

Code of Ethics and Principles of Conduct





What we value

VKG's values are the best representation of our spirit and energy, helping us to set goals and guiding our decisions, actions and communications.

OPENNESS

We promote transparency, diversity and new perspectives.

DEDICATION

We work together as a single team, sharing knowledge and helping each other achieve success. We respectfully collaborate with our business partners, the local community and society to further earn their trust.

PROGRESS

We're curious, innovative and business-focused, constantly striving to do better. We are forward-thinking, looking for opportunities and managing risks. We invest in our people, develop our technologies and continue to contribute to a positive working environment.



Dear colleague,

This Code of Ethics and Principles of Conduct is our foundation for conducting business based on ethical standards. It reflects our values and our belief that acting ethically and transparently is not only the right thing to do, but the only way to do it. The Code contains mandatory requirements for all those who work for Viru Keemia Grupp. I invite all our employees to review the Code and to follow it in their daily work.

Our industry is undergoing fundamental changes. We are facing a new reality in geopolitics, in energy markets and in our own industry, down to the climate. All this will undeniably affect our reality and our future. Nonetheless, our position on ethical standards in business remains steadfast.

Our Values and Principles of Conduct are the foundation of the Code that, by defining the way each of us behaves, enables us to remain a strong and trustworthy company. I hope that, guided by this Code and by common sense, it will be possible to find a dignified solution to a difficult situation and make the right decision.

Employees are asked to contact their direct manager if necessary or to use the feedback channels available within the Group. If you suspect a breach of the Code, please be sure to let us know. VKG will treat your complaint with the utmost seriousness and will not allow any retaliation against the person who has brought the problem to our attention.

Now more than ever, it is important to strengthen our position as a trusted partner among our people, business partners, local community and authorities. The Code is one of the tools that will enable us to gain and maintain this trust and remain a sustainable and competitive company in the future.

Ahti Asmann

Chairman of the Management Board of Viru Keemia Grupp

A handwritten signature in black ink, appearing to read 'A. Asmann', positioned to the right of the printed name and title.

Who is the Code for?

The requirements of the Code apply to all employees and managers at any level.

What does it mean for the manager?

- Demonstrate by your behaviour what it means to act in accordance with our Code of Conduct, set a good example and support your employees:
 - support the creation of a mutually respectful and non-discriminatory environment;
 - motivate employees to express their views;
 - listen and respond to feedback.
- Be consistent in ensuring compliance with our standards and in holding people accountable for behaviour that does not comply with the Code of Ethics.
- Introduce the principles and basic requirements of the Code to your staff and provide advice on its interpretation and implementation

What does it mean for the employee?

- Safety first – act safely and demand it from others, colleagues and partners alike. Don't accept being asked to behave in a dangerous way, and report it.
- Approach difficult decisions responsibly and without haste and raise issues in a timely manner. Wrong decisions are often made when everything has not been properly thought through and you are forced to decide in a hurry.
- In the event of a discrepancy between the applicable legal order and the Code, the strictest requirement should prevail.
- Every member of the staff is required to review the Code of Ethics. You can find the full version of the Code of Ethics on our website, on our intranet and in the personnel department. A short summary of the Code is issued to each staff member when they are hired.



Let us know!

The Code has been written in such a way as to be as clear and precise as possible, but it cannot take into account all the situations that may arise. We encourage open dialogue at all levels – so if you're not sure how to act in one situation or another, ask for advice.

If you suspect a possible breach of the Code or other unethical behaviour, you must report it immediately. This includes any corruption attempts or risk situations of which you are aware. Naturally, no punitive action will be taken against the person who reports the problem or the violation. If you are aware of or suspect that someone has suffered as a result of such action, be sure to report it.

Your feedback is very important. However, we understand that it is not always easy to report a problem, which is why we have a number of channels for doing so.

How to report it?

- If you become aware of any activity that you consider to be a breach of the Code, report it to your direct manager.
- If for any reason you cannot discuss the situation with your direct manager, talk to your manager's supervisor or the HR manager. You can also contact the legal department.
- If you find it inconvenient to use any of these channels, you can report your concerns to the hotline by calling **334 2819** or by sending an e-mail to **vihje@vkg.ee**. The anonymity of the person making the report will be guaranteed.
- You can use the same channels to ask any questions about compliance with the Code.
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Consequences

We have zero tolerance for breaches of the Code or the law. Details of any possible illegal behaviour will be investigated through a company audit or with the help of other relevant internal and external experts. Measures and sanctions will be taken in accordance with the findings. The same principle applies to management who ignore or tolerate wrongdoing through negligence or on a factual basis. Measures to remedy the situation may include termination of the employment contract and notification of the relevant authorities.

Breaches of ethical standards are recorded and dealt with individually.

Give us a hint:
vihje@vkg.ee

Call us:
334 2819

Ask for advice:

Tea Allikmäe
Personnel Manager
tea.allikmae@vkg.ee
520 1081, 334 2703



Erik Möttus
Head of Legal
Department
erik.mottus@vkg.ee
507 7936



**General
questions about
the Code:**
eetika@vkg.ee



Our principles of conduct

Respect each other

Politeness and respect are the building blocks of a healthy working environment and business relationship. Everyone you encounter at work or in work-related activities must be treated with respect. We will not tolerate verbal or physical behaviour that offends others, disrupts their work or creates a hostile working environment. Mental and physical violence of any kind is unacceptable!

What does this mean for you?

- Treat everyone fairly, respectfully and with dignity. Remain polite in all situations and be honest with your counterpart.
- Help create a working environment free from all forms of harassment.
- Never engage in workplace bullying, mockery or violence, or behave in a way that may be perceived as threatening or degrading by colleagues or business partners.
- Offensive messages, demeaning remarks and inappropriate jokes are unacceptable.

Equality and diversity

We are confident that the key to

success is a professional and well-functioning team. It is only by working as a team that we can achieve the goals we set ourselves and maintain our competitive edge in a volatile and rapidly changing market. We value teamwork that is based on trustworthy relationships.

Every employee is an important member of the team. We treat everyone fairly, with respect and dignity. We do not tolerate any discrimination against colleagues or others.

Discrimination is defined as any difference in treatment, exclusion or favouring based on race, gender, age, disability, sexual orientation, religious or political beliefs, national or ethnic origin or any other attributes which undermine the principle of equal treatment.

What does this mean for you?

- Base your job-related decisions on a person's competence, but not on other characteristics that put the principle of equality at risk.
- Encourage colleagues to express their views, and take their opinions into account.
- Respect intercultural differences.

Safety and security

Zero harm is Viru Keemia Grupp's safety concept. Our goal is to ensure a safe and secure environment for all personnel at all workplaces within the Group. In this context, safety means the prevention of all accidents and incidents involving people, the environment and property. We are constantly working to improve and enhance safety and the environment.

What does this mean for you?

- Safety is everyone's responsibility and right.
- You must understand your responsibilities and act accordingly to help create a safe and secure working environment.
- Stop working immediately if you think it is dangerous.
- Report any incident or dangerous situation as soon as possible.
- Know your workplace emergency plan.
- Know and follow the 9 life-saving rules of the Group.

Environment

We will do our utmost to avoid damage to the environment and to use natural resources as efficiently as possible. We actively work to reduce our footprint and comply with all relevant environmental laws and regulations.

What does this mean for you?

- Consider the potential impact of our activities on the environment and keep this in mind when making work-related decisions.
- Remember that your decisions and timely action can have an impact on the city's environmental quality of life and our image (unpleasant smells, dust, noise, etc.).
- Actively promote the efficient use of resources, the reduction of carbon emissions and the prevention of environmental damage.

Protection of personal data

We make every effort to protect the confidentiality rights of our employees, business partners, consumers and other stakeholders. We respect the privacy of our employees and take an interest in their activities outside working hours only when there is a threat to the Group's reputation or legitimate business activities. We use personal data only for the performance of our work, to comply with legal requirements and for other purposes set out in the Procedure for Personal Data Processing, in line with personal data protection principles. Personal data are processed in accordance with the company's Procedure for Personal Data Processing.

What does it mean for you?

- Handle personal data as confidential information and treat it accordingly.
- Respect the confidentiality of your colleagues. If your work involves processing data that permit the identification of persons, make sure you are familiar with and comply with our internal personal data processing requirements.

If you have questions, contact:

Equal treatment

Tea Allikmäe
Personnel Manager
tea.allikmae@vkg.ee
520 1081, 334 2703



Protection of personal data

Teele Parts Data
Protection Specialist
teele.parts@vkg.ee
5626 6609, 716 6609
(VKG Elektrivõrgud, VKG Soojus)



Tea Allikmäe
Personnel Manager
tea.allikmae@vkg.ee
520 1081, 334 2703
(all other Group companies)



Safety and security

Ksenia Moskvina
Safety and Quality
Manager
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5685 7456, 334 2541



Environment

Erika Sulg
Head of Environmental
Department
erika.sulg@vkg.ee
5649 4980, 334 2794





Organising our work

The fight against corruption

Corruption undermines legitimate business, distorts competition, damages reputations and puts businesses and individuals at risk. We have zero tolerance for any form of corruption, including bribery, facilitation payments and payments for influence peddling. We comply with all applicable anti-corruption laws and regulations and take active measures to prevent corruption in VKG's business activities.

Transparency is crucial in the fight against corruption, so we conduct the Group's business in an open and transparent way.

What does this mean for you?

- Never offer or accept bribes or other illegal payments, including the so-called facilitation payments .
- Never offer or accept an unlawful advantage. An unlawful advantage is an advantage that has no legitimate commercial purpose and is intended to influence a decision.
- Know your business partner, adhere to our principles of honesty,

and do not involve others in actions we ourselves cannot do for ethical or legal reasons.

- Avoid unfair competition – do not enter into agreements with competitors to fix prices, make fictitious offers, share customers and/or limit the supply of goods and services.
- Keep accurate accounting records and maintain accounting documentation in order to reliably record payments and to avoid the use of the Group's funds for illegal purposes.
- Take part in the necessary anti-corruption training and try to understand the risks you face in your work.

Conflict of interests

Conflicts of interest can arise when your personal interests and VKG's interests diverge, and this can prevent you from making the right decision based primarily on the interests of the Group.

We expect you to always act in VKG's best interests when representing the Group.

What does this mean for you?

- Remember that conflicts of interest can arise in a wide variety of situations. For instance:
 - if you are personally involved with competing businesses, customers or suppliers;
 - participation in any VKG-related transactions by you, your spouse, a close relative or any other person with whom you or they have a close relationship or in which you have any financial interest;
 - working with close relatives, spouse/life partner who may have an influence on salary decisions, performance assessments and promotions;
 - participation in the work of another organisation's supervisory board;
 - participation in a procurement decision-making process involving your close relatives is a clear conflict of interest. Report it and do not take part in such a decision-making process.
- An apparent conflict of interest, i.e. a situation where a person has a private interest but is not directly involved in decision-making, etc., must also be avoided. Also, if this occurs, be sure to report it.

- Inform your direct manager of situations that could lead to a conflict of interest or leave an impression of such a conflict. Having this information will help to deal with the situation more effectively.

Prevention of money laundering

Money laundering facilitates crime, including drug trafficking, terrorism, corruption and tax evasion. Money laundering is the process of legalising the proceeds of crime in order to conceal their illegal origin. The proceeds of crime include not only money but also all forms of criminal assets, real estate and intangible property. We comply with all laws against money laundering.

What does this mean for you?

- VKG does not accept cash payments.
- If you are offered a way to pay for goods or services other than a normal bank transfer, contact your direct manager or the Legal Department.
- Contact the Legal Department for advice if you need a better understanding of money laundering issues and ways to reduce the risk for the Group.
- Get to know your business partners and make sure they comply with our business ethics requirements.

- Let us know of your suspicions.

Reliability of financial and business information

In our own operations, we are transparent and honest, and present information that is complete, true, accurate and understandable in the Group's financial statements and in the documents submitted to the supervisory bodies and other public announcements.

What does this mean for you?

- The data and information you provide to the finance and accounting departments must be accurate, complete and reliable. This includes both financial and non-financial information, such as environmental information and management reports.
- All transactions must be approved, recorded and recognised in accounts in accordance with requirements.
- Comply with applicable laws and the Group's internal requirements when creating, accounting for, storing and destroying documents, including electronic documents.
- Never submit/enter false, misleading or artificial entries. Any intentional act that results in a material distortion of our financial statements may be considered fraud.

- Always take extra care when preparing business, management or financial statements to ensure that we provide complete, true, accurate and understandable information in all our reports and public communications.

Group's assets and IT systems

Employees are responsible for the safekeeping of VKG's assets (production facilities, funds, property and equipment, computers, information systems, software, data). Misuse of the Group's assets for personal purposes, including unauthorised use for personal gain, is prohibited. Unauthorised acquisition of the Group's assets (tangible, intellectual, information) is considered theft.

The use of our IT systems must be based on the Group's business needs. The information created and stored in the Group's IT systems is the property of Viru Keemia Grupp and can be accessed in accordance with applicable legislation. Cyber-attacks and malicious activities represent a constant threat to the Group, and the use of IT solutions and computer equipment is monitored to identify them. This includes blocking access to inappropriate websites and intercepting any information transmitted or stored in our IT systems.

What does this mean for you?

- Make sure that the documents (instruments of delivery and acceptance, purchase invoices, etc.) used to obtain the Group's funds and assets are accurate and complete. Inaccurate or unsubstantiated documents may be considered as fraud.
- Use the Group's assets and resources honestly and responsibly and avoid damaging, misusing or losing them.
- Keep your usernames and passwords private.
- Follow the rules for the professional use of computer equipment, phone, e-mail and internet access, which are all regularly checked to ensure protection against cyber-attacks and malware.
- Protect information by being extra careful when handling confidential and secret information. Use encryption where necessary and share information only with authorised persons. Do not disclose information in open forums or social networks.
- Demonstrate vigilance against cyber-attacks and fraud, including phishing, and promptly report any incidents, including possible or actual loss of

information or property belonging to the Group.

- Protect the Group's intellectual property and respect the intellectual property rights of others.
- Keep electronic files and archives tidy.
- Do not use our IT systems for illegal or unethical activities, including uploading, posting or publishing offensive material.
- Respect the copyrights of the creators of the computer software and comply with the terms of software licences.

If you have questions, contact:

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5342 5889
334 2339



Maksim Dmitrijev

Computer Network
Administrator
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5629 6513



Information and confidentiality

In the course of our business, we receive and create new information that is vital to our financial and commercial honesty. At the same time, such information can be valuable to competitors and other interested parties. We protect the information we create or receive to ensure its proper confidentiality and integrity. Sharing information within the organisation is important for collaboration, efficiency, and knowledge transfer, but the transmission of and access to information must comply with laws and internal rules of procedure.

What does this mean for you?

- Do not use any information obtained as a result of your work for personal gain or to compete with Viru Keemia Grupp.
- The confidentiality obligation set forth in your employment contract will remain in effect also after you leave VKG.
- Make every effort to ensure that corporate information does not leak beyond the Group.



Business partners

We work with our business partners in an honest, respectful and responsible way. We are a trustworthy company. Our principle is that competitive advantage must be based on the value we provide to our customers, not on unethical or illegal practices.

Good, strong relationships with suppliers and business partners

Suppliers and business partners play a key role in the success of VKG's business activities. It is for this reason that we choose our business partners carefully and objectively.

As our suppliers and business partners may also pose a threat to the Group's reputation and operations, we expect them to comply with applicable laws and internationally recognised human rights.

We cooperate with partners who share our commitment to working in safe ways and comply with business ethics and legislation.

What does this mean for you?

- Before any business relationship is established or changed, a background check is carried out on the potential partner. If necessary,

the Legal Department will be involved in the process.

- Communicate our expectations to suppliers and business partners, if possible in the form of a contract. Take appropriate action if these expectations or responsibilities are not met.
- Report any unlawful activities of a supplier or business partner to your manager or use another channel provided in the Code.
- Know and comply with the VKG requirements for suppliers set out for your unit, including requirements for contracts concluded with state organisations and joint ventures.

Fair competition

We believe in the benefits of free competition, and that is why Viru Keemia Grupp competes fairly and ethically and complies with all competition rules. We will not

cooperate with or accept anyone who engages in anti-competitive practices such as price fixing, bid rigging, market division or abuse of market power.

We participate in collaborative legal projects with other companies and share information necessary for such projects. It is important to avoid disclosing excessive non-public sensitive business information to competitors when engaging in legal cooperation. Confidential business information includes information that can reduce uncertainty about future market behaviour, such as prices, competitive bids, business strategies, costs, customers and suppliers.

What does this mean for you?

- Don't enter into anti-competition agreements or allow anti-competitive behaviour, such as agreeing prices with competitors or dividing markets by territory, products or buyers.
- Never share confidential business information with competitors. Be vigilant in situations where such information may be exchanged and prevent the disclosure of such information by others.
- Competition laws are complex and often require a detailed assessment of the facts. If you are in any doubt, contact the Legal Department for advice.

Recommendations on receiving gifts and participating in promotion events

We do not accept or give gifts, nor do we participate in promotion events for the purpose of influencing the objectivity of any decision or in exchange for contracts, services or confidential information.

Making or receiving gifts can in some cases be considered corruption, and we have strict limits on when we allow gifts and recognitions to be given or received. Generally, we do not give or accept gifts, except for promotional products.

The value of an accepted gift may not exceed 50 (fifty) euros. If possible, the accepted gift should be shared with colleagues.

We will only organise or participate in promotion events if there is a clear business reason for VKG to do so and the related costs are reasonable. The Group will only pay employee expenses related to business trips – accommodation and other associated costs. We can pay the costs of promotion events on behalf of others only in exceptional cases and with the prior agreement of the Group's Management Board.

What does this mean for you?

- Do not offer or accept gifts other than promotional souvenirs. The value of any gift accepted must not exceed 50 euros.
- Before accepting or giving a gift, make sure it meets our requirements.
- Some gifts and promotion events are categorically unacceptable as they may be illegal or damaging to the Group's reputation. For instance, any gift or promotion event that could be considered as a bribe, something indecent or inappropriate is unacceptable.
- Ask yourself what others think about accepting or giving a gift, and never offer or accept anything that is or could be perceived as an inappropriate advantage.
- Make sure that all promotion events are transparent and properly documented.

If you have questions, contact:

Erik Möttus
Head of Legal
Department
erik.mottus@vkg.ee
507 7936





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What does this mean for you?

- Actively identify opportunities related to our activities that can help create local value through employment, procurement, and development of potential.
- Consider how communities influence our activities and how our activities influence communities, and take this into account when making business decisions.
- Make sure that social support for projects is in line with our anti-corruption requirements.

Respecting human rights

Human rights can be subdivided into civil rights and liberties, as well as political, economic, social and cultural rights. Rights cannot be rated, as they are all equally important. The basic human rights are: the right to life; freedom of thought, conscience and religion; freedom of

opinion and expression; freedom to travel; the right to work; the right to an adequate standard of living; the right to rest and leisure; the right to education.

Viru Keemia Grupp operates in compliance with human rights and with respect for human dignity

What does this mean for you?

- Report all violations of human rights committed by the Group and its business partners.

Public relations and protecting our reputation

We believe that open, consistent and honest communication is one of the most important tasks when working with the public. The Group has authorised spokespersons who can communicate with the media and make statements on behalf of Viru Keemia Grupp, including on social media.

Any private use of social networks must not violate confidentiality obligations or jeopardise the Group's reputation or business interests.

What does this mean for you?

- Unless you are authorised to do so, do not post comments on behalf of VKG without prior agreement. Media enquiries will be directed to the Public Relations Department.
- For advice, contact the Public Relations Department, whose staff are authorised to communicate with the media.
- If you're active on social networks, use common sense and show respect for your colleagues.
- Remember that your posts and comments on social networks may be taken as the Group's viewpoint and may negatively affect VKG's reputation.
- Before accepting invitations to speak at external events (seminars, conferences, discussion panels, etc.), obtain the necessary approvals (from the direct manager, inform the Public Relations Department), including on the content of presentation materials and speeches.

If you have questions, contact:

Irina Bojenko

Public Relations
Manager

irina.bojenko@vkg.ee
523 2700, 334 2702



Political activity

The Group does not make gifts, donations or otherwise support political parties or individual politicians. We may, however, be members of interested organisations that have a connection with our industry and that support political parties or particular policy issues. Lobbyists are hired in compliance with applicable laws and regulations and on the condition that they are disclosed to any external party they wish to influence, and that such party is aware that the lobbyist represents the interests of Viru Keemia Grupp.

Employees have the right to take part in political activities in a private capacity, including making personal donations for political purposes, but with a clear

distinction between their political activities and their work for the company.

What does this mean for you?

- Do not use the Group's funds or resources to support political candidates or parties. Never use your position at VKG to try to influence someone to make political donations.
- Any lobbying must be agreed in advance with the Group's Management Board.
- Ensure that all contracts with lobbyists include an obligation to disclose to any external party they wish to influence that the lobbyist represents VKG's interests.
- Discuss with your direct manager where personal political activity could cause a conflict of interest with VKG, for instance, if an employee or a close relative intends to assume or run for a position at a state institution.
- If you decide to participate in political activities or make any public donations, it must be personal and not related to VKG.

