



SUSTAINABILITY REPORT 2024



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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

Our journey over the past few years has been exceptionally challenging, but thanks to your efforts and contributions, we have overcome obstacles and reached where we stand today.

We can conclude year 2024 as another successful step towards our purpose. Despite the economic downturn and a difficult market, we have managed to work in sustainable and profitable way. This is something that cannot be taken for granted. Not only have we maintained our position, but we took bold steps to secure jobs and income for over 100 families. Also we have strengthened our capabilities and value offer to our clients, keeping our own and our industries future in mind.

This year brought many significant moments and projects. Estanc did design and manufacturing on two major nuclear power plant equipment projects. Twenty units we delivered to Denmark for Europe's largest ongoing CO₂ capture project. We successfully manufactured and delivered one of the largest and most complex devices in Estanc's history to a client in just six months.

Our commitment to sustainability was recognized with the EcoVadis Silver Medal – placing Estanc among the top 15% of companies evaluated globally. It's an acknowledgment of our ongoing efforts to operate responsibly and sustainably.

A definite highlight of the year was winning Estonia's employer branding competition, "Dream Employer 2024." This title is not only a form of recognition but also an important confirmation of the success of our efforts in improving the working environment and management systems.

Although we did not manage to reduce our Scope 1 and Scope 2 emissions last year – and in fact saw a slight increase – this was primarily due to customer projects with high natural gas demand, particularly those requiring extensive heat treatment. Nevertheless, we are continuously seeking new ways and opportunities to become even more energy-efficient and environmentally friendly.

Regardless of political decisions around the world or recent changes in the EU related to sustainability, Estanc remains committed to working on sustainability topics. It's deeply rooted in our strategy and vision – to help build a sustainable world and create better lives for everyone.

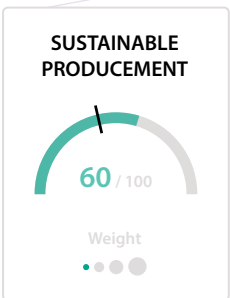
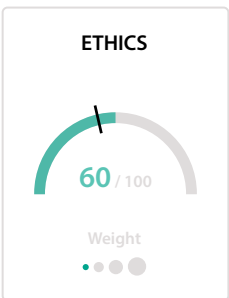
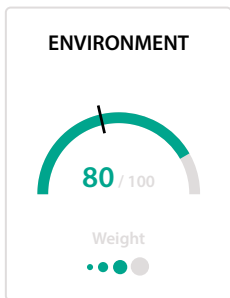
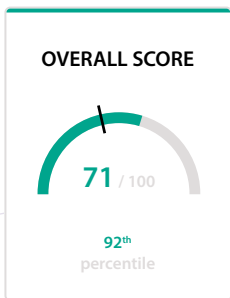


CEO Priit Haldma

HIGHLIGHTED ACTIONS 2024



In March Estanc AS was announced the winner of the Estonian employer branding contest “Dream Employer 2024”, and Priit Haldma received the special award for the best young leader, “Rising Star”.



SILVER | Top 15%

ecovadis

Sustainability Rating

OCT 2024

This year, Estanc received the EcoVadis Silver Medal, placing it among the top 15% of evaluated companies. Although our overall score in 2023 was one point lower and gave us Gold Medal, this reflects a change in EcoVadis’ evaluation scale. Since the previous assessment, our overall score has increased due to the implementation of additional measures.

MISSION DAY 2024

Estanc’s 6th Mission Day took place in Laane village, Harju County, in cooperation with Vestman Group. The event supported reforestation as part of the EU’s “Trees for Life” project, which aims to plant 3 billion trees by 2030. Vestman, Estonia’s largest contributor, has already planted nearly 100,000 trees. The 2024 event set a new record with 68 participants, who successfully planted 1,712 spruce saplings.

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 2024, as part of our ongoing commitment to sustainability, we measured and analyzed our carbon footprint for the fourth time.

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.

CERTIFIED
ISO 50001



We have our own solar power station installed on factory roof

LED lighting

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



All electricity is purchased from 100% renewable sources



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.

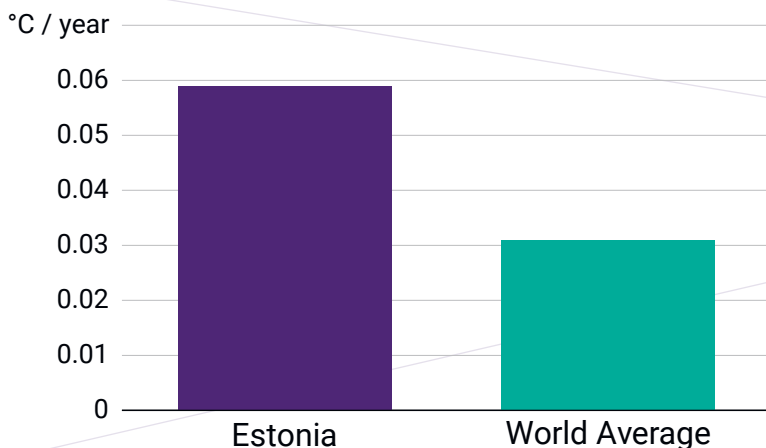
The temperature in Estonia has been rising at a rate of 0.2-0.3°C per decade since 1951 a trend that outpaces the global average. This warming is particularly noticeable during the winter months, especially in January. By 2041-2071, our temperatures are projected to surpass the 1971-2000 average by as 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	2024
Water (m ³)	3917	3393	2803	4000

The increased water consumption in 2024, which was as much as 42.7% higher than in 2023, was related to one of our projects that required testing a product with clean water.

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.

Electric meters have been added to the largest electrical consumers in 2024. We plan to install additional meters on other significant consumers and establish a process for better data management and oversight. The regulation of switching on and off of larger equipment using a chip, which helps reduce consumption, was implemented in 2024. This activity will continue in 2025. 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	2024	Goal
148000	126000	120000	124000	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.

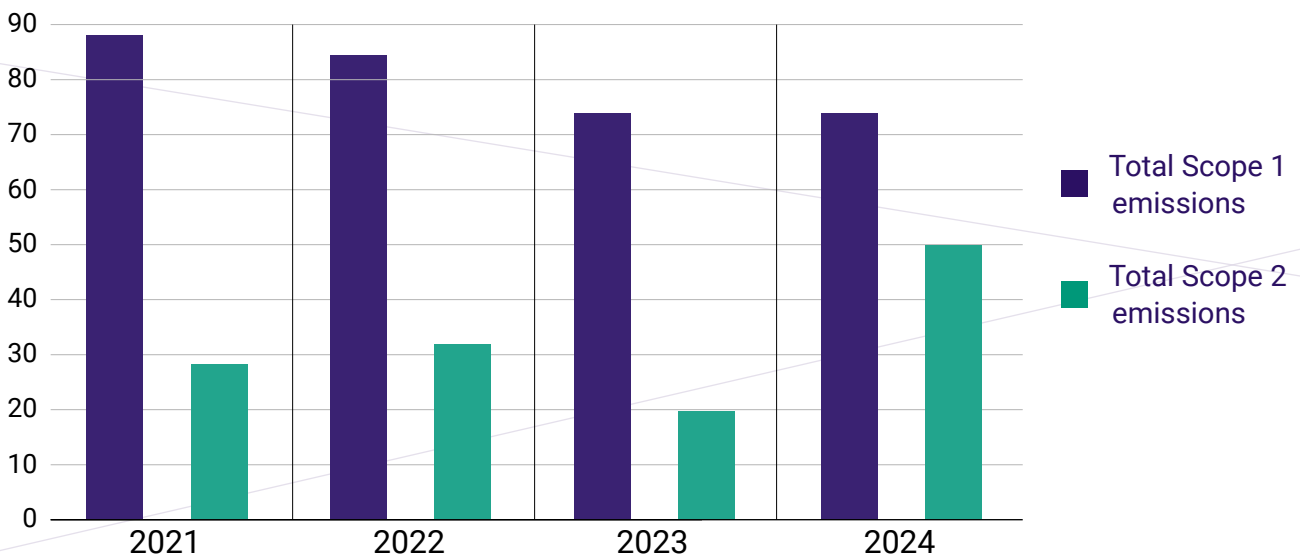
The data used to measure Estanc’s carbon footprint is sourced from the register of purchase invoices, providing comprehensive insights into our emissions. Additionally, information regarding diffuse emissions is obtained from Forus maintenance logs, enabling us to identify areas for improvement and optimization.

In 2024, Estanc released 123.96 tons of CO₂ into the atmosphere as a result of our activities. In our evaluation of scope 2 emissions, we found that natural gas is the primary contributor. Since we rely on natural gas for post-weld heat treatment, making immediate reductions isn’t feasible as it would impact our operations. However, we’re committed to seeking alternative solutions, like biogas, to gradually decrease our emissions over time.

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 CO ₂)					
SCOPE	ACTIVITY	2021	2022	2023	2024
Scope 1	Direct emissions from stationary combustion	0,0	0,0	0,0	0,0
	Direct emissions from mobile combustion sources	22,4	18,1	7,6	7,8
	Direct fugitive emissions	65,4	65,4	66,2	66,2
Total Scope 1 emissions		87,8	84,2	73,8	74,0
Scope 2	Purchased electricity	0,0	0,0	0,0	0,0
	Purchased heat	27,8	32,1	19,8	50,0
Total Scope 2 emissions		27,8	32,1	19,8	50,0
ESTANC CO2 FOOTPRINT (t CO ₂)		115,6	116,3	93,6	124,0

ESTANC CO₂ FOOTPRINT (TCO₂)



Total of consumption (MWh)	2021	2022	2023	2024
Electricity	1325,2	1229,6	1142,8	1237,8
Natural gas	124,5	143,9	87,9	224,9
Heat	871,9	983,6	1119,3	778,1

Total of consumption (l)	2021	2022	2023	2024
Diesel	9 792,6	11 006,1	9 490,1	10 180,1
Petrol	667,1	1 329,3	763,6	798,3

In 2024, the solar energy produced on Estanc's roof and used in its production unit accounted for 10.3% of the total energy consumption (112.9 MWh). During the design phase, the estimated share was approximately 10%, so we are satisfied with the result.

The significant increase in natural gas consumption was related to heat treatment in several of our 2024 projects, which had not been required for the projects of the 2023.

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 2024, 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	2024	Goal
Satisfaction level	3,85	3,90	3,95	3,95	4,00
Engagement	24%	26%	32%	39%	40%



The percentage of respondents increased by 11%, particularly from the production side, which allowed us to get a more accurate picture of both satisfaction and commitment. This provided an opportunity to draw more conclusions and plan improvement activities in production to enhance employees' satisfaction with the work environment and conditions.

It is definitely worth highlighting that in 2024, Estanc was named the winner of Estonia's employer branding competition, "Dream Employer 2024." Additionally, Estanc CEO Priit Haldma received the special award for Best Young Leader – "Rising Star."



RECRUITMENT AND TEAM MANNING

In 2024, we welcomed interns into engineering, process engineering, and the quality department, placing a strong emphasis on future talent. We hired a process engineering intern who has proven to be an excellent addition to the team and a potential successor to the lead process engineer. Additionally, we strengthened the quality control department by bringing in both engineers and specialists to ensure compliance with increasingly complex product requirements.



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 2024, we established a new technology department within the company, adding three new technologists to support both lead engineers and the entire production process.

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.

	2021	2022	2023	2024
Employees	134	138	144	149
New employees	41	33	20	19
Left employees	24	26	15	17

	2021	2022	2023	2024	Goal
Voluntary Turnover	8,3%	13,8%	9,0%	10,4%	<11,0%

DIVERSITY, INCLUSION, EQUAL TREATMENT

National and cultural diversity, along with equal treatment, remain important topics for us. We will continue with the same strategy as in previous years. Due to the war in Ukraine, the share of Ukrainians in our team has increased, as well as the representation of other nationalities. Additionally, the proportion of women has also grown.

As a value-driven employer, Estanc recognizes and celebrates the unique contributions of each employee, understanding that diversity extends beyond just the professional world—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	2024	Goal
Women	10,6%	12,6%	14,1%	20,0%
Different nations	13	12	13	

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

Estanc consciously pays more attention to how leaders communicate and work with their teams, because strong relationships and effective leadership make employees more motivated and engaged.

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, Estanc has not only aimed to elevate leadership quality but also to enhance the overall quality of life of our employees, thereby nurturing a more committed and fulfilled.

Estanc has 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	2024	Goal
Training hours (total)	2242	2580	2373	
Training hours (per employee)	13,1	17,9	16,5	15,0

OCCUPATIONAL HEALTH AND SAFETY

By 2024, thanks to a consistent and targeted approach to improving workplace safety, the risk of workplace accidents has decreased 6.2 times over six years and currently stands at just 1.44%. This achievement has been made possible through a systematic approach to ensuring safe working conditions, the implementation of effective preventive measures, and the continuous improvement of work processes.

To not only maintain the achieved level of safety but also enhance it further, the company places a strong emphasis on thoroughly informing employees about existing occupational risks.

It is crucial that every worker recognizes potential hazards, understands their consequences, and is aware of the measures taken to mitigate them. In addition, active efforts are being made to introduce new initiatives and refine existing measures aimed at further risk reduction, strengthening the safety culture, and providing even greater protection for employees' health.



	2021	2022	2023	2024	Goal
LTIF	8,9	0	10,0	7,1	0
TRIF	1,8	0	2,0	1,4	0
Work accidents	3	0	3	2	0
Work accident absence days	57	0	106	148	0



GOVERNANCE

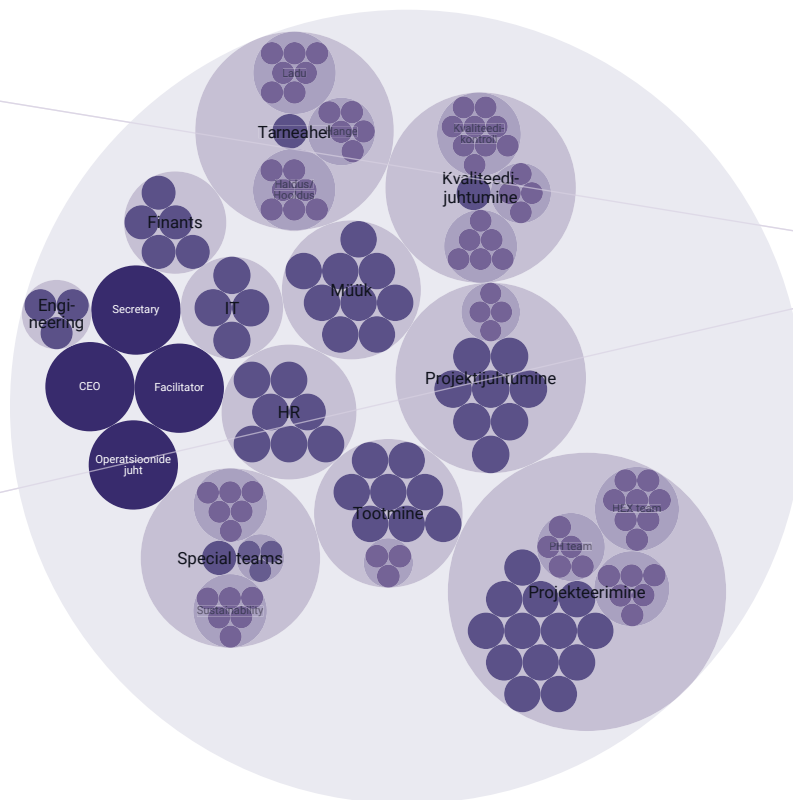
Sustainability is an integrated part of all our business processes. We work with other stakeholders in society to promote awareness and activities for sustainability - engagement with our stakeholder is an essential part of our approach. Strong governance and transparency are of utmost importance to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

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.

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	2024
Suppliers, who have answered our self-assessment questionnaire and signed our Code of Conduct	25%	33%	32%

In 2024, we conducted two supplier audits, covering ISO 9001, ISO 14001, and ISO 50001-related topics. Additionally, we have developed principles for supplier pre-assessment, evaluation, and auditing. A supplier management process has been agreed upon. We also established the criteria for identifying our preferred suppliers, of which we currently have 74. These suppliers undergo our own evaluation. Supplier auditing is a time-consuming and ongoing process, which will continue in the coming years. In addition to the self-assessment questionnaire, we require all our suppliers to sign the Code of Conduct.

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 essential for every business – including ours. We learned this the hard way when we faced a cyberattack in 2023. It made us realize that cyber threats are everywhere, not just here in Estonia, but around the globe.

Surprisingly, many companies avoid talking about such incidents. At Estanc, we believe that acknowledging these challenges head-on is the first step toward resolving them. Transparency allows us to learn, improve, and strengthen our defenses.

Following the attack, we took major steps to overhaul our digital infrastructure. We partnered with cybersecurity experts to conduct a thorough assessment and implement recommendations for a more secure setup.

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 continuous training programs and simulated phishing exercises, we ensure our employees are well-equipped to recognize and respond to potential threats.

Cybersecurity is a critical priority for Estanc, especially as cyberattacks become more sophisticated and targeted. A key element of prevention is raising employee awareness. That's why, a year ago, we adopted Telia's cybersecurity training platform and launched regular simulations and workshops.

OVER THE PAST YEAR:

- 1,800 phishing simulations were sent to employees to test their awareness.
- While the majority responded correctly, fraudulent emails were still clicked 89 times.
- This results in an average click rate of 4.84%, closely aligned with the global average of 4.9%.

TO FURTHER IMPROVE AWARENESS:

- 761 training courses have been completed.
- On average, each employee has taken part in eight training sessions.

Despite good participation, phishing emails are still clicked too often. This highlights the ongoing need to take cybersecurity seriously and continue strengthening our individual and collective vigilance.

Particular attention should be given to phishing schemes involving compromised accounts, which have proven to be the most effective. Tailored, role-specific training for high-risk employees will also help reduce exposure and improve overall awareness.



In addition, we have conducted several comprehensive audits covering our networks, servers, and workplaces. The results of these audits, both internal and external, have provided us with valuable input for further strengthening our security. We have systematically addressed all critical and warning-level findings and plan to continue regular audits, as well as implement necessary corrective actions based on their outcomes.

We also carried out a thorough internal security assessment. Overall, we were satisfied with the assessment results, but we identified some valuable improvement opportunities. These results have formed the basis for enhancing systems and security policies planned for the next period, allowing us to stay one step ahead of constantly evolving cyber threats.

At Estanc, cybersecurity is not merely an obligation but a core priority. We're committed to taking strong, proactive steps to protect our digital environment and valuable assets. By promoting transparency, staying vigilant, and implementing robust security protocols, we are building a more reliable and secure future for our business in the digital age.

	2021	2022	2023	2024	Goal
New office employees trained in cybersecurity	100%	100%	100%	100%	100%

