

People management policy of Eesti Energia

Category	Resolution of the management board
Scope	Group
Valid from	
Related documents	Principles of organising the management of Eesti Energia Group Principles of performance management at Eesti Energia Remuneration, Employer's Offer and Acknowledgment in the Eesti Energia Group Principles of employee development at Eesti Energia Group Recruitment and selection principles of Eesti Energia Group Eesti Energia Group Organisation of Work Rules
Owner	Employee experience unit of Eesti Energia AS

I. Objective

The aim of the people management policy is to have a common understanding of management and to value employees.

II. Roles and areas of responsibility

Employee experience unit – responsible for preparing and developing the Group's people management policy and strategy.

Managers – responsible for implementing the Group's people management policy.

III. Introduction

Engaged employees are the greatest asset of Eesti Energia. Employees create value for the customer and the environment, and fulfil the expectations of the owner.

Eesti Energia is an international energy company. We operate on the energy markets of the Baltic countries, Finland and Poland. Our ambition is to offer our customers useful and convenient energy solutions and to produce energy in an increasingly environmentally friendly manner. This is how we contribute to making the world cleaner. Our employees are united by the desire to do impactful work. On a daily basis, we are guided by the core values of the company: beneficial to customers, growing value, complex things made simple, it depends on me, safety above all.

The people management policy of Eesti Energia is an integral part of the company's strategy. We are guided by the principles of good governance of an organisation and the laws of the home markets. This is how we ensure that the company reaches its goals.

Each manager is responsible for high management quality. A manager's role is to be strategic and to be the leader of the team and change. Success is ensured by being considerate of all parties

simultaneously. The joint ambition of the supervisory board and the management board is to develop and manage Eesti Energia in a way that can be a good example for all other Estonian companies. The engagement of the employees of Eesti Energia exceeds the average of the Estonian industry and service sector. Our managers are the role models in terms of meeting ethical requirements, and our core values and management principles are part of their work philosophy. Each manager is a brand ambassador of Eesti Energia, who carries the brand of a strong employer and the stories of our reliable products on the journey to zero.

IV. The position of Eesti Energia on the labour market

The specialty and strength of Eesti Energia lies in the integral value chain that is created through the cooperation of all the employees and companies of Eesti Energia.

We are an internationally highly regarded employer. When working at Eesti Energia, we consider the interests of our customers, employees and the Group and do our best to grow the value of the Group. We are the most desirable Estonian employer of the decade and we are constantly working to stay at the top of the list of the most reputable employers. This is proof of high management quality.

Everything we do must be in accordance with the law and based on mutual respect. High standards and ethical beliefs make us an employer people want to have and keep.

V. Principles for people management

The first principle

Relevant information about Eesti Energia's progress, plans and situation is crucial for the employees on their road to success.

For professional information exchange, we have inclusive working meetings, information days and one-on-one conversations. Our digital solutions make it easy to share information quickly and flexibly. We consider our employees to be our business partners and encourage everyone to express their opinions. We believe that open two-way communication is a natural part in fulfilling the goals of the company and the employees. Timely and open information gives everyone the opportunity to contribute to topics that have significant impact.

The managers at Eesti Energia do their best to make sure that their people:

- know what the company's aspirations are and believe in the fulfilment of the company's goals
- know what is expected of them, are professional and apply their knowledge and competences to give their best every day.

The second principle

We manage the employee experience in cultural, physical and digital environments to achieve strategic goals. This is how we attract talented employees and help them focus on their strengths, develop themselves and take responsibility in achieving impactful goals. By empowering employees, we can create effective teams.

To fulfil the ambitious goals of Eesti Energia, we recruit people who have a calling. The right talents are in the right roles. Work gives people the opportunity to use and develop their inherent strengths. Everyone should be able to be the best version of themselves.

During the recruitment process, we figure out the person's suitability and motivation for the position.

An offer is made to a candidate who has all the prerequisites for further development and success in that position. We recruit and retain the best employees who share our values.

The company favours the development of its employees through internal mobility. A recruitment project to search for a new employee is only started if the existing labour resources of the structural unit cannot be used to fulfil the functions of the vacant position. Every vacant position is known in Eesti Energia and everyone has equal opportunities to apply for it. The exceptions are direct offers by management for business-critical positions.

Candidates are guaranteed confidentiality throughout the recruitment and selection process. The employee's direct manager is responsible for the selection and onboarding of the new employee.

All candidates are given information about the progress and results of the recruitment no later than two weeks after the deadline or selection activity preceding it.

The third principle

Engaged employees are our greatest value on Journey to Zero, because as a result of their dedicated activities, value is created that is beneficial to the customer and meets the expectations of the owners.

We view engagement primarily as an internal feeling that a manager can help maintain, but that is situated within an employee.

The basis for continuous commitment is the opportunity to use one's natural strengths in everyday work, to learn every day and to receive relevant feedback.

In maintaining employee engagement, we consider the following to be important:

1) We offer impactful work

The employees of Eesti Energia are united by the desire and opportunity to do work necessary for the society and the environment. Employees care about the company's ambition to become carbon-neutral and to produce energy in an increasingly environmentally friendly manner. Our employees do excellent work primarily because of internal motivation; our work is in accordance with the law and based on mutual respect. High standards and ethical beliefs make us an employer people want to have and keep.

2) We practise responsible management

We are developing responsible management throughout the organisation. In our activities, we are guided by the owner's clearly formulated expectations, the company's strategy, principles of organising the management, management principles, current legislation, ethical beliefs and values.

When managing people, we believe it is important that everyone knows what is expected of them. Results-oriented goal setting has been implemented throughout the Group. This includes all processes and management levels, reaching every employee. We have set key performance indicators for critical success factors. The managers of Eesti Energia favour the development and career of their employees inside the organisation.

3) We guarantee a fair and competitive salary that corresponds to the contribution of the

employee

To ensure a competitive salary, we constantly monitor the labour and salary market and the changes taking place there. We generally pay the median salary of the corresponding position on the labour market. For business critical positions, we pay a salary higher than the market median. In addition to basic salary, we offer performance pay which is rewarded based on the achievement of pre-agreed measurable results. **The salary system at Eesti Energia ensures a fair and sufficient income for an employee.**

We notice good work and recognise strong performers. We reward the best of our staff with the Achiever of the Year title. We believe that it is important to notice successes on a daily basis and to give immediate recognition to great colleagues. Managers give recognition to employees in the most appropriate way, such as in one-on-one meetings or performance reviews.

4) We have a positive work culture and a safe work environment

We devote time and attention to ensuring that performing their work is always physically and mentally safe for our employees. Our goal is to ensure first and foremost a safe and healthy working environment, comprehensive training, inspiring tasks, high-quality work equipment and work clothing for all our employees.

To ensure a safe environment, continuous occupational health and safety training, refresher training, situation analyses, monitoring, regular discussions and knowledge checks are carried out.

In a situation where the employee does not have the opportunity to travel to and from work by public transport, because the working day begins or ends at a time when public transport does not operate or if the workplace is located in an area (place) that does not have a public transport connection, we will arrange their transportation to and from work.

5) We take care of people's ability to work, health and well-being

As a responsible organisation, we look at each of our employees personally. We consider the long-term needs of our employees. Doing dedicated work is only possible thanks to proper recovery and a healthy lifestyle.

To promote a healthy lifestyle, we have created the Eesti Energia Sports Club, through which we offer employees opportunities for fitness and rehabilitation procedures. Employees and their family members have the opportunity to join our health insurance, which provides versatile opportunities to maintain and better their health. Eesti Energia contributes to the development of Estonian Health Trails.

We carefully comply with the health surveillance requirements of our employees.

We notice those who need assistance. We support the parents of a child with special needs. We support the family in the event of losing a loved one with a funeral grant and provide days off if necessary. We pay a single allowance to an employee who has lost their ability to work as a result of an occupational disease or work injury. We compensate the cost of technical aids.

6) Vacation and time off, and work-life balance

We consider it important that our employees have a balance between work and family life. We expect a dedicated focus on goals and developing future skills during working hours. To maintain our employees' ability to make long-term successful contributions, we offer all employees additional vacation days in addition to statutory leave.

An employee gets a day off when a child is born in their family.

We value donors and allow them to take a day off from work on the day they donate blood.

Every year, all our employees are invited to our energy heroes party. Each manager is responsible for celebrating the victories and achievements of their team. For children up to 10 years old (inclusive), we organise a Christmas party or give a gift.

7) Tight-knit and trusting cooperation

All home market companies have a common organisational culture and strong management culture. This is the key to the success of our cooperation. Company events support our shared values and the achievement of goals.

The fourth principle

Learning culture – we do not think that a person's development equals their career.

Developing and training people is a purposeful and systematic activity. Development means unlocking and using the potential of a person. When shaping knowledge, future skills and attitudes, we are guided by the goals of Eesti Energia and the development path established together with the employee.

The employee engages in continuous professional development and keeps themselves informed of developments in their field, including being active in finding activities for professional development. We have realised that goal-oriented training and the mindset of a lifelong learner are essential for maintaining a competitive edge and therefore are strategically important for the company.

It is the managers' own skills in holding onto their team members that directly determine the successful implementation of the company's strategic plans. Managers are the ones that develop their team. They are responsible for team building and development. Team training is necessary, but does not replace the daily work of team management (allocation of roles and work, conducting meetings, motivating and developing the team, empowering each employee, sharing responsibility, etc.).

The annual goals of the Group-wide development activities and the selection of partners are based on the goals of Eesti Energia.

The task of every manager is to find their own internal successor and to prepare them for their future position.

To onboard new employees as smoothly as possible, a comprehensive programme has been created, which includes joint events, e-courses and other relevant training.

The fifth principle

High leadership quality and employee engagement

Eesti Energia's ambitious strategy and strong management culture jointly create our competitive advantage. Strategy execution and business success are supported by the strong management of an organisation that supports flexibility, speed and innovation. Engaged employees are an indicator of great management. We use regular surveys to measure the success of our activities. We learn from the obtained results and use the experience to improve management quality.

We believe that customer and owner satisfaction, productivity and profitability are closely related to the successful day-to-day implementation of the people management policy.