

Graanul Invest

OPERATING PRINCIPLES

Granul Invest's operating principles unite our team and help us identify key cooperation partners who share similar views and enable us to apply these principles more and more widely. Our goal is to ensure a safe working environment and sustainable and efficient production process, which would allow us to create the best quality, environmentally friendly products. Graanul Invest and its all direct and indirect subsidiaries, regardless of location, are committed to ethical business operations and a sustainable value chain. We comply with all applicable laws, best practices, and the below principles in all jurisdictions in which we operate. We also monitor that our cooperation partners do the same.

To reduce carbon emissions, the time for action is now

Our operating policy focuses on product and service quality, while ensuring it is achieved with minimal environmental impact. Our business and day to day activities are committed to developing a sustainable renewable energy system that fully replaces fossil fuels. Our goals are based on the following metrics:

- **Highest quality product**
- **Minimal environmental impact**
- **Highest energy efficiency of overall production and highest energy performance of individual devices**
- **Safer work environment**
- **Highest greenhouse gas saving potential**

To improve the company's ecological footprint, we regularly monitor our emissions, energy and resource efficiency. We continuously improve performance and ensure that we include sufficient information and resources to achieve our goals. When making new decisions, we assess their immediate and long-term impact on our employees, customers, stakeholders, the environment, energy efficiency, and business.

Our strength is our people

The backbone of Graanul Invest group is our 500 daily employees. Most of our factories are located outside major cities, offering stable and exciting work opportunities in rural areas. As essential employers in the region, we maintain close ties with local communities. We encourage our people to actively raise awareness of quality, environment, energy efficiency, rights and occupational health. We engage our employees through in-house working groups, where they can provide ideas and insights for innovation and engineering projects. We strive for continuous development and support our people during trai-

ning and education. We also actively support our employees' exercising and sporting activities to promote a healthy mind and body.

Our team consists of adult employees who desire to learn and have proper qualifications. When recruiting, we look for the candidate with the best skills. Every team member needs to feel safe, free, and respected in their workplace. We always encourage reporting any related issues (guaranteeing anonymity if necessary).

We ensure a safe working environment and safe working conditions for all the employees of our companies and ensure safety for our guests and partners. We maintain consistency in occupational safety through continuous self-monitoring and analysis of risk levels.

For our valuable team, we always ensure fair and transparent compensation. Regardless of location, we ensure our remuneration exceeds legal requirements and aligns with local sector salary levels. We expect similar standards from our cooperation partners.

We respect our employees' freedom of association and collective bargaining.

A fully traceable value chain

We follow the principles and criteria of the most widely recognized sustainable forest management systems, providing the basis for evaluating the economic, social, and ecological aspects. We have joined the certified wood-processing community and support forest management that preserves valuable ecosystems and ensures safe, healthy, and fair working conditions for those who work in the forest. By using certified biomass, we exclude any uncontrolled or controversial material that may come from sources that harm the environment and society. Regular independent audits help ensure that we responsibly provide the best possible service to our current and future customers and partners.

We cooperate with reliable partners

We only work with partners who operate based on similar guiding principles. We only use suppliers that adhere to sustainable forestry and transparent supply chain standards and deliver compliant products. We expect our partners to conduct regular third-party audits and support each other's assurance procedures.

Mitigating the risk of corruption is an integral part of our operations. Through raising awareness, contractual relationships, electronic payments, and continuous auditing, we have achieved a due diligence system that leaves no room for unethical behavior in our value chain.

(Read about our anti-corruption policy on the website graanulinvest.com)

As a highly digitized company, we collect and analyze large amounts of data while ensuring and requiring the proper storage and processing of personal data.

(Read the terms of processing personal data of our customers and partners on the website graanulinvest.com)

The high demands placed on our cooperation partners would not be possible if we could not ourselves demonstrate compliance with our guiding principles. We are open to pro-

vide our value chain, stakeholders, and customers with necessary evidence, details, and transparency to achieve a better understanding or complete conviction of compliance.

Continuous development

The principle of continuous improvement applies to all our guiding principles and activities. The company's goals are communicated throughout the organizational structure, as well as the results and knowledge gained and the improvements made. To monitor the status of our set goals, we conduct regular internal audits to ensure progress and that adequate resources are available.

We always take criticism and feedback from customers and stakeholders into account and improve our systems accordingly if necessary.

We encourage the involvement of experts and third parties within the company to identify bottlenecks and assess the impact and relevance of set goals and planned improvements.

We give back to society

All our activities, both biomass and bioenergy production, are looking towards the future. Therefore, our philanthropy activities are generally aimed at young people, who are our future. We have decided to support the development of youth sports, education, and scientific research projects.

We focus mainly on the interests of the local communities, taking into account their favorite activities. We have consistently followed the principle that our factories support local initiatives and activities, as they are the best assessors of the region's needs and are directly connect with the local community. Since team sports have become popular among young people, we primarily support team-based ball games and related sports associations. Many subsidiaries of our group have found a support area, which they keenly and passionately follow and offer long-term support to. We support more than 50 local initiatives and activities in Estonia, Latvia, Lithuania, and the USA every year.

AS Graanul Invest Board of Directors

07.07.2022

