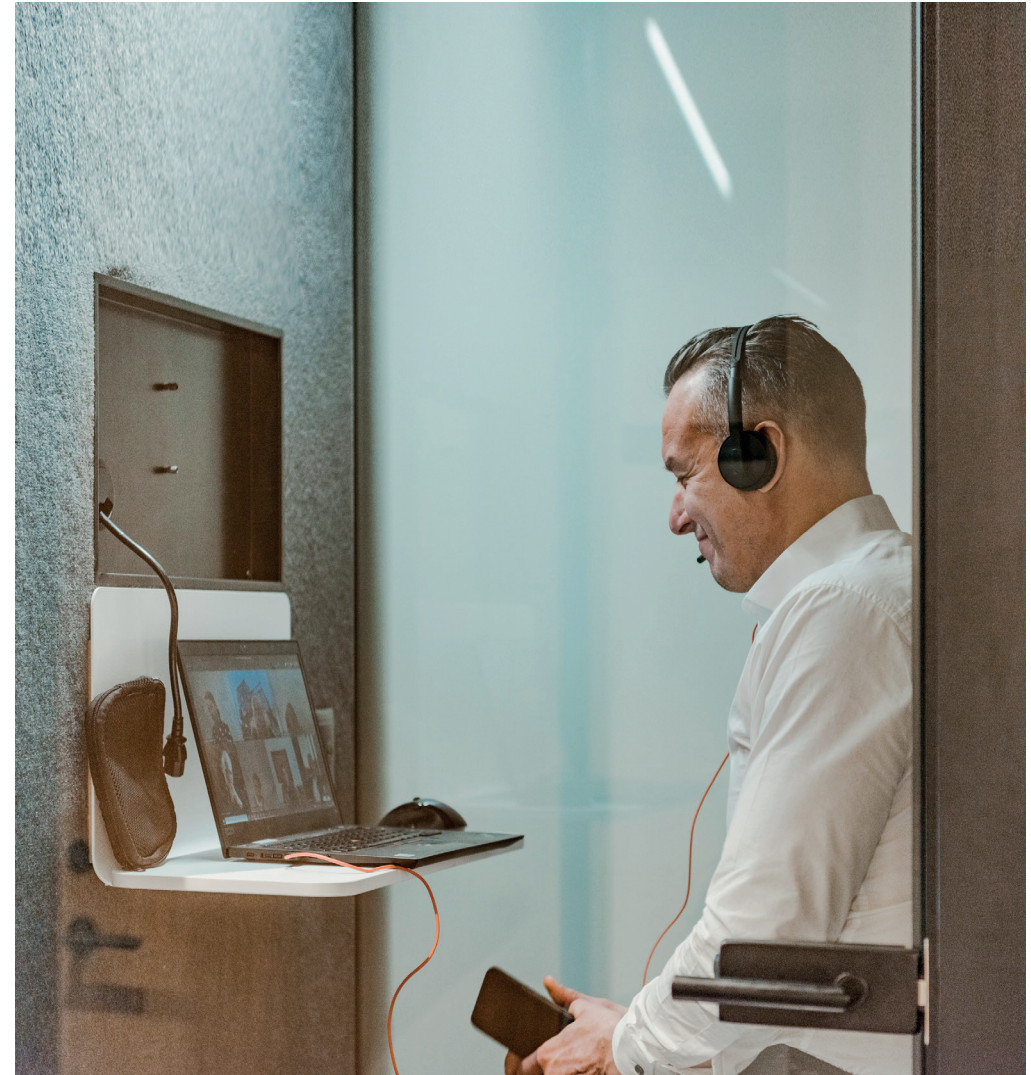
As part of the onboarding procedure, all our staff members are familiarised with QMS guidelines and are required to pass a test on the rules. They are also provided with regular trainings and updates on effective policies through various internal communication channels and are regularly tested on their knowledge. Pursuant to the QMS, we make a regular relevant risk assessment and due diligence procedures of all our operations, and conduct periodical internal and external QMS audits. Internal audits are conducted each September and external audits are conducted every nine months in two of the four offices. The most recent external audit was conducted in September 2022 and the next is planned for May/June 2023.

Ensuring the highest standards of compliance

Sorainen's Compliance & Quality team includes the head of the team, several compliance specialists, and other carefully selected representatives (partners, lawyers, administrative personnel, and IT specialists) from all parts of the firm.

The Compliance & Quality team is in charge of implementing the QMS throughout the firm, and for considering and mapping all possible risks the firm may face, from bank failures to IT risks, fire, theft, money laundering, and departing staff or partners. Our QMS contains detailed guidelines of measures to be taken to ensure compliance with applicable laws, regulations, and Bar rules, including those related to the respect for human rights and the prevention of involvement in money laundering, terrorism financing, financing of proliferation, corruption, and the evasion of sanctions. The guidelines apply to all relationships where Sorainen provides services to clients – whether new or existing. One of the essential parts of these guidelines is the procedure related to client identification, and it includes the requirement that all clients be asked to complete UBO (Ultimate Beneficial Owner) forms follow other extensive client-onboarding procedures.

The firm trains its people to recognise signs of unusual or suspicious transactions, know the risks of money laundering, terrorism financing, and financing of proliferation, and stay aware of the existence and consequences of international and national sanctions. Everyone in the firm is regularly reminded of the firm's policies in this regard through various trainings and other means. Sorainen is committed to conducting business ethically and honestly, and to implementing and enforcing systems to ensure that bribery is prevented. Sorainen people are prohibited from engaging in any form of bribery, whether directly or indirectly (such as through a third party), and whether actively (offering a bribe) or passively (accepting a bribe). Naturally, no cases of bribery were reported or discovered during the reporting period.



In the reporting period

Among the 30
most innovative law firms in Europe
according to the Financial Times

EUR 355,000
invested in knowledge management
and innovations

EUR 1.7 million
invested in IT and
security

0 major
data breaches or leaks

"Confidentiality, privacy, and information security are the cornerstones of our business."



Because Sorainen is occasionally faced with a potential or actual conflict-of-interest situation, on either an individual or firm/office level, it is essential to have effective controls in place. These rules must be followed when any new client or case is accepted. An extensive list of reasons for refusing to accept a specific mandate is set out in the applicable QMS Conflict Check guidelines. Any potential conflicts of interest that are identified are recorded in a register, along with a description of the effective measures being taken to manage the situation. These registered items are reviewed at least once a year to ensure up-to-date documentation.

Sorainen demands that everyone in the firm observe all applicable laws, including the General Data Protection Regulation and other applicable data-protection legislation, as well as legislation regulating the legal profession (e.g., laws and regulations relating to confidentiality and the client-attorney privilege). The QMS sets out detailed rules with respect to protecting the security and confidentiality of personal data, including when data is processed and in audit procedures.

No major personal data breaches were identified during the reporting period. In November 2021 we learned that a credential of one junior

person of our staff had been stolen, resulting in a relatively insignificant data leak, involving only access to that person's e-mail and calendar. An investigation revealed that no confidential information or sensitive personal data was involved, and that the personal data that had been improperly obtained was limited to the names and surnames of a few individuals.

Consistent with our long-standing commitment to helping our clients become and stay compliant with applicable laws and regulations, as well as providing specific services with respect to data protection, due to increased sanctions-related risks our legal team launched a [new service line related to sanctions compliance](#) at the end of the reporting period.

Confidentiality, privacy, and information security

Confidentiality, privacy, and information security are the cornerstones of our business. Information regarding clients, their business operations, and the services we provide to them must remain confidential unless their consent has been received, or where disclosure is required by law.

No one may make use of any confidential client or insider information in their personal activities on their own or another party's behalf, either directly or indirectly. We have developed a number of organisational, technical, and legal-separation-management tools in order to ensure that such information remains confidential.

No failures to comply with the duty of confidentiality, nor any cases of insider trading, were identified during the reporting period.

Cybersecurity affects almost every organisation today, with significant spikes in malicious cyber activity being reported by observers around the world. To ensure adherence to the best practices and eliminate potential data breaches in 2021 our information security management system was certified under **ISO/IEC 27001**.

Our IT team is always working to improve our IT security systems, and it proactively anticipates potential threats and risks – and develops relevant prevention mechanisms to mitigate them. All staff members are obliged to undertake regular IT-security-awareness training. Our IT team also provides regular updates on new phishing strategies and shares applicable tips on detecting, alerting, and resolving potential cybersecurity breaks.

No data breaches or data leaks were identified during the reporting period apart from the one incident reported above. Due to increased cybersecurity risks at the end of the reporting period our team has also prepared brief and publicly available [cybersecurity awareness materials](#).

Firm's board

Sorainen's Board handles the firm's day-to-day management, makes decisions regarding firm-level policies, and is in charge of the firm's economic performance.

It is made up of a senior partner, (co-) managing partners, and the country managing or co-managing partners of each Sorainen office, along with other key persons regularly invited to join it. The ten permanent members of the Board include nine from Sorainen and one individual from outside the firm who has more than 40 years of working and managing experience in international companies.

The main goal of the external member of the Board is to ensure that the firm's management decisions take into account the experience of individuals from diverse backgrounds and various cultural spaces. We realise that the current 20%-to-80% female-to-male ratio on the Board is not satisfactory, and we aim to improve it. Updates on this situation will be included in subsequent reports.

Among the most innovative law firms in Europe

We regularly review our working processes to ensure they are as creative, efficient, and effective as possible, and we employ cutting-edge technology to share experience and know-how between offices, teams, and sector groups.

When our lawyers are confronted with an issue they can immediately draw on the vast experience Sorainen holds across the four jurisdictions it operates in, allowing them to limit the time they spend on research and maximise their focus on creating legal and tax solutions that are just right for their clients.

In 2021 the Financial Times declared Sorainen among the 30 most innovative law firms in Europe, shortlisting the firm for “Most Innovative Law Firm in Europe (outside the UK)” award – the first Baltic law firm ever to receive this recognition. We were also nominated in the “Innovation in Social Justice” category for our Shared Mission programme. The Financial Times pointed to our development and usage of legal-technology

and automation solutions, such as the Green Meadow Document Drafter contract automation tool (which helped in drawing up the first automated complex share-purchase agreement in the region), the xLaw knowledge management system, the Nuix data analysis tool, and the Jarvis in-house practice management system, among others.

In 2022 we raised from 27th to the 22nd position on the Financial Times European Innovative Law Firms list. Sorainen was also shortlisted in five categories in the Financial Times’ Innovative Lawyers Awards Europe 2022, this being the highest number of nominations of any law firm from the Baltic or Nordic regions. We were once again shortlisted for “Most Innovative Law Firm in Europe (outside the UK)” award and nominated in the “Learning and Development” category for the iKnow e-learning platform; in the “Professional Business Services” category for our interim lawyers service; and in the “Using Data” category for the creation of the international-law-firms sector group. In addition, Aku Sorainen was nominated in the “Innovative Leader” category, as the most devoted advocate of the innovation and modernisation process.



Financial Times shortlists Sorainen for the “Most Innovative Law Firm in Europe (non-UK)” award

FT INNOVATIVE
FINANCIAL TIMES LAWYERS 2022
SHORT LISTED

SORAINEN



Our clients and ESG services

We have established a well-deserved reputation for working on matters that make the region greener, safer, and more just. At the end of the day, Sorainen is not simply doing what it can to check the appropriate boxes; instead, it is the preeminent firm on the ESG-consulting-services market, and its commitment in this regard sets a standard.

The impact of ESG on business continues to increase, and making investment decisions and organising business processes now requires a skillful navigation of the ESG-regulatory landscape. In the beginning of 2022 we formed a regional team of 29 experienced partners and lawyers and launched our ESG-advisory service to help clients succeed in business while remaining compliant with both hard and soft ESG criteria.

Even though the service line consists of three workstreams (Environment, Social and Governance), our team is dedicated to seeing ESG as a whole, and is thus able to

advise on the subject from different angles and foresee the potential risks that clients may face. In addition to working with a sector-focused approach for which Sorainen is known, our experts' experience with ESG allows them to offer clients practical tools, such as an ESG checklist to help them identify potential ESG-related legal issues. Other examples of kinds of ESG assistance we provide clients include helping them answer ESG-related questions in legal due diligence request lists, providing them with template documents to navigate ESG, and suggesting ESG clauses for different types of contracts.

We also invest in educating clients – and the market in general – on ESG matters by sponsoring webinars, producing newsletters, accepting various speaking opportunities, and establishing partnerships. For example, Sorainen Latvia is a member of the Baltic Institute of Corporate Governance, which offers educational programs related to corporate governance that are designed to introduce board and supervisory council members, shareholders, and top executives to best-corporate-governance principles.

Impactful projects across the region

This reporting period has been particularly fruitful in terms of the significant and impactful projects we worked on across the region. For instance, our team advised the Taaleri SolarWind II fund (a Nordic investment firm specialising in renewable energy) and Atsinaujinačios Energetikos Investicijos (a Lithuanian private-equity house focusing on the energy market) on their acquisition of three wind farms from European Energy – the largest acquisition in the wind-energy sector in the Baltics in the last three years. We also advised Atsinaujinačios Energetikos Investicijos on the first private-sector renewable-energy green-bond issuance in Lithuania, which was valued at EUR 25 million.

In Estonia we helped establish and then joined Green Tiger (*Rohetiiger*), a collaboration platform of Estonian companies launched in 2021 to boost environmental awareness and form the basis for a green economy. As part of this project we analysed legal obstacles to food donation, then helped Green Tiger

to present recommendations to the Estonian Chancellor of Justice with the aim to eventually improve the regulatory environment for food waste reduction.

We provided assistance to the financing of *Rīgas Satiksme*, an organisation designed to make the Riga municipality more accessible for elderly people, passengers with children, and people with movement disorders, and in general increase the number of passengers in (environmentally friendly) public transport. We also continued to advise longstanding client Tallinn Public Transport on its efforts to effect a full-on sustainability revolution in public transportation in the city of Tallinn, made as part of the City of Tallinn's "Make Tallinn Green" initiative.

We helped clients to avoid disputes by providing trainings, such as the interactive anti-corruption training module we developed for the largest hospital group in Estonia, seeking to ensure that the nearly 5,000 people – and more than 500 doctors – it employs are sensitive to potential conflicts of interest and other risks in their professional activities.



People

Sorainen's most valuable asset is its people – more than 350 lawyers, tax specialists, and business-services professionals in four countries.

The success of the firm depends heavily on the competencies and achievements of its people – and their dedication to its goals and values.

We strive to create an environment that allows all the members of the firm to achieve their individual professional goals while still adhering to our corporate values and ethical standards – and of course maintaining our commitment to delivering the highest-quality service to clients.

Sorainen works to develop and maintain a diverse workplace where everyone feels included and has equal opportunities to succeed.

We are committed to:



Promoting healthy living and well-being for everyone at the firm, including by improving access to quality essential health-care services, medicines, and vaccines.



Promoting lifelong learning by providing access to a variety of e-learning materials and training opportunities for everyone in the firm.



Empowering female members of the firm staff and ensuring equal opportunities for leadership at all levels.



Protecting labour rights and promoting a safe and secure working environment for everyone at the firm.



Additional incentives and opportunities for all

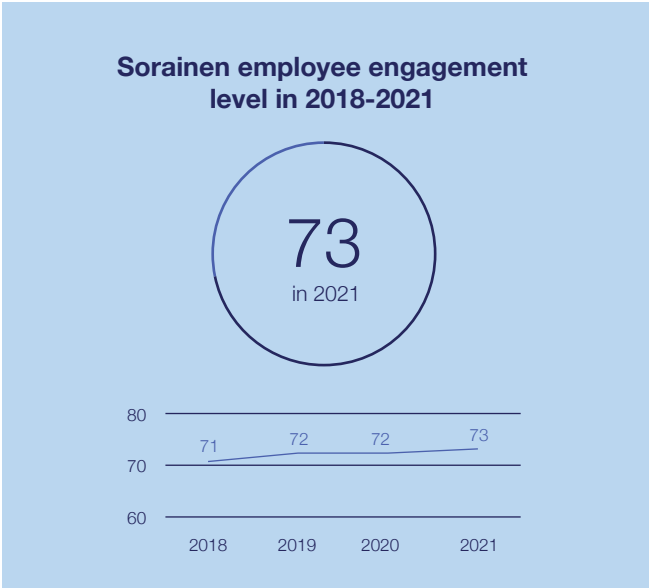
In addition to maintaining strict compliance with regulatory requirements and human-rights standards on matters related to our staff's rights, health, and safety, we have provided additional incentives and opportunities to our team, by, for example, creating a platform for continuous learning and development, introducing flexible working arrangements, and providing various monetary and non-monetary compensations and bonuses.

We are committed to ensuring transparency and equality in all matters related to career progression. A transparent and objective competence model ensures that everyone has the opportunity to progress in their career. In addition to the obligatory KPIs, people may dedicate certain portions of their time to activities of their choosing, such as working on side projects or learning new skills. The firm's partners and managers hold regular check-in meetings to provide employees with opportunities to gain feedback on their performance, and learn what they need to do to progress.

We also support new staff members – and those who return after an extended period of leave – with a six-month mentoring programme.

Sorainen's remuneration package consists of salary, an annual bonus, sports compensation and/or health insurance, days-off, sabbaticals, and paid days-off for volunteering. Everyone in the firm is able to choose their preferred sports and health services from our well-being package. Our bonus system is also transparent and objective, ensuring that everyone's effort is noticed and remunerated fairly. We search for and fill pay gaps gender equality and to ensure sustainable economic growth and decent working conditions for all. During this reporting period our salary survey showed that Sorainen had offered equal salaries for men and women for the same level positions.

Not coincidentally, the level of employee engagement has been gradually increasing since 2018, according to an annual independent survey conducted by Ennova International.



In the reporting period

EUR 500,000
invested in learning and development

EUR 255,000
invested in well-being and remote work arrangements

115
new team members joined

100%
of team members receive regular feedback on career progression, competency, and performance



Focus on well-being

We launched several new initiatives during the reporting period pursuant to our commitment to creating the best-possible working environment for our team. While still recovering from the pandemic, and in addition to our annual satisfaction-and-motivation survey, we started “pulse studies” to learn more about how team members are doing during these challenging times and what more the firm can do to help.

We began providing staff with an allowance to enhance the ergonomics of their home offices, and decreased their workload by offering Friday afternoons off during the summer months of 2021. Second, as a combined initiative of Sorainen’s People & Culture and Sustainability teams, we launched a series of trainings dedicated to nutrition, the importance of sleep, stress management, and other physical and mental-health issues.

We also, in 2021, launched an internal sports challenge to inspire our staff to move more during the summer and to think of ways to make their trips to work more sustainable. In addition, in 2022, as part of the challenge’s second round, we also celebrated World Bicycle Day (June 3rd), and encouraged team members to cycle to work instead of using their traditional means of transport.

Advancing flexible working arrangements

Although pandemic restrictions have been lifted, everyone in the firm continue to enjoy the opportunity to work remotely. Additional flexibility is offered to younger team members who are still studying, as they are invited to choose a workload that allows them to continue their studies.

To stabilise workloads, we co-operate with counsels who can offer us short-term assistance. Team members who wish to have more flexible working arrangements can also switch

to working as counsel or combine working with a vacation abroad (a “*workation*”). An increasing number of lawyers worked on a project basis with our clients or from abroad, or simply relocated temporarily while working remotely during the reporting period.

Learning and development innovations

At Sorainen we strive to build a culture of learning for everyone in the firm. We created the iKnow e-learning platform, which provides a rich pool of training materials and tailor-made learning journeys for all staff levels.

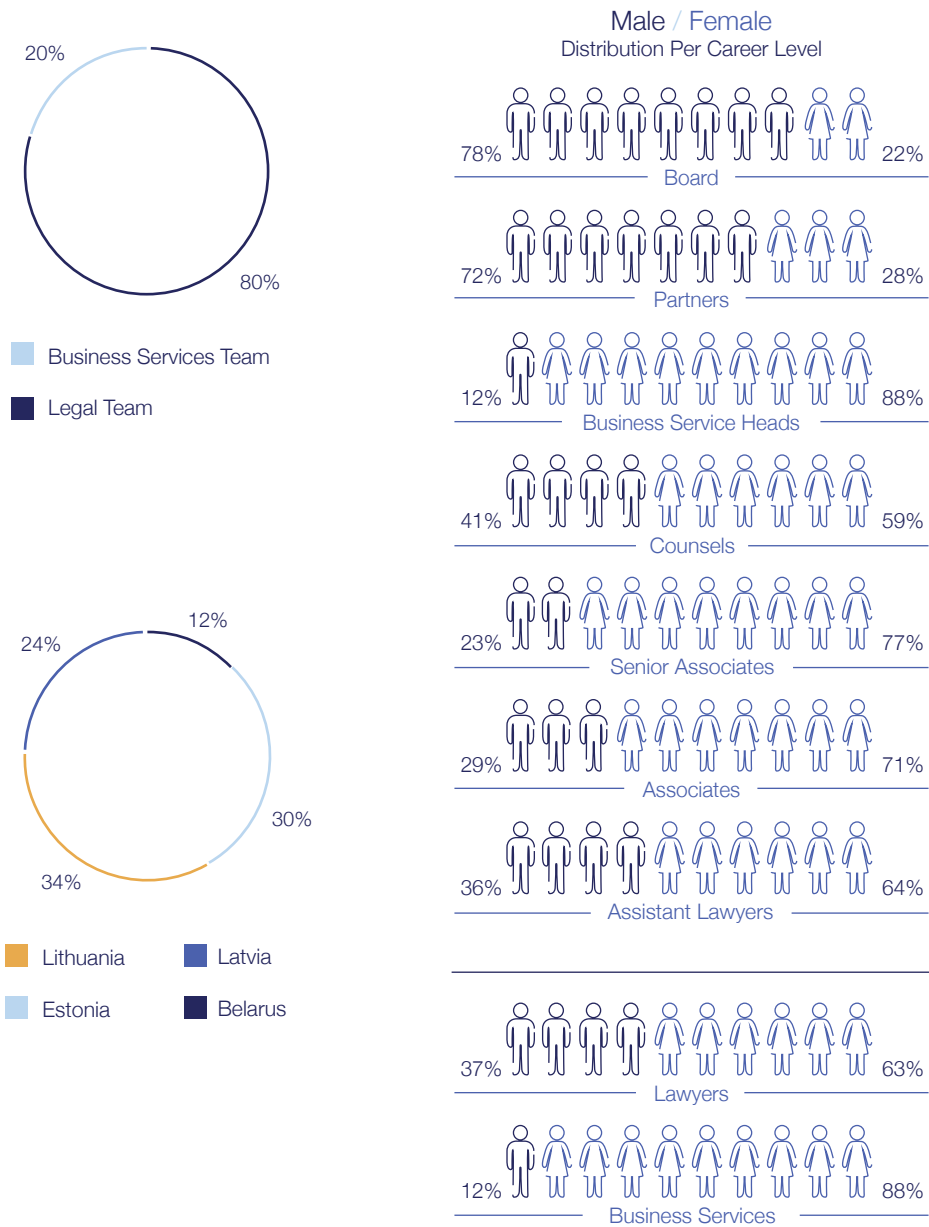
We subsequently strengthened it by adding an onboarding programme for new staff members and those who have been on a longer leave. The platform also contains flexible options for learning about our organisation’s culture and policies through online lectures and tests. We will keep developing iKnow to make the learning process more accessible and compelling.

In addition to e-learning opportunities, all Sorainen newcomers receive live trainings from top management (on topics such as Client Strategy and Organisational Development, among others) and comprehensive trainings from business-services departments. The combination of e-learning and live trainings provides a good introduction to and explanation of the firm’s vision and goals, as well as providing practical suggestions, recommended strategies, useful tips and guidelines, and more.

In addition, both internal and external trainings on professional skills are organised to ensure the continuous development of the competencies that are expected for each level of seniority based on the Sorainen Competency Model, with updates regularly provided in Practice and Sector Groups trainings organised on local and regional levels. We also pay special attention to developing our leaders from very early stages, and newly promoted partners are expected to participate in a one-year comprehensive onboarding programme.



Sorainen team in numbers



Shedding more light on diversity, equity, and inclusion

We believe that diversity and inclusion strategies are the catalysts for success and innovation in the workplace. In 2021 a task force was created to systematise the efforts in this field. We aim to improve gender balance at all levels for both legal and business-services teams.

For example, we realise that current representation of women in senior legal roles is insufficient. While no strict KPIs have yet been set, since 2021 we have launched a number of initiatives to facilitate awareness of female-leadership issues and to deal with the so-called “glass ceiling” that women might face on the way to senior roles, including partnership. During the most recent promotion round, in 2022, the number of male and female partners promoted was equal. Currently, the female-to-male ratio of staff on the development track is 87% to 13%. We are particularly encouraged by this ratio, as it reflects only the personal achievements and hard work of the individuals involved, rather than any firm-imposed quota.

We conducted a survey to understand the gaps in our workplace Diversity, Equity, and Inclusion strategies. Based on the results we identified a few main directions for improvement, including: setting more measurable KPIs to allow us to track and understand the impact of our efforts in this field; adding more training materials to the iKnow platform; adding more perspectives to the question of diversity and begin looking at it in ways beyond gender; providing more mentoring opportunities to emerging female leaders; and increasing the ways we encourage a diverse, inclusive, and equitable culture on both organisational and individual levels.



Ethics and respect

One of our core values requires everyone in our firm to act courteously and respectfully towards each other, and towards everyone we work with. As a knowledge-based organisation, Sorainen is dependent on the professional qualities and personal skills of its people. The firm strives to be a good employer for all its people and to offer an attractive working environment.

Sorainen appreciates the contributions of every member of its team and is committed to maintaining a workplace where people are treated with dignity and respect. We stand firmly opposed to unlawful discrimination and act quickly to address and rectify any behaviour that could create an offensive, hostile, or intimidating work environment. Our primary principles are described in the Ethical Code of Conduct in the QMS. They include respectful behaviour, equal treatment,

diversity, ensuring a healthy physical and mental environment, and leading by example.

For Sorainen to keep its working environment attractive and free from harassment and discrimination, team members are expected to report suspected violations of the Ethical Code of Conduct. The respective grievance procedure is described in our QMS.



Society

At Sorainen, we are proud of our long-standing culture of respect for and engagement with the community. As a law firm, we believe that among the greatest impacts we can have on society is using our knowledge of and expertise with the law to provide access to social justice, quality education, and the building of strong institutions.

Throughout our more-than-25 years, we have established different ways to provide *pro bono* legal assistance, built cooperation with non-profit organisations and educational institutions, contributed to the law-making process, and spoken up in the media on controversial legal issues to promote our values and improve the economic environment in the region. Each year the firm allo-

cates more than EUR 100,000 to *pro bono* assistance to organisations and individuals in need of legal assistance.

Shared Mission programme

Among the major initiatives in this area that we have continued to implement during the reporting period is our Shared Mission programme, which was originally launched in 2020 to provide free legal and tax advice to entities working to help our region recover from the health and economic crisis caused by the Covid-19 pandemic.

After the success of the 2020 Shared Mission programme, we decided to make it a

part of our sustainability strategy and run it annually by selecting specific projects each year involving innovative solutions to current environmental and social problems that we believe can contribute to increasing prosperity and eliminating injustice in society. The programme allows these promising and innovative projects, which might otherwise lack access to critical legal and tax services, to develop efficiently. Thus, although the programme was launched in 2020 to fight the consequences of the pandemic, its focus moved to health innovations in 2021, and to innovations in the environmental sector in 2022.

The success of the Shared Mission programme can be measured by the way the projects we support have developed with our assistance, for instance by attracting additional investments to allow scaling of activities, by building proper confidentiality and data-protection mechanisms to comply with regulatory requirements and ensure that privacy is preserved when dealing with sensitive issues such as health matters, and by transforming ideas into formalised businesses with real potential for further growth.

The Shared Mission programme is a one-of-a-kind initiative in the region, and in 2021 Sorainen was nominated in the "Innovation in Social Justice" category by Financial Times for the programme's success.

During this reporting period we have also contributed to other *pro bono* endeavours, such as:



Donating EUR 50,000+ for humanitarian aid to the Red Cross in Ukraine and offering *pro bono* legal and tax services to more than 30 Ukrainian NGOs, businesses, and people in need. By the end of the reporting period, we had devoted more than 300 hours of legal assistance to issues of immigration, donations, corporate establishment, and employment, among others.



Promulgating a new *pro bono* policy aimed at ensuring the provision of high-quality legal and tax advice to all our *pro bono* clients, as well as streamlining our *pro bono* efforts into strategic action.



Enhancing our cooperation with TrustLaw – a *pro bono* legal service of the Thomson Reuters Foundation connecting high-impact NGOs and social enterprises working to create social and environmental change with the best law firms and corporate legal teams for free legal assistance.



EUR 100,000
invested in *pro bono* each year

EUR 55,000
donations in response to the Ukraine crisis

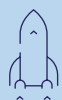
75
students graduate from the Sorainen Student Academy each year

12%
of Sorainen team members volunteer

We are committed to:



Ensuring inclusive and quality education by providing scholarships and free-of-charge educational and training opportunities for youth, and supporting those team members who teach and/or lecture at universities and other academic settings.



Supporting technological development, research, and innovation by providing *pro bono* legal advice to innovative projects and contributing to the improvement of applicable regulatory frameworks.



Promoting a just, peaceful, and inclusive society by contributing to the development of effective, ethical, accountable, and transparent institutions and businesses.



Ensuring public access to justice and promoting the understanding of the rule of law by providing legal advice at the highest level and working on numerous *pro bono* projects.

Sorainen Student Academy

The Sorainen Student Academy is a free-of-charge educational programme for law students from the Baltic States and Belarus. The programme includes local workshops dedicated to specific legal fields and based on real cases, international moot court projects, and mentoring and networking sessions for participants.

The Sorainen Student Academy aims to expand students' practical legal knowledge by considering real client matters in an interactive format, including simulating court sessions, negotiating and representing client interests, and offering legal services to clients. It also helps students make their first steps in building an international professional network and become acquainted with the corporate culture of an international law firm.

Around 15% of each year's Student Academy cohort are invited to stay with the firm as interns and deal with real legal issues under the supervision and guidance of our professionals. While trying to attract the most talented students to the Acad-

emy, we also strive to improve the diversity of our participant pool, not only from the perspectives of ethnicity and gender but also of academic background, in part by drawing students from different law schools all over the region.

In addition to the Sorainen Student Academy, we promote quality legal education in the region by supporting moot courts and

the activities of local and international law-student societies and associations. In addition, around 7% of our staff actively lecture in the universities or are involved in other educational endeavours such as coaching moot court teams, mentoring young people in job-shadowing days to provide them with a closer look at jobs they find appealing, and providing prospective students with scholarships and other sponsorship arrangements.



Improving the legislative environment and boosting innovations

Sorainen lawyers cooperate with governments, business associations, and other stakeholders to improve legislative environments in the region.

Around 6% of our staff are members of boards of various organisations, institutions, and committees. Sorainen lawyers fight for a legal environment that is entrepreneur-friendly and less bureaucratic and contribute to the crafting (and drafting) of new laws.

To support innovation in the region we assist startups every step of their way, and we work to create a better business environment for them by improving relevant legislation. We provide startups with free-of-charge packages of model documents and mentoring (as we did with, among others, the EstVCA working group, in cooperation with the Latvian Investment and Development Agency), we collaborate with accelerators (such as the sTARTUp Hub), angel investors, and venture capital unions, and we help startups and investors find each other.

Sorainen has been present as legal adviser on either the startup's or the funders' side in 5 out of 13 transactions that have given birth to the Baltic unicorns. Many of them have sustainable mission at the core of their business.

Bolt

on a mission to build cities for people, not cars

Veriff

seeking to bring transparency to the digital world – making it safer for everyone online

Printful

on a mission to make on-demand manufacturing the norm for a planet with finite resources and people with infinite ideas



Volunteering and supporting initiatives that we believe in

During the reporting period, we also created opportunities for our people to volunteer, raised funds, donated and supported culture and arts.

The firm offers one day off per year to all employees to do charitable work. During the reporting period, around 12% of our staff members participated in volunteering activities such as planting trees, collecting garbage in forests, helping animal shelters, assisting charitable organisations that distribute food to those in need, and helping the Red Cross. In 2022, two additional days off were offered for Ukraine-related volunteering activities.

In Latvia, we organised the annual Christmas charity auction, the funds raised were donated to three projects – radio Dod Pieci Christmas project, mental health-focused organisation ESI and the Children's Hospital Foundation.

In Lithuania, we donated to the Ancient Woods foundation dedicated to preserving the old-growth forests of Lithuania and supported the largest cinema event in the country – Vilnius International Film Festival “Kino Pavasaris”.

In Estonia, we organised an auction and donated the collected funds to medical workers through the PAI project. We also gave Christmas gifts to kids at children's homes in the Estonian communities of Rakvere, Tudulinna, and Viljandi, in cooperation with the Naerata Ometi MTÜ charity.

Sorainen was also recognised by the Estonian Ministry of Culture with the title of Friend of Culture of the Year for museums. We have to thank our long-time partner the Estonian Art Museum for this title. Since 2016 we have used the occasion of our annual client event to take guests to visit the art museum's exhibitions and other exciting projects and support the museum.



Environment

Sorainen recognises that the world faces significant environmental challenges and that a healthy environment is a prerequisite to the achievement of our core purpose: increasing prosperity and general well-being in our region. While remaining fully committed to being a market leader, we understand the importance of implementing and demonstrating sustainable thinking and practices in all aspects of our business.

As the essence of our business activity is being a professional-services provider, we believe our environmental impact is relatively low, with the primary sources being:

-  Business travel.
-  Procurement practices.
-  Energy consumption.
-  Paper use.
-  Employees commuting and home offices.

A total of 69% of our office areas in the four countries we operate in have BREEAM/LEED certification, and 66% are powered with renewable energy. All offices are committed to sort and recycle waste, avoid non-recyclable materials, and use energy-saving equipment. We have also implemented electronic document management practices in all of our internal and external operations to the extent possible under local legal regulations.

In the reporting period a number of measures were introduced to further reduce the environmental impact of our activities.

More sustainable daily choices

We are refining our procurement habits to make daily choices more sustainable and environmentally friendly by:

-  Initiating a revision of procurement policies.
-  Increasing the amount of plant-based food and drink options for our staff.
-  Making a commitment to prioritise local purchases.
-  Using eco-friendly cleaning materials where possible.
-  Introducing guidelines for sustainable events.

69% of office areas are BREEAM/LEED certified

66% of office areas are powered by renewable energy



"We are committed to contributing to reducing harmful environmental impacts by developing sustainable procurement and consumption patterns in our offices, and reducing waste through prevention, reduction, recycling, and reuse."



Raising our team’s awareness

We have made a lot of effort to raise our team’s awareness on the need to preserve the environment. We were providing training and workshops on digital waste and cleanup, mindful and sustainable consumption, and balcony gardening; sharing a number of local-specific tips on how to make daily routines and habits more sustainable; and introducing a sustainability section to our regular internal-communication newsletter. In addition to that, we:



Introduced a new hybrid working model recommending 2-3 days of working in the office each week to decrease the environmental impact of commuting, and increasing the amount of shared-working places.



Are supporting environmentally friendly means of mobility, for example by organising summer walking and cycling challenges.



Decreased the amount of paper we use by making double-sided printing the default option and by requiring the use of a card for those wishing to print in three of our four offices.



Removed individual rubbish bins in three of our four offices.



Provided bicycle-storage spaces in three of our four offices.



Organised planting trees and collecting garbage in forests as office volunteering activities.

Helping clients reach their climate goals

We dedicated the 2022 round of the Shared Mission programme to companies innovating in the environmental field. We expect that our pro bono advice to this year’s participants, who are working on innovative environmental projects such as sustainable farming, maximising solar energy in buildings to ensure lower energy costs, eliminating food waste, among other things, will have a positive impact on the environmental agenda across the region.

Additionally, we joined the World Law Group’s impact events in 2021 and 2022, which were dedicated to raising awareness of ways to contribute to global environmental projects.

Our next steps



Assessing the environmental impact of our activities in the second half of 2022 (and then regularly thereafter).



Upon completion of this first assessment, we plan to set additional measurable environmental goals to further reduce our impact in accordance with internationally recognised standards.



As a longer-term commitment, we plan to implement an Environmental Management System and have it certified under ISO 14001.

Get in touch with us

If you have comments or questions about this report, or you would like to find out more about our sustainability journey, please, contact us at sustainability@sorainen.com.

To learn more about how our team can support you on your ESG journey, please contact Vitalija Impolevičienė, our co-head of ESG service line, at vitalija.impoleviciene@sorainen.com.

Learn more online at www.sorainen.com/about-us/.

