



CLEANR GRUPA

CORPORATE
GOVERNANCE
STATEMENT FOR 2024

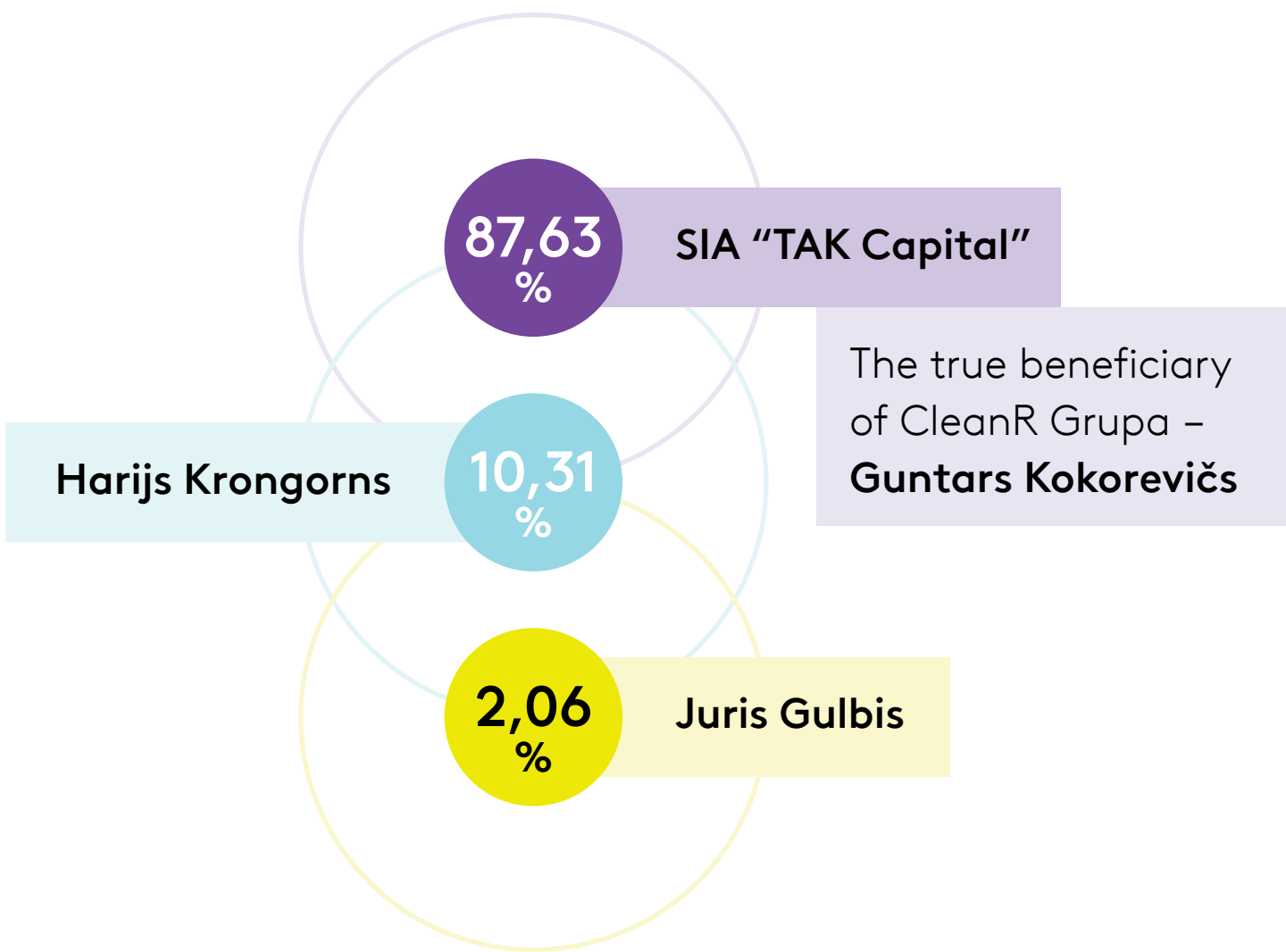


CORPORATE GOVERNANCE STATEMENT

About the joint stock company

The joint stock company (AS) "CleanR Grupa" is a 100 % Latvian private capital company. Its core areas of operation are activities of holding companies (NACE 64.21, version 2.1) and activities of head offices (NACE 70.10, version 2.1).

CleanR Grupa shareholders



CleanR Grupa management

AS "CleanR Grupa" is managed by the Shareholders' Meeting, the Supervisory Council, and the Management Board. Each of them, according to the Latvian Commercial Law, the Articles of Association, and Board Members' authorisation agreements, has its responsibilities and mandates.

Shareholders' meeting

A shareholders' meeting is convened in the cases and manner specified in the Latvian Commercial Law. In case of need, extraordinary shareholders' meetings are convened. During the reporting year, nine meetings were held.

The Shareholders:

- Appoint and recall council members;
- Determine council member remuneration;
- Approve amendments to the Articles of Association;
- Decide on reorganization;
- Decide on the changes in the company's equity capital;
- Approve the Group's annual report and decide on the use of the previous year's profit;
- Appoint an auditor.

The Supervisory Council

The Council consists of three council members, one of whom is the independent member. According to the Commercial Law and the shareholders' decision, members of the Supervisory Board are appointed for a term of five years. Council meetings take place according to an approved meeting schedule but no less than once a month. The council takes decisions by majority vote. In case of need, extraordinary council meetings are convened. Over the term of the report, 37 council meetings were held.

The Council does not have any committees.

CleanR Grupa Management Board

The CleanR Grupa Board consists of four elected board members. The board members are assigned responsibilities for specific business areas. Each board member has the right to represent the company together with at least one other board member. Board meetings take place once a week, the decisions are taken in line with the restrictions set in the Articles of Association.

The Board:

- Jointly manages and represents the capital company;
- Makes sure that the operations of the capital company comply with the relevant legislative acts, Articles of Association, the council, and shareholder's decisions;
- Manages company assets;
- Performs the Shareholder's functions at the Group's subsidiary companies;
- Implements the Group's strategic direction, development plans, goals, and policies,
- Ensures execution of the Group's annual budget.

The Council:

- Approves the Group's operational and sustainability strategy and monitors its implementation;
- Reviews and approves the operating budget and supervises its execution;
- Oversees the board;
- Oversees the internal audit;
- Appoints and recalls board members, determines their remuneration;
- Approves the general operational principles; reviews questions for which, according to the Articles of Association, the Group's board requires a prior approval from the council;
- Makes sure that the company operates according to the relevant laws, Articles of Association, and decisions of the shareholders' meeting.

AS "CleanR Grupa" Supervisory Council



Guntars Kokorevičs

Chairman of
the Supervisory Council

AS "CleanR Grupa" founder and Chairman of the Supervisory Council. Term of office 25.06.2029.

Graduated from RISEBA University of Business and Technology with a degree in International Business Management. Holds a Master's degree in Business Administration from the University of Latvia.

Has more than 20 years of experience in the environmental services industry. Extensive experience in organizing mergers and acquisitions. Former partner and regional representative of the global environmental services company "Veolia", and former CEO of the Riga Stock Exchange. Currently serves as Vice President of the Employers' Confederation of Latvia (LDDK) and Member of the Supervisory Board of Junior Achievement Latvia.



Harijs Krongorns

Deputy Chairman of
the Supervisory Council

Deputy Chairman of the Council of AS "CleanR Grupa". Term of office 25.06.2029.

Graduated from Riga Technical University with a degree in automation engineering. Supplemented his knowledge in economics, financial management, and auditing in courses and educational programs at the Faculty of Economics of the University of Latvia, the Corporate Finance Institute, and PricewaterhouseCoopers. A member of ACCA since 2001.

Skilled in corporate finance, management consulting, private equity and asset management as well as corporate law. Has served on the boards of several large Latvian companies, such as Valmieras piens, Latvijas balzams, and Laima. Recorded history in consulting major M&A transactions in the environmental services industry, where he has been active for more than 20 years.



Māris Mančinskis

Member of
the Supervisory Council

Independent Member of the Supervisory Council of AS "CleanR Grupa". Term of office 02.10.2027.

Education in finance management acquired from the University of Latvia, Hofstra University in the USA, and London Business School.

Former long-serving Chairman of the Management Board of Swedbank Latvia. Currently co-founder of the investment management company Vairo and Deputy Chairman of the Supervisory Council of AS "Agrolats Holding".

AS “CleanR Grupa” Management Board



Juris Gulbis

Chairman of the Management Board

Graduated from Riga Technical University with a degree in Civil Engineering and Engineering Economics. He is an honorary graduate of Riga Technical University. Holds an ACCA Certificate in Financial Management and has supplemented his knowledge in business management at INSEAD and Stanford University. Has been a long-serving CEO of Tet, a technology and entertainment company, as well as Head of A.C.B. Grupa’s subsidiary companies ACBR and 8CBR. Before that, he worked in financial management in food processing and financial companies in Latvia and abroad. He has been with CleanR Grupa since 2023.

Responsibilities and competencies in sustainability area

- Economic impact, financial results
- Corporate goals
- Risk and opportunity management
- Own workforce-engagement, employee well-being, safety, development
- Process digitization
- Procurement management
- Monitoring of lobbying activities



Inta Liepa

Member of the Management Board

Holds a Bachelor's degree in Law from Concordia International University in Estonia and a Master's degree from Riga Graduate School of Law. Completed the Professional Management Education Programme at the Baltic Institute of Corporate Governance (BICG). Furthered her knowledge of mergers at the London School of Economics and Political Science, financial analysis and business valuation, and negotiation and dispute resolution at Harvard Law School. Worked as Head of the Legal Department of the Ministry of Finance of the Republic of Latvia, Advisor to the Board of "Latvijas pasts", and a member of the Supervisory Board of "Pasažieru vilciens". Extensive experience in drafting legislation, and inter-institutional cooperation, including implementation of EU-funded projects, M&As, and corporate governance. She has been with CleanR Grupa since 2021, also holding the position of Head of Legal.

Responsibilities and competencies in sustainability area

- Corporate governance, compliance and business ethics
- Investor relations
- Due diligence (M&A)
- Responsible supply chain
- Data safety and protection of privacy



Agita Baltbārde

Member of the Management Board

Holds a Bachelor's degree in Communication from Vidzeme University of Applied Sciences. Graduated from Riga Technical University and Buskerud University College in Norway with a Master's degree in Innovation and Business Management. She has furthered her knowledge in strategic communication, circular economy, and sustainability in Cambridge and Yale University programmes. Wealth of experience as a corporate communications and sustainability officer, as well as an investor relations expert at companies of various profiles. Has worked as Head of Communications for national electricity distributor Sadales tīkls and Cēsu alus, Latvia’s largest beer brewery, an advisor to the Minister of Economics of Latvia, as well as Chief Officer for Communication and Investor Relations at Eleving Group, a global financial technology company. Has been with CleanR Grupa since 2022, also holding the position of Chief Officer for Corporate Affairs and Sustainability.

Responsibilities and competencies in sustainability area

- Corporate governance and sustainability reporting
- Stakeholder management
- Environmental education
- Investor relations
- Climate impact, fostering of the circular economy
- Community support – sponsorships and donations



Guntars Levics

Member of the Management Board

Holds a Master's degree in Environmental and Business Management from the University of Latvia. Completed the Professional Board Member Education Programme at Baltic Institute of Corporate Governance (BICG). He is a long-standing member of the Latvian Waste Management Association representing the Latvian waste management industry in FEAD (European Waste Management Association) and is a member of the Climate, Environment and Energy Advisory Board. With more than 20 years of experience in the waste management sector, he has been with CleanR Grupa since its establishment. Supervised major waste management projects such as the largest waste sorting plant in the Baltics and the Group's first plastics recycling plant, both co-financed by EU funds. Also holds positions as a member of the Board of the Group companies CleanR Industry, Vides resursu centrs and Zaļā josta.

Responsibilities and competencies in sustainability area

- Production management and innovation
- Climate impact, environmental and energy efficiency management
- Access to services, safety
- Implementation of circular solutions in services
- Engagement in industry policy-making

CleanR Grupa (holding company) governance

CleanR Grupa operates Latvia's leading and most experienced environmental services companies.

The Group makes sure its governance is carried out according to best practice, including the corporate governance recommendations contained in the Corporate Governance Code approved by the Advisory Board for Corporate Governance at the Ministry of Justice of the Republic of Latvia.

CleanR Grupa's governance model is designed to separate strategic and operative management, ensuring ethical, open, and transparent operations and governance free of a conflict of interest. Board and council members are fully aware of what constitutes a conflict of interest and are informed of the steps to be taken in case of a conflict of interest. The basic principles to prevent a conflict of interest are set out in the Group's Conflict of Interest Prevention Policy.

The basic values of the Group's business conduct and corporate culture are enshrined in the Group's Code of Conduct. The Group pursues the following principles in its operations and deals at all times: openness, integrity, loyalty, fairness, confidentiality, and professionalism.

Corporate governance of the companies belonging to CleanR Grupa is carried out by the boards of the Group's companies. Members of the boards are elected by the shareholders' meeting or council, if such exists, of the respective company.

Board members are elected for a period of up to five years, according to the Commercial Law and the Council's decision. The Group seeks to employ highly qualified managers, specialists in the relevant field and industry to ensure the necessary competencies for good governance, business model, and independent decision-making, while also ensuring diversity at the different management structures of the Group.

Every year, corporate goals are set for the whole Group as well as each subsidiary company, which are in turn incorporated into the individual goals of the board members, according to their responsibility area. Basic remuneration principles of the board have been set out in the Group's Remuneration and Compensation Policy.

Strategy and operating principles, transparency

Those subsidiaries where CleanR Grupa, directly or indirectly, is a majority shareholder and exercises full operational and financial control, are managed by setting common Group policies and processes, as well as by devising and approving common business development strategy. The strategy is worked out by the boards of the Group companies together with the CleanR Grupa Board; it is approved and its implementation supervised by the CleanR Grupa Council.

The stakeholders may access the information on the Group's management team and corporate governance at cleanrgrupa.lv. It contains the

Group's key governance principles, up-to-date group-related documents (policies, codes, etc.), as well as [a whistleblowing channel](#). The Group, regularly and in a timely manner, informs its shareholders, investors, and other stakeholders of the company's operations, financial and non-financial results, governance, and other relevant questions. The homepage also contains the Group's consolidated interim and annual [financial statements](#), as well as the [sustainability reports](#).

Internal controls, risk management and audit

The Group has an independent internal audit unit subject to the CleanR Grupa Council, and its task is to provide independent, unbiased advice and assurance to improve the Group's operations and increase its value. The internal audit helps the Group to achieve its goals by introducing a systematic and disciplined approach to risk management, controls, and corporate governance processes with the aim of assessing and improving its efficiency.

Internal audits are based on the principles described in the Internal Audit Policy and the Annual Audit Plan, which is approved by the Group's Council. The audit reports are regularly submitted to the CleanR Grupa Board and the Council. No less than once a year, the Group's Council is provided with a general overview of the Group's internal controls and risk management system and suggestions for its improvement.

In the reporting year, the Group conducted nine planned audits and two extraordinary audits. The audits reviewed the internal controls of the CleanR Grupa subsidiary companies and facilities. A total of 198 recommendations were prepared to prevent flaws and improve the internal controls.

Identifying and managing risks and opportunities is at the basis of both strategic planning and daily operational processes. It takes place according to the Group's Risk Management Policy to mitigate potential losses or damage to the Group's reputation. Risk management at the Group level is overseen by the Council, while the implementation is ensured by the boards of the Group's companies. The boards appoint a risk owner for a risk or risk type, who is responsible for the efficient implementation of all the planned risk management activities.

External auditor

An external auditor for the Group companies and the Group itself is selected before the end of the current fiscal year by conducting a price survey and via the most economically advantageous tender procedure, evaluating both the price and qualifications of the involved personnel. The external auditor is appointed by the Shareholders' Meeting. The Group has selected SIA Grant Thornton Baltic Audit, license No.183, as the external auditor for the Group's Consolidated Annual Report for 2024.



info@cleanrgrupa.lv

www.cleanrgrupa.lv

