

ESTANC SUSTAINABILITY REPORT 2023



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ABOUT ESTANC

In Estanc we deliver process equipment to most demanding industries, starting from design and engineering to documentation, delivery and installation. We work closely with our partners, and take the needed role to achieve the results that specific industry and case demands.

The history of Estanci begins in 1992, when the Estonian-Finnish cooperative company started production simple containers. Over the years, we have developed and acquired a wide range of experience in the field. Today's Estanc specializes in complex full service large-scale process equipment production. We have grown into the largest and most successful process engineering company in the Nordic and Baltic countries.

Over these years we have grown physically and also mentally. Our employees have a clear purpose and accountabilities, which help them to be self-managing. And this, in turn, helps the whole company to achieve greater results and be more efficient and productive.

Sustainable thinking is implemented in Estanc's mindset, we focus on making an increasing contribution to the environment and its preservation. Our people-centered culture and core values enable us to be such kind of a partner and employer. For us, it is important to create better lives for all our employees, their families, and other stakeholders with whom we are cooperating.

We are a leading production service partner for our customers, creating value with product design, process engineering solutions, and great partnerships. It means we are more than a regular supplier, we are the partner.

PURPOSE

We are inspired by our purpose and vision. The equipment we manufacture have their own purpose in the larger process. Every customer relationship and contact have a purpose. Each of our projects has an agreed deadline and an expected result. We plan and evaluate our daily activities based on our purpose.

PEOPLE

Good relationships are important and every person has a valuable role to play. We value good management and excellent specialisation. We care about our employees and their families. Their health and well-being is a priority. We value people's lust to learn. We care for the environment so that future generations could enjoy the world as we know it. Even in a serious field, we stay human and value humor.

PASSION

We enjoy what we do. We are committed and we care. We feel it together and our clients feel it.

PROCESS

Our products are part of a process and it is an important input for us. We believe in process-based operations that supports the achievement of the objectives. Our company development is a process. Customer relationship is a process. People's careers are a process.

Vision:
to be a part
of building a
sustainable world
while creating
better lives for
everyone.

Mission:
to offer
process equipment
engineering and
manufacturing services
on the highest level.

WHO WE ARE?
Passionate and process-
driven engineers, technical
specialists, welders, assemblers,
project designers, sales personnel
and leaders who are driven by our
purposeful existence and our
ability to manufacture special and
huge equipment for world-
class and worldwide
clients.

WE ARE COMMITTED TO THE 6 UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS, THESE SIX GOALS DEFINE OUR WAY OF DOING BUSINESS



Our team is happy, healthy and works in a safe working environment that promotes well-being for employees of all ages.



The products we manufacture are energy efficient and integrate cleaner use of energy in the industrial and transport sector.



We use sustainable technologies and working methods that ensure a safe and high-quality final result. We continuously look for innovative ways to improve the existing procedures.



We plan, procure and use materials in a sustainable manner, optimizing the use of natural resources and minimizing production waste generated as a result of our activities.



We raise awareness of sustainability in society and integrate the awareness of climate change.



We work with other stakeholders in society to promote awareness and activities for sustainability.



CEO STATEMENT

As we reflect on the past year, I am eager to share with you both the triumphs and challenges that we have encountered on our sustainability journey. In 2023 we were involved both in the green hydrogen and carbon capture projects - these sectors hold immense promise in combating climate change and reducing greenhouse gas emissions.

One of the significant challenges we faced was the cyberattack incident earlier in 2023. The experience was undoubtedly tough for our organization. It forced us to confront the harsh reality of cyber threats and the vulnerabilities that exist in today's digital landscape. However, adversity often brings opportunity, and in the aftermath of the attack, we emerged stronger and more resilient than ever before. We have bolstered our cybersecurity measures and intensified our efforts to protect our digital assets.

Despite the challenges posed by the cyberattack, there have been moments of joy and pride along our sustainability path. In September, we were thrilled to receive the EcoVadis Gold Medal for our sustainability efforts. It is a big win for our team, showing how hard we have worked to make sustainability a part of everything we do. This recognition encourages us to keep pushing forward and improving our sustainability performance.

Furthermore, I am pleased to announce that we have made significant progress in reducing our carbon footprint, achieving a commendable 23% reduction in Scope 1 and 2 emissions. While we celebrate this achievement, we recognize that there is still much work to be done. That is why we are embarking on a double materiality analysis this year to deepen our understanding of the environmental, social, and governance issues. Armed with this knowledge, we will continue to refine our sustainability strategy and drive positive change across our organization.

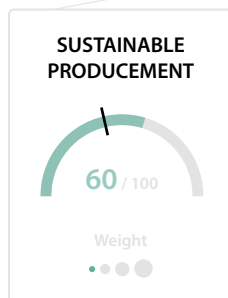
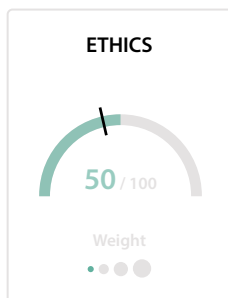
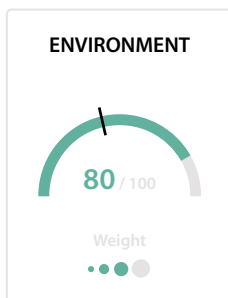
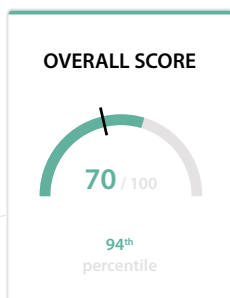
Our dedication to sustainability goes beyond just following the rules; it's ingrained in our identity as a company. It motivates us to seek out new chances and adopt emerging trends that lead to a healthier planet. Together, we are shaping a world where sustainability and innovation go hand in hand, and where the possibilities for a greener future are limitless.



CEO Priit Haldma

HIGHLIGHTED ACTIONS 2023

This year, Estanc upgraded its 2022 Silver Medal to the prestigious EcoVadis Gold Label, placing it among the top 5 percent of companies evaluated. This recognition reaffirms Estanc's dedication to sustainability, shown through efforts to reduce its carbon footprint and support fair labor practices.



RESPONSIBLE BUSINESS INDEX
SILVER LEVEL 2023

ESTONIAN RESPONSIBLE BUSINESS INDEX – SILVER

We have received a Silver label from the Estonian Responsible Business Index, recognizing our commitment to responsible practices. This accolade highlights our dedication to sustainability and corporate responsibility, in line with the index's values.



MISSION DAY 2023

Our fifth Mission Day was in partnership with the Estonian Food Bank. With an average of 19,604 people in need weekly across Estonia, the Food Bank's work is critical. We organized food drives and volunteered to pack and distribute aid. 30 participants volunteered at Food Bank locations in Tallinn, Haapsalu, and Rakvere, making a tangible impact.

ENVIRONMENT

Nestled amidst the Baltic Sea, Estonia enjoys the blessing of milder summers due to the ongoing phenomenon of global warming. Yet, this serenity is tinged with concern as we acknowledge the urgent need for collective action against the impending climate crisis.

In 2023, as part of our ongoing commitment to sustainability, we measured and analyzed our carbon footprint for the third time. However, upon closer inspection, we found discrepancies due to measurement errors. We understand that mistakes happen in our pursuit of progress. Transparency is crucial in these situations, and we are committed to correcting these errors and providing accurate data from now on.

Estanc understands that the battle against climate change cannot be fought alone. Our commitment extends beyond our factory walls; we are dedicated to fostering dialogue and progress on climate change at every level. We firmly believe that every entity, no matter how small, has a role to play in shaping a more sustainable future.

For energy management we use ISO 50001. It helps us manage our energy use, thus improving productivity. We have an energy policy, achievable targets for energy use, and action plan to reach them and to measure progress.



We have our own solar power station installed on factory roof

LED lighting

All electricity is purchased from 100% renewable sources



Our Handling of hazardous substances and also our pickling facility complies with ISO14001



Sustainable floor heating in the whole building



CLIMATE RISK

In Estonia, the subtle yet persistent effects of climate change are becoming increasingly evident. While our nation may not face the extreme conditions seen in other parts of the globe, we are not immune to the shifting patterns of our climate.

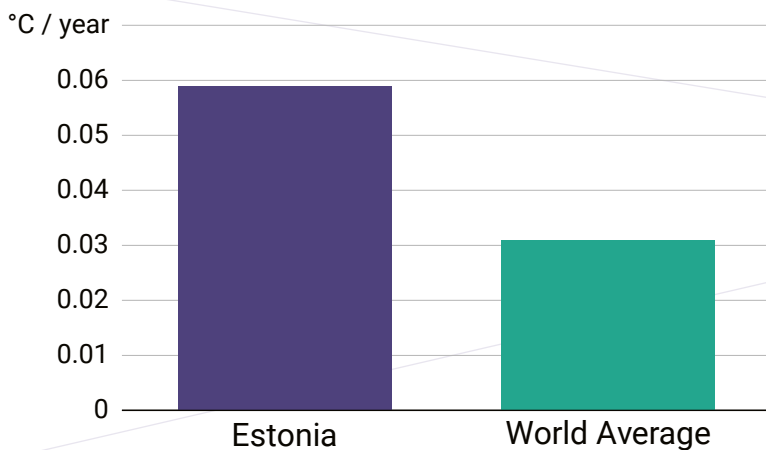
The temperature in Estonia has been rising at a rate of 0.2-0.3°C per decade since 1951 a trend that outpaces the global average. This warming is particularly noticeable during the winter months, especially in January. By 2041-2071, our temperatures are projected to surpass the 1971-2000 average by as much as 2.6°C .

Storms have become more frequent, and their impact is felt across our communities. The threat of flooding is particularly concerning. Intense periods of rainfall can overwhelm our stormwater systems, leading to potential disruptions. Our factory, for instance, houses a 550,000-liter rainwater pool that could overflow during such events, causing power outages and interrupting our operations.

Precipitation in Estonia has increased by 15% since 1951, a figure that remains below the global average but is nonetheless significant. Climate models predict a continued rise in precipitation, with potential increases of up to 14% by 2041-2070. These changes will not be uniform across the country, with some areas and seasons experiencing more rainfall than others.

Climate change is a complex issue that requires our attention and action. As we continue to monitor these changes and their impacts, we remain committed to implementing sustainable practices and contributing to global efforts to mitigate climate change. Together, we can ensure a resilient and sustainable future.

Level of warming in Estonia, 2000-2020



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CIRCULAR ECONOMY

At Estanc, we are committed to the principles of the circular economy, where resources are reused, recycled, and regenerated to minimize waste and maximize value. Through our actions and initiatives, we aim to contribute to the development of awareness and sustainable practices in every aspect of our operations.

Our commitment to sustainability is reflected in our resource management practices, facilitated using the ERP system, Microsoft Dynamics AX. This powerful tool allows us to monitor resources accurately, ensuring that all residual materials are utilized efficiently in our future projects.

We actively seek opportunities to reuse production residues and products at the end of their service life as new material. Our in-house scrap metal sorting system further enhances our ability to minimize waste and reduce our CO² footprint, contributing to a more efficient and sustainable process.



550 000l
Rainwater
pool. We collect rainwater to perform pressure tests - saving millions of liters drinking water every year!

Estanc's water consumption

| | 2021 | 2022 | 2023 | Goal |
|-------------------------|------|------|------|--------|
| Water (m ³) | 3917 | 3393 | 2803 | < 3500 |

ENERGY EFFICIENCY

Energy efficiency is a cornerstone of Estanc's sustainability efforts, with a focus on optimizing resource usage and reducing environmental impact.

Efficient management and control of heating and electricity consumption play a pivotal role in our energy efficiency endeavors. Currently, we manually regulate heat energy, with plans underway to implement partial automation by 2025. This transition will streamline operations and further optimize energy usage.

Effective cooling system management is essential for minimizing electricity consumption. To achieve this, we are implementing measures such as controlling window openings and door closures in dining areas and dressing rooms. These actions aim to reduce unnecessary energy loss and enhance overall cooling efficiency.

At Estanc, we recognize that our energy efficiency is intricately linked to our production hours. Despite fluctuations in working hours, our heat consumption remains relatively constant. Therefore, our strategic approach prioritizes maximizing efficiency by extending our operational hours.

We have set a target to sell 150,000 working hours annually. This target is not only crucial for enhancing our energy efficiency but also for bolstering our economic sustainability. By optimizing our operational schedule, we aim to minimize energy consumption per hour while ensuring the long-term viability of our business.

As we continue to prioritize energy efficiency, Estanc remains committed to exploring innovative solutions and implementing sustainable practices. Through ongoing monitoring, adaptation, and collaboration, we strive to further reduce our environmental footprint.

Sold working hours

| 2021 | 2022 | 2023 | Goal |
|--------|--------|--------|---------------|
| 148000 | 126000 | 120000 | 150000 |

CARBON FOOTPRINT

Since initiating our carbon footprint measurement in 2021, Estanc has been committed to understanding and mitigating our environmental impact. Over the past two years, our efforts have focused on assessing our emissions and developing strategies to drive positive change. In 2023, we established an ambitious goal to reduce our carbon footprint by 20%, marking a significant step towards sustainability.

To achieve our reduction target, we formulated a plan to transition from traditional diesel fuel to biodiesel. Biodiesel offers a much smaller footprint compared to conventional diesel, aligning with our commitment to sustainable practices. By implementing this change, we successfully reduced our carbon footprint by 19.4%, bringing us close to our targeted goal.

The data used to measure Estanc’s carbon footprint is sourced from the register of purchase invoices, providing comprehensive insights into our emissions. Additionally, information regarding diffuse emissions is obtained from Forus maintenance logs, enabling us to identify areas for improvement and optimization.

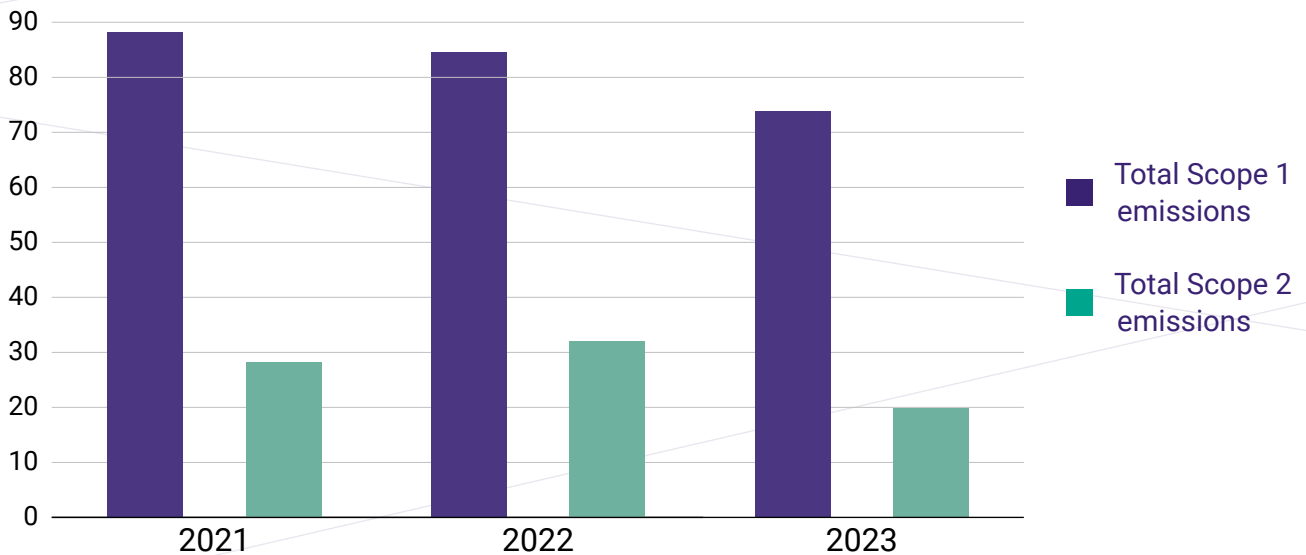
Despite our efforts, we encountered discrepancies in our maintenance log data, resulting in inaccuracies in our scope 1 emissions calculations. This oversight led to a significant increase in our scope 1 emissions, primarily attributed to diffusion fuels, which now account for 89.6% of our scope 1 emissions. Moving forward, we are committed to rectifying these discrepancies and exploring greener solutions to mitigate our environmental impact.

In assessing our scope 2 emissions, we identified natural gas as the largest emitter. However, it is important to note that Estanc purchases electricity sourced from 100% renewable sources, eliminating any GHG footprint associated with electricity consumption. While reducing natural gas usage for product heat treatment may pose initial challenges, we remain dedicated to exploring alternatives such as biogas to further reduce our emissions.

In 2023, Estanc released 93.63 tons of CO² into the atmosphere as a result of our activities. While we have made significant strides towards reducing our carbon footprint, there is still work to be done. By leveraging sustainable practices, addressing data discrepancies, and exploring innovative solutions, we remain committed to minimizing our environmental impact and contributing to a greener future.

| ESTANC CO2 FOOTPRINT (t CO2) | | | | |
|------------------------------|---|-------|-------|------|
| SCOPE | ACTIVITY | 2021 | 2022 | 2023 |
| Scope 1 | Direct emissions from stationary combustion | 0,0 | 0,0 | 0,0 |
| | Direct emissions from mobile combustion sources | 22,4 | 18,1 | 7,6 |
| | Direct fugitive emissions | 65,4 | 65,4 | 66,2 |
| Total Scope 1 emissions | | 87,8 | 84,2 | 73,8 |
| Scope 2 | Purchased electricity | 0,0 | 0,0 | 0,0 |
| | Purchased heat | 27,8 | 32,1 | 19,8 |
| Total Scope 2 emissions | | 27,8 | 32,1 | 19,8 |
| ESTANC CO2 FOOTPRINT (t CO2) | | 115,6 | 116,3 | 93,6 |

ESTANC CO² FOOTPRINT (TCO²)



| Total of consumption (MWh) | 2021 | 2022 | 2023 |
|----------------------------|--------|--------|--------|
| Diesel / petrol | 117,5 | 76,2 | 100,2 |
| Electricity | 1325,2 | 1229,6 | 1142,8 |
| Natural gas | 124,5 | 143,9 | 87,9 |
| Heat | 871,9 | 983,6 | 1119,3 |

SOCIAL

Estanc is deeply committed to cultivating a workplace that resonates with our core values and mission, ensuring every team member feels integral to our collective objectives.

Our benefits package is carefully tailored to meet our employees' needs while reflecting the company's ethos, fostering their all-round development and well-being. Last year marked a significant evolution in our management approach, with the further integration of holacratic principles that encourage self-management and autonomy. We also refined our internal communication framework to enhance information flow's clarity and transparency, contributing to an 8% increase in employee engagement levels.

Understanding the importance of balancing professional and personal life, Estanc offers flexible working conditions, including adaptable working hours and the option for telecommuting. Our status as a golden-label Family-Friendly company speaks volumes about the effectiveness of our people-first HR policies.

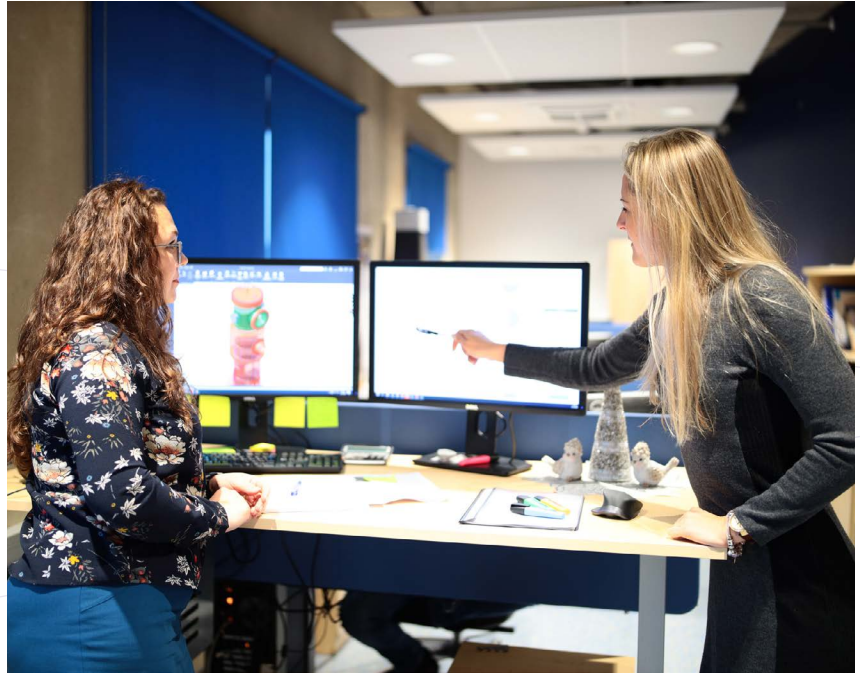
In 2023, Estanc's proactive measures in salary review and adjustment in response to the swift national wage growth underscore our commitment to fairness and competitiveness. By integrating innovative management practices, enhancing communication, and maintaining a keen focus on work-life balance, we continue to build a transparent, engaging, and dynamic work environment that mirrors our foundational values and mission.

| | 2021 | 2022 | 2023 | Goal |
|--------------------|------|------|------|------|
| Satisfaction level | 3,9 | 3,9 | 4,0 | 4,0 |
| Engagement | 24% | 26% | 32% | 40% |



RECRUITMENT AND TEAM MANNING

In 2023, Estanc placed a strong emphasis on engineering recruitment and enhancing our expertise in this critical area. Our aim, rooted in a value-based management approach, is to enrich life experiences for our team members, offering them autonomy, a motivating compensation package, various group activities, and the chance to be part of a globally recognized team.



Our recruitment strategy is centered around values-based hiring, meaning we seek individuals whose personal values and attitudes resonate with those of Estanc. The assessment of candidates involves evaluating their strengths and personality and technical competencies.

In the specific context of 2023, our focus on engineering recruitment was coupled with strategic initiatives to strengthen our competence in this domain. We restructured our engineering team, introducing a new leader whose efforts significantly boosted the team's commitment levels and performance. Furthermore, we established project teams aimed at enhancing efficiency and customer satisfaction.

By adhering to the principles of value-based recruitment, we ensured the integration of individuals who not only excel in their technical fields but also embody the values central to Estanc's identity. This strategy, especially pivotal in our 2023 engineering focus, underscores our belief that while technical skills are vital, the potential to thrive in a diverse team and adapt to the evolving business landscape is paramount. Through these targeted efforts, we have fortified our engineering capacity, ensuring our team is well-equipped to tackle complex challenges and contribute to our continued success.

| | 2021 | 2022 | 2023 |
|----------------|------|------|------|
| Employees | 134 | 138 | 144 |
| New employees | 41 | 33 | 20 |
| Left employees | 24 | 26 | 15 |

| | 2021 | 2022 | 2023 | Goal |
|--------------------|------|-------|------|--------|
| Voluntary Turnover | 8,3% | 13,8% | 9,0% | <11,0% |

DIVERSITY, INCLUSION, EQUAL TREATMENT

In 2023, Estanc placed a heightened focus on national and cultural diversity within our team, significantly broadening the spectrum of nationalities represented within our workforce. This strategic initiative led us to welcome individuals from Pakistan, Turkey, India, and other countries, enriching our organizational culture with a wider variety of perspectives and experiences. As a value-driven employer, Estanc recognizes and celebrates the unique contributions of each employee, understanding that diversity extends beyond just the professional realm—it’s about appreciating each individual for who they are, irrespective of their cultural or historical background.

By integrating a more diverse pool of talents, we not only enhanced our company’s cultural fabric but also learned to work more effectively in a multicultural setting. This advancement in our diversity strategy was a deliberate effort to foster an inclusive environment where every team member feels valued and empowered. We developed roles that cater to the individual strengths and preferences of our employees, ensuring that each person can devote their energy to tasks that resonate with their skills and passions, thereby contributing significantly to our collective goals.

The engineering and manufacturing sector, traditionally male-dominated, has seen a deliberate increase in female representation within Estanc, a trend we are committed to continuing. Through these efforts, Estanc has not only enhanced its operational capabilities but has also made significant strides in developing a culture that values and thrives on diversity.

| | 2022 | 2023 | Goal |
|-------------------|-------|-------|------------|
| Women | 10,6% | 12,6% | 20% |
| Different nations | 13 | 12 | |

RESPECTING DIFFERENCES

Estanc has earned the “Respecting Differences” label, in partnership with the Estonian Human Rights Centre and the Ministry of Social Affairs. Our focus is on valuing all our employees and creating a more diverse and inclusive workplace. We’re committed to ensuring everyone feels respected, included, and able to contribute their unique perspectives and talents.

respecting
differences



FAMILY FRIENDLY GOLD

Estanc has been awarded gold-level recognition as an employee- and family-friendly company by the Ministry of Social Affairs! Being a family business, one of our key aims has always been to support the balance between work and family life. Our HR team has worked hard to cultivate a workplace culture that enriches the experiences of our employees. This recognition highlights our ongoing commitment to creating a supportive environment where both work and family are valued.



TRAINING AND DEVELOPMENT

In 2023, Estanc placed a strategic emphasis on enhancing management quality and fostering emotional connections between leaders and their teams, understanding that such relationships significantly boost employee engagement. Our focus extended to improving the life quality of our employees, organizing a series of specialized trainings that included financial literacy, habit formation, laughter therapy, and goal achievement techniques.



These initiatives were designed not only to enrich our team's professional skills but also to support their personal growth and well-being.

Although our manufacturing sector has faced challenges in implementing one-on-one feedback sessions, we are committed to enhancing the capabilities of our Production Managers and Foremen. This development aims to facilitate result-feedback conversations with every production employee at least twice a year, mirroring the practice in our office staff.

In the factory setting, we concentrated on technical competency and skill reinforcement training, recognizing the critical role these play in our manufacturing excellence. Through these concerted efforts in 2023, Estanc has not only aimed to elevate leadership quality but also to enhance the overall life quality of our employees, thereby nurturing a more committed and fulfilled.

Starting in 2023, Estanc introduced bi-annual performance reviews with direct supervisors for every employee to set development goals and career plans. This initiative complements existing commitment conversations, further personalizing each team member's growth trajectory within the company.

| | 2022 | 2023 | Goal |
|-------------------------------|------|------|-------------|
| Training hours (total) | 2242 | 2580 | |
| Training hours (per employee) | 13,1 | 17,9 | 15,0 |

OCCUPATIONAL HEALTH AND SAFETY

In 2023, Estanc faced numerous challenges in the field of occupational safety, leading us to implement extensive preventative measures. We initiated safety tours (audits) in the factory to identify and mitigate potential hazards, conducted safety conversations with every factory worker, and held follow-up discussions after every incident or safety violation. Overall, we engaged in 110 preventive conversations, demonstrating our proactive approach to reducing risks and maintaining our commitment to achieving a zero-accident workplace.



In addition to our focused efforts on occupational safety in 2023, Estanc successfully integrated the 6S principles into our work processes, enhancing the efficiency and safety of our workplace. This implementation led to a significant achievement, with our regular 6S audits scoring an impressive 94%, reflecting our commitment to maintaining a high standard of workplace organization, safety, and productivity.

| | 2021 | 2022 | 2023 | Goal |
|----------------------------|------|------|------|------|
| LTIF | 8,9 | 0 | 10,0 | 0 |
| TRIF | 1,8 | 0 | 2,0 | 0 |
| Work accidents | 3 | 0 | 3 | 0 |
| Work accident absence days | 57 | 0 | 106 | 0 |

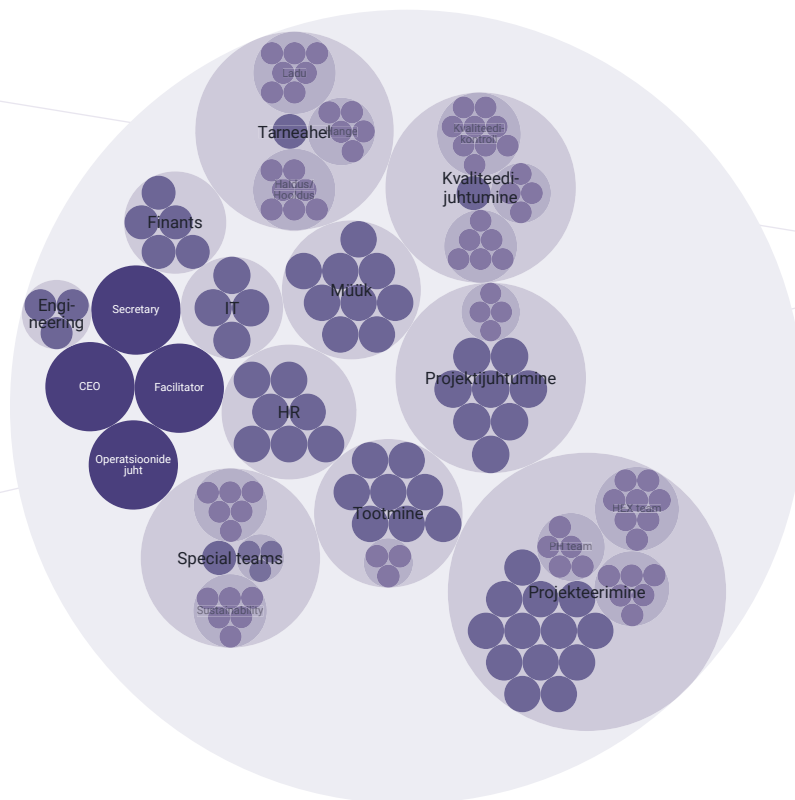
GOVERNANCE

Sustainability is an integrated part of all our business processes. We work with other stakeholders in society to promote awareness and activities for sustainability - engagement with our stakeholder is an essential part of our approach. Strong governance and transparency is of utmost importance to fulfill our sustainability targets.

Holacracy is the management practice that most closely describes Estanc's management culture. Holacratic leadership is based on accountability and goal achievement. Trust and giving freedom to employees are the key factors to succeed. We expect every employee to be ready and willing to take responsibility for his/her role and the realization of his/her goals.

Each role has its own purpose that derives from the team's purpose, and each team's purpose derives from the organization's purpose. All of the organization's goals are driven by Estanc's mission - to offer process equipment engineering and manufacturing services on the highest level. It is the responsibility of every employee to contribute to our mission.

The management structure of Estanc is based on a hierarchy of purpose instead of a hierarchy of power. Giving employees their own purpose with clear targets and supporting them in value creation has shown us that employee satisfaction and engagement grow. With an engaged team, you can always reach higher goals.



SUPPLY CHAIN

At Estanc, sustainability isn't just a buzzword; it's a core value that we integrate into every aspect of our operations, including our supply chain. We understand the profound impact our actions can have on the environment, society, and economy, and we are committed to upholding the highest standards of sustainable development throughout our business practices.



We believe in conducting business ethically and responsibly. That's why we carefully select our suppliers, ensuring they share our commitment to fair trade and anti-discrimination principles. By sourcing components, details, and services from around the globe, we aim to foster partnerships that promote inclusivity and respect for human rights.

In cases where challenges exceed our capacity or expertise, we proactively engage with partners to find innovative solutions. Our goal is to address sustainability issues collaboratively, leveraging the collective expertise and resources of our network to drive positive change.

With approximately 200 suppliers, primarily from Europe and other low sustainability risk countries, we recognize the importance of identifying and mitigating potential risks in our supply chain. Our main purchases, which primarily consist of metal-based products, pose health and safety concerns. However, through stringent risk assessment and management protocols, we strive to uphold the highest standards of safety and well-being for all stakeholders involved.

We have established a Human Rights policy, which serves as the cornerstone of our supplier relationships. All new suppliers are invited to sign this policy, affirming their commitment to upholding fundamental human rights principles in their operations.

Aligned with our sustainability goals, we prioritize carbon reduction initiatives throughout our supply chain. By encouraging our suppliers to embrace sustainable practices, we aim to minimize our carbon footprint and contribute to a low-carbon future.

To monitor sustainability performance across our supply chain, we conduct annual self-assessment questionnaires with our key suppliers. These assessments help us identify existing and potential sustainability challenges, allowing us to address them proactively. This year we are planning to do at least two on-place audits.

At Estanc transparency and traceability are paramount. We are dedicated to enhancing the visibility of our entire value chain, from the sourcing of raw materials to the recycling of our products. Through continuous development and improvement initiatives, we strive to embed sustainable practices into our procurement processes, ensuring a more responsible and resilient supply chain. As we move forward, our commitment to sustainability will remain unwavering. By fostering collaboration, upholding ethical standards, and driving continuous improvement, we will continue to lead by example in building a more sustainable future for all.

| | 2022 | 2023 |
|---|------|------|
| Suppliers, who have answered our self-assessment questionnaire and signed our Code of Conduct | 25% | 33% |

HUMAN RIGHTS POLICY

In 2022, we launched a stand-alone Human Rights Policy aligned with our values and our Code of Conduct. The Policy is based on the principles of the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization (ILO), the two human rights principles and four labor principles of the United Nations Global Compact, Guiding Principles on Business and Human Rights, The OECD Guidelines for Multinational Enterprises, Convention on the Elimination of all forms of Discrimination Against Women and the Estonian Human Rights Guide. We are committed to respect and promote human rights and acknowledges that promoting human rights is fundamental for carrying out its business in a responsible manner.

SUPPLIERS CODE OF CONDUCT

In 2022, we issued Estanc Suppliers Code of Conduct to help ensure that we can more effectively implement our mission and take responsibility for our words and actions. It describes the values and behavioral norms we are committed to as a company on a daily basis and that we expect from our suppliers. The principles of the code of conduct form an integral part of all contracts entered into between suppliers and Estanc. By complying with this agreement, everybody behaves responsibly and contributes to the creation of a cleaner and healthier environment.

CYBERSECURITY

In today's digital world, staying safe online is crucial for every business, including us. We learned this the hard way when we faced a cyberattack earlier last year. It made us realize that cyber threats are everywhere, not just here in Estonia but all over the world.

Surprisingly, many companies don't like to talk about these attacks. Yet, by addressing these challenges head-on, we acknowledge their significance and take proactive steps towards resolution. Cyberattacks are akin to traditional theft, and minimizing their impact requires collective vigilance and action.

After the attack, we made big changes to our digital setup to make it stronger. We brought in cybersecurity experts who checked everything carefully and gave us advice on how to make things more secure. This meant spending more money on our IT, but it showed how serious we are about keeping our digital assets safe.

Furthermore, recognizing the prevalent threat posed by phishing emails, a common tactic employed by cybercriminals, we intensified our efforts to educate and empower our team. Through ongoing training programs and simulated exercises, we equip our staff with the requisite knowledge and skills to identify and mitigate potential risks effectively.

Acknowledging the dynamic nature of cyber threats, we remain proactive in our approach to cybersecurity. Regular audits of our information systems enable us to identify and address vulnerabilities promptly, ensuring the resilience of our digital ecosystem.

At Estanc, cybersecurity is not merely an obligation but a core priority. We are dedicated to adopting proactive measures to fortify our digital perimeter and protect our invaluable assets. By fostering transparency, remaining vigilant, and implementing robust security protocols, we are laying the foundation for a resilient and sustainable future for our business in the digital realm.

| | 2021 | 2022 | 2023 | Goal |
|---|------|------|------|------|
| New office employees trained in cybersecurity | 100% | 100% | 100% | 100% |



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