

BDO EESTI'S CODE OF ETHICS AND BUSINESS CONDUCT

INTRODUCTION, RESPONSIBILITIES OF LEADERS AND SCOPE

BDO Eesti's reputation and success depend on the professionalism and integrity of each partner, employee, client and business partner. Our core values, business culture, policies and procedures are aligned with an approach which recognises that quality, ethics and independence are essential in our professional activities as well as in our conduct as business partners.

BDO Eesti's ethics and business conduct rules are in full compliance with the main requirements of the Estonian Auditors Activities Act and the International Code of Ethics for Professional Accountants (the IESBA Code).

Since BDO Eesti's partners, employees, clients and business partners may operate in different legal and cultural environments, this Code sets out the main requirements that everyone that has an employment or business relationship with BDO Eesti must comply with.

ETHICAL BUSINESS PRACTICES

In all business relationships, we expect reliability, integrity and conduct consistent with the highest ethical standards. We expect clients and business partners that are legal persons to have rules, regulations, systems and/or procedures which ensure the prevention of unethical behaviour, including, but not limited to, human rights violations, money laundering, fraud, bribery, corruption, and improper payments, benefits and gifts.

Ensuring fair treatment and equal opportunities

We offer all employees equal opportunities and treat everyone equally regardless of their race, skin colour, gender, sexual orientation, gender identity, religion, nationality, ethnicity, age, disability, veteran status, marital or parental status, or any other status, categorisation or attribute protected under relevant legislation.

Preventing forced labour and human trafficking

Human trafficking for the purpose of exploitation for labour is a cross-border offence, which involves the movement of migrant workers from one or several countries to a third country and criminals taking advantage of their vulnerability and lack of knowledge. BDO Eesti as a company respecting everyone's right to self-realisation rules out labour exploitation in any form and fully condemns it in the case of potential business partners.

Preventing abuse and harassment

We do not tolerate physical abuse, sexual or verbal harassment, intimidation or threatening of employees. We make sure that all our employees are clearly informed about their rights and responsibilities as well as the procedures for notifying of breaches and raising disciplinary complaints as soon as they join the company.

Providing reasonable pay and working hours

We make sure that remuneration for both standard and overtime working hours complies with relevant legislation and is consistent with the purpose and intent of the law. We pay our employees at least the regulatory minimum wage or remuneration meeting the local standards, whichever is the higher.

Overtime may be critically necessary at times but our operating procedures limit it to a level appropriate for human and productive working conditions. We support economic growth that is inclusive and socially and economically sustainable and decent work which complies with sustainable development goals.

Supporting student employees and interns

Education is the key to wellbeing and unlocks opportunities, enabling everyone to increase their contribution to a progressive and healthy society. BDO Eesti supports the development of future talent by offering internships and provides regular training to its employees, making sure that everyone has inclusive and equitable access to high-quality education and lifelong learning opportunities.

Investing in health and safety

We invest in a clean, safe and healthy work environment with a view to protecting our employees' health and capacity to work. We observe all relevant laws and regulations that govern working conditions. We make sure that the measures applied are effective and people entering into an employment relationship with us receive appropriate health and safety training which helps them avoid accidents and injuries. We provide our employees with regular medical check-ups.

Combating bribery and corruption

We act responsibly, honestly, transparently and properly, in conformity with Principle Ten of the UN Global Compact and Chapter VII of the OECD Guidelines for Multinational Enterprises.

We take the need to ensure ethical business conduct very seriously. We observe all laws, regulations and best practices which support the fight against corruption, including the prohibition of extortion, bribery and facilitation payments or other inappropriate incentives and apply suitable measures to make sure that our business partners follow the same principles.

In working relationships, we do not accept gifts and/or benefits given clearly to obtain something in return and/or have a cost exceeding EUR 150.

Preventing tax evasion

We fulfil all our tax obligations in all jurisdictions where we operate. We do not engage in tax evasion and do not facilitate other persons' tax evasion. We apply all appropriate measures to make sure that all parties acting for, or on behalf of, us fulfil their tax obligations.

Combating money laundering and terrorist financing

Client relationships and engagements are accepted and conducted in accordance with the requirements of the Money Laundering and Terrorist Financing Prevention Act. We have implemented due diligence measures aimed at ensuring that:

- ▶ we do not enter into business relationships with persons or participate in engagements that involve a suspicion of money laundering or terrorist financing;
- ▶ the person in charge of the engagement and the BDO Eesti Risk Management Team are notified of every client and/or engagement with a higher than usual risk assessment and any suspicion of money laundering or terrorist financing.

We carry out risk assessments and apply the required due diligence measures both on entering into and continuing our business relationships and, with due regularity, on conducting our engagements.

Complying with laws and regulations

BDO Eesti's partners, employees, clients and business partners adhere to all applicable laws and regulations and observe our internal guidelines, rules and procedures which ensure compliance with all relevant requirements.

SUSTAINABILITY AND THE ENVIRONMENT/GREEN TRANSITION

- ▶ We take our responsibility for protecting the environment seriously and are committed to reducing our adverse environmental impacts.
- ▶ We adhere to local environmental laws and regulations, including those governing the collection and sorting of waste and protecting the purity of soil, water and air.
- ▶ We reduce the environmental footprint of our core and support processes and products and/or services by observing the principles of sustainable consumption and environmental protection.
- ▶ We prefer to work with business partners that can prove their commitment to protecting the environment and applying the best practices which exceed the minimum requirements of environmental legislation (e.g. that observe ISO 14001 or equivalent standards).

CONFIDENTIALITY AND INFORMATION SECURITY

Avoiding conflicts of interest and ensuring independence

We act in a manner that enables us to mitigate potential conflicts of interest which may arise in our work, including those resulting from loss of independence, to an acceptable level. Any conflict of interest that has emerged must be reported immediately to the BDO Eesti Risk Management Team (riskmanagement@bdo.ee).

Client relationships and engagements are accepted and continued when we have obtained reasonable assurance that there is no conflict of interest or the threat resulting from a conflict of interest has been properly mitigated. The sources of conflicts of interest include, but are not limited to, the following:

- ▶ close relationships, including family and personal relationships;
- ▶ previously or concurrently provided services;
- ▶ methods of compensation and payment;
- ▶ (personal) financial interests, including equity interests, loans received or provided, and guarantees;
- ▶ gifts and hospitality received;
- ▶ ongoing or potential litigation;
- ▶ previous, existing or future business relationships;
- ▶ previous or concurrent employment or service relationships;
- ▶ long-term association with the client and/or engagement.

Ensuring confidentiality and information security

We observe all regulatory and contractually agreed confidentiality requirements and protect sensitive information and business secrets at least to the extent required by the Estonian Auditors Activities Act.

We undertake not to disclose a counterparty's business and other confidential information to third parties without the counterparty's prior written consent. This obligation also applies after the expiry of the contract to the extent required to protect the counterparty's legitimate interests. Exceptions to the rules of safeguarding business

secrets are permitted only in the cases provided for by law and/or with the prior written consent of the authorised representatives of the parties involved.

Confidential information is any information a party does not wish to be disclosed to a third party and has a legitimate interest to keep confidential, including information related to the party's business or production secrets. Confidential information also includes the contents of the agreement concluded between the parties and any other information a party obtains about the other during the performance of the agreement

Information will not be treated as confidential and will not have to be kept secret if:

- ▶ it was public on the conclusion of the agreement or was made public during the term or after the expiry or termination of the agreement;
- ▶ the obligation to disclose it is required by law;
- ▶ a party obtains it from a third party that is entitled to disclose it by law;
- ▶ the other party has provided written consent for its disclosure.

We handle confidential information with due care and consistent with data protection requirements. Data protection requirements are all applicable legal and regulatory requirements which govern (a) data protection; (b) privacy; (c) interception and monitoring of communications; (d) the restrictions and requirements related to the processing of any kind of personal data.

We comply with regional and local requirements concerning identity theft and security incidents such as Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (General Data Protection Regulation, GDPR). We apply appropriate technical and organisational measures (specific information security processes and controls) consistent with the best industry practices and the state of the art to protect data against accidental or unlawful destruction or loss (including deletion), alteration (including tampering), unauthorised disclosure, use or access, and to prevent possible illegal processing of personal data. The measures include employee training on information security and strong IT controls, and non-transmission of data to third countries without the application of appropriate safeguards.

INTELLECTUAL PROPERTY

The copyright in new results (products) of intellectual activity created or implemented during the performance of an agreement belongs to the creator/implementer and the rights to existing intellectual property are retained by the owner and the licensed user. In particular, the products include methodological solutions, system designs for solutions, and advisory solutions used to provide services as well as expert opinions.

We grant the client that wishes to use our product a non-exclusive licence which also specifies the manner and purpose of use (a limited non-exclusive licence). The user may use the product only in the manner and for the purpose specified. Any other use requires our separate written consent.

If the user uses the product in some other way than permitted by the licence, we may demand delivery of the gains derived from the unlawful use of the product, payment of a contractual penalty of EUR 25,000 and compensation of any damages exceeding that amount.

CONFIRMATIONS

Monitoring compliance with the requirements of this Code is the responsibility of each party. BDO Eesti reserves the right to respond as it deems appropriate to any instances of non-compliance that come to its attention.

A partner's, employee's, client's or business partner's non-compliance with the requirements of this Code may result in immediate suspension of the relationship and/or termination of the contract or agreement with BDO Eesti irrespective of the notice periods that would apply in other circumstances.

Actual or suspected breaches of the BDO Eesti Code of Ethics and Business Conduct must be reported to riskmanagement@bdo.ee.

Parties signing an agreement or contract for entering into an employment or business relationship with BDO Eesti thereby confirm that they have familiarised themselves with the BDO Eesti Code of Ethics and Business Conduct, they understand their rights and obligations, and they undertake to fulfil their obligations.