

SUSTAINABILITY REPORT 2019

AS ESTANC

POST- INDUSTRIAL INDUSTRIAL COMPANY



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CHIEF EXECUTIVE STATEMENT

PRIIT HALDMA

I am pleased to reaffirm that AS Estanc will continue to support the Global Compact and renew the company's ongoing commitment to the initiative and its principles.

2019 was a year of communication, progress, and action for us. We created a Sustainability Strategy that involves all departments. We can have a bigger positive impact when we work together and for the same goal, inside and outside the company.

We are supporters of a multicultural workplace and have **employees from over 12 different nations**, which is a substantial number taking that we only have **150 people working** at Estanc. We have a **Family Friendly Employer badge** and by having happy employees we contribute to the happiness of the families as well.

We had **an energy and resource audit** to have a complete overview of our consumption and made an investment plan to cut costs and use environmentally friendly solutions.

Our efforts have not gone unnoticed. We received a special **award from the Estonian Ministry of the Environment for our environmental management** in the 2019 elections of the Estonian Environmentally Friendly Company and were selected to represent the country in the European Business Awards for the Environment which will be held in 2020.

Now more than ever, it is important to continue responsibly and in the same path, to fight the climate change. Sustainability is well-rooted into Estanc's mission, strategy, and our long-term vision.

In this Communication in Progress report we will describe what action we took in the areas of human rights, labour, environment, and anti-corruption.

OVERVIEW

Estanc is a family company owned 100% by the Tammo family. The company was founded in 1992 and by now Estanc is the biggest company in its field in the Baltics and in the Nordic countries with the **turnover of 25,4 million euros in 2019. Export makes 97% of our business.** Our clients are world leading companies operating globally in industries such as Energy, Petrochemical, Pulp & Paper, Marine, Water treatment, Mining and Wood processing Our main products are Feed Water Tanks, Heat Exchangers, Scrubbers, Steam and Condensate Tanks, Chimneys, Pipe Modules, Pressure and Non Pressure Tanks.

Estanc takes pride in being able to produce carbon- and stainless steel, steel for extremely corrosive environments and high service environments, aluminium, titanium, different alloys, duplex, clad material equipment in innumerable shapes and sizes. From 2 kg to 200 tons.

Estanc's mission is **to manufacture process equipment that supports the creation of a more sustainable world.** Recycling, renewable energy, next generation plants are just a few of our outputs. Estanc's core values lay in proficiency, honesty, developmental attitude, kindness and sustainability. The management of the company is done by triple bottom line where next to the profit, people and environment hold just an important role.

The management of Estanc has shown its dedication to sustainability through action. **Company has ISO 14001, ISO 50001, ISO 45001, ISO 9001,** and all the near future investment plans are for making the production even more resource efficient, energy saving and safer.



INTEGRATION OF THE SDG'S

Sustainability is integrated to our core business strategy and embedded into our organizations' culture. We focus our efforts in areas where we can deliver the greatest positive impact. Considering that our products help to contribute to the alleviation of some of the industry's and world's greatest sustainability challenges, the core topics we commit to are:



- We launched a **Sustainability page on our website**. In the Sustainability page we give context of what sustainability means to us, showcase our goals, and promises as well as communicate the practical steps we have implemented to reduce our ecological footprint. This page should also relate to future members of Estanc team, to whom future-oriented sustainable behaviours should be an inspiring topic and being a part of sustainability issued conversations beyond question.
- When walking in our workshop, you may notice signs stating which action have been taken under a certain SDG. For example, in our preparation hall, there is a pool where we collect rainwater for pressure test instead of using clean drinking water and we have marked it with a SDG12 sign.
- Greatest results happen when working in teams. In the beginning of 2019, we put together a team of five people from different departments to create the **A-team of Sustainability**. Our intention was to bring different views on the table to come up with creative solutions and create a **stronger culture of sustainability across the company**.

The team mapped out the steps that had been taken towards sustainability so far, set new goals and commitments through the framework of UN's Sustainable Development Goals (SDGs) and developed a Sustainability Strategy for 2019-2022. The strategy involves all departments and embeds sustainability into our core business, helping us to be even more ambitious and responsible in many areas. These SDG's are showcased in our presentations, production halls and office building to start the conversation as well as display our practices.

INTEGRATION OF THE TEN PRINCIPLES OF UNITED NATIONS GLOBAL COMPACT



HUMAN RIGHTS

- A healthy and modern working environment
- Usage of the highest quality safety equipment
- Equal treatment. Employees in the office and production have the same benefits and are treated equally.
- Communication in 2 languages for different nations: Russian and Estonian

As we have people from different nations, our communication is done in two languages, so that everyone could receive all information and are able to participate in decision making that involves their area of work.

- Free influenza vaccine free vaccination in flu season for those who wish.
- Respect for differences.

We have worked together with Estonian Human Rights Centre to promote diversity in workplace. A two-minute video where we share our story on how we benefit from diversity and why it is important to us, is found on the Human Rights Centre social media outlets.

- Creation of Estanc's Code of Conduct
COC embodies the standards that Estanc as a company sets for itself, our employees, and partners. It was issued to help ensure that we can more effectively implement our mission and take responsibility for our words and actions.



LABOUR

- We work on reducing the number of occupational accidents and conduct thorough analyses of all accidents to prevent them from happening again.
- Cooperation with mental counselling partner to offer confidential psychological counselling to all employees free of charge
- Annual internal campaigns to raise employee awareness and facilitate a healthy lifestyle.
May 2019 – Mission Day. Built a village square for local community, planted over 50 trees, engaged with local community and spread the word for a more sustainable future.
- We ensure environmentally beneficial storage conditions for hazardous chemicals.



ENVIRONMENT

- We sort waste responsibly and more than the law requires. We save up to 4000 euros per year with correct waste management.
- Energy and resource audit
We used the results of the audit to create an investment plan to make our production even more energy efficient, that would help in longer perspective to cut our costs and save the environment, for example, installing solar panels by the end of 2020.
- We buy all the electrical energy from renewable sources.
- Became free of company cars with internal combustion engine and invested in electric car and installed two charging points to our premises.
The extra charging point was installed to help increase the convenience among environmental stewardship-minded employees and visitors who are welcomed to charge their electric cars during the visit. The electricity used to charge the vehicles comes from 100% renewable sources. When it comes to fuelling our industrial equipment and heavy machinery, we switched to 100% fossil free Neste My diesel fuel and installed the fuel tank to our premises.



ANTI-CORRUPTION

- We work with other stakeholders in society to promote awareness and activities for sustainability.
(incl. clients, suppliers, other representatives/unions of the sector and companies, policy makers, regulators and local governments, research organisations, universities, media, non-governmental organisations)
- We are transparent in our communication and reporting.
We were visited by many businesses and institutions, amongst others, the Swedish Institute, Rohetiiger, Estonian Association for Environmental Management etc, to learn from others and share our knowledge in sustainable approaches and practices.
- We believe in co-operating rather than competitive society we are pleased that the interest taken in our company is so big. Imperceptibly we have become in way an example of a sustainable business and we hope to encourage others to follow.