



# SUSTAINABILITY REPORT

## 2024





**Dace Silava-Tomsone**  
Managing Partner:



“In 2024 we made significant progress in systematically assessing and integrating sustainability principles into all aspects of our operations – from responsible corporate governance to fostering a sustainable workplace culture and advancing environmentally-friendly initiatives. Guided by internationally recognised standards and best practices, we recognise the unique position of the legal services sector to drive positive change. We remain committed to continuously improving our approach to sustainability.”



**Lauris Liepa**  
Managing Partner:



“As lawyers, our role goes beyond giving legal advice – we help uphold justice and the rule of law. The principles of ethics, loyalty and integrity lie at the heart of our profession. Sustainability naturally fits into this framework as the rule of law and social responsibility go hand in hand. We are aware that our work impacts corporate decision-making, people’s lives and the wider community, and therefore we are firmly committed not only to upholding the highest professional standards of conduct but also actively promoting the implementation of sustainable solutions that serve the best interests of our clients and society as a whole.”



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# About this Report

Sustainability is an integral part of our law firm's strategy. As legal professionals we have both the capacity and the willingness to contribute to sustainable development – not only within our own operations but also by helping our clients build more responsible and sustainable businesses. This sustainability report is a step towards a more comprehensive and transparent communication about how we integrate environmental, social and governance (ESG) principles into our work.

This is COBALT Latvia sustainability report for the year 2024.

We have based our report on the voluntary sustainability reporting standard for non-listed micro, small and medium enterprises (VSME) developed by the European Financial Reporting Advisory Group (EFRAG). We have applied both the Basic Module and the Comprehensive Module. The standard allows us to present the sustainability information in a concise and structured manner as well as to highlight the progress we have made over the years and to lay out a clear roadmap for future actions. We want to offer a transparent view of our efforts and to encourage a dialogue with our clients, colleagues and other stakeholders.

This report portrays our broader long-term vision – to be a law firm that not only responds to legal developments and market trends but also actively engages in creating sustainable and ethical practices, thereby making a positive impact in the Baltic region and beyond.





# About COBALT

**35+**  
years of  
experience in  
the Baltic region

**250+**  
professionals

**ZAB COBALT SIA** is a member of the COBALT alliance of Baltic law firms and is among Latvia's leading law offices, providing top-tier legal services in Estonia, Latvia and Lithuania. Our pan-Baltic team consists of more than 250 highly experienced legal professionals, 65 of which are based in Latvia. According to the NACE classification, our operations fall under the code 69.10 – legal activities.

For over thirty-five years we have been delivering services to companies and have been consistently ranked among the top-tier legal advisors in ratings of international legal service providers. We are proud to have been awarded the title of the Baltic-wide Firm of the Year ten times, evidencing our ability to constantly ensure high-quality legal services to our clients and cooperation partners.

According to our financial statements, our balance sheet total in 2024 was EUR 2,974,868 with a turnover of EUR 7,537,215.





# Values

We stand for values that are rooted in the principles of respect, active engagement and fair treatment. Our firm is committed to fostering inclusive, diverse and supportive working environment – one that promotes a strong sense of belonging and ensures equal treatment of each member of our team across all organisational levels.

Our commitment extends beyond the boundaries of our organisation. We actively contribute to and participate in different working groups for drafting new laws and legislative amendments to support the ideas and initiatives in which we believe. We also represent our clients before the Constitutional Court and in various state institutions.



## Ethics

Everything we do is based on universal and professional ethical standards.



## Professionalism

We render the best possible advice to our clients.



## Respect

Our relationships with colleagues and clients are based on mutual respect and tolerance.



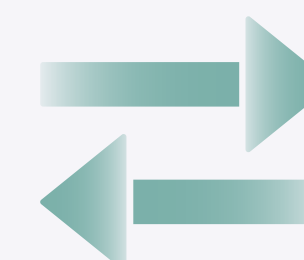
## Diversity

We appreciate and support diversity in people and opinions.



## Long-term approach

Our activities and decisions of today contribute to long-term development in all areas.



## Movement

We never stand still. As stated by Rainis – a prominent Latvian poet, playwright, translator, and politician – “one who transforms, survives” (approximate translation from Latvian “pastāvēs, kas pārvērtīsies”).



## Engagement

We listen to diverse opinions, agree and implement the best solutions.



## Membership in professional organisations

We are a long-standing and active member of key local and international organisations.

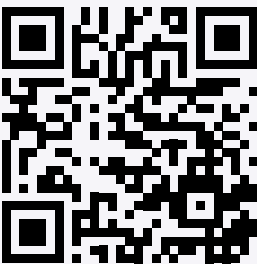
COBALT is among the founders and a long-term member of the Institute for Corporate Sustainability and Responsibility (InCSR). InCSR was established to promote sustainable development at community level and nationwide, educate the society, enhance the understanding of responsible and farsighted actions and support the growth of an engaged civil society.





# Our clients and services

COBALT provides legal services to local, regional and international clients, including international banks, global pharmaceutical companies, public and private companies, private equity and venture capital funds, technology, infrastructure and manufacturing companies, as well as ambitious startups with high growth potential.



## Real Estate Law

Internationally recognised real estate law experts, regularly involved in complex transactions and development projects

## Banking & Finance Law

Extensive experience in representing clients in asset and project financing, as well as providing advice on AML and compliance

## Corporate & Commercial Law

From assistance in day-to-day activities to advising on large-scale cross-border restructuring and sustainability matters

## Competition & EU Law

Consultations on national and EU competition law, state aid, public procurement and PPP matters

## Employment Law

Reliable advisors providing comprehensive legal support in all aspects of employment law, including labour disputes

## Intellectual Property & IT Law

Intellectual Property & IT Law  
One of the largest teams of experts on the market with unique experience in the protection of intellectual property

## M&A Transactions

One of the most experienced teams of experts, regularly involved in the most complex M&A transactions in the region

## Dispute Resolution

One of the largest and most experienced teams in the Baltics, handling civil, administrative and constitutional disputes

## Tax Law

A team of specialized lawyers and certified tax consultants providing comprehensive advice on tax matters and disputes



## Our awards

We are pleased that our work and the high quality of the services we provide are recognised — we are consistently awarded as one of the leading legal consultants in international rankings, and our law firm has been honoured with the title of the Baltic-wide Law Firm of the Year ten times.

The awards we have received for our efforts in promoting sustainability and diversity make us especially proud.



### Legal 500 EMEA Green Guide

COBALT was listed in the Legal 500 EMEA Green Guide 2024 as one of Latvia's leading law firms that specialises in the renewables sector, provides high quality legal assistance for attracting sustainable financing and implements sustainable governance in its own operations.



### Baltics Firm of the Year 2023

In addition to the previously received award, in 2024 COBALT was nominated for an award in the Pro Bono category, recognising our team's contribution to the establishment of the legal framework for partnerships in Latvia (including same-sex partnerships) and in providing pro bono legal assistance to same-sex couples in securing their family rights.



### "Diversity Champion" / Diversity Awards Latvia 2024

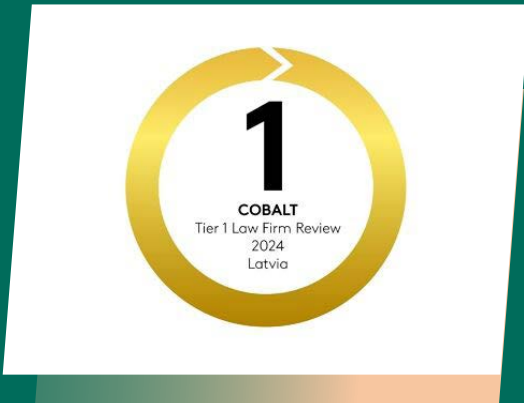
COBALT was recognised as a company advancing diversity initiatives on a daily basis and driving inclusion and acceptance of various groups of people to build a more equal society.



### Legal Benchmarking Group Social Impact Awards 2024

COBALT received an award in the "LGBTQ+ Advocacy Programme of the Year" category. The panel of judges highlighted the valuable contribution of COBALT in the protection of the rights of LGBTQ+ community and in promoting legal assistance to same-sex couples in Latvia.





**Top Rated Law Firm in Latvia**  
Prospera Law Firm Review 2024



**Baltic Intellectual Property Law Firm of the Year**  
Managing IP EMEA Awards 2023



**Legal Consultant of the Year**  
Investor of the Year Awards 2024



**Baltic-wide Law Firm of the Year 2024**  
Chambers Europe



**Baltic States Tax Firm of the Year**  
ITR EMEA Tax Awards 2023





# Our suppliers

During the reporting period we collaborated with 538 suppliers across various sectors. The majority of our suppliers are local businesses providing a wide range of services such as: accounting and financial services, insurance, notary and translation services, catering, supply of goods, rental of equipment and carpets, premises lease, delivery and cleaning services, security, indoor plant maintenance, transportation, communications, IT services, services of advertising agencies, etc.

## Practices, policies and future initiatives for transitioning towards a more sustainable economy

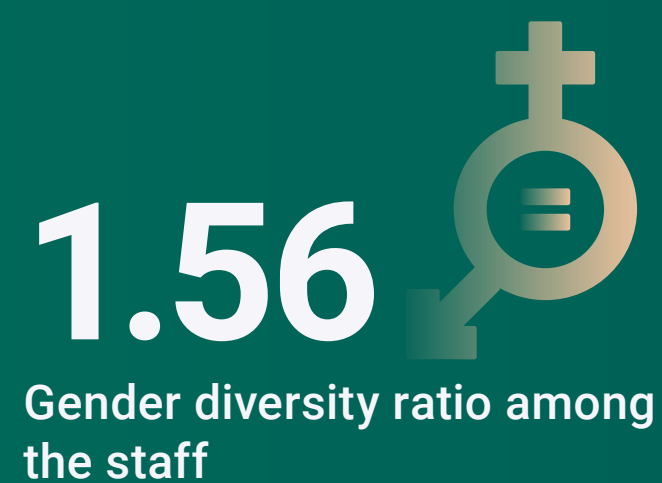
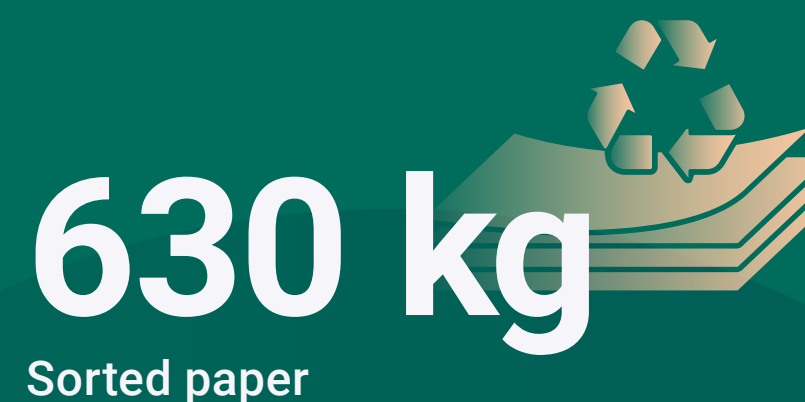
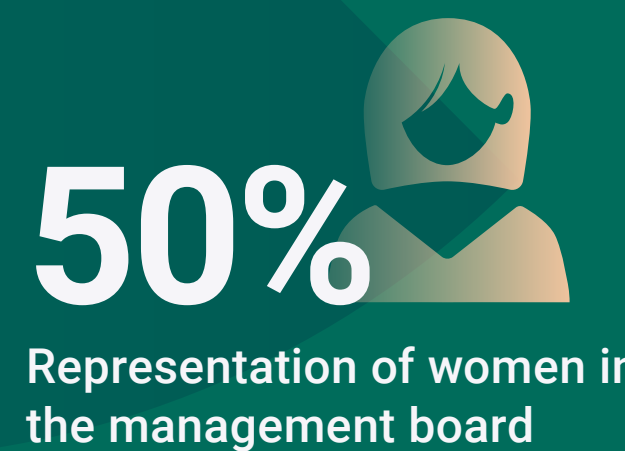
The firm has introduced a Sustainability Policy that outlines the principles and processes for integrating sustainability matters into our operations. The policy gives an overview of the company’s sustainability targets and measures for achieving them. The Sustainability Policy was developed with involvement of our staff and incorporates recommendations provided by our colleagues.

The firm complies with the requirements of the laws of the Republic of Latvia, strives to act responsibly and to progress in eliminating sustainability risks, minimising negative impacts and enhancing positive impacts. Our activities are guided by a commitment to foster a lawful, competitive and inclusive business environment, and to strengthen democratic values within the society including through the legal services we provide.

	Does the firm’s Sustainability Policy address this matter?	Is it publicly available?	Targets
Climate change	✓	✗	✓
Pollution	✗	✗	✗
Water and marine resources	✗	✗	✗
Biodiversity and ecosystems	✗	✗	✗
Circular economy	✓	✗	✓
Workers in the value chain	✓	✗	✗
Own workforce	✓	✗	✓
Affected communities	✓	✗	✓
Consumers and end-users	✓	✗	✓
Business conduct	✓	✓	✓

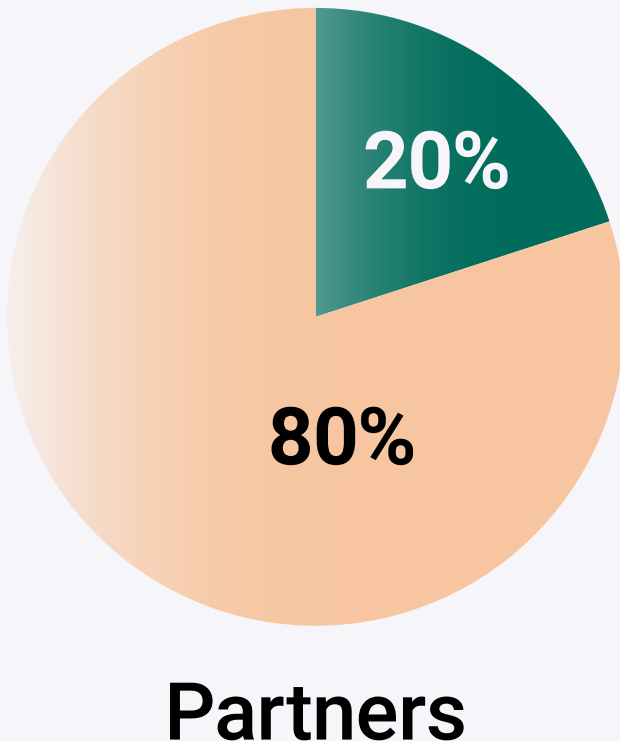
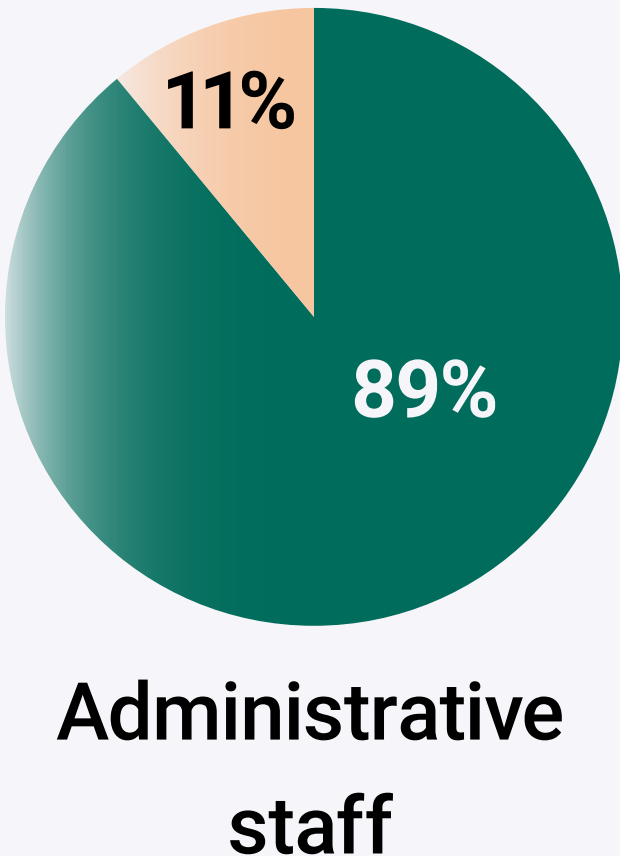
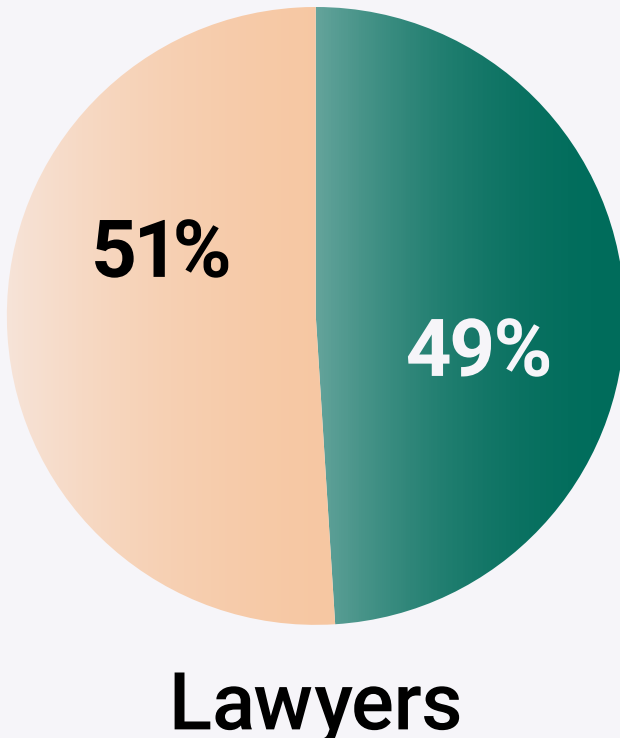
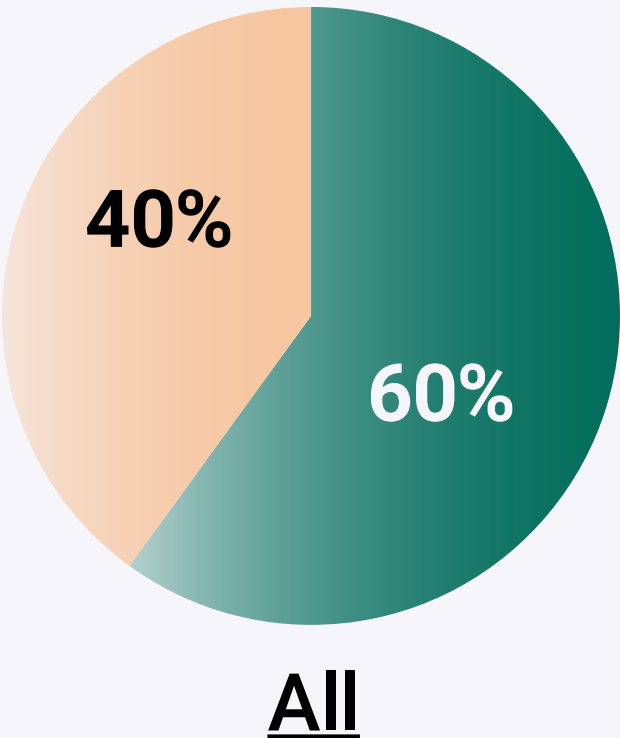
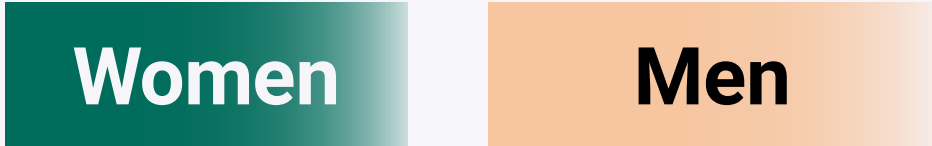


# Sustainability in Figures at COBALT





# Gender breakdown of our team





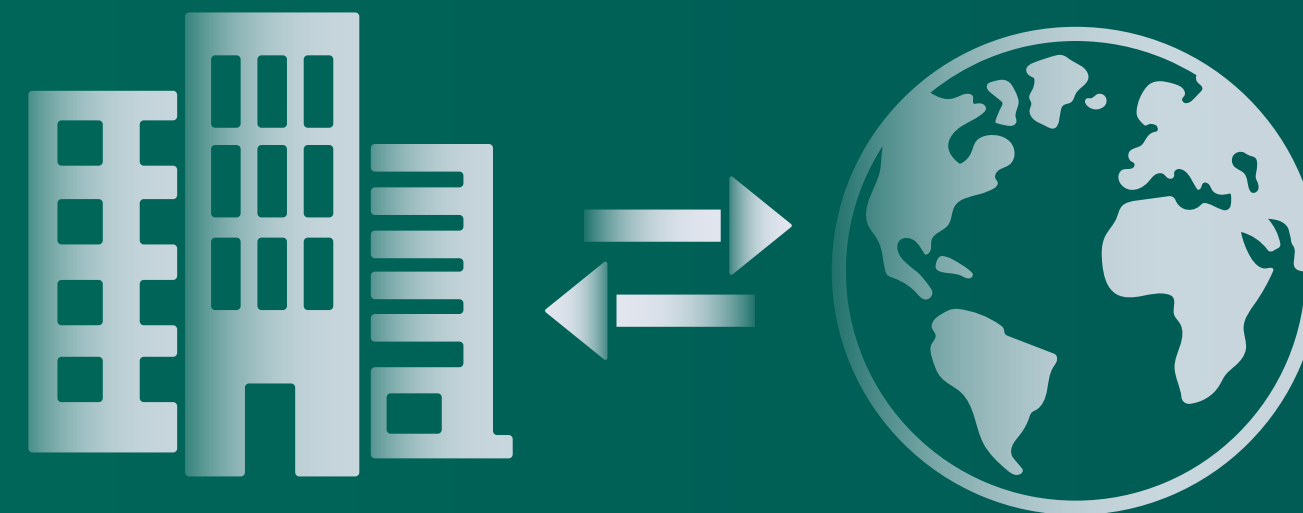
# Our Approach to Materiality Assessment

Although the VSME standard as such does not require to carry out a double materiality assessment, we view it as a tool of strategic importance for better understanding our material impacts, risks and opportunities and for adequately prioritising resources, defining meaningful targets and achieving effective outcomes.

In 2024, we conducted our first double materiality assessment based on the sustainability topics and methodology of the European Sustainability Reporting Standards (ESRS). We incorporated in the assessment our own operations and value chains.

## We assessed:

- **Impact materiality** – the impact of our activities, services and business relationships on people and environment.
- **Financial materiality** – the impact of various sustainability matters on our activities and financial performance.





ESRS sustainability matter	Impact materiality	Financial materiality	
		Risks	Opportunities
ESRS E1 Climate change	✓	✓	✓
ESRS E2 Pollution	✗	✗	✗
ESRS E3 Water and marine resources	✗	✗	✗
ESRS E4 Biodiversity and ecosystems	✗	✗	✗
ESRS E5 Circular economy	✓	✓	✓
ESRS S1 Own workforce	✓	✓	✓
ESRS S2 Workers in the value chain	✓	✗	✓
ESRS S3 Affected communities	✓	✗	✓
ESRS S4 Consumers and end-users	✓	✓	✓
ESRS G1 Business conduct	✓	✓	✓
ESRS G2 Compliance and diligence	✓	✓	✓

✓ Material ✗ Not material

We identified as material **two of the environmental matters** – climate change and circular economy. These are relevant with respect to our own operations and for achievement of targets we have set as well as for creating value for those clients who want to manage their supply chains responsibly, contribute to a just green transition and facilitate sustainable development. The work on climate-related matters, in particular, presents an opportunity to assist clients in moving closer to achieving their climate neutrality goals.

Considering our role in the society as providers of legal assistance and the professional relationships among the colleagues of the law firm, we consider **all social matters** to be material.

**Governance** matters are material to us also due to aspects not explicitly listed in the ESRS, for example, sanctions compliance. To precisely reflect the materiality of governance matters, we included an additional governance section in our assessment based on ESRS G2: Compliance and Diligence.

To sum up, our material impacts, risks and opportunities arise from both our own activities and our value chains and particularly the services we provide to our clients. Whether a particular matter is material is also significantly affected by the geopolitical situation in our region, the rule of law in Latvia, our client base and the specifics of the services we provide.

The materiality threshold was not met by the remaining 3 environmental matters – pollution, water and marine resources, and biodiversity and ecosystems. Our activities do not require A, B or C category polluting activity permit and we are not involved in water supply, nor require high water use or consumption that would likely concern such industries as manufacturing or fishery. Our activities and the resources we utilise do not involve significant physical expansion to new areas and thus leave no material impact on flora or fauna. Nevertheless, if the legal issues associated therewith are of relevance to our clients, we provide the necessary legal assistance.

We recognise that our double materiality assessment may change in the future due to regulatory amendments, the changing nature of sustainability, emergence of new best practices, feedback from stakeholders, changes in our operations and other relevant factors.

# Our Priorities

2024 was a meaningful year for our law firm for strengthening and implementing in practice our sustainability strategy. We continued to integrate the principles of responsible business conduct and sustainability across all aspects of our operations. During this year, we developed and improved the firm's Sustainability Policy, re-measured our greenhouse gas (GHG) emissions, reviewed energy efficiency improvement measures, developed our staff wellbeing programmes, and raised awareness on the compliance with the principles of ethical, inclusive and transparent business conduct within our organisation.

We are committed to continuously improving our approach to sustainability by appropriately engaging with stakeholders. We are advancing towards the achievement of specific sustainability targets that are aligned with our priority UN Sustainable Development Goals (UN SDGs). Our priorities include, among other things, more effective management of burnout risks, higher gender diversity at partner level and in senior positions, as well as staff education, including in the areas of cybersecurity and artificial intelligence.

## UN Sustainable Development Goals

For us, sustainability is not only about regulatory compliance – it represents a long-term responsibility grounded in our values and commitment to facilitate positive changes in the legal and business environment. That is why we support all UN SDGs with a particular focus on five of them where we believe our contribution can be the most valuable:





# People

We are aware of our role not only in providing legal services but also as a socially responsible entity which promotes the rule of law, respect for human rights, equality and wellbeing – both at the workplace and in society at large.

## Own workforce

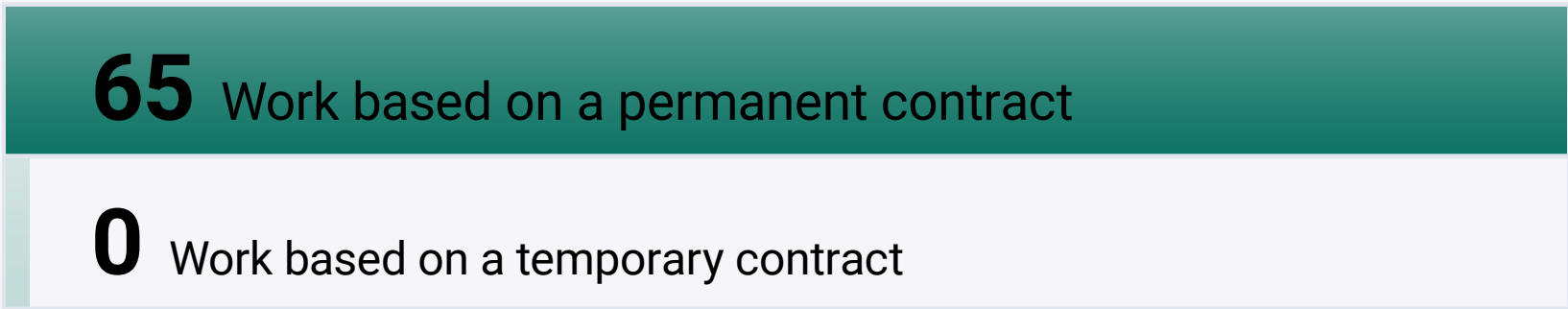
**In the reporting period, 65 people were working at the law firm, out of which 47 were legal professionals, including 10 partners, and 18 administrative staff members**

The gender diversity ratio in the management board according to the VSME methodology is 1 and at the partner level 0.25. Namely, the management board has one woman and one man while at the partner level there are two women and eight men.

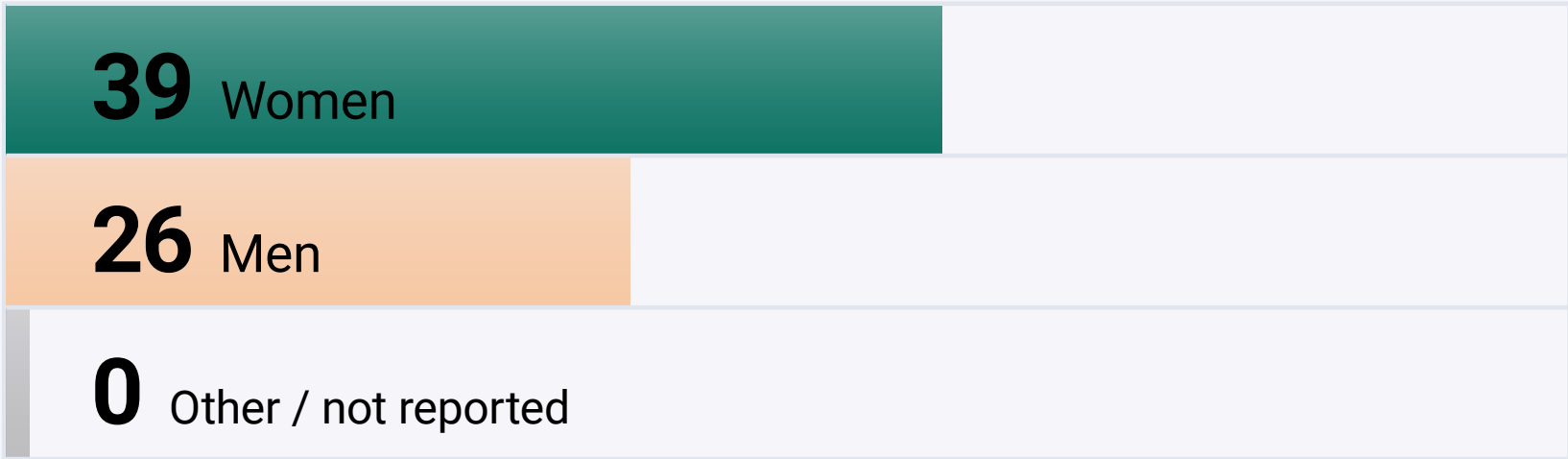
Everyone at the firm is on a permanent contract. According to Article 117 of the Advocacy Law of the Republic of Latvia, the practice of a sworn attorney (in Latvian – zvērināts advokāts) shall not constitute an employment relationship, thus 46% of the law firm’s staff are self-employed.

The employee turnover rate in 2024 according to the VSME methodology was 3.

### Type of Contract



### Gender



## Workforce safety, health, wellbeing and engagement

No work-related accidents have been recorded.

The law firm is aware of the risks related to workload in the legal services sector, such as excessive working hours and overload. Based on data from the working hour system, it has committed to promoting a balance between **work and private life**, ensuring balanced workloads, and supporting the mental and physical health of its staff.

We have joined the Mindful Business Charter and implemented Mindful Work Guidelines. We provide an ergonomical working environment, health insurance that also covers emotional healthcare, and we organise office events and trainings to strengthen the team's cooperation and provide upskilling.

To help maintain a healthy balance between work and private life, we offer **flexible working hours** and **the option to adjust both the time and place of work** thus facilitating productivity and personal wellbeing. We also regularly provide versatile **incentive and recognition programmes for our staff** to acknowledge their performance and contribution to the firm's growth.

Since 2023, we have supported the Annual Project Award in the "Wellbeing" category, established by the Latvian Association for Personnel Management to **encourage the implementation of wellbeing initiatives in local companies**. This award recognises efforts aimed at introducing or strengthening workplace practices that reduce excessive work-related stress.



**Kristīne Rāviņa**

The firm's Wellbeing Ambassador, Senior Associate:



"Wellbeing is an intrinsic part of our daily work. We focus also on the invisible part of the iceberg, look for root causes and consistently work towards comprehensive solutions that support not only work efficiency but also the emotional and physical wellbeing of our team."



## Fair and competitive remuneration, collective bargaining and training

We ensure **fair and competitive remuneration** that aligns with the professional skills and accounts for contributions to the firm's growth. Remuneration levels are reviewed regularly, and we analyse differences in pay to prevent any disparities based on gender. **No gender-based pay differences have been identified.** Our staff's remuneration **exceeds** the statutory minimum wages set in Latvia. We aim to maintain a remuneration system that promotes motivation, development, and sustainability.

There are no collective bargaining agreements that would be applicable to the firm's personnel.

The firm actively promotes upskilling and regularly offers training in various fields, including mandatory training on topics such as sanctions compliance and anti-money laundering. Each employee is allocated an **annual training budget**. During the reporting year, the average number of training hours per person was 30, with no differences in training hours based on gender. Additionally, staff members attended 31 conferences and delivered presentations at 18 of them.

## Human rights policies and processes

The firm respects **human rights** in accordance with national legislation and the UN Guiding Principles on Business and Human Rights. We are committed to preventing and mitigating any adverse human rights impacts on our own staff and across our value chain. Our legal services are never used to pursue unlawful objectives. We strive to avoid collaboration with partners involved in child or forced labour, human trafficking, discrimination or other illegal practices. We seek appropriate ways to address risks of human rights abuses that may arise within our supply chain.

Our commitment to respect human rights is incorporated into our Sustainability Policy. We maintain a safe environment where **personnel can freely report** any concerns or misconduct. Our grievance handling mechanism is informal, and in 2024 we received 3 reports. We do not tolerate any unethical behaviour or unacceptable conduct, and we promote open communication and mutual respect.





## Severe negative human rights incidents

The firm has not had any confirmed incidents related to child labour, forced labour, human trafficking, discrimination or any other unlawful activities. The firm is not aware of any confirmed severe human rights abuses involving individuals within its value chain, affected communities or clients.

## Equality, diversity and respect

Respect and diversity are the core values of our law firm. We ensure equal opportunities to all colleagues regardless of gender, age, ethnicity, language, religion or other characteristics. The firm is a signatory to the Latvian Diversity Charter and actively promotes an inclusive and non-discriminatory work environment where everyone feels safe and valued.

In 2024, we received the Latvian Diversity Award “Diversity Champion”. We were recognised as a firm that implements diversity initiatives on a daily basis and supports the inclusion and acceptance of various social groups, contributing to a more equitable society.

## Right to a fair trial

Our attorneys play a critical role in ensuring the right to a fair trial — a right which is among the human rights protected by the Constitution of the Republic of Latvia. We represent our clients in courts, therewith facilitating fair trial and protection of the client’s interests.





## Contribution to society – pro bono legal assistance

The firm renders pro bono legal assistance to various public organisations and individuals whose goals or advocacy efforts align with our values. For example, in 2024 we successfully assisted several environmental organisations in a landmark case before the Constitutional Court challenging the regulations permitting the felling of smaller-diameter trees in Latvian forests. This was the first time when a matter on forest management and sustainability was heard by the Constitutional Court of Latvia. In 2025, a ruling is expected in another case brought before the Constitutional Court concerning changes to the Jūrmala spatial plan in which we represent the Jūrmala Protection Association. The representation of clients before the Constitutional Court contributes directly to the strengthening of the rule of law in Latvia.

We also take active participation in the movement “Life Partners” (in Latvian – “Dzīvesbiedri”). This involvement allows us to support the LGBTQ+ community and the organisation of their friends “Mozaīka” as well as private individuals in the protection of the rights and interests of same-sex couples. Our law firm represented the association “Mozaīka” before the Constitutional Court resulting in a landmark ruling by which the court recognised the legislator’s obligation to establish a legal framework for the

legal protection of same-sex couples, covering social, economic and personal rights. We have taken an active role in the legislative process related to the development of the legal framework for partnerships by submitting the initial draft law proposal and by participating in the working groups organised by the Ministry of Justice.

We have provided legal assistance to same-sex couples in a range of administrative disputes, such as legal recognition of their families, obtaining a common family name, securing parental and child benefits for the other parent, tax reliefs and recognition of marriages registered abroad. We have assisted over 10 families to obtain legal status in Latvia, and we have advised several families in disputes involving situations still lacking proper regulation and being discriminatory for the enforcement of the family rights of same-sex couples.

In recognition of our work, we received the “LGBTQ+ Advocacy Programme of the Year” award at the Legal Benchmarking Group Social Impact Awards 2024. The jury emphasized our significant contribution to the protection of LGBTQ+ rights and in facilitating legal protection of same-sex couples in Latvia.





## Work with students

We support the education of law students by funding their participation in international moot court competitions and awarding scholarships through the **Vītols Foundation**.

Since 2021, we have been organising **COBALT Bootcamps** to provide law students with an opportunity to acquaint themselves with the latest legal trends and gain practical insights into the legal profession. Over 80 students have participated in the programme so far, and at the end of the Bootcamp, several participants are offered a paid two-month internship at COBALT, giving the opportunity to work with and be trained by our legal professionals. Since 2018, the firm has been organising the **Professor K. Dišlers Public Law Summer School**. It is a joint initiative of COBALT and the Prof. Kārlis Dišlers Foundation in collaboration with the Faculty of Law of the University of Latvia and the Latvian branch of the European Law Students' Association (ELSA). The summer school is a week-long event that is held before the start of the academic year and is focusing on a specific area of law each year. The summer school is regularly attended by several COBALT colleagues, leading legal practitioners of the relevant fields from other organisations and other experts who share their knowledge with the next generation of legal professionals. Over the years, more than 300 students have graduated from the summer school.

We regularly support **moot court competitions** at both national and international level. We are proud that many of our colleagues have achieved outstanding results in national and international moot court competitions and remain actively involved even after graduation — serving as judges, trainers of participants, or organisers. In 2024, we supported three national

and two international moot court competitions:

- Prof. Konstantīns Čakste Civil Law Moot Court
- Professor Kārlis Dišlers Constitutional Moot Court Competition
- Riga Vis Pre-Moot
- Support to team Latvia in Telders International Law Moot Court Competition
- Support to team Latvia in Willem C. Vis International Commercial Arbitration Moot

In cooperation with the **Vītols Foundation**, we have been awarding scholarships to law students since 2014. Each year, we support hard-working and curious young individuals. Over the past decade we have awarded a total of 22 scholarships, providing support to 9 students. In the spring semester of 2024, we supported two last year students, and from the autumn semester of 2024, we are supporting two first year students with scholarships guaranteed until completion of their undergraduate studies. We are proud that several of our scholarship recipients have become top-level legal professionals.





## Social targets

To contribute to improved health and wellbeing and to reduce inequality, we have established six social targets and developed measures for their implementation. Our commitment is based on a long-term vision and practical steps aimed at fostering a fairer, safer, and more inclusive work environment at our office, while also generating a positive impact on wider society.

**By 2026**, we will improve our **internal grievance handling mechanism**, develop a **more targeted pro bono representation** strategy, and introduce the necessary amendments to our internal policies

**By 2030**, we will ensure that **at least 40% of the firm's partners are women**.

**By 2035**, we will systematically implement a **burnout risk management strategy** to improve work-life balance and mitigate risks associated with excessive workload.





# Governance

We ensure responsible and transparent governance based on high ethical standards, effective risk management, and a sustainable operational strategy. Our governance principles focus on professional, fair, and responsible decision-making that strengthens trust both within the law firm and in our relationships with clients, partners, and society at large. Ethics is one of the core values of the firm. All our attorneys, legal professionals, and staff members adhere to the highest standards of professional ethics. We do not accept clients or matters that could conflict with professional ethical requirements or undermine the firm's reputation.

## Zero tolerance policy towards bribery and corruption

The firm adheres to a zero-tolerance policy regarding bribery and corruption, prohibiting any unlawful payments or unethical advantages. During the reporting period, no judgments were awarded and no penalties were imposed on the firm in connection with bribery, corruption, or related misconduct.

## Prevention of money laundering and sanctions compliance

The firm has developed and is applying modern technological tools for due diligence and sanctions screening, including gradual introduction of process automation.

We closely cooperate with authorities responsible for the prevention of money laundering, terrorism and proliferation financing, as well as sanctions compliance. Moreover, one of our attorneys is a member of the Supervisory and Control Commission of the Latvian Council of Sworn Advocates.

We have established procedures allowing to identify circumstances and signs of potential violations both during the initial client and business partner due diligence procedures and throughout the provision of legal services. In the event of violations, designated compliance officers and the relevant authorities are notified in accordance with our internal procedure.

Our firm's attorneys, legal professionals and employees regularly participate in trainings about the prevention of money laundering, terrorism and proliferation financing, as well as sanctions compliance. These trainings are documented.

## Revenues from certain sectors and exclusion from EU reference benchmarks

During the reporting period, the firm did not earn any revenues from activities related to controversial weapons, the cultivation and production of tobacco, the exploration, mining, extraction, production, processing, storage, refining, distribution, transportation or trade of fossil fuels or chemicals production. The firm has not been excluded from the EU Paris-aligned Benchmarks within the meaning of Article 12 of the Commission Delegated Regulation (EU) 2020/1818.

Notwithstanding that the firm does not operate in the aforementioned sectors, this does not preclude the provision of legal services to companies operating in these sectors, insofar as it is permitted by applicable laws. In accordance with the applicable laws and VSME the provision of legal services to companies operating in the said sectors is not deemed as operation in these sectors.



## Gender diversity ratio

The gender diversity ratio in the management board according to the VSME methodology is 1 and 0.25 at the partner level. Namely, the management board has one woman and one man whereas at the partner level there are two women and eight men.

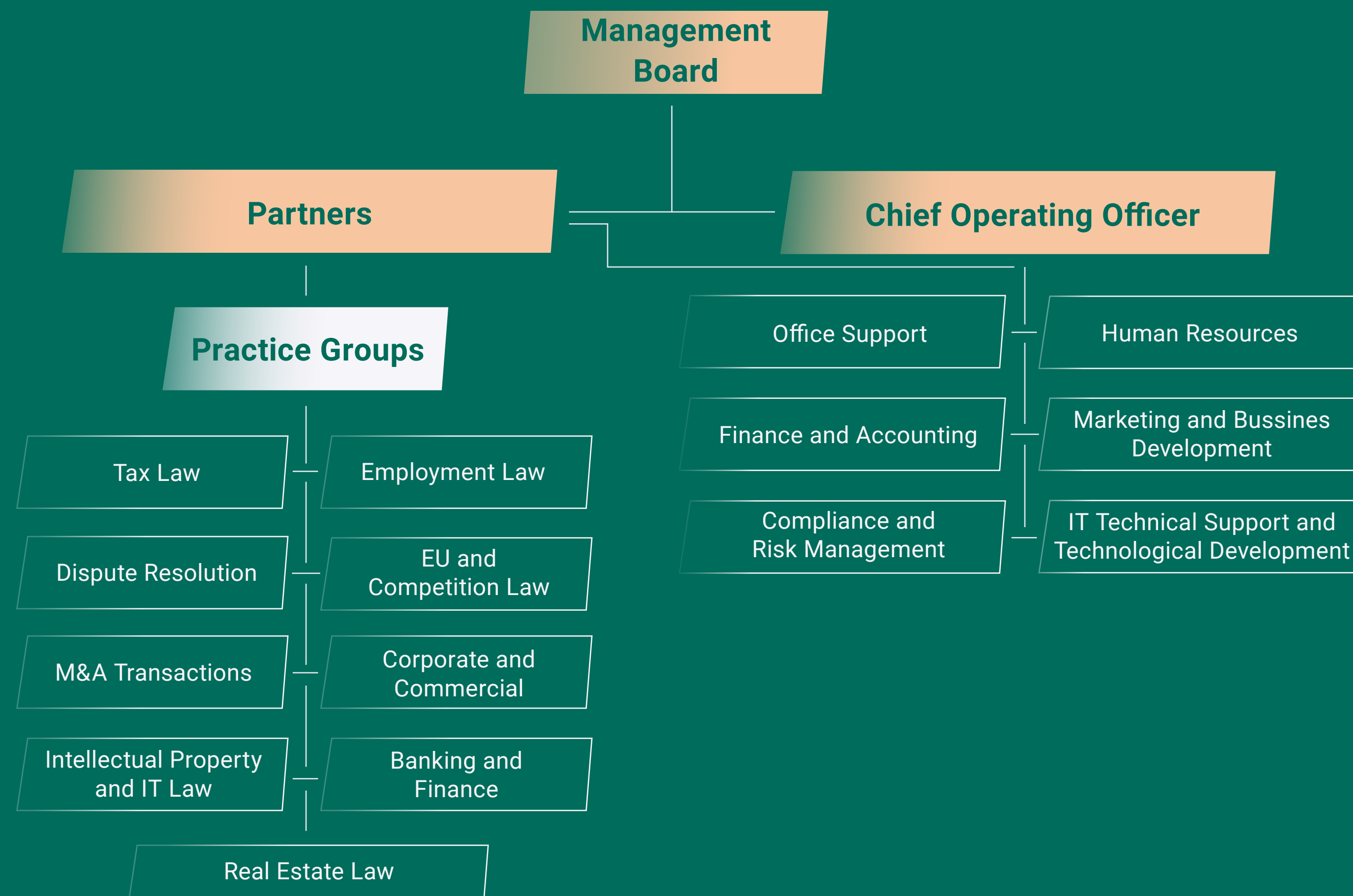
## Management structure and transparency

The managing partners and members of the management board of the firm are sworn attorneys Dace Silava-Tomsone and Lauris Liepa. The overall management of the firm is entrusted to ten partners, each representing a different practice area. The management board of the firm is responsible for day-to-day and strategic management of the firm whereas the main strategic, financial and organisational decisions are taken at partner meetings.

To ensure transparency, the firm holds **regular staff meetings**, individual conversations and ad hoc sessions during which staff members are informed about the company's financial performance, strategic objectives and sustainability matters.

Each partner is responsible both for a specific practice area and for a certain administrative function, e.g. finances, marketing, human resources, information technology and its development, technical support, etc.

Attorneys, lawyers and administrative staff form the firm's staff. The administrative staff is functionally organised into several departments: marketing and business development, finances, legal technology, and administrative support. The firm's **development projects** are executed using a team-based structure integrating colleagues from different fields.



## Prevention of conflicts of interest

Prior to beginning any cooperation and throughout the cooperation, the firm identifies all parties involved in the provision of the legal services and verifies any possible conflicts of interest. We conduct due diligence of our prospective and current clients as well as cooperation partners to ensure full compliance of our operations with the applicable legal requirements.

## Responsible tax policy

The firm maintains **transparent financial management and complies with the applicable tax regulations**. In the reporting period, the highest taxpayer rating "A" was assigned to the firm.

## Cybersecurity and data protection

The firm has introduced **IT and cybersecurity** guidelines. We ensure full compliance with the General Data Protection Regulation (GDPR) and other applicable legal requirements in the area of cybersecurity and data protection. Cybersecurity and the responsible use of IT tools are of particular importance to ensure the confidentiality of our clients' data and the continuity of our operations.

## Crisis management and long-term resilience

To ensure **business continuity and resilience of the firm in the event of a crisis**, we have developed a comprehensive crisis management plan allowing to swiftly adjust to unforeseen circumstances, such as pandemics, cybersecurity threats or economic fluctuations.

## Responsible marketing

We adhere to **ethical and responsible marketing practices** that are based on accuracy and transparency.

Acting in accordance with the Advocacy Law of the Republic of Latvia and the Latvian Sworn Advocates' Code of Ethics, the firm ensures that its marketing communication:

- Does not contain false or misleading information
- Does not harm the reputation of the attorney's profession
- Does not violate any confidentiality undertakings
- Does not express superiority over other colleagues





## Stakeholder engagement

The firm's stakeholders are mainly its personnel, clients, cooperation partners, the Latvian Council of Sworn Advocates, suppliers and various civil society organisations. Further details regarding staff engagement are provided in the section ["People"](#).

### Sharing knowledge with clients and the society

To ensure the availability and quality of our services, the firm proactively raises awareness among clients and the public on important legal developments through various initiatives. Each year we organise webinars and on-site events covering a wide range of topics discussed both by our experts and invited professionals from different fields – including clients and cooperation partners. Following webinars and other events, participants are invited to provide feedback via evaluation forms and may suggest topics for future events.

Last year we organised 17 webinars and 1 on-site workshop. Several those webinars covered sustainability matters, including workplace diversity, sustainability requirements of business partners, sustainability and competition law, green bonds, and the latest legal developments in the field of employment. We also educate our clients on topics such as consumer credit advertising restrictions, tax litigation, legal aspects of software and source code usage, international sanctions, digital security in enterprises, and amendments to tax laws.

During the reporting period, our employees participated in 18 conferences in Latvia and abroad and took part in 9 public discussions, including the local conversation festival "Lampa."

### Creating an inclusive and accessible financial environment

In cooperation with the firm, the Finance Latvia Association which represents a significant portion of Latvia's financial services sector, has developed [comprehensive guidelines on the accessibility of financial services](#) to facilitate a more inclusive and accessible financial environment for all members of society.

These guidelines cover a wide range of topics related to accessibility of financial services for different client groups, including individuals with visual, hearing and cognitive impairments. Special attention was devoted to digital accessibility, which ensures that clients have full access to banking and payment services, notwithstanding the client's individual needs.

The firm also contributed to the Finance Latvia Association's initiative launched in collaboration with the Latvian Umbrella Body for Disability Organisations – SUSTENTO [to create informative and educational videos](#) on financial services accessibility for people with visual, hearing and mobility impairments.

### Accessibility of financial services for persons with limited legal capacity

In support to the efforts of the Finance Latvia Association, the firm also engaged in active collaboration with the Ombudsman's Office regarding the accessibility of financial services for persons with limited legal capacity, including their legal guardians.

This cooperation and discussions involving the Ministry of Justice, the Ministry of Welfare, the Child Protection Centre of the Republic of Latvia, the Family Court, the Resource Centre for People with Mental Disability "Zelda", representatives of the judiciary and the Prosecutor General's Office resulted in the Ombudsman's Office Guidelines ["Recommendations for Legal Guardians, Sworn Attorneys, Courts, Family Courts and Credit Institutions on the Provision of Banking Services to Persons with Limited Legal Capacity."](#)





### Law firm's website and newsletters

The firm's website offers an option to subscribe to updates – newsletters and information on the upcoming educational events to stay informed on the latest developments in specific areas of law.

### Understanding our client's legal needs

We frequently organise on-site meetings at our clients' venues: production facilities, construction sites and other business locations. Such visits allow our experts to gain a better understanding of the client's area of activity, challenges and specifics as well as the client's legal needs. We also invite clients to our office to meet with our legal professionals and to hear our clients' feedback about their experience in cooperation with external providers of legal services. During such meetings we also receive valuable recommendations for improving our services and processes.

### Rankings

We receive feedback and assessment of our work also through other channels. Prospera is an annual clients' satisfaction survey conducted by KANTAR and covering over 100 clients of the firm and its largest competitors. The survey involves 30 minute interviews to give an assessment of external legal services across a broad range

of practice areas. In the survey of 2024, COBALT was recognised as the highest-rated law firm in Latvia by earning this recognition for the sixth time, following similar recognitions in 2018, 2019, 2020, 2022, and 2023.

Performance assessment surveys are also conducted by recognised international organisations, such as Chambers and Partners, The Legal 500, IFLR, Bloomberg, Mergermarket, and Refinitiv. COBALT is the only law firm in Latvia to have received top-tier rankings across all practice areas from Chambers Europe and The Legal 500. The firm has also received the highest recognition in the IFLR directory, ranking among the leading law firms in both financial and corporate law, as well as in the field of development projects. Furthermore, 49% of our lawyers have been awarded individual rankings in these directories. This is a remarkable indicator of professional excellence that is highly regarded within the legal industry and by clients.





## Governance targets

In order to contribute to the promotion of peace, justice and good governance, we have identified a number of specific targets related to governance and have identified measures for implementing them. Our goal is to ensure transparent, efficient, and ethical governance that complies with good governance standards and our firm's values.

For example, **by 2026** we will learn about accessibility so that it can be incorporated in our internal documents and materials published in the future. We pay special attention to the strengthening of Latvian language proficiency within the firm by regularly sharing knowledge on proper use of the Latvian language in written communication. We also intend to enhance our staff's awareness of **cybersecurity** risks and the use of **artificial intelligence** tools.





# Environment

Climate change is among the most significant global challenges. Business enterprises, including law firms, play an important role in mitigating its impacts. We are committed to reducing the environmental footprint caused by our operations through responsible resource management, energy efficiency, and sustainable workplace practices. This section analyses our impact on climate, measures that have been implemented by us, and our future strategy to ensure systematic reductions in GHG emissions and more sustainable operations of our firm.

We actively promote efficient use of electricity in our office premises, we use sustainably manufactured electronic equipment and maintain our servers in a way that ensures energy-efficient operation. Where possible, we also look for ways to switch to renewable energy, considering that the firm uses centralised utilities services.

Our total estimated gross greenhouse gas emissions in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>eq) (GHG emissions) considering the content of the GHG Protocol Corporate Standard is 116.79. These consist of:

## Energy and greenhouse gas emissions

Total energy consumption in 2024:

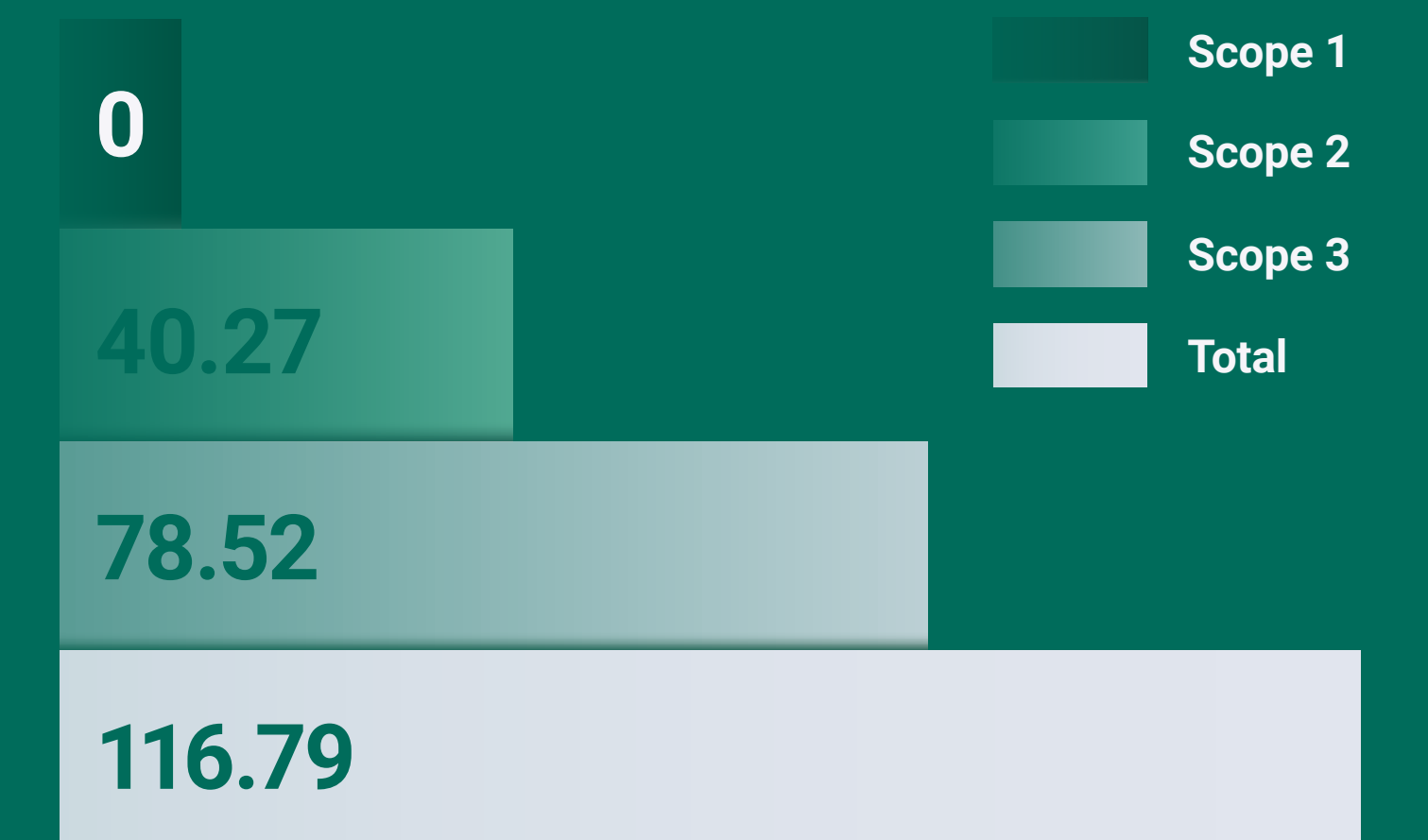


### The main sources that form our firm's CO<sub>2</sub> footprint or GHG Scope 2 and 3 emissions are:

- Power supply and heating services
- Transport from/to the office
- Business travel outside Latvia, including flights

Our GHG intensity in accordance with the VSME, which requires to divide the amount of Sc<sub>2</sub>Scope 2 GHG emissions with the financial turnover, amount to 5.34 tCO<sub>2</sub>e/€m. If we include in the estimate also Scope 3 emissions, our total GHG intensity is 1.55 tCO<sub>2</sub>e/€m.

### GHG emission (tCO<sub>2</sub>e)





## Resource use, circular economy and waste management

We prioritise the use of sustainable products and services, taking into account their long-term impact and life cycle costs. In doing so, we act in accordance with the **principles of circular economy**, particularly in terms of product design, use and recycling.

These principles are applied to our own operations, for example, by considering **equipment lease options**, thereby extending equipment service life and reducing consumption as well as by encouraging sustainable practices among our staff

We have introduced various **paper saving measures** and our staff is encouraged to use **tap water** instead of bottled water. To support this initiative, filtered water dispensers have been installed throughout the office. When procuring office furniture, we give preference to high-quality, durable and ergonomically designed products from local (Latvian) manufacturers and whenever possible, we repair and refurbish our furniture to extend its use. **Furniture that is no longer required for office needs** is offered to employees for private use or donated to charitable organisations. To reduce transport-related environmental impact, we promote **eco-mobility** and limit business travel by facilitating remote participation whenever possible. The firm organises **sustainable events**, giving preference to local and seasonal catering options, minimising the use of single-use plastics and disposable materials. In organising any events, we respect the principles of fair trade and sustainable transport logistics. We care for our work environment by ensuring good indoor air quality, ventilation, appropriate lighting and acceptable noise levels, and we

use safe and, where possible, environmentally friendly cleaning products. We ensure effective **waste sorting** in the office premises with a particular focus on paper, cardboard, glass, plastics, metals, and hazardous waste. We dispose of electronic equipment in accordance with the applicable environmental standards, and we are gradually implementing strategies to reduce digital waste. Due to lack of resources, the firm has not yet measured the total annual amount of waste per type, nor the total amount diverted for recycling or reuse – except for the data relating to paper and hazardous waste.

**Batteries** is the single form of hazardous waste that is disposed separately by the firm. In 2024, we disposed 5 kg of hazardous waste.

**Paper** is one of the main types of waste that is sorted by us. In 2024, we diverted 630 kg of paper to recycling.

Once a year the firm also disposes of worn-out **electrical equipment**. However, up until now we have not recorded the volume of such equipment.

Considering that our area of operation – provision of legal services – does not involve any significant flows of production or packaging materials, we do not keep any records on the volume of such materials.





## Our environmental targets

To contribute to the transition towards a more sustainable economy we have set three environmental targets and have identified a number of specific measures to achieve them. The firm reviews its activities and progress in achieving these targets, collects relevant data, and keeps records on the performance indicators at least once every three years.

**By 2026** we will continue to **promote digitalization**, reduce paper usage in the office and continue developing internal technological solutions and processes

**By 2030** we will achieve **100 % sorting of the waste** in our office.

**By 2035** we will reduce the consumption of **non-renewable natural resources** and, where possible, substitute them with renewable resources and renewable energy.





# Sustainability- related Services for our Clients

Sustainability is a matter of strategic importance for many of our clients. We support both those clients who seek to manage their risks more effectively and mitigate adverse impacts as well as those for whom sustainability presents new business opportunities.

We have an in-depth knowledge of the industries in which our clients operate and understand the key sustainability challenges relevant to those sectors.

We take account of the full value chain and aim to help our clients avoid value depletion, instead promoting value creation.

Our team consists of experts in regulatory compliance and risk management. Moreover, our experience in working with a broad range of stakeholders enables us to find mutually beneficial solutions when needed. COBALT's services allow our clients to not only satisfy the legal requirements but also meet the expectations and requirements of international standards, investors, foreign business partners, regulatory authorities, and the public.





Sustainable financial investments and products

- European Green Bonds (EuGB) and other sustainable financial instruments, including sustainable bonds and sustainability-linked bonds
- European green bond factsheet (in accordance with the EuGB Regulation (EU) 2023/2631)
- EU Taxonomy requirements, including compliance with the technical screening criteria
- Management of sustainability risks by credit institutions and financial institutions
- Drafting of responsible investment policies
- Support for the integration of PRI (Principles for Responsible Investment) in financial institutions
- SFDR (Sustainable Finance Disclosure Regulation) compliance – drafting of policies necessary for the integration of sustainability risks and compliance with the information disclosure requirements (at company and product level)
- Compliance with sustainability requirements imposed by financiers

Environmental and human rights impacts and risks in the value chain

- Implementation of due diligence processes
- Identification of the company's most characteristic adverse environmental and human rights impacts and risks
- Compliance assessment and gap analysis of internal processes, benchmarked against international standards and legal requirements
- Integration of sustainability requirements into supplier contracts
- Drafting of supplier codes of conduct
- Drafting and implementing battery due diligence policies
- Training on environmental and human rights risk management in line with international standards

Sustainability reporting and elimination of greenwashing risks

- The requirements of the Law on Sustainability Disclosures
- Advising on ESRS, VSME and other reporting standards
- Double materiality assessment
- Support in sustainability reporting
- Data protection considerations in relation to sustainability data collection
- Greenwashing risk assessment
- Training on sustainability reporting requirements



Transition to climate neutrality and environmental requirements

- Fulfilment of the regulatory requirements for the development of wind farms and solar parks
- Requirements of the emissions trading system
- Pollution and waste management requirements, permits and licences
- Packaging requirements
- Extended producer responsibility requirements
- Environmental duties and taxes
- Environmental law violations
- Dispute resolution dealing with climate and environmental law

Employment rights and other social matters

- Employment policies and employment contracts
- Collective agreements
- Labour disputes
- Improvement of the code of conduct and internal workplace rules
- Drafting of whistleblowing policies and employee grievance handling mechanisms
- Compliance with accessibility requirements
- Product safety and labelling requirements
- Green labelling

Responsible business conduct

- Sanctions, AML policy and risk management
- Data protection and privacy
- Competition law requirements
- Anti-corruption, anti-bribery and fraud prevention regulations
- Compliance with tax regulations
- IT, cybersecurity and AI regulations
- Development of corporate governance policies
- Legal assessment of the company's management structure



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It's a big deal

