

AS Utilitas Tallinna Soojus and AS Utilitas Eesti Management Principles



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INTRODUCTION

This document sets out the management system principles of AS Utilitas Tallinna Soojus and AS Utilitas Eesti (hereinafter jointly referred to as Utilitas or the companies) and introduces their integrated management system, which is based on the ISO 9001, ISO 14001, ISO 45001, ISO/IEC 27001 and PEFC ST 2002:2020 standards. The integrated management system covers the production, distribution and sale of heating and cooling energy, the production of electricity, and the management of information and communication technology systems supporting these operations.

The integrated management system helps us consistently provide customers with high-quality, environmentally friendly services, responsibly comply with applicable environmental and occupational health and safety requirements, and continually improve service quality, environmental performance, and occupational health and safety.



ABOUT UTILITAS

Utilitas is the leading producer of renewable heat and electricity and the largest provider of district heating and cooling in Estonia. Utilitas aims to provide environmentally sustainable energy solutions that meet the evolving needs of its customers. In addition to operational efficiency, Utilitas prioritises the use of renewable and local energy sources, adherence to high standards of environmental responsibility, and the affordability of its services.

At the end of 2025, Utilitas provided district heating services in nine Estonian cities: Tallinn, Valga, Jõgeva, Haapsalu, Kärdla, Keila, Maardu, Rapla and Paide, and district cooling services in Tallinn.

Utilitas owns two wind farms in Estonia, located in Saarde and Aseri, and produces renewable heat and electricity in Valka, Latvia. Utilitas also holds stakes in Utilitas Wind (50%), which develops onshore and offshore wind projects in the Baltic states and operates two wind farms, and in Tallinna Vesi (20.36%), Estonia's largest water utility.

The companies in the Utilitas Group produce and distribute electricity, heat and cooling, produce and supply green hydrogen and drinking water, and collect and treat wastewater.

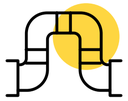
At the end of 2025, Utilitas provided district heating services in nine Estonian cities: Tallinn, Valga, Jõgeva, Haapsalu, Kärdla, Keila, Maardu, Rapla and Paide, as well as in Valka, Latvia. In addition to district heating, AS Utilitas Tallinna Soojus provides and develops district cooling services in Tallinn.



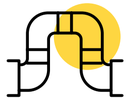
Figure 1. Service areas of AS Utilitas Tallinna Soojus and AS Utilitas Eesti in Estonia and Latvia as at the end of 2025

AS Utilitas Tallinna Soojus, which belongs to the Utilitas Group, supplies district heating to the majority of heat consumers in Tallinn and Maardu. At the end of 2025, the company served approximately 4,950 buildings, including around 175,000 households, and provided district cooling to 20 buildings.
The company operates a 536 km district heating network, 74% of which consists of fully reconstructed, pre-insulated or new pipelines. The company also develops district cooling services.
To produce heat and cooling for its district heating and cooling systems, Utilitas Tallinna Soojus operates a cogeneration plant, boiler plants, district cooling plants and solar power plants.

AS Utilitas Eesti, which belongs to the Utilitas Group, provides district heating services in seven cities across Estonia: Haapsalu, Jõgeva, Keila, Kärdla, Rapla, Valga and Paide, and produces district heating in Valka, Latvia. In 2025, Utilitas Eesti served more than 1,190 buildings, including approximately 20,000 households.
The company operates a 109 km district heating network, 83% of which consists of fully reconstructed, pre-insulated or new pipelines. To provide these services, Utilitas Eesti operates a cogeneration plant, boiler plants and solar power plants in Estonia, as well as one cogeneration plant and one boiler plant in Valka, Latvia.



645 km
of operated district heating networks



24 km
district heating pipelines built or renovated in 2025



73-97%
share of new or reconstructed network depending on the operated area



99,98%
district heating availability



100%
customers use remote meters



100%
biomass is sourced from certified sources (FSC, PEFC or SBP certified)

Production capacities operated by the Group in 2025



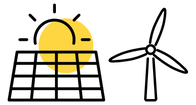
5
combined heat and power plants

43
boiler house



144 MW
installed electrical capacity

1400 MW
installed heat capacity



12
solar parks

2
wind parks in operation

Utilitas has been awarded the Efficient District Heating and Efficient District Cooling labels. This means that Utilitas' district heating and cooling systems are resource- and energy-efficient solutions with a lower environmental impact, as defined in the Energy Efficiency Directive (EU) 2023/1791.

District heating is a modern, efficient and environmentally friendly solution and the best option for supplying heat in densely populated areas. Modern district heating is the safest and most environmentally friendly heating method in cities.

The high share of locally produced renewable energy enables Utilitas to provide district heating customers with heat at a reasonable price. District heating pricing is transparent, and the maximum heat price is approved by the Estonian Competition Authority in accordance with the District Heating Act. Developing district heating alongside district cooling offers several benefits and enables the provision of an efficient district energy service. As a key part of providing a comprehensive district energy service, Utilitas continues to develop district cooling by expanding the cooling network and connecting new customers.



Utilitas' district heating customers include residential buildings, state and municipal agencies, as well as corporate clients.

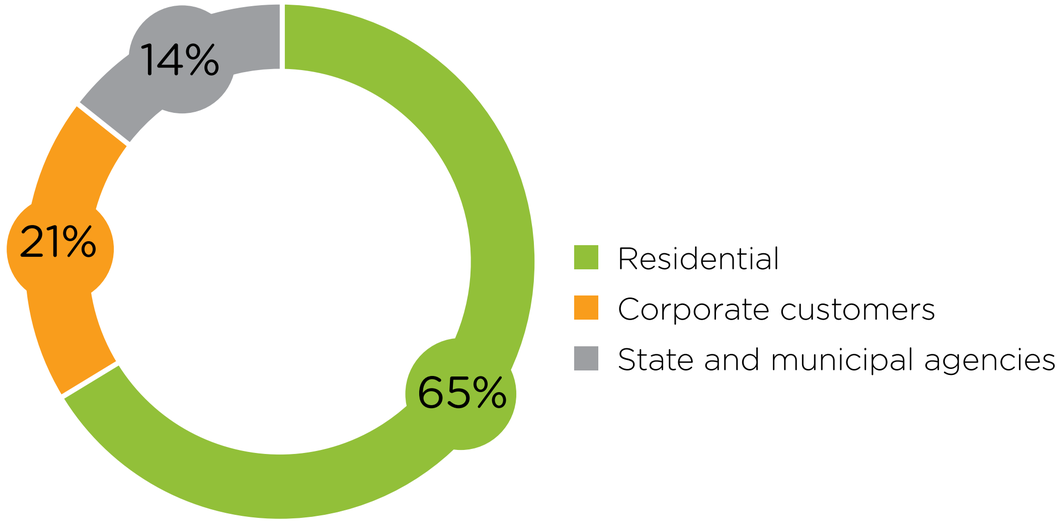


Figure 2. Shares of Utilitas' district heating customer groups (based on the heated floor area of buildings)

Most of the heat produced by Utilitas comes from biomass-fired cogeneration plants and boiler plants. All biomass used in production meets the sustainability criteria set out in the European Union's Renewable Energy Directive (RED II). Biomass supply chain management complies with PEFC certification requirements.

CORPORATE SOCIAL RESPONSIBILITY

The production of heat and its distribution to consumers through the district heating network is a vital service, and therefore Utilitas plays an important role in society. More than a third of Estonian district heating customers are connected to Utilitas' networks.

Utilitas' goal is to contribute to a more sustainable economy by creating value that does not entail significant costs for others but instead takes into account all stakeholders when making decisions. Utilitas operates on the principle that both the impacts it creates and the climate impacts that affect the company must be considered.

We follow the principles of sustainability, which include consideration for the environment, efficient use of resources, the principles of corporate social responsibility, respect for human rights, and fostering a diverse and inclusive work culture. Utilitas contributes through its activities to the achievement of the UN Sustainable Development Goals.



Mission

Cleaner future

We reduce the environmental impact of energy consumption, by enabling convenient and affordable use of sustainably produced energy

Vision

To be the leader in the field of energy

Create the best practices and search for new solutions to achieve environmentally sustainable and climate neutral society

Values

Sustainable
Innovative
Convenient
Competitive

Since 2022, Sustainable Business Estonia (formerly the Corporate Social Responsibility Forum) has awarded the Utilitas energy group (OÜ Utilitas) the Gold Label for Responsible Business on three occasions. The label recognises companies operating in Estonia that give back to society through their activities and serve as role models and leaders for others.

Utilitas' progress towards its sustainable development goals is reported annually in the company's annual report.

RESPONSIBLE BUSINESS INDEX GOLD LEVEL 2026

CARBON NEUTRALITY PLAN

- In 2021, the Utilitas Energy Group developed a carbon neutrality plan and investment strategy titled “From Low to Zero Carbon”
- In 2023, the Science Based Targets initiative (SBTi) validated the Utilitas Group’s targets to reduce Scope 1 and Scope 2 emissions by 90% by 2030 compared to 2023

key activities of the carbon neutrality plan:

- Gradually develop new renewable energy production capacities in order to reduce greenhouse gas emissions and achieve carbon neutrality of district heating in Tallinn and other cities by 2030 at the latest. For example, in Tallinn, it is planned to reduce fossil fuel consumption by 500 GWh and thereby reduce the share of natural gas to less than 10% already by 2027.
- Reconstruct and modernise the district heating network with the aim of achieving a renewed network by 2035

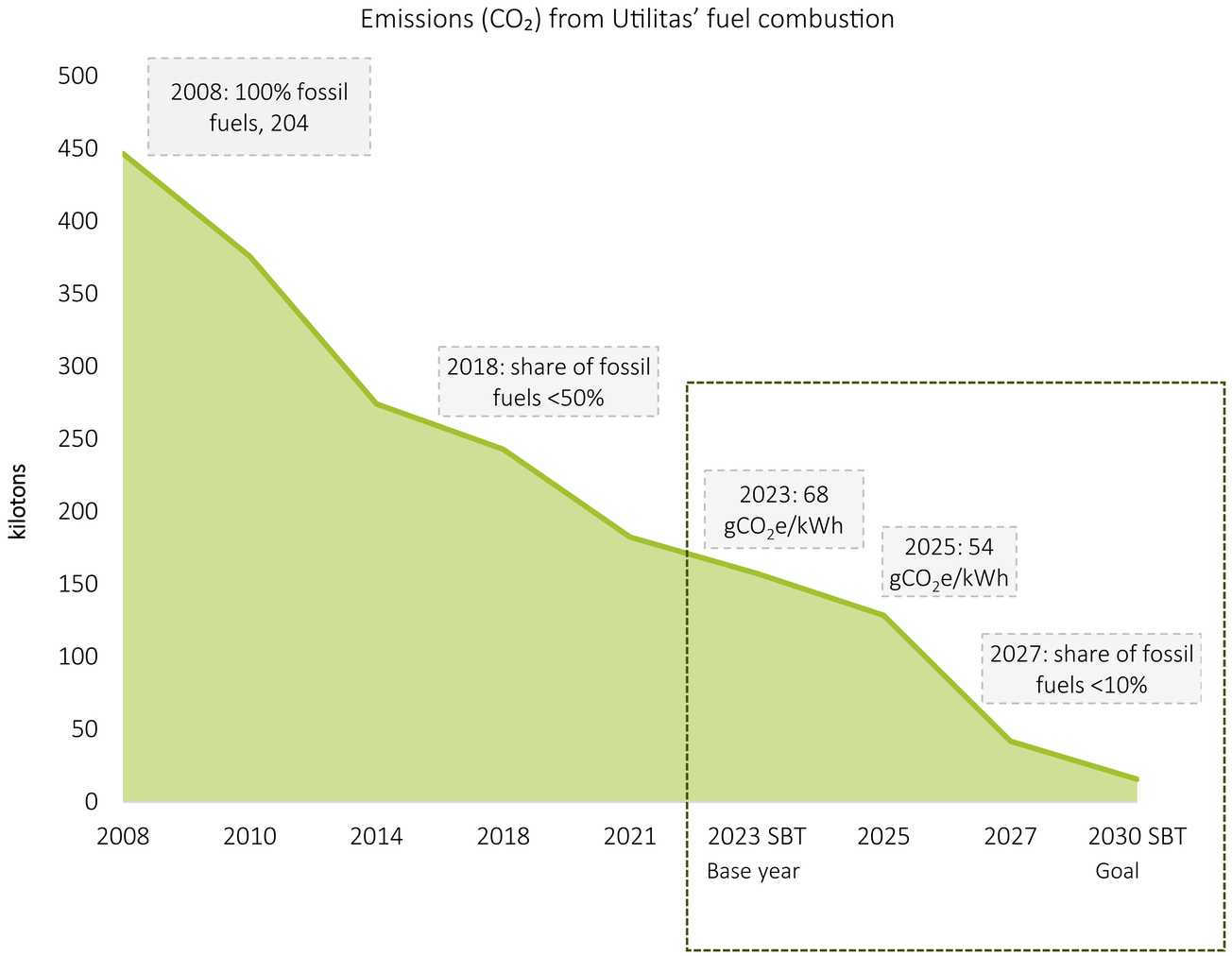


Figure 3. Utilitas Carbon Neutrality Plan

MANAGEMENT POLICY

Utilitas has aligned its management system with the requirements of the ISO 9001, ISO 14001, ISO 27001 and ISO 45001 standards, as well as the PEFC chain-of-custody standard PEFC ST 2002:2020, while adhering to the principles of sustainable development.

Utilitas has long-term experience in supplying customers' buildings with secure, environmentally friendly and affordable heat. The companies base their operations on the principles of sustainable development, environmental sustainability, a customer-oriented approach, ensuring a safe working environment, and information security. Work processes are continuously improved to enhance the continuity, availability, reliability and environmental friendliness of services, as well as employee and customer satisfaction. Special attention is also paid to the secure handling of data.

The main goals of Utilitas are:

- to provide customers throughout the year with environmentally friendly district heating of contractual quality, produced and distributed efficiently
- to comply with statutory environmental and occupational health and safety requirements, as well as agreed quality requirements
- to reduce the environmental impact of energy production, including greenhouse gas emissions
- to help preserve natural resources and use resources, including water, electricity and fuels, economically
- to use primarily renewable fuels for energy production and reduce the use of fossil fuels
- to ensure that the biomass used complies with the requirements of the PEFC chain-of-custody standard and the sustainability criteria stipulated in the Energy Sector Organisation Act and the legislation referred to therein
- to promote the efficient use of energy
- to consume energy produced from renewable sources
- to apply the Green Office principles
- to place greater emphasis on preventive maintenance of equipment and systems
- to ensure a work environment free of occupational accidents and involve all employees in occupational health and safety activities, taking into account their needs and expectations
- to ensure a functioning information security management system.

MANAGEMENT STRUCTURE

Utilitas' Environment and Sustainability Department is responsible for developing, maintaining and improving the integrated management system, as well as addressing matters related to sustainability, occupational health and safety, and environmental protection, in cooperation with other units and departments.

All units and departments are responsible for developing and implementing the management systems in their daily work. The effectiveness of the management system is ensured through established procedures, guidelines, forms, objectives, performance indicators and an internal control system.

AS Utilitas Tallinna Soojus and AS Utilitas Eesti have an integrated management structure, with departments and units performing their functions across both companies. All units and departments are responsible for achieving the objectives set for the companies and for continuously monitoring progress towards the management system objectives.



FUNCTIONAL MANAGEMENT OF UTILITAS GROUP

MARKETING AND COMMUNICATION OLGA ONTON	**LEGAL** LIINA BLUMFELDT	**BUSINESS ANALYTICS** AIVO LOKK	**CEO OF THE GROUP** PRIIT KOIT	**CUSTOMER RELATIONS** ROBERT KITT	**RISK MANAGEMENT AND DHC ADMINISTRATION** LAURI LUGNA	**DHC TECHNICAL MANAGEMENT** JANEK TRUMSI
HUMAN RESOURCES MANAGEMENT MONICA MÄND	**IT AND AUTOMATION** KAAREL RAHU	**ENVIRONMENT AND SUSTAINABILITY** KAIRE KULDPERE	**FINANCIAL MANAGEMENT** PRIIT BRUS	**VÄO CHP MANAGEMENT** ANDRES TAUKAR	**VÄO CHP FINANCIAL MANAGEMENT** ÜLLAR METSKÜLA	**WIND ENERGY** RENE TAMMIST

UTILITAS TALLINN AND UTILITAS EESTI MANAGEMENT STRUCTURE

CHAIRMAN OF THE BOARD CUSTOMER RELATIONS
ROBERT KITT

- **FINANCE DEPARTMENT** 12 — Riina Vikat
- **HUMAN RESOURCES DEPARTMENT** 2 — Marianne Taberland
- **MARKETING AND COMMUNICATION DEPARTMENT** 3
- **BUSINESS ANALYTICS DEPARTMENT** 3
- **CUSTOMER SERVICE DEPARTMENT** 8 — Tiina Treter
- **SALES DEPARTMENT** 9 — Indrek Bartels
- **TECHNICAL SERVICE DEPARTMENT** 12 — Anna Joannesjan

MEMBER OF THE BOARD TECHNICAL MANAGEMENT
JANEK TRUMSI

- **PROJECT DEPARTMENT** 9
- **UTILITAS EESTI PRODUCTION UNITS** 62 — Jaak Sepp
  - **HAAPSALU DEPARTMENT** 9 — Urmet Rotman
  - **JÕGEVA DEPARTMENT** 5 — Kert Jeret
  - **KEILA DEPARTMENT** 6 — Dmitri Opman
  - **KÄRDLA DEPARTMENT** 5 — Indrek Heinsoo
  - **RAPLA DEPARTMENT** 3 — Elvar Aaso
  - **PAIDE DEPARTMENT** 16 — Marek Roomere
  - **VALGA DEPARTMENT** 8 — Sander Kallas
  - **UTILITAS VALKA** 10 — Nadežda Korņējeva-Krūmina
- **TECHNICAL UNIT** 47 — Tanel Kirs
  - **MAINTENANCE DEPARTMENT** 25 — Anton Simagin
    - **MECHANICAL SERVICES** 6 — Kert Kõue Benno
    - **DIAGNOSTIC SERVICES** 6 — Henry Kaljusmaa
    - **ELECTRICAL SERVICES** 5
    - **WATER AND FUEL ANALYSIS** 4 — Nadežda Kabrda
  - **PRODUCTION DEPARTMENT** 18 — Kaido Suurekivi
    - **MUSTAMÄE CHP** 4 — Peter Malsub
    - **PALJASSAARE CHP** 4 — Aleksandr Godõrev
    - **DISTRICT HEATING PLANTS** 9 — Artem Borissenko
    - **DISTRICT COOLING PLANTS** 2 — Rein Tamme
- **NETWORK UNIT** 38 — Elis Fels
  - **NETWORK OPERATIONS** 25 — Maksim Andrijaškin
    - **CITY CENTER REGION** 7 — Pjotr Jevtuhh
    - **LASNAMÄE AND MAARDU REGION** 7 — Oleg Malinov
    - **WESTERN REGION** 7 — Anton Rohusalu
  - **NETWORK CONSTRUCTION** 12 — Andrei Mjagkov
    - **NETWORK PLANNING** 4 — Olga Batujev
- **CONTROL CENTER** 30 — Kiur Kalme
  - **NETWORK OPERATIONS** 7
  - **PRODUCTION OPERATIONS** 20

MEMBER OF THE BOARD RISK MANAGEMENT AND ADMINISTRATION
LAURI LUGNA

- **ADMINISTRATION DEPARTMENT** 7 — Ahti Õun
- **PROCUREMENT DEPARTMENT** 2 — Kristjan Värv
- **LEGAL DEPARTMENT** 2 — Kristjan Põldmaa
- **ENVIRONMENT AND SUSTAINABILITY DEPARTMENT** 5
- **IT AND AUTOMATION DEPARTMENT** 17
  - **IT INFRASTRUCTURE** 6 — Taavet Pilvar
  - **AUTOMATION** 8 — Deniss Saksa

Group level management

Company level management

11 The number in the upper-right corner of the structural element indicates the number of people

UNITS AND DEPARTMENTS INVOLVED IN THE MANAGEMENT SYSTEM

The functional management of the field from the group level is carried out in the following departments:

- Finance
- Human Resources
- Business Analytics
- Legal
- IT and Automation
- Environment and Sustainability
- Marketing and Communications



THE KEY UNITS AND DEPARTMENTS MANAGING THE OPERATIONS OF UTILITAS TALLINN AND UTILITAS EESTI, WITH THE AREAS OF RESPONSIBILITY, ARE THE FOLLOWING:

- **CUSTOMER RELATIONS** involves several key departments. The Customer Service Department is responsible for serving customers and managing customer relations and billing. The Sales Department focuses on expanding the customer portfolio. The Technical Services Department is responsible for metering the heat sold, technical supervision and development. The Finance Department manages financial planning, financial and management reporting, heat price approval procedures and the development of business software. The Human Resources Department is responsible for staff development and management and the implementation of remuneration policy. The Business Analytics Department carries out technical, economic and financial analyses of products and services. The Marketing and Communications Department manages internal and external communications, plans and implements marketing activities, and supports the development of the companies' brand and reputation.

- **RISK MANAGEMENT AND ADMINISTRATION** involves several critical departments. The Administration Department ensures the maintenance and management of buildings and facilities, physical security, archiving and the vehicle fleet. The Procurement Department is responsible for planning and conducting procurement procedures and evaluating suppliers. The Legal Department provides legal support and advice and represents the company in court. The IT and Automation Department is responsible for the IT support required for managing business processes, as well as the company's IT development and security. The Environment and Sustainability Department is responsible for integrated management systems, environmental permits and reporting, reporting under the European Union Emissions Trading System, risk and crisis management, occupational safety, and compliance with sustainability and biofuel certification requirements.

- **TECHNICAL MANAGEMENT** includes several strategic departments. The Projects Department implements investment projects to develop production, including district cooling. Utilitas Eesti's production units manage heat production and transmission across Estonia and in Valka. The Technical Unit consists of the Production Department and the Maintenance Department. The Production Department's main objective is to ensure the technical reliability of production facilities. It encompasses the Mustamäe and Paljassaare energy complexes, Tallinn's district heating plants, including local boiler plants, and district cooling production facilities. The Maintenance Department provides technical support to the plants and the Network Unit. Its responsibilities include scheduled and unscheduled maintenance, such as mechanical work, diagnostics, electrical work, and water and fuel analyses. The departments within the Network Unit are responsible for energy transmission and distribution, as well as the planning and construction of district energy networks. The Control Centre manages the day-to-day operation of the heating network and production facilities and works with analysts to develop and implement the production plan.

ENVIRONMENTAL MANAGEMENT OBJECTIVES

The environmental management of the companies is integrated into the management system. Environmental impacts are managed systematically in accordance with the requirements of the ISO 14001:2015 environmental management system standard. The companies operate in compliance with all applicable Estonian environmental requirements. Integrated environmental permits and environmental permits have been issued to the companies.

The companies have identified the environmental aspects related to their activities, services and products used, assessed their impact on the surrounding environment, and established objectives to reduce these impacts. Significant environmental aspects and the related management system objectives are reviewed annually.

The companies follow the principles of environmental protection in their activities and use resource-efficient technical solutions in both energy production and distribution.

Utilitas' environmental management system helps identify and monitor significant risks and opportunities and supports the planning and, where necessary, adjustment of activities.

The main environmental objectives of Utilitas, which are integrated into the environmental management system, are the following:

- compliance with all legal environmental requirements
- reducing the environmental impact of energy production, including greenhouse gas emissions
- conservation of natural resources, including the efficient use of resources such as water, electricity and fuels
- using primarily renewable fuels for energy production and reducing the use of fossil fuels
- applying environmentally friendly and energy-efficient solutions in all activities
- promoting an energy-saving and environmentally conscious mindset among employees and customers
- informing external stakeholders about the company's activities

OCCUPATIONAL HEALTH AND SAFETY OBJECTIVES

The occupational health and safety management system enables the continuous improvement of employees' working environment and thereby reduces risks to their life and health.

The company's main objectives and principles in planning and organising occupational health and safety activities are the following:

- ensuring a work environment free of occupational accidents
- involving employees and their representatives, and providing employees with training, instruction and consultation on safe working practices, the correct use of work equipment, and protecting their own and third parties' life and health
- cooperating with relevant authorities and organisations to reduce potential risks to employees' health
- preventing hazards
- assessing imminent danger
- replacing a hazardous process or part of it with a safe or less hazardous alternative
- carrying out analyses covering technology, work organisation, working conditions, social relations and the impact of work environment factors



INFORMATION SECURITY OBJECTIVES

The Utilitas Group has developed an information security management system that complies with applicable legislation and the requirements of ISO/IEC 27001. It focuses on meeting our stakeholders' expectations regarding information security. Our work is guided by the following principles:

- complying with applicable information security requirements, including those arising from legislation, regulations and contracts, as well as internally established requirements and control measures
- continuously improving our information security management system
- working towards the achievement of established information security objectives
- implementing adequate information security measures
- ensuring the operation and monitoring of the services we provide, as well as data security, including the confidentiality, integrity and availability of data in accordance with agreed levels.



MANAGEMENT SYSTEM OBJECTIVES AND INDICATORS

Each year, the companies and units set management objectives and performance indicators based on the company's management policy to measure management performance and monitor the achievement of the objectives.

Main indicators and objectives for the heating network:

- renewal of the district heating network and reduction of the average age of the heating network
- prevention of accidents in heating networks
- reducing the number of planned heating interruptions and shortening their duration
- reducing leaks in the heating network
- reducing heat losses
- preventing damage to the heating network
- reducing specific electricity consumption in heat transmission

Main indicators and objectives for production:

- ensuring high efficiency at cogeneration plants and boiler plants
- reducing specific electricity consumption in heat production
- reducing own water consumption in boiler houses
- reducing air emissions

Main indicators and objectives for fuel use:

- use of certified wood fuel
- transparent and responsible fuel procurement
- biomass used in production meets the sustainability criteria

Main indicators and objectives for sales:

- annual change in the district heating customer portfolio
- district cooling connections
- customer feedback and communication
- customer complaints

IT service objectives:

- ensuring the availability and reliability of information systems, business-critical production systems, IT infrastructure and control services
- ensuring data confidentiality, integrity and availability

PERFORMANCE MONITORING AND EVALUATION

During management reviews, the achievement of company and departmental objectives is assessed, as well as the suitability, sufficiency, and effectiveness of the integrated management system. Nonconformities, adequacy of resources, risks and opportunities, and improvement needs are also addressed. The results of goal achievement are presented as Power BI reports.

Compliance with requirements and the effectiveness of activities are regularly evaluated through internal and external audits, occupational health and safety days, and visits by management to departments and sub-units. The results of the evaluations are documented, and, if necessary, improvement and corrective actions are planned based on them.





UTILITAS