



# TALLINNA VESI'S GUIDING PRINCIPLES

JANUARY 2025

# ABOUT US



Tallinna Vesi is the largest water company in Estonia, providing water and wastewater services to almost a third of Estonian population. We provide services to more than 25,000 private and business customers and nearly 500,000 end users in Tallinn and surrounding municipalities. We have a responsibility to provide consumers with high quality drinking water, to ensure its continuous availability and to collect and treat wastewater and stormwater in an environmentally friendly way.

The Tallinna Vesi Group owns a subsidiary Watercom OÜ, which is engaged in activities related to the maintenance and construction of water and sewer pipelines and road construction. The operations of the subsidiary provide day-to-day support to the parent company's core business.

We recognise that by providing a service that meets all the requirements, we impact the quality of life not only of the people who live in Tallinn and its neighbouring areas, but also in the entire Baltic Sea region.

It is therefore important to consistently and systematically apply this knowledge in management decisions and in the day-to-day operations of the company. This means that our governance takes into account the impact of our business on the surrounding environment and the interaction with the interests of various stakeholders.

The purpose of the Guiding Principles is to provide a clear framework across the Group of what we value and how we shape the decisions we make across the business.



Ülemiste Water Treatment Plant



Paljassaare Wastewater Treatment Plant



# ENVIRONMENT

- We work towards improving the water status of the Baltic Sea, which is sensitive to the impact of human activity.
- We are committed to actions that take us towards the ambitious goal of becoming climate neutral and help preserve the living and natural environment around us in the face of climate change.
- We ensure sustainable use of water resources in providing water services.
- We find ways to implement the principles of the circular economy, reduce waste generation and maximize the recycling of waste streams.

# SOCIAL RESPONSIBILITY

- As a socially responsible company, we value our employees and are committed to continuous development and ensuring a safe working environment.
- Workplace safety is an integral part of our business and central to everything we do, and we do not compromise on it. We are committed to ensuring the health, safety and wellbeing of our employees and suppliers. We provide a safe, positive and supportive working environment that promotes health and wellbeing at all stages of the work process.
- We work to ensure that the public water supply and sewerage systems function around the clock, without interruption and in accordance with all requirements and quality standards.
- We provide professional and personalized advice, take a proactive approach and understand our customers' needs. It is important for us to help customers solve their problems, to keep them informed and to deliver on our promises.
- We support our community and take an active part in community activities directly or indirectly related to our business. We believe it is important to raise environmental awareness and emphasize the role of tap water as a clean, environmentally sustainable and affordable source of drinking water.
- When recruiting, we ensure that the organization employs the optimum number of motivated, competent and skilled people who fit into the team and contribute to the long-term success of the organization.
- We ensure that our employees receive ongoing training and development to keep their skills and knowledge up to date with the demands of the job, and we support their development as they progress in their careers.
- We implement incentive schemes, including monetary rewards, recognition and development opportunities, to keep employees committed and involved.

# GOVERNANCE

- We adhere to recognized management systems and high ethical standards, ensuring transparency and open communication with our stakeholders.

We work towards improving the water status of the Baltic Sea, which is sensitive to the impact of human activity.

- We reduce the amount of pollutants and nutrients discharged to the Baltic Sea by applying modern wastewater treatment technologies and best practices.
- We deploy smart solutions and technologies to protect the living and natural environment around the Baltic Sea.
- We share knowledge with the community and partners to develop sustainable practices.
- We follow and meet the requirements that apply to us and strive to do more than is expected of us.



We ensure the sustainable use of water resources in providing water services.

- We use water resources sustainably, keeping in mind that groundwater must be equally available for future generations.
- We look for ways to reduce the amount of water we use in our processes and to reuse process water used in our operations.
- We work to reduce and quickly identify water losses in drinking water networks, thereby improving resource efficiency of the company.

We are committed to actions that take us towards the ambitious goal of becoming climate neutral and help preserve the living and natural environment around us in the face of climate change.

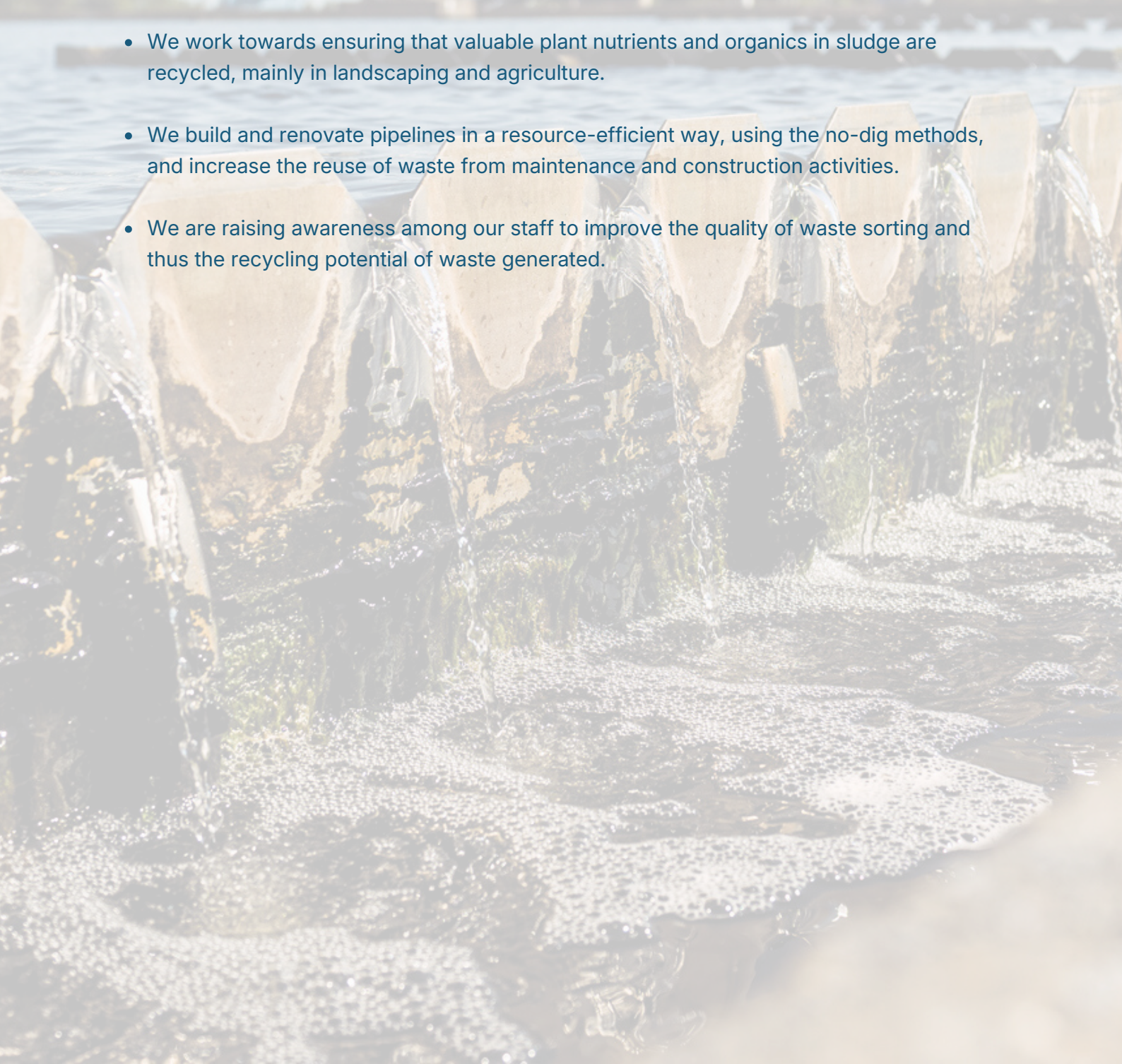
- As an energy-intensive company, we look for ways to use energy generated in our processes and we primarily use energy from renewable resources.
- We work with partners to reduce greenhouse gas emissions from our supply chain and promote sustainable practices.
- We prefer vehicles that reduce our environmental footprint when renewing our fleet and plan our logistics using sustainable working practices and modern solutions.
- We analyse technological developments to find solutions that help us reduce emissions from wastewater treatment processes.
- Short-term, localized and intense rainfall events caused by climate change will pose challenges for urban drainage, which we will address with intelligent real-time monitoring systems.
- We are pioneering the adoption of nature-friendly stormwater solutions in the development of separate stormwater systems.
- We are preparing for more frequent extreme weather events in the future by planning and building alternative ways to channel water away from the city.

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We find ways to implement the principles of the circular economy, reduce waste generation and maximize the recycling of waste streams.

- We work towards ensuring that valuable plant nutrients and organics in sludge are recycled, mainly in landscaping and agriculture.
- We build and renovate pipelines in a resource-efficient way, using the no-dig methods, and increase the reuse of waste from maintenance and construction activities.
- We are raising awareness among our staff to improve the quality of waste sorting and thus the recycling potential of waste generated.



We work to ensure that the public water supply and sewerage systems function around the clock, without interruption and in accordance with all requirements and quality standards, and we promise our customers that:

- we will respond to any issues related to drinking water quality or pressure no later than the next working day,
- we will clear blockages on public sewer system within 12 hours at the latest,
- we will respond to any matters related to sewer floodings within 4 hours at the latest,
- we will ensure that water interruptions (either emergency or planned) do not exceed 24 hours,
- we will restore the water supply by the time we promised or sooner, in case it is a planned interruption,
- we will make alternative supplies available to consumers (temporary connection or water tank in the area of interruption) that meet the drinking water quality standards for any interruption lasting more than 5 hours.

We work to ensure that vital services are available at all times.

- We regularly assess the risks that could lead to a service disruption, reducing the magnitude or likelihood of their impact.
- We have effective crisis plans in place and carry out regular crisis exercises and training sessions.

# SOCIAL RESPONSIBILITY

We provide professional and personalized advice, take a proactive approach and understand our customers' needs. It is important for us to help customers solve their problems, to keep them informed and to deliver on our promises.

- We inform customers at least 5 days in advance of any planned interruption to the water supply and its duration.
- We respond to requests for information that we receive within 2 working days and to complaints within 10 working days at the latest.
- We believe that through stakeholder involvement and open and honest dialogue, we can continuously improve our services, quality and working practices.
- We are committed to the principle of continuous improvement by regularly asking our customers for feedback.



# SOCIAL RESPONSIBILITY

We support our community and take an active part in community activities directly or indirectly related to our business. We believe it is important to raise environmental awareness and emphasize the role of tap water as a clean, environmentally sustainable and affordable source of drinking water.

- We are working to ensure that water services are available to all residents in our service area by building new connections.
- We ensure that tap water is affordable for everyone in the community.
- We are raising people's awareness of the sustainable use of water and water-related environmental issues.
- We collaborate on sustainability initiatives and regularly share our experience with other organizations.

# SOCIAL RESPONSIBILITY

As a socially responsible company, we value our employees and are committed to continuous development and ensuring a safe working environment.

- We believe in and invest in having dedicated and competent people in our team.
- We make sure that our guiding principles in HR help the organization to retain good employees and create a positive, effective and safe working environment.



When recruiting, we ensure that the organization employs the optimum number of motivated, competent and skilled people who fit into the team and contribute to the long-term success of the organization.

- We assess the candidate's fit with the organization's culture, values and team dynamics.
- We ensure sure that the selection process is objective and fair.
- We give feedback to candidates, whether they get the job or not.
- We fill vacancies with a policy of giving preference to employees from within the organization to ensure their development.
- We will give preference to a candidate of the under-represented sex if the shortlisted candidates are equal in terms of their qualifications.

# SOCIAL RESPONSIBILITY

We ensure that our employees receive ongoing training and development to keep their skills and knowledge up to date with the demands of the job, and we support their development as they progress in their careers.

- We ensure that training supports the achievement of business objectives, while promoting staff development and improving the quality of our service.
- We ensure that every employee has an induction programme and a designated supervisor when they start work.
- We contribute to staff development by supporting refresher training. Where possible, we will offer retraining in the event of a structural change, so that the employee can continue working in another part of the organization.
- We give employees opportunities to achieve professional fulfilment and develop their careers within the company.



# SOCIAL RESPONSIBILITY

The company employs people of different ages and nationalities who perform very different types of work. This enriches our staff with a wide diversity of experiences and knowledge.

- We believe it is important for all our employees to be involved in the company's activities and important issues, and we respect and treat each employee equally, regardless of their background.
- We raise awareness of diversity issues among our staff and make sure that these principles are respected.
- We promote gender balance in the organization to create a more inclusive working environment.

We implement incentive schemes, including monetary rewards, recognition and development opportunities, to keep employees committed and involved.

- We support the policy of annual performance-related pay for employees who meet company and individual targets.
- We regularly take part in salary surveys to compare the company's salary levels with the labour market.
- We ensure fairness within the company through salary ranges.
- We conduct annual employee satisfaction surveys that help us to understand how satisfied our employees are with their working conditions, management, colleagues and organizational culture.
- We believe it is important to have an open and supportive working environment, and we promote teamwork and cooperation.
- We are flexible in our working arrangements, allowing time off and longer leave than the law requires for family occasions. We work to make our company family-friendly.

# SOCIAL RESPONSIBILITY

Workplace safety is an integral part of our business and central to everything we do, and we do not compromise on it. We are committed to ensuring the health, safety and wellbeing of our employees and suppliers. We provide a safe, positive and supportive working environment that promotes health and wellbeing at all stages of the work process.

- We follow all the requirements, laws and rules that apply to us. We do more than we are required by law and follow internationally recognized best practice.
- We regularly monitor work-related risks and take the necessary measures to prevent and minimize these risks.
- We make sure employees and suppliers are aware of the risks and follow safety requirements.
- We promote the mental and physical health of our employees by offering health insurance and organizing events and training sessions to promote their wellbeing.
- We ensure that all employees receive comprehensive health and safety induction, including an introduction to risk assessment, the correct use of personal protective equipment, the use of equipment, and on-the-job training.
- We carry out regular internal safety inspections to ensure that all employees comply with the company's health and safety rules.
- Accidents and incidents are recorded and thoroughly investigated to determine the causes and prevent similar occurrences.
- We involve employees in health and safety promotion planning and activities.
- We support work-life balance by offering flexible working conditions for employees, depending on the nature of their work.
- We work with our partners to ensure that health and safety requirements, as required by law and as set out by the company, are met on all construction and repair sites. We conduct regular internal safety inspections at all sites to ensure compliance and the safety of our partners' employees.

We adhere to recognized management systems and high ethical standards, ensuring transparency and open communication with our stakeholders.

- We operate transparently, providing investors and the public with timely information on our business and financial performance in line with regulatory and stock exchange requirements.
- Our organisational culture is fair and transparent and we value diversity and inclusion.
- We adhere to the company's leadership principles: create clarity, lead by example, engage wisely, be open, consider others and see the big picture.
- We prefer to source goods and services from responsible partners who value environmentally sustainable and green choices and strictly adhere to business ethics.
- We make sure that conflicts of interest involving employees are avoided in the procurement process.
- We are a contracting entity operating in a network sector and our main suppliers are providers of goods, services and works, who are required to meet the same environmental, health and safety and business ethics standards as we do in order to bid for contracts.
- Our business complies with the requirements of our permits, contracts and applicable laws, and we strive to do more than the regulations require of us.
- We support the sustainable development of the water sector by calling on our stakeholders and the public at large to adopt responsible and environmentally conscious solutions.
- We protect the interests of the company by participating in professional associations to provide input to legislative initiatives affecting our business.
- We advise and provide annual training to our organization members on the company's guiding principles on business ethics, data protection and insider rules, continuously raising awareness among our staff and preventing potential breaches.
- We integrate the company's ESG goals and targets into the company's annual targets.
- We regularly engage with stakeholders who shape the trends in the water business and the price for water services.